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Towards effective self-help housing delivery: Contributions through network analysis in Nairobi,Kenya and Johannesburg,South Africa

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CHAPTER TWO: NEO-LIBERALISM AND SELF-HELP HOUSING IN KENYA AND SOUTH AFRICA: POLICY, PRACTICE AND THEORY

2.1. Introduction

Most self-help housing policies internationally, have been influenced by neo-liberal policy positions of the World Bank and UN-Habitat and by other international, bilateral and regional development agencies and donors. These organisations simultaneously advance neo-liberal development policies of the West, while dealing with broader humanitarian and governance issues in developing countries. Examples of the organisations are: the European Union (EU); the United States Agency for International Development (USAID) and the United Nations Development Programme (UNDP). There are also a few Africa-based organisations supporting aspects of housing, e.g. the African Development Bank (ADB) and in Southern Africa, the Development Bank of Southern Africa (DBSA).

The World Bank joined housing in a major way in 1972, through their support for site and services and slum upgrading programmes. The UNCHS (Habitat), when it was formed in 1976, became the major housing agency within the UN system. Many researchers concur that these two agencies became the most important drivers of housing policy internationally from the mid 1970s onwards (Harris, 2003: 167). The organisations have influenced housing policies both in Kenya and South Africa. These influences have been direct in Kenya and through voluntary alignment in post-apartheid South Africa. In Kenya, self-help policies remain abstract, with limited relationships with practices on the ground. In post-apartheid South Africa, there have been little attempts to resolve the problems making people unable to build their houses in the cities, in spite of the state's policy and people's own desires to do so. I argue that the situation in both countries can be attributed partly to the contradictions in neo-liberal housing policies, particularly as they relate to self-help.

In spite of theoretical criticisms of state-assisted self-help housing, and the responses thereto, the self-help housing phenomenon persists. From a theoretical perspective this calls for alternative conceptualisation of the phenomenon. It seems that rigorous theoretical engagement with the current manifestation of the phenomena can help

reduce tensions between policy and practice. Analysis of the current state of the self-help housing phenomena in Kenya and South Africa accords us the opportunity to test the extent to which other concepts aside from the mainstream neo-liberal and neo-Marxist critiques could help us understand other dimensions of self-help housing.

The chapter has four other main sections apart from the introduction. The second section discusses the developments of self-help housing internationally and the role of the World Bank and the UN-Habitat in these. The third section discusses self-help housing policies in Kenya and South Africa, highlighting: the neo-liberal policy bases in both countries; the role of the World Bank and UN-Habitat; and the ambiguous space of self-help housing in the two countries. The fourth section reviews some of the key theoretical debates around self-help housing, focusing on the neo-liberal and neo-Marxist positions; and responses to these. The section also engages with the question of the way forward for self-help housing, with particular reference to Kenya and South Africa. The last section is the conclusion.

2.2. Self-help housing policy[1] positions of the World Bank and the UN-Habitat

Harris (2003) observes that self-help in housing had evolved in Europe in an *ad-hoc* manner much earlier than the formal aided self-help policy. It had similarly evolved in Latin America, in the 1930s and 40s and Africa from 1960 onwards. It was already practiced in Puerto Rico, where Abrams (1966; in Harris and Giles, 2003) observed that its' costs were 33% that of public housing. There were projects driven by government in New Delhi and the Philippines by the early 1950s (Harris, 1998). By 1957 West Indies already had an aided self-help policy linked with social development (*ibid.*).

[1] While there is no universally accepted definition of *housing policy* (see Malpass & Murie, 1999; Angel & Keare, 2002) there are established views of what housing policies need to be. Malpass and Murie (1999) highlight these two viewpoints as the static view and the dynamic views. The first is composed of how things are done as a matter of routine, characterized by general rules and conventions governing practice. It reflects established positions on housing issues. This is very relevant in many African countries, where there are no specific policy documents, yet there are entrenched practices in housing. The dynamic view of policy tends to be more prevalent where there is overt action to resolve a housing problem. According to Malpass & Murie (1999) it implies specific actions, relating to a problem defined in a specific way, in pursuit of some objectives. This view of policy implies change, towards some end and also needs a policy process. The policy process includes: problem formulation, planning, execution and evaluation (Malpass & Murie, 1999). It requires regulatory processes too.

In Africa, different dynamics were being seen in urban developments in the 1960s and 1970s. There was sudden growth of spontaneous informal housing, related to relaxation of immigration control into the cities by most post-colonial governments. By 1967, Dar-es-Salaam was 36% informal and by 1972 informality stood at 44%, representing 24% annual growth. By 1979 informality stood at 60% in Dar. By 1967 Lusaka was 27% informal. By 1969 Dakar, Senegal was 30% informal. By 1971 Nairobi was 33% informal (see Stren, 1990). This was also closely linked to growth of the informal sector. Governments could not cope with housing provision. Growth of informal settlements was symptomatic of the failure of the formal planning systems and development control. In that context, aided self-help policy began to be promoted by donor agencies. Stren (1990) observed that its adaptation overlapped with public housing, and resulted in relaxation of planning standards (in principle). It was also characterised by site and service projects; with the state either providing core housing and/or access to finance so that individuals could construct own housing units.

The major drivers of self-help housing policy internationally, as already alluded to in the introduction, were the World Bank and the UN-Habitat. I discuss their policy positions next.

2.2.1. From sites and services to enablement: macro-economic orthodoxy in the World Bank's[2] approaches to housing

The World Bank entered into aided self-help through support for site and services and slum upgrading projects from around 1972 (Pugh, 1995; 1997). This was a victory for Turner and Mangin who were advocating for aided self-help housing based on their experiences in Peru (see Mathey, 1992). The central characteristics of the World Bank approach for self-help housing were: cost recovery, affordability and replicability (Pugh, 1995). The Bank favoured state assisted self-help, with individual tenure and targeted subsidies. Between 1972 and 1981, the World Bank spent 187.5 million pounds on state assisted self-help in East and West Africa (Stren, 1990). Examples of these were: loans to Senegal for site and services schemes in 1975; site and services loan to Kenya in 1975; site and service and slum upgrading loans to Tanzania in

[2] The International Bank for Reconstruction and Development (IBRD), commonly known as the World Bank, was founded from the UN Monetary and Financial Conference, commonly known as Breton Woods Conference, in 1944, led by the U.S. and Britain. It started operations in 1946, with a focus on post war reconstruction of Western Europe (see Encyclopaedia Britannica: http://www.britannica.com).

1975; slum upgrading loans to Zambia in 1975 and slum upgrading loans to Ivory Coast in 1977 (Stren, 1990). The loans were linked to the Bank-initiated reforms in these countries. The Bank left aided self-help in 1982 after a review of their programmes (Pugh, 1995: 36). By this time it had spent some US$ 211 million on 116 projects in 55 countries on site and services and slum upgrading. Slum upgrading was generally more successful than site and services as it was better targeted to the poor (Stren, 1990). Table 2.1 shows the major policy shifts in the Bank's housing policy positions.

Table 2.1. Outline of the World Bank approach to housing policy based on Pugh 1995

Political economy/duration	**Policy foci**	**Key elements of policy**
1960s	World Bank not involved in housing	Influence on World Bank experts, by Turner and Mangin, and other self-help protagonists
1970s	World Bank enters housing through site and service and slum upgrading	World Bank Phase 1: Affordability, cost recovery and replicability
Neo-liberalism: Early 1980s: Macro-economic orthodoxy	Economic stabilisation and adjustment Structural Adjustment Programmes (with IMF)	World Bank Phase 2: Housing finance systems & Macro-economy
1990s New Political Economy	Urban Sector Review with a focus on Sub-Saharan Africa	World Bank Phase 3: Urban Housing Sector Development

There was a shift in the 1980s driven by the World Bank and the International Monetary Fund (IMF) away from housing *per se* to broader Macro-Economic Reforms and Structural Adjustment Programmes (see Harris, 1998; 2003; Harris and Giles, 2003; Pugh 1990; 2001; Huchzermeyer, 2004a: 30-33). The World Bank at the same time developed another policy of Redistribution with Growth and the Basic Needs. This was on the basis of the realisation that poverty was increasing, as requirements for shelter and basic needs were not being met by many states in developing countries (Pugh, 1995). The basic needs approach was supported by a policy document published by the Bank (World Bank, 1980): *Shelter, Poverty and Basic Needs.*

In the 1990s, the Bank developed a dual focus on: urban productivity and poverty. The Bank's *World Development Report: Poverty* (World Bank, 1990) indicated that at least 1 billion people around the world suffered massive poverty. This was echoed a year later in the *World Bank Report on Urban Policy and Economic Development* (World Bank, 1991). It focused on whole sector development, with broad macro-economic concerns. One issue that was consistent in the Bank's position was the assumption that 'housing poverty' could be dealt with adequately through engagement with 'income poverty', a relationship that is questionable. However, the Bank's position that poverty undermines development has been largely correct.

In 1993 the Bank developed another policy document, *Enabling Markets to Work.* The paradigm of enablement by the Bank mainly refers to the functioning of the market, as opposed to that of the UN-Habitat of enabling communities realise their housing needs (Smith, 1999). At this time the Bank also advocated for 'public/private partnerships' for development programmes.

Currently, the World Bank supports housing through the urban policy environment rather than housing policy *per se*. The bank's focus has sifted to various urban concerns, in particular governance and new institutional economics, which have a bearing on housing. The Bank's economic orthodoxy focuses on broader urban reforms. Most criticisms, in published literature, which are levied against the Bank's approach, are directed at its macro-economic orthodoxy (Pugh, 1995: 40). The Bank's macro-economic policy position is reflected in such recommendations as: reduction of balance of payment deficits; reduction of public expenditure; increased economic growth; integration of national economies into international markets and reforming of the relationship between the state and the market. The role of state is seen as that of enabling the aforementioned issues to happen through: securing of private property rights; deregulation of markets; ensuring macro economic stability; development of capital financial markets and development of policies to enable the private sector and the NGOs to take part in development. The broader aim of this orthodoxy is to increase economic growth and reduce poverty. Other measures expected of national governments are to invest in human capital, ensure market competition, deregulate interest rates, curb growth of public expenditure, cut infrastructure spending, and to

take direct production roles from the sate to the private and the not for profit sectors (Pugh, 1995; Stren 1990).

While the measures outlined above may be necessary in specific instances, there are issues that they tend to ignore. Sometimes off-budget factors, such as indirect subsidies and market distortions, may have bigger impacts on the economy than on budget factors that the World Bank focuses on (Pugh, 1995). Structural adjustment programmes had social costs and in many instances resulted in intensification of income and housing poverty, as civil servants lost jobs en-mass (*ibid.*). As Gilbert (2002: 1914) observes, '*today, even Washington accepts that the conditions given to borrowers were sometimes misguided'*. Macro-economic reforms are important but not sufficient. Other factors like skills development are important for the creation of functional economies. Housing poverty intensifies when: incomes are reduced; housing costs and interest rates increased; service and infrastructure provision undermined and capital installation programmes cut back (Pugh 1995: 38). The World Bank programmes tended to be overly prescriptive, limiting the ability of developing countries to take charge and creatively search for solutions to their housing problems. As Stitglitz, (1999: 11 in Gilbert, 2002: 1914) puts it:

> 'Washington officials were often arrogant, legitimated in their expertise, prestige, and privileges by the 'universality' of their messages (and therefore) disinclined to recognise limitations or subtleties in the local applicability of their expertise'.

The successes of the Bank's programmes are mixed. In Costa Rica Structural Adjustment Programmes (SAP) resulted in increase in housing costs in all the major cities (Pugh, 1990). In Kenya, an agreement with the World Bank in 1983 resulted in reduction of public sector expenditure adversely affecting investment in housing, infrastructure and land, directly resulting in intensification of poverty (Pugh, 1995: 45). Brazil borrowed from the IMF and World Bank between 1983 and 1990 at a time of high inflation, high interest rates and economic recession (Pugh, 1995: 47). This resulted in collapse of the financial markets for housing (*ibid.*, 47- 49). Mexico also borrowed from the World Bank and IMF between 1983 and 1991 (*ibid.*, 50 - 54). The reforms initiated resulted in falling standards of living, subletting and growth of squatter settlements. But when the Mexican Solidarity Party started its own creative

reforms, expanding self-help housing programmes, it achieved relative success (*ibid.:* 50 -54). The shifts in World Bank's policies seem to have 'exonerated' many governments from their responsibility of really enabling access to housing for their citizenry.

2.2.2. Pragmatism, under neo-liberalism: UN-Habitat and self-help housing policy

The UN-Habitat was formed during Habitat 1, through the Vancouver Declaration in 1976, as a specialist organisation within the United Nations (UN). The Conference is also often referred to as the 'Aided Self-help Conference'. The UN[3]'s approach, at that time, was very close that of the World Bank, both endorsed state support for self-help on a case-by-case basis. UN-Habitat advocated for recognition of the informal sector. It supported slum upgrading and site and services and advocated for subsidies for land and housing (Smith, 1999; Harris, 2003). The UN-Habitat later developed more nuances to their positions, as reflected in Table 2.2 below.

Table 2.2. An outline of UN-Habitat policy shifts

Phase	Diverse, sometimes contradictory policies
1945 – 1960s	1954, Abrams: *in situ* improvement + incremental construction. (Shortage due to neglect) No recommendations made by the UN. ILO 1953: public housing acceptable in principle, but not in cost; Favoured self-help
1960s –1970s	UN-associated individual experts favoured Sites +Services, but had little impact on policy
1972 – 1980s	Vancouver declaration (Habitat1, 1976) – Aided self-help UNICEF: Advocates for urban basic services
1980s – late 1990s	Enabling Approach: Action by people; community participation; land assembly, housing finance, capacity building
1990 onwards	Sustainable Development

A major shift in the UN-Habitat policies was in the 1980s from support of self-help projects to the 'enablement paradigm'. This was the same time that the World Bank

[3] The UN was formed in 1945 led by Britain and the U.S. to replace the League of Nations. It was to deal with international security, through establishment international peace keeping, or repellation of aggressors (http://www.spartacus.schoolnet.co.uk/USAun.htm). It has since developed several specialist organs, e.g. United Nations Human Settlements Programme (UN-Habitat) that engages with human settlements.

was shifting from support of sites and services and slum upgrading projects to market enablement (see for example Egurden, 2000). In the UN-Habitat, the actual policy shift happened after a meeting at the University College London, in 1987, at which support was declared by the delegates for 'locally determined, self-organised and self-managed settlement programmes' (UNCHS, 1987: 195; Smith, 1999). The orthodoxy shifted from that of 'provider' to 'support'. The support paradigm was not new, having been advocated for by the Dutch Architect, Habraken, in 1961 and by Turner in 1986 (Smith, 1999). The former considered 'support' in physical terms and the latter considered them as institutional levers. The UN-Habitat's enablement paradigm was different from that of the World Bank in some aspects. The former focused on enablement of communities (see Smith, 1999) while the latter on enabling housing markets (see Pugh, 1995). However, both bodies' policy positions remained broadly neo-liberal, emphasising a role for the market. The approaches the UN-Habitat proposed for enablement were: securing an enabling framework for action by the people, the private sector and the market; enablement of public-private partnerships; community participation; state provision for land, state/market provision of housing finance, end user finance through savings and capacity building (Smith, 1999).

Egurden (2000) explains how the different UN-Habitat policy shifts culminated, in the late 1990s, in *Sustainable Urban Development.* This paradigm focused on holistic planning to balance efficiency, equity and sustainability. The policy position was consolidated in the Habitat II Conference in Turkey, in 1996. The theme of Habitat II was: 'Adequate Shelter for All and Sustainable Human Development' (UNCHS-1996c). This position was a consolidation of two earlier documents: *Global Strategy for Shelter* (UNCHS-Habitat, 1992) and *Sustainable Human Settlements Development: Implementing Agenda 21* (UNCHS-Habitat, 1994). Habitat II generated two more policy documents: *The Habitat Agenda: Adequate Shelter for All and Sustainable Human Settlements* (UNCHS-Habitat, 1996c) and *An Urbanising World: Global Report on Human Settlements* (UNCHS-Habitat, 1996a). The Istanbul commitments were renewed, with more focus on cities, five years later in New York's *Review of Habitat Agenda and Strategies.* The policy documents resulting from these were: *Cities in a Globalising World: Global Report on Human Settlements* (UNCHS-Habitat, 2001) and *the Challenge of Slums: Global Report on Human Settlements*

(UN-Habitat, 2003). Broader sustainability issues have also been the focus of the First and the Second Earth Summits, in Rio in 1992 and in Johannesburg in 2002.

One does not fail to notice emphasis on 'markets', 'public/private partnerships', 'housing finance', 'efficiency' and other neo-liberal concepts in UN-Habitat's policy language. The point I make here is that the UN-Habitat's policy bases, like those of the World Bank, are neo-liberal. The Bank's policies are more entrenched in macro-economic orthodoxy. UN-Habitat policies on the other hand encompass other concepts, relating to roles of communities, environmental issues, self-management, equity, participation, partnerships, etc., all within a neo-liberal framework. Table 2.3 shows some generic differences between the UN-Habitat and World Bank's housing policies.

Table 2.3. Comparison of UN-Habitat and World Bank housing policies
(After Smith, 1999:26)

	UN-Habitat (focus on community development)	World Bank (market and macro issues)
Prime Purpose	State measures to enable community self-help (locally determined, organised + self-managed)	- Reform state structures to enable markets work. - Move away from project based engagement.
Instruments	- No master plans. - Organisation restructuring. - Local access to basic resources. - Change rules + regulations. - Community participation.	- Demand side (property rights + mortgage; rationalise subsidies). - Supply side (infrastructure + land; regulations + organise building industry). - Management of housing sector.
Basis	- The poor have done more than government. - More than sites + services, + upgrading needed. - Resource constraints limit governments' action.	- Informal sector has a role. - Housing sector + economy determine project success. - Typical projects: too small. - Government diverted from regulatory + institutional reforms to projects. - Variety of approaches to lending - Focus lending to the poor to continue.

2.2.3. Other influential international and bilateral development agencies involved in self-help housing

There have also been other donors and agencies who have supported various aspects of housing internationally, apart from the UN-Habitat and the World Bank. These include: the United States Agency for International Development (USAID), United Nations Development Programme (UNDP); the European Union (EU) and the Commonwealth Development Corporation, the German Technical Corporation (GTZ), etc. Harris and Giles (2003) have done an audit of some of the organisations that influenced self-help housing policy internationally between 1945 and 1973.

In the UK, the position that seems to have been taken with regard to low income housing in the 1950s was informed by the European Economic Commission's position, which favoured industrial solution to the housing problem in developing countries (Harris and Giles, 2003). This contrasted sharply with the positions taken then by the USA agencies, which generally favoured interventions in housing finance (*ibid*). In the earlier years the UK position was advanced by the Commonwealth (Colonial) Development Corporation. CDC was established in 1947 to deal with lack of economic self-sufficiency in the British colonies and also to hedge dollar-based dependence on supplies from the USA (Cowen, 1984). Working mainly through the British Colonial Office, CDC was the major UK driver of self-help housing between 1945 – 1973 (Harris and Giles, 2003). In Kenya CDC funded a number of housing projects, the largest being the Third Urban Project, which delivered 25 000 serviced sites and squatter settlements upgrading schemes in the towns of Eldoret, Nakuru, Kitale, Nyeri and Thika. This project was completed in 1983. This project was co-funded by the World Bank (Syagga, Mitullah and Karirah-Gitau, 2001: 90). Other UK agencies involved in housing, e.g. The Department for International Development (DfID) have been emphasising such concepts as sustainable livelihoods and poverty reduction along the lines advanced by the UN agencies (see for example: DFID, 2000; Moser and Norton, 2000; Norton and Forster, 2001).

Harris and Giles (2003) note that in USA organisations that advocated for self-help housing earlier (1945-1973) included Housing and Home Finance Agency (HHFA), and the private sector-based Ford Foundation. They mainly offered technical expertise

and finance for low income housing to developing countries, along the official US state policies. Their positions later developed into more elaborate policy for support of self-help housing, which were adopted by the Inter American Development Bank (IADB) and United States Agency for International Development (USAID) (Harris and Giles, 2003: 179). The HHFA's initial position, which was very supportive of self-help housing, was shaped by Jacob Crane, before his retirement in 1954 (Harris and Giles, 2003). HHFA's position on housing in developing countries, particularly during President JF Kennedy's administration in the early 1960s, interpreted the housing problem in developing countries mainly as that of lack of appropriate finance to support self-build initiatives (Harris and Giles, 2003: 179). During this time in the USA 'emphasis was being laid on promotion of savings and mortgages by whatever means' (*ibid*). The US supported owner building linked with savings and development of savings institutions (*ibid*). This became the policy of USAID, which started providing seed money to lending institutions in developing countries.

In Kenya USAID co-funded the Umoja I & II in the 1970s and early 1980s, together with the World Bank (Syagga, *et al.* 2001: 18; Syagga and Kiamba, 1992). In Umoja I, development in Nairobi, USAID financed 2 400 units, which were completed in 1976 (Syagga and Kiamba, 1992:86). Umoja II consisted of 4,406 units, with shared communal facilities. It was started in 1985 with loans from USAID (Syagga and Kiamba, 1992). USAID also funded 2 700 low cost housing units and municipal improvement programmes in 15 other urban centres in Kenya (Syagga and Kiamba, 1992: 86). Later USAID changed its policy to be aligned with that of the World Bank, which supported broader enablement of development with an urban focus. In 1993, for example, USAID, through their regional office: Regional Economic Development Services Office for East and Southern Africa (USAID/REDSO-ESA) funded an extensive database for slums and informal settlements in Nairobi (Matrix Consultants, 1993).

Within the United Nations (UN) system, housing, generally and various aspects of self-help housing have been supported by various agencies apart from the UN-Habitat. In the period between 1945 and 1973, Harris and Giles (2003) mention the International Labour Organisation (ILO) and the United Nation Development Programme (UNDP) as the UN associated bodies that were involved in housing. ILO

has always supportive of self-help housing from the late 1940s. Harris and Giles (2003: 177) show that there was an ILO centred grouping which brought together ILO, United Nations Education, Scientific and Cultural Organisation (UNESCO) and the World Health Organisation (WHO) under the coordination of Ernest Wiessman in the 1950s. It is this grouping that identified self-help housing as a priority. Most of the projects developed at this time involved collaboration of various UN agencies (Harris and Giles, 2003: 177). Generally the UN-System is seen to be sympathetic to self-help housing as reflected in the task force comprising the UN-Habitat, UNDP, USAID and Department of Housing (South Africa), which undertook the development of the People's Housing Process programme in South Africa from the late 1990s. The partnership provided funding and personnel (see also Huchzermeyer, 2001a: 322). Generally UNDP has focused on issues of urban governance and sustainability, along the lines taken by the UN-Habitat as discussed earlier.

This section is to show that in spite of the dominance of the World Bank and UN-Habitat on various aspects of self-help housing; they have not been the only players amongst the international development agencies. Indeed there have been many other international development agencies, which have promoted this genre of housing before and after the entry of the UN-Habitat and the World Bank into self-help housing.

2.3. Reflecting on World Bank, UN and international donor agencies' influences on self-help housing policies in Kenya and South Africa

In Kenya housing policy generally, and self-help housing policy in particular, has developed on the basis of international development agencies' support to government, closely linked with the broader agenda of the World Bank and UN-Habitat. In South Africa, the development agencies were interested in the housing policy evolution, right from 1994, when the UN-Habitat and UNDP seconded Lalith Lankatilleke, a Sri Lankan housing expert to the Department of Housing to help develop a self-help component for the South African housing policy (Bay Research Consultants, 2003). Their influence was limited. However, most tensions in the policy frameworks in South Africa, with those of the development agencies, particularly the World Bank,

are only superficial. The overall policy frameworks still favour market delivery, in line with the Bank's enablement paradigm.

In this section, I will argue that the internationally informed self-help housing policies in Kenya and South Africa are problematic. In Kenya, there is what one could refer to as policy abstractionism. There is little relationship between the policies on paper and the widely unregulated and unassisted self-help housing practices, producing most of the housing in the cities. In South Africa, self-help policy on paper is difficult to translate into practice because of several structural constraints and bureaucratic impediments that are not acknowledged, ranging from legislation, through regulatory factors, to such issues as the state's planning, budgetary and expenditure cycles. Therefore in Kenya the question would be: who is building the cities and how? While in South Africa, the question I would like to pose is why aren't more of the poor building permanent structures for themselves, in the cities, in spite of their desire and that of the state that they do so?

2.3.1. Neo-liberalism and housing policy in South Africa

In apartheid South Africa, housing was linked with reproduction along racial lines, resulting in black townships, homelands and white suburbs. Wilkinson (1998) gives a detailed account of the instruments that were used to achieve segregated developments, including: the Native Urban Areas Act of 1923; Native Bill of 1936; transfer of African housing to Department of Native Affairs; Group Areas Act 41 of 1950; Prevention of Illegal Squatting Act 52 of 1951 and Trespass Act of 1959. Later tools for maintaining segregation in reproduction were: the Orderly Movement and Settlement of Black Persons Bill of 1982 and establishment of Black Local Authorities in homelands to help relocate Africans from white areas (Wilkinson 1998: 220).

In the apartheid period, tension created by the need for housing to help reproduction of black Africans' labour in urban areas, was responded to by offering controlled accommodation that would guarantee shelter, yet discourage permanence and family settlement in the cities, e.g. single sex hostels, transit camps and single-room rooftop accommodation for domestic workers (Huchzermeyer, 2002a: 96,98,99). The Central

Housing Board (established in 1920), the National Housing and Planning Commission, of 1944, and the Emergency Native Housing Scheme, of 1948, were some of the early initiatives to achieve this goal. Others included: controlled squatting and planned native townships around 1951. The Native Building Workers Act, Native Services Levy Act in 1952 and later the National Building Research Institute (NBRI) were initiatives meant to finance and mass produce this type of housing (Wilkinson 1998: 219). The 1968's Department of Native Affairs order for cessation of family type housing for Africans in urban townships, was a measure to ensure control of African population in the cities (Wilkinson, 1998: 221). Apartheid housing in South Africa was supply driven. This housing was needed mainly to help keep the 'reproduction of labour power' low (see Bond, 2000: 122, 123). It was also seen as means to pacify the African populations in the cities. These are expressed in the words of South Africa's 'lead capitalist politician' in 1988:

> 'When people are housed – more especially when they are home owners – they are not only less likely to be troublesome, they are also likely to feel they have a stake in the society and an interest in its stability' (Bond, 2000: 128).

The previous two paragraphs sum up the way the apartheid government resolved production and reproduction labour in South Africa through state housing. It serves as a background for engagement with the post-apartheid housing policy. The major housing policy developments in post-apartheid South Africa are enshrined in many different policy documents[4]. Housing development is supported through eight state housing subsidy programmes, namely: individuals; project linked; consolidation; institutional; relocation assistance; discount benefit; rural subsidies and People's Housing Process (Department of Housing, 2005). Currently, some of the problems of implementing the programmes in the last decade are being addressed through the strategy: *'Breaking New Ground:* A *comprehensive plan for the development of sustainable human settlements'* (Department of Housing, 2004).

[4] The 1994 White Paper on Housing titled: *A New Housing Policy for South Africa* was the first major policy discussion leading to post-apartheid housing policy. The Constitution of the Republic of South Africa, Act 108, 1996, in Chapter 26 entrenched the right of access to housing. The Housing Act 107 of 1997 is the current official housing policy for South Africa. There are also legislation and regulations that have been used to help implement the post-apartheid housing policy, e.g. the Prevention of Illegal Occupation of and Unlawful Evictions From Land Act, number 19 of 1998; Rental Housing Act number 50 of 1999; Urban Development Framework of 1997; HIV/AIDS Housing Framework; Social Housing Policy of South Africa; National Housing Programmes for Assistance in Emergency Circumstances; the National Housing Code; etc (Department of Housing, 2005).

The first post-apartheid policy framework, Reconstruction and Development Programme (RDP) was the political manifesto that provided the overarching policy framework for subsequent development of wide ranging socio-economic policies. A number of principles in the RDP found their way into the South African Constitution which was promulgated in 1996. The RDP was meant to redress the wrongs of the past, namely, spatially and racially divided city. In the RDP policy, housing was regarded as a basic need (Huchzermeyer, 2001: 305). RDP defined the basic housing unit as being composed of an adequate living space and privacy. It considered housing as a right.

The RDP principles were to some extent reflected in the Housing White Paper, which was published in the same year, 1994. The White Paper recognised the need for social and economic integration; a permanent structure, secure tenure; and adequate services as fundamentals in the definition of the basic housing unit (Department of Housing, 1994: 12). The instrument that was used to realise these objectives was the once-off project-linked capital subsidy for home-ownership of a serviced plot with starter house, which tended to reinforce apartheid geography due to the location, scale and uniformity of the developments. The main divergence from RDP was that the latter took a rights/needs-based non-commodified approach to housing, not emphasising ownership or participation in the market.

The RDP was replaced by the neo-liberal macro-economic policy, Growth, Employment and Redistribution (GEAR) framework, in 1996. GEAR shifted the focus from issues of equity to redistribution through the market. GEAR has been described by McDonald (2002: 300; see also Baumann, 2003: 93) as 'a fiscally conservative macro-economic policy, including conservative fiscal and monetary policy framework brought in by the ANC without consultation'. Khan (2003: 78) writes that South African housing policy is considered a core component of its macro-economic policy, with an intention of helping unlock markets through 'institutional and sectoral reforms', with a view to attaining high rates of economic growth. This is likely to clash with housing expenditure that focuses on basic needs (Baumann, 2003: 93). The first post-apartheid Housing Director General, Billy Cobett is quoted in Pottie (2003: 135) as saying that the major challenge was 'the introduction of fierce,

vigorous and open competition in the South African (low-income) housing market'. Bond (2000: 122) argues that part of the reason why housing has delivered slowest compared to any other area of social policy was because 'neo-liberal assumptions and housing delivery mechanisms were adopted during a carefully managed transition process'. He puts the problem of post-apartheid housing policy quite passionately:

> 'The profound failure of transition politics in the housing field can mainly be traced to very hard ideological positions taken by late apartheid state agencies and liberal capitalists, exacerbated by inadequate and inconsistent ANC staff attention, and cemented through the coerced harmony' of the kind of bogus social contract…there was bizarre consensus in place…which recognised all the players – no matter their track records, their intentions, or their relation to the democratic forces – as equal and viable, credible and necessary components of the grand pact' (Bond 2000: 125).

The forums for development of post-apartheid housing policy were dominated by hard-core neo-liberalists. In 1990, the De Loors Task Force was set up to develop 'The National Housing Policy and Strategy'. This led to the National Housing Forum, in 1992, which inherited members of the existing initiatives, e.g. the Independent Development Trust (IDT) and the Urban Foundation (UF)[5] (Wilkinson 1998: 223; Bond, 2000: 134; Jenkins, 1999: 433-434; Tomlinson, 1999: 284; Huchzermeyer, 2001c: 73; Gilbert, 2002: 1916, etc). Thus the housing policy became a product of discussions dominated by the private sector, through strong representation from the Urban Foundation and the Independent Development Trust (IDT) (Huchzermeyer, 2002a: 96; 2001c: 73). Urban Foundation strategies had been inspired by World Bank policies (see Bond, 2000: 129; Huchzermeyer, 2001c: 73). It has been described as a 'storm trooper for neo-liberal policy from the late 1980 until its closure in 1995' (Bond, 2000: 125, 126 in Gilbert, 2002: 1916). It re-emerged as the National Business Forum, after 1995 to continue influencing policy (see Coller, 1995, in Huchzermeyer, 2001a: 312).

[5] Urban Foundation, was a private sector think tank, formed in 1976, and mandated in the last days of the apartheid government to help develop a stable home owning African population in the cities. The Independent Development Trust (IDT) was established in 1990 to supply sites and services in the context of the rent revolts in cities in South Africa (see Huchzermeyer, 2001c).

Huchzermeyer (2001c: 73) observes that one difference between the positions of the UF and the World Bank was on finance. The latter preferred cost recovery from the beneficiaries, while the former preferred cost recovery from the government's coffers. The National Department of Housing seemed to have depended to a large extent on conservative consultants from the National Housing Forum and Development Bank of South Africa (Bond, 2000: 138; see also Huchzermeyer, 2001a: 309). The Central Organisation of the South African Trade Unions (COSATU) was cynical of this 'state-assisted and market driven' housing policy, preferring instead a direct state intervention (Pottie, 2003: 135). However, the positions of organised labour and grassroots organisations, that looked at housing as basic need, did not influence the policy much (Huchzermeyer, 2001a: 307,310). According to Sandi Mgidlana of SANCO (see Nell, *et al.* 1995:64 in Pottie, 2003: 131):

> 'I don't think enough support was given to civil society to participate [in the forums]. I know how as SANCO we battled to participate – not only because of lack of experience but also because of lack of resources. You could never compare with the budget of the financial institutions. They could afford to prepare positions on their own. But the communities were struggling'.

As a consequence of the foregoing, the post-apartheid housing policy benefited the market, un-proportionally. The RDP principles, which favoured community development and housing as a right were ignored in favour of market oriented approaches (see Bond, 2000: 145). Bond and Tait (1997: 24, 25; see also Jenkins, 1999: 435; Jones and Datta, 2000: 410) listed at least four obvious initiatives where the housing policy directly served the interests of the private sector:

- Establishment of Mortgage Indemnity Fund (October, 1994) indemnified banks of any non-payment of the new housing bonds;
- Establishment of Servcon, a joint venture between the government and the banks, in 1994 to right size households to property they could afford;
- Development of the National Housing Finance Corporation, in 1996, to lend wholesale to retail banks for onward lending to the low-income; and
- Establishment of the National Urban Reconstruction and Housing Agency (NURCHA) to guarantee bank-originated bridging finance for developers.

The result has been the emphasis of the contractor driven capital subsidy housing scheme, linked with individual ownership, which had accounted for 87% of the total state housing delivery by 2002, in spite of existence of seven other subsidy instruments (Huchzermeyer, 2001b: 5; Huchzermeyer, 2002a: 95; see also Huchzermeyer, 2001a: 312; Bauman, 2003: 91). This in effect is what Bond (2000: 145, 146) considers as transfer of public resources to the private sector, benefiting financiers and developers at the expense of social housing and other community-oriented programmes. However, Bond and Tait (1997: 27) argued that market centred policy had many failures, e.g. inequitable allocation of state resources amongst different income groups; low rate of housing delivery; destruction of existing housing construction capacity; disempowerment of communities; reluctance of private sector developers; failure of the Mortgage Indemnity Fund and Servcon; demise of humane levels of service provision and reproduction of apartheid geography. According to them, this failure could have been avoided by reverting to the RDP principles (Bond and Tait, 1997: 19, 20).

The state is beginning to respond to the failures of the contractor supplied, individual capital subsidy, accounting for most of the 1.6 million 'housing opportunities' costing R29.5 billion (Department of Housing, 2004: 4). There is an increased interest in slum upgrading, medium density housing, social housing, the People's Housing Process, in '*Breaking New Ground'* (Department of Housing, 2004). The new housing vision remains broadly neo-liberal, with mechanisms that perpetuate advantages the private sector has been enjoying in the last 10 years of the policy. It talks of 'accelerating the delivery of housing…' without increasing the capacity of local authorities to deliver them. It recommends that 'property can be accessed by all as an asset for wealth creation…' in spite of cost of ownership for the poor and need for rental. It recommends that housing 'leverages growth in the economy…' in spite of shelter being a basic need. Further, it supports 'functioning of the entire single residential property market to reduce the duality within the sector by breaking barriers between the first economy residential property boom and the second economy slump'…. without any mechanism that would prevent loss of assets by the poor (Department of Housing, 2004: 7). Ironically '*Breaking New Ground'* intends to move 'away from the current commodified focus of housing delivery towards more responsive mechanisms which address the multi-dimensional needs of sustainable human settlements'. The

goals of *'Breaking New Ground'* as are clearly based on increased commodification of low-income housing, thus suggestion that its core objective is decommodification is a fundamental contradiction in the policy. This tension in South African housing policy has always been there. In the words of Khan (2003: 78) the earlier policy was 'a curious admixture of enablement and high "statism" of the earlier generation of housing policies'. In addition, some of the issues that are making other policy instruments unpopular, e.g. rental legislation, financial and administrative costs in the sector (see Tomlinson, 1999: 286) and the conflict in state's budgeting and spending cycles with the long drawn people's housing processes do not seem to have been addressed in *'Breaking New Ground'*.

2.3.2. The space for self-help in South African housing policy

After looking at the influence of neo-liberalism in post-apartheid South African housing policy, I now shift to the question: what has been the space of self-help housing in South Africa? On paper, the whole of South Africa's housing policy was intended to be state-assisted self-help, or 'progressive housing' as the first post-apartheid Minister for Housing, Joe Slovo referred to it (Tomlinson, 1999: 286; see also Wilkinson, 1998: 224). Even such pre-1994 agencies as the South African Housing Trust, established in 1987, and the Independent Development Trust, both engaged in self-help housing through sites and services scheme (see Gilbert, 2002: 1916; Wilkinson, 1998; Tomlinson, 1999: 284; Huchzermeyer, 2002a, b). IDT for example, supplied 100 000 serviced sites between 1991-1994 (Huchzermeyer, 2001b: 4; Gilbert 2002: 1916; Wilkinson, 1999: 284; Tomlinson, 1999: 284). They allocated a once-off capital grant of R 7 500 (US$ 1190.00) per site and people were meant to build their houses 'incrementally' (Pottie, 2003: 127).

The contempt for this approach from politicians and the public is captured in the term: 'toilets-in-the-veldt' (Business Day, 21st July 1995, in Bond and Tait (1997:19) or even worse, 'I Do Toilets' (Bond 2000: 129). Bond, *et al.* (1996, in Tomlison, 1999: 285) observed that it was not clear in the post-apartheid housing policy, whether houses were to be provided or not, yet the ANC went ahead to describe a minimum house (not a serviced site). Further the ANC defined a once-off capital subsidy, closing debate on the issue (Tomlison, 1999: 285). In reality, the 'minimum house'

has been interpreted as the 'complete house' and the policy has not facilitated much self-help housing (see Huchzermeyer, 2001a: 306, 307).

Napier (1998: 414) argues that even when the self-help route is offered 'many residents do not have the time or inclination to take it'. This is not surprising given the diatribe of the Gauteng Premier in 1994, Tokyo Sexwale, and the then Minister of Housing, Joe Slovo on the space of incremental housing. Sexwale was quoted as saying:

> 'We shall not be party to any scheme or plan whose eventual outcome…is to create serviced informal settlements in the name of housing. People deserve to live in proper low-cost houses. A full plan of action will be presented to the cabinet within the next two weeks' (The Star 20th May 1994 in Pottie, 2003: 133).

Thus forces within the ANC rejected serviced sites and incremental housing, even though this remained in the White Paper. Joe Slovo's successor, Mthembi-Mahanyele was on record for having said that '…I was not comfortable with the concept (incremental housing)' (Sunday Times, 16th July 1995 in Pottie, 2003: 133). This has been re-enforced through focus on annual delivery rate and lack of appropriate credit, which work against incremental housing efforts (see Bond and Tait, 1997, 22, 23). Even the capital subsidy options ignored qualitative issues that come with owner interventions.

Participation, which was initially required in the contractor driven approach, was later dropped as it slowed delivery (Jenkins, 1999: 438). According to Pottie (2003: 129) participation was premised on *in situ* upgrading. However, rollover upgrading with no space for self-help has been the dominant way of dealing with informal settlements (Huchzermeyer, 2001a: 324). Consolidation subsidy and the People's Housing Process are the only formal self-help housing instruments in the policy (see for example Jenkins, 1999: 435). However these have not delivered much, with the latter accounting for less than 3% of the total housing produced by 2003 (Bay Research and Consultancy Services, 2003). Napier (2003: 331-351) considered the way formal housing delivery is structured in South Africa as the major obstacle to self-help housing. While the new housing strategy puts in place some instruments that could be beneficial to self-help housing, e.g. development of sustainable human settlements,

promotion of densification, urban renewal, informal settlements upgrading, area wide upgrading, *in situ* upgrading, communal security of tenure, increase in use of PHP - including redefinition, new funding mechanism and institutional building (Department of Housing, 2004: 12, 17 & 18), there are fundamental tensions that need to be ironed out, as discussed earlier, for these to succeed.

2.3.3. The hidden hand of the World Bank and the UN-Habitat in South African housing policy

Lastly, I explore the roles of the World Bank and the UN-Habitat in South African housing policy. South African housing policy is in line with many principles of the World Bank on housing. The neo-liberal roots of the policy in South Africa (see Bond, 2000: 125-127) do not seem to contradict the market enablement paradigm favoured by the World Bank, (Jenkins, 1999: 435; see also Huchzermeyer, 2001c: 73,74) although according to Bond there was distance between the positions of the Bank and the government (Bond, 2000: 126). Jones and Datta (2000: 395) observe that World Bank housing policy documents were widely circulated in the National Housing Forum and argue that while there could have been conflicts in many other areas of policy, when it came to the area of housing, the Bank was 'talking to the converted'. Jones and Datta (2000: 410) argue that the post-apartheid housing policy responded very well to the World Bank's 'do's' but avoided majority of the 'don'ts'. One area where the don'ts were avoided was in cost-recovery (see also Huchzermeyer, 2001c). Jones and Datta (2000: 411) observe that the People's Housing Process and rental housing, which were not favoured by the Bank were necessary to respond both to demand and to poverty. Huchzermeyer (2004: 30,31) suggests that South Africa, having been denied the World Bank loans in the 1980s, could adopt the latter's policies selectively. But Bond is of the opinion that apart from the South African capitalists' interest in housing, the other major barrier to progress on answering the housing question were the international neo-liberalists, 'led in many respects by World Bank' (Bond, 2000: 155, see also Gilbert, 2002: 1927). He says:

> 'The damage was done in the ideological spheres, where Bank staff were prolific in their support for essentially status quo arrangements even where clear, redistributive alternatives had been mandated by the Democratic Movement' through the RDP (Bond, 2000: 155).

Bond and Tait (1997: 20) observe that the Ministerial Task Team of October 1996 emphasised the need for the state to gradually withdraw entirely from housing provision, a position similar to that of the Bank.

The influence of the UN-Habitat was more direct, but less effective. In 1994, the organisation seconded Lalith Lankatilleke, to the Department of Housing to help in policy formulation. He was later to be head the People's Housing Partnership Trust (PHPT) (see Bay Research and Consultancy Services, 2003: 8; see also Napier, 2003: 322). PHPT was arguably the main driver of state assisted self-help housing policy in South Africa (see Napier, 2003: 323). A task force comprising the UN-Habitat, UNDP, USAID and Department of Housing undertook the development of a People's Housing Process programme as a joint venture. The partnership provided funding and personnel (see also Huchzermeyer, 2001a: 322). The *National Policy for Support of the PHP* was approved by the MINMEC[6] on 11th May 1998 (see Bay Research and Consultancy Services, 2003: 9; Huchzermeyer, 2001a: 322; Napier, 2003: 324). The trust was later abolished and allocation of funds devolved to the Provincial Housing Development Boards (see Bay Research and Consultancy Services, 2003: 9; Napier, 2003: 324). By then, there seems to have been hope for a people's housing process. Self-help housing processes through the Homeless Peoples' Federation and the Urban Sector Network were promptly renamed PHP and aligned with the national policy in order to attract subsidy funding (Napier, 2003: 324-326, Bay Research and Consultancy Services: 8). However, in practice bureaucratic rigidities and the capital subsidy framework has limited the spaces for the PHP (Huchzermeyer, 2001a: 323).

It was also noted that the Habitat Agenda had 'influenced the South African housing policy debates' (CSIR, 1999: 194, in Huchzermeyer, 2001a: 320). However, as Huchzermeyer (2001a: 320) observes, the Urban Development Framework of 1997, which was South Africa's official response to Habitat II, was still controlled by neo-liberal forces and depended on the market for its implementation. It avoided 'decentralisation and devolution of authority' which though central in the Habitat debate remains weak in South African housing policy discourses. According to the

[6] This is a meeting where the National Minister (Min) in charge of a specific portfolio meets the Members of the Executive Councils (MECs) in charge of the same portfolio in the Nine Provincial governments to engage in different policy issues. The forum is referred to as MINMEC (Huchzermeyer and Omenya, 2004).

CSIR, South African human settlement policy in general is in line with the Habitat Agenda (Huchzermeyer, 2001a: 320). The desired relationship between the state and UN-Habitat is captured in these words on the National Department of Housing's Website: 'National department of housing is committed to implementation of various international initiatives…e.g. Millennium Declaration; Millennium Goals and Targets; Vancouver Declaration on Human Settlements, 1976; Istanbul Declaration on Cities and other Human Settlements, 1996; Habitat Agenda; Agenda 21 and Johannesburg Declaration on Sustainable Development' (National Department of Housing, 2005). However, as discussed earlier, the state's housing policy, especially as implemented, is much closer to the World Bank's positions than the UN-Habitat's.

2.3.4. Ineffective, neo-liberal, housing policy framework in Kenya

The first post-independence housing policy in Kenya was the Session Paper No. 5 of 1966/67 (Republic of Kenya, 2003: 2). It laid a basis for urban housing development, through the establishment of the National Housing Corporation (NHC), which was also the main implementing organ of the state policy. NHC replaced the Central Housing Board (CHB), established by the colonial government to promote housing development (Rimber, 2002: 15). The NHC had developed 42,340 units of rental, tenant purchase, site and services and mortgage housing from 1967 to 1990 at a cost of US$ 40 million (Rimber, 2002: 15; Syagga *et al.*, 2001). This is negligible compared to '…about 750,000 households in urban areas and 1.5 million households in rural areas that need to be housed' by 2002 (Republic of Kenya, 2003: 3). The Sessional Paper also developed mechanisms for rural housing. Housing finance was to be facilitated through the establishment of the Housing Finance Corporation of Kenya (HFCK) and the East African Building Society (EABS). The Housing Research Development Unit (HRDU) was established through the Sessional Paper to aid research. The Sessional Paper remained the official Kenyan housing policy till 2002, in spite of the fact that it had been overtaken by events (Republic of Kenya, 2003: 2).

The first post-independence Kenyan Housing Policy did not deliver much housing through self-help. However, the 1974-78 and 1984-88 National Development Plans emphasised self-help housing, with the latter suggesting that 30% of low-income housing would be provided through squatter settlement upgrading and sites and

services (Syagga, *et al.*, 2001: 90). The NHC had delivered 19,770 through site and services by 1990 (*ibid.*). In Nairobi, the NCC built 2,900 units through sites and services before 1980.

One attempt in the 1980s to improve the policy was the development of the National Housing Strategy for Kenya, 1987-2000. The document dealt with land-use planning, land administration, infrastructure planning, the construction industry, estate management and maintenance, documentation and dissemination, and monitoring of housing production progress (Republic of Kenya, 2000). There were also other broader strategies, e.g. *Human Settlements in Kenya: a strategy for urban and rural development, 1978*, with a focus on growth centres and infrastructure and service provision nationally; *the District Focus for Rural Development Strategy, 1983*, whose focus was on decentralisation of development; *the Rural-Urban Balance Strategy with a major bias towards the Rural Trade and Production Centres/Small Towns, 1988*, whose focus was on economic development (Republic of Kenya, 1994b). The main strategy, which was implemented, was *the District Focus for Rural Development.*

In 2002, a coalition of opposition parties came to power in Kenya. The coalition is currently developing a land policy and passed the new *Housing Policy for the Republic of Kenya,* in July 2004. The housing policy covers issues of affordable housing; formal, informal and private sectors' role in housing; middle-income housing; reduction of the housing backlog (estimated at 3 million); development of a land bank; definition of the role of the private sector; harmonisation of legislation relating to land and housing; the mortgage market; development of a housing fund; the role of site-and-service and tenant-purchase schemes; rural housing; infrastructure development; sectional properties; and security of tenure (Republic of Kenya, 2004). However, the policy does not provide for subsidies and is weak on funding mechanisms for low-income housing. It seems that the only probable funding mechanism is through donor agencies, but the scope of this is also limited. The financial models envisaged in the policy for low-income housing, e.g. via the cooperative sector, are ill suited for the unemployed and have never succeeded at scale in helping the poor access housing in Kenya in spite of being in place from the 1960s, I discuss these in more details in the next chapter. The NHC remains the implementing organ; however the models the NHC is using are based on cost-

recovery, mainly through mortgages, which is not likely to solve the housing problems of the poor. Further, the NHC does not have any capacity to deal with the scale of delivery that could reduce the housing backlog substantially. Meanwhile squatter settlements and slums lack the most basic of infrastructure and services.

The right to housing is stalled with the draft constitution, which has taken about six years and is yet to be completed**.** Surprisingly, the new Kenyan housing policy defines a minimum house, as $80m^2$ for the lower middle-income and $36m^2$ for the low-income (Republic of Kenya, 2004), in a country where the majority lack access to basic infrastructure and services. This is way bigger than the minimum defined in the South African housing policy of $30m^2$.

In light of an outdated policy, a housing strategy that was never implemented and a new housing Act that is yet to be implemented, only a few pieces of planning and development control legislation guide development of housing. These are the Building Code (1968), Public Health Act (1972), Physical Planning Act (1996), Local Government Act (1977) and the Revised Building Bylaws (1995) (Syagga *et al.*, 2001: 98, 110). In the subsequent paragraphs, I discuss the major influences of the UN-Habitat and the World Bank on Kenyan housing policies, arguing that their impacts have been limited either to the programmes they have funded and/or the development of policy documents, most of which were have not been implemented.

2.3.5. The roles of the World Bank and UN-Habitat in Kenya's housing policy

In 1963, the newly independent Kenyan government requested the UN for experts to help in development of the first post independent housing policy. This resulted in the Bloomberg and Abrams Report of 1965 which gave rise to the Session Paper No 5 of 1966/67 and later Housing Act CAP 117 Laws of Kenya (Rimber, 2002: 15). Slum eradication found its way into this Session Paper. This formed the legal basis for slum eradication in the late 1960s and throughout the 1970s, generally known as 'Operation Bulldozer'.

The World Bank's housing-related involvement in Kenya began in 1975 by initiating and funding (via a loan) sites and services and core housing schemes in Kenya (Stren,

1990). This resulted in development of housing units, core housing and sites and services in many parts of Nairobi. The developments were referred to as: the First, Second and Third Urban Projects. The World Bank and Government of Kenya funded 6 000 sites and services between 1975 and 1978 in Dandora (Syagga and Kiamba, 1992: 84). The Nairobi City Council (NCC) subsidised these to the tune of 63.8% of the development costs (Syagga and Kiamba, 1992: 85), the remainder was recovered from beneficiary contributions. In the Second Urban Project, covering Nairobi, Mombasa and Kisumu, the Bank financed some 14 409 serviced sites and slum upgrading. In the Third Urban Project 25 000 serviced sites and squatter settlements upgrading schemes were delivered in Eldoret, Nakuru, Kitale, Nyeri and Thika, sponsored by the World Bank. Support ceased after the World Bank changed its positions on slum upgrading and sites and services in 1983. In the same year (1983) the Bank got into a loan agreement with the Kenyan government, linked to the structural adjustment programmes (SAPs). This resulted in reduction in public expenditure. The SAPs did not yield the anticipated results (Syagga, Mitullah and Karirah-Gitau, 2001).

The 1980s and the 1990s were marked with little housing development by the state. However, in this delivery vacuum, the state produced several policy documents, which I refer to as 'paper policy' because of their inefficacy. These policies mainly served to meet the demands of donors. They included: *Report to the International Year of Shelter 1987*; *National Strategy for Shelter to the Year 2000* and *Habitat Agenda and the National Plan of Action on Human Settlements 2020*. These documents paid attention to terms such as 'tenure security' (Republic of Kenya, 2000:3), 'right to housing' (Republic of Kenya, 2000:4) and 'social and environmental development', 'enabling standards' and 'access to credit', in line with the UN-Habitat policy positions. However, very little was being done to implement them.

Most of the 1990s the Bank and the government of Kenya had an on/off relationship as the former's demands seemed inadequately met, while the Moi government accused the Bank of shifting goal posts. The Bank has resumed some lending from 2002, but none of this is for housing. According to the draft housing policy (Republic of Kenya, 2003), policy values since 1990 had been: upgrading of slums and informal

settlements; housing the vulnerable; development of legislation and institutional arrangements; disaster management; development of infrastructure; development of building materials and technology; and finance through secondary mortgage markets. Most of these are in line with the second and third phases of the World Bank's overall policy positions, namely development of housing finance systems and macro-economic policy, and broader urban housing sector development. As the Government put it, in the proceedings to Habitat II:

> '…the Government prepared a National Housing Strategy to the Year 2000, which advocated a shift from direct provision of housing to creating an enabling environment to facilitate other actors to provide shelter' (Republic of Kenya, 1994b:11).

In 2000, there was a new effort by the UN-Habitat to help the Kenyan government deal with the problem of the slums through the Kenya National Slum Upgrading Programme (KENSUP). A change of government in 2002 has seen this initiative renewed. An assessment of the pilot of this programme in 2004 by the Centre for Housing Rights and Evictions (COHRE)[7] showed that there were structural problems that had not been dealt with in the pilot (COHRE, 2005). It showed that there were no mechanisms to replicate the programme at scale, within the city of Nairobi and in Kenya. Further, issues of tenure security were still locked in the land regularisation process that is being undertaken by the government of Kenya, supported by donors. There are problems of alignment of legislation that affect housing in Kenya. This is unlikely to change soon, as parliament is bogged down with legislation that has been prioritised by the donors and local business groups.

According to the Statistical Abstract (Republic of Kenya, 2002c: 2) the current housing policy objectives in Kenya are enablement, sustainable economic development and economic growth and investment. These reflect the policy principles of the World Bank. It would seem that most housing delivered through assisted self-help were the World Bank's supported initiatives. The current policy supports slum

[7] I took part in an international team composed of Prof. Marie Huchzermeyer, Wits University, Abdou Malik Gaye, Kenda, Senegal, Michael Kihato, Stephen Berrisford Consultants and Malcom Langford (COHRE Geneva), which had been commissioned to look at housing rights abuses in Nairobi, particularly in relation to KENSUP. The task team worked in Nairobi in July 2004. A detailed report has been published. See http://www.cohre.org/kenya

and squatter settlement upgrading, provision of security of tenure and development of sites and services. These can be seen to relate to self-help housing. However, there are no indications on the ground that the state has any plans of rolling out self-help housing schemes, save for the National Housing Corporation's schemes, so called 'slum upgrading', but are apartment blocks developments suitable for people of higher income.

2.3.6. Tensions in self-help housing policies in Kenya and South Africa

Most of the policy problems in both countries seem to stem from the individualist economic orthodoxies pursued by them. This is not helped by the shifting policy foci of the international development agencies. The agencies' positions have seen a reduction in governments' intervention in low-income housing. In Kenya, unassisted self-help housing has been thriving in spite of diminishing support, from the government and international development agencies. In South Africa, housing policy is self-help on paper, but state-assisted market delivery in practice.

South Africa's housing policy is in line with the World Bank's policy positions in as much as it is supportive of the market; however it contradicts the Bank's position, as it is not based on cost recovery. It is, to some degree, a welfare policy. It is very much in line with the UN-Habitat's positions on paper. However, the low pick up of elements of self-help limit similarities. But the South African government collaborates with UN-Habitat in many housing initiatives. There is an interest by ordinary South Africans to build their houses through assisted self-help, but structural problems make this difficult. Gauteng Province for example observed that incremental housing had 'under performed by 59% in terms of houses and stands delivered' in the year 2002/3 (Department of Housing, 2003: 19).

Kenya's housing policy on paper is very supportive of self-help practices. Indeed the international development agencies seem to have consistently supported self-help. However, most of the low-income housing developments in the cities in Kenya are through unassisted self-help initiatives. For example, between 1992 and 1995 informal construction rose by 75% (Wells and Wall, 2001) without any policy support. A key problem is that the policies on paper seem to be based on idealised

state-assisted self-help housing models, with no relationship with the self-help on the ground. An interesting case was the Kenyan government's efforts to get a private investor to deliver low-income housing, without making attempts to help the efforts of ordinary people building houses in Kenyan cities to do this better. In Kenya, neo-liberal bases of housing policy have been maintained and supported through various donors, led by the World Bank. Even when government has not been active in policy formulation, the overall policy environment in Kenya has been neo-liberal, in line with the government's overall macro-economic policies.

2.4. Theoretical context of the self-help housing debates

Most academic work on self-help housing generally, and self-help housing in Kenya and South Africa in particular, tends to be of empirical nature. The dearth of theoretical development in housing is decried by Mathey (1992), Pugh (1997) and Harris (1998) who observes that published work tends to be historical, not theoretical. Generally, intensity of work of theoretical nature seems to have reduced after the Cold War. This means that advantages of theory are not fully ploughed into housing policy-making processes.

Theories help correlate observed facts and also in interpretation of this correlation. In housing, theory may be used as a rational basis for policy, helping to avoid policy fragmentation, *ad hoc* crisis management and inappropriate practice (Pugh, 1990: 45). Further, theory can be used as a vehicle for reform, where old practices are challenged and introduction of something more appropriate is advocated for. Because of its epistemic value, i.e. logical soundness, it can be used to explain relationships between facts and reality. It should lead to a fuller understanding of issues and appropriate action (Pugh, 1990: 46; Smith, 1999:5). According to Stren (1996:108) and Smith (1999: 3) theory is useful in enhancement of knowledge. It has an evaluative and disseminative potential (Smith 1999: 3). It could be used to link micro-level conditions and macro-level structures. Theoretical rigour in housing is recommended by Pugh (1990:22) who blames inappropriate, misconceived theoretical bases, whose credibility have not been tested, or contested, as one cause of inappropriate housing policies.

When theory does not corroborate reality it should be called to question, since one of the key aims of theory is to explain empirical phenomena. There is need for theoretical frameworks to be multi-dimensional. According to Healey (1997: 143, in Olufemi, 1997) a one-dimensional view of society is inadequate. Pugh (1990) suggests that there was conceptual misunderstanding of housing, coupled with omissions and weaknesses in theory. This conceptual vagueness of housing remains, given the different perspectives that different housing researchers choose to emphasise. There is need for normative theorising, which considers the status quo, but further imagines practice as it may be (Smith, 1999; Pugh, 1990: 26). Ward and Macoloo (1992) call for restoration of dialogue between theoreticians and policy makers. Fiori and Ramirez (1992, 2003) propose that the focus of theoreticians should shift to development of conceptual[8] frameworks – the building blocks of theory – rather than on attempts to develop comprehensive theories. The issue here is that there is need to develop alternative lenses to analyse current self-help housing phenomena. There are so many issues that cannot be fully explicated using existing mainstream concepts.

Most theoretical debates in self-help housing have been around the neo-liberal and neo-Marxist approaches to housing; hence the space that the two have been accorded in this section. The key protagonist of self-help housing was Turner, who looked at it from a phenomenological, non-structural, points of view, emphasising its use value. He inspired a lot of the neo-liberal positions on self-help housing, e.g. the approaches taken by the World Bank. His key opponent in these theoretical debates was the Englishman, Rod Burgess, who critiqued self-help housing from a structural, neo-Marxist, points of view, arguing that self-help housing was commodified. However, there are also other emerging concepts that can be very useful in understanding self-help housing, which I explore in the study.

[8] The term concept comes from the Latin word *conceptum* (Merriam-Webster, Online). It is noun derived from the verb 'conceive'. It means an abstract, generic, idea derived from particular instances. It relates to an idea, a thought, a notion or mental construct (*ibid.*). Concepts are used to describe what is observable, e.g. 'poverty'. They categorise phenomena, e.g. 'gender'. Others are used to describe abstract phenomenon or ideas, e.g. 'value', 'class structure', etc. Concepts in themselves might not wholly explain the empirical world. However, post-modernism encouraged use of concepts rather than meta-narratives (Fiori and Ramirez, 1992). They are building blocks of theory.

In this section I explain the theoretical debates around self-help housing globally, with a focus on ideas that could help explain the context of self-help housing, from a theoretical standpoint, in Kenya and South Africa. I start by capturing some elements of debates by Marxist thinkers and their position on self-help housing in neo-liberal political economies. Some of these are applicable to self-help housing in Kenya and South Africa. I also explore the position of neo-liberal thinkers on the same subject. I then highlight some of the critiques of the neo-Marxist positions. After these I summarise how some key theories outside of the Marxist-liberal divide can be used as alternative lenses for self-help housing problems.

2.4.1. Neo-Marxist and neo-liberal debates on self-help housing

Neo-Marxists critiqued self-help housing both in terms of social struggle in reproduction (place of residence) and in relation to production (work place) (see for example Castells, 1976 in Mathey, 1992: 383). Social struggle in reproduction is best exemplified in housing segregation along socio-economic lines, with the poor living in slums and squatter settlements. This is still largely relevant to Kenya and South Africa, where race and economic class-based segregation determines reproduction and production. Early neo-Marxists, e.g. Rodriguez (1972, in Mathey 1992: 383) associated self-help with the need for social control to the benefit of the capitalist classes. With regard to production, they argue that if the cost of housing is kept down, through self-help or informal processes, labour can be exploited through low-wage regimes, enabling greater accumulation of capital. Bond (2000: 123) argues that keeping the cost of labour down in South Africa still necessitates provision of low-cost housing.

Rodriguez (1972, in Mathey, 1992: 383) was of the position that self-help housing enabled institutionalisation of pre-capitalist, indigenous organisations. Burgess (1978: 85) also considered state initiated self-help housing as a means of expansion of capitalism to pre-capitalist modes of production, leading to a situation where the capitalist ‘reaps where s/he did not sow’. Burgess (1978), argued that self-help housing was commodified. It was made of materials produced industrially and labour was sometimes paid for, arguing that Turner’s (1972) suggestion that self-help only had ‘use value’ was not valid, as it also had ‘exchange value’ due to the various processes of valorisation involved in its production (Burgess, 1985). According to

Burgess (1984), protagonists for self-help ignore the wider economic context of self-help housing. They don't consider the impact of landowners, the state, brokers, renters, finance institutions, building industry and politicians on house form and building processes. These deepen the processes of capital accumulation through self-help processes.

According to Burgess, (1978) it is in the interest of international capitalists to allow self-build forms of shelter to cater for those who are beyond the effective demand system. Self-help also caters for those who have been excluded from the benefits of global capitalism and reduces pressure that such people would exert on the housing production system. Thus self-help replaces the state welfare system. Burgess (*ibid.*) argues that self-help mode of housing production is part and parcel of the capitalist system, although located at a different level from say the industrial mode. It is not a separate 'third system' of housing production (see also Mathey, 1992: 383).

It has also been assumed by neo-liberalists that it is desirable for the state that individuals provide their own housing, as the state cannot adequately do so. Neo-Marxist thinkers have questioned the assumed inability of the state to provide housing, arguing that the state can do so if some elements of housing were de-commodified. The neo-Marxist recommendations is that housing should not be commodified (Hartman and Stone, 1986). Hartman and Stone (1986) argue that the affordability problem in housing is a result of 'buying and selling for profit'. They suggest that public housing should neither be bought nor sold. Marcuse and Achtung (1986) have advocated for partial de-commodification to make housing more accessible to the low-income. They argue against dominance of capital in various aspects of housing. For example, they suggest that limiting the sale of land for housing would make self-help housing more affordable.

2.4.2. Contesting neo-Marxist positions on self-help housing

Most neo-Marxist theoreticians were concerned with socio-economic causes of the housing problem as a consequence of structural problems of capitalism, manifested in neo-liberal economies. However, the former tended to ignore the potential impact of human responses, or 'agency' that would vary socially, culturally, locally or

regionally. Neo-Marxists ignored individual successes and failures of household strategies, a pragmatic approach taken by housing and urban scholars investigating self-help housing (see Mathey, 1992: 382). While heavy on negative criticism of self-help housing, they tended to offer little potential solutions, especially to the many developing countries have adopted neo-liberal political economies. Further, they failed to critique and explain housing problems (the persistence of income and housing inequalities – Moser 1976:42 in Mathey, 1992) in communist/socialist economies.

A further criticism of the neo-Marxist position on self-help housing relates to the sphere of operation of self-help housing relative to that of capital. Berger (1974 in Mathey, 1992) argued that it was naïve of neo-Marxists to think that a sites and services approach could prevent structural inequalities in neo-liberal economies. He suggested that self-help housing should not be objected to unless it prevented more fundamental and equitable solutions to the problems of the poor. He concluded that the kind of revolution envisaged by the Marxists in order to change the underlying economic structures, which he considered to be fundamentally elitist, was outside of the space of self-help housing (*ibid.*).

Self-help housing in neo-liberal economies is impacted upon by circulation of capital and indeed capitalist interests. However, the sphere of operation of self-help housing is different from the mainstream capitalist modes of housing production. This is attributable to the fact that housing is both a 'need', which will be manifest in any political economy, and a commodity, an attribute privileged in neo-liberal political economies. Political economies of developing countries, though predominantly neo-liberalist, have evolved into various complex systems, that can hardly be generalised in analysis. Production of housing through self-help should result in minimum negative impacts on the 'beneficiaries'. This calls for a search for working models, rather than downright condemnation of self-help housing.

2.4.3. Other useful concepts for reflecting on current self-help housing issues in Kenya and South Africa

The opposing neo-Marxist and neo-liberalist positions do not fully explain housing inadequacies in developing countries, particularly with the growing acceptance by urban scholars that 'modes of production' is not the only way of understanding social realities in capitalist states (Pugh, 1990; Mathey, 1993; Turner, 1992). Turner (1992) suggested that there were errors in financial capitalists' and state socialists' ideologies. He argued that classical Marxists did not foresee degradation of living environments that followed from dictatorships of the proletariat, anarchist hegemony of local communities and schisms caused by tribalism. Turner (1992) suggested that housing policy should focus on social justice, peaceful and sustainable development and proper matching of human relations and organisations with housing needs. Turner (1992) changed his earlier focus on self-build to an emphasis of self-management, taking the position that a variety of local and personal needs and priorities must be predominantly self-managed by individuals, households and communities, irrespective of whether this involved self-build or not (Turner, 1992). According to Turner (1992) the overall task was to discover ways and means by which state powers and market forces could enable and support personal creativity and local initiatives. His view remained broadly in line with neo-liberal thinking. Turner (1986; 1992) suggested a paradigm shift from building 'things' to activities that built relationships. What one sees is Turner (1986; 1992) remaining of the position that pragmatism within neo-liberalist economies would enable access to housing by the poor. Mathey (1992) considers Turner's later position to be in line with a changing focus in self-help housing: from housing to human settlements, and from human settlements to building communities. Mathey (1992), also taking a pragmatic approach to self-help housing, suggests that much can be improved within the evolved and greatly differentiated practices within neo-liberal economies.

Pugh (1990) suggested that 'social good' is one concept that has persisted beyond communism. In Nairobi, for example, I discuss the issue of social entrepreneurship, through the church, as a social good. Pugh (1990) suggested that 'social good' was not always monopolised by communist/socialist political economies. Under neo-liberalism social good is promoted through such approaches as philanthropy, Not-for-

Profit Organisations (NPOs), Community Based Organisations (CBOs), affirmative action, community reinvestment, social welfare or dole (*ibid.*). Social good could also be interpreted in line with Rawlesian communitarian models, centred on restatement of social justice as a liberal priority (Marcuse and Achtung, 1986). In the context of South Africa, we see social good being interpreted as redistribution to benefit the 'previously disadvantaged'.

Another concept that remains relevant in understanding self-help housing is public/private consumption (see Clarke and Bradford, 1998). Privatisation of consumption of housing for the urban poor, leads to reduced interest in and neglect of publicly consumed goods, e.g. social amenities, infrastructure and services. This has been evidenced both in Johannesburg and Nairobi. The results are: degeneration of neighbourhoods and direct flouting of local authority regulations and bylaws. In both countries, it could also be blamed for 'grabbing' of public spaces for private use (see examples in Chapter Five and Six).

With respect to private consumption, state assisted self-help schemes tend to distort consumption patterns of the poor, burdening them with increased consumption of new goods, e.g. TVs, fridges, etc. to match the expectations of their new housing environments. It is instructive that these consumers do not have effective demand for these goods, resulting in high indebtedness. This increases vulnerability of the poor, who risk losing their assets, including their homes (Yose, 1999 in Huchzermeyer, 2004).

The power differences amongst the actors and impacts of this on their relationships are other issues that are located beyond the neo-Marxist/neo-liberal divide in housing discourse. Giddens (1984) suggests that human action and 'agency' are important in explaining the nature of societies and impacts on social structures. The major difference between an 'agent' and an 'actor' is the power each wields (Giddens, 1984: 14). Marxists and neo-Marxists tend to focus only on social structure, ignoring the impact of human agency on the former. Structuration theory is useful in differentiating the players in self-help housing. Only some of the players influence and control self-help housing processes and outcomes, others don't. In my fieldwork in Nairobi, for example, I found that church-based organisations and local politicians

have power of 'agency', while poor residents of informal areas tend to have minimum influence on the processes and outcomes of self-help housing (see Chapter Five). The distinction between actors and agents applies to players in self-help housing in Nairobi and Johannesburg, where most self-builders are mere actors with no influence on their housing processes and outcomes. As such the extent to which they can overcome bigger constraints placed on them by structural poverty and bureaucratic procedures is limited.

Smith (1999) suggests that housing research could focus on issues such as transfer of resources, forms of negotiation, and relationships between policies and projects. He calls for linking micro-level conditions and macro-level structures. Theoretically and conceptually, there is need to define and review the roles of state, market and civil society in self-help housing (Awotona, 1996; Smith, 1999:6; Turner, 1992). As discussed in Chapter One, network concepts are also a part of a family of concepts, which could be applied to housing, beyond the Marxist/liberalist divide.

2.5. Conclusion

This chapter has been about three issues in understanding self-help housing: the role of international donor agencies; the policy directions in Kenya and South Africa; and theoretical understanding of these. Neo-liberalism remains the bedrock of self-help housing policies internationally. It has informed the policy positions of the World Bank, the UN-Habitat and other UN and donor agencies, who in turn have influenced self-help housing policy directions in Kenya and South Africa. However, unresolved tensions persist between self-help housing policy and practice in both countries. The neo-Marxist/neo-liberal theoretical positions are relevant in understanding of various self-help housing practices in internationally, and in Kenya and South Africa. However, the political economies of the two countries have evolved in different directions, albeit within neo-liberalism. It is in these contexts that current self-help practices need to be understood and appraised, to refine policy and improve practice. This understanding and appraisal requires alternative conceptual tools.