

USING SCENARIO PLANNING TO MANAGE THE CHALLENGES FACING THE HOUSING DEPARTMENT IN GAUTENG

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A thesis submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfillment of the requirements for the degree of Master of Management by Research and Dissertation

February 2010

ABSTRACT

Over the past three years, violent protests have erupted throughout South Africa with regards to dissatisfaction of service delivery by government. A major component of the required services is housing. As the economic hub and most densely populated part of South Africa, Gauteng was chosen as the area of focus. The purpose of this primarily qualitative study was to determine whether the use of an alternative strategic planning method, *scenario planning*, within the policy making environment of the Gauteng Housing department would inform and facilitate a better rate and quality of service delivery by that department. An encouraging finding of the research revealed that scenario planning is actually being used within the government sector, including the Gauteng Housing Department. What is imperative, though, is the manner in which these scenario planning strategies and exercises are being applied.

DECLARATION

I declare that this report is my own, unaided work. It is submitted in partial fulfilment of the requirements of the degree of Masters of Management in Public Policy in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in any other University.

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2 February 2010

DEDICATION

This work is dedicated to my parents, Jane and Davis Kisuule, who worked hard all the years of my life to give me the best opportunities this world has to offer.

ACKNOWLEDGEMENTS

A sincere word of thanks to my supervisor, Mr Koffi Kouakou, for being a story-teller of note. It is through his story-telling, that my mind was first captured by the concept of scenario-planning, which subsequently served as the basis for this study. I would further like to thank him for bringing his knowledge and experience to this process, and offering his time both while in and out of the country. I would further like to thank all the willing participants of the research survey from various Gauteng municipalities, the Gauteng Department of Human Settlements (previously Gauteng Department of Housing), the National Department of Human Settlements (previously National Department of Housing), the Department of Cooperative Governance and Traditional Affairs (previously Department of Provincial and Local Government) and the Council for Scientific and Industrial Research. Without your input this study would never have seen the light of day, nor would it have included some quality insights.

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i ACRONYMS

ASGISA Initiative

The Accelerated and Shared Growth Initiative for South Africa (AsgiSA) .

DPE

Department of Public Enterprises

DST

Department of Science and Technology

DEAT

Department of Environmental Affairs and Tourism

DME

Department of Minerals and Energy

DWAF

Department of Water Affairs and Forestry

GDoH

Gauteng Department of Housing

GDP

The gross domestic product, or GDP, of a country is one of the ways of measuring the size of its economy.

GEAR Strategy

Growth, Employment and Redistribution Strategy. This neoliberal economic strategy followed the RDP (see *RDP* in acronym list) and was to cover the years 1996-2000. The ambitious goal was to achieve sustained annual real GDP growth of 6% or more by the year 2000 while creating 400,000 new jobs each year (Department of Finance, 1996).

MEC

Member of Executive Council.

PCAS

Policy Co-ordination and Advisory Services Unit in the Presidency.

RDP Programme

Reconstruction and Development Programme.

NT

National Treasury

PHD

Provincial Housing Department

SHO/ SHI

Social Housing Organisations/ Institutions serve the subsidised housing market for low- to moderate- income families. Tenure options include rental, rent-to-buy, installment sale and co-operative, but exclude individual ownership. Social Housing Organisations are accountable to the Social Housing Foundation, which is in turn, accountable to the National Department of Housing.

ii KEY CONCEPTS

The following are concepts that pertain to scenario planning and are understood as such by the researcher. This means that when the researcher refers to any of these concepts, these are the intended meanings:

Driving Force - the underlying factor that facilitates an outcome. An ageing population, for example can be a social driving force behind a dwindling economy. This ageing population translates into a shortage of young people to go to university to gain knowledge so as to feed valuable skills into the economy (Scenariothinkin.org, 2008)

Futures Studies – a concept combining all terminology (such as forecasting, envisioning, polling, scenario- planning and projection) and meanings of looking at the future (World Futures Studies Federation, 1986)

Policy – “A policy is a rule of authority which provides a decision-making framework for a particular area of interest in the management of human affairs” (Spies, 1993: 1).

Scenario – this term achieved prominence through the work of the American researcher, Herman Kahn. In his book, “The Year 2000” a scenario was defined as: “a hypothetical sequence of events constructed for the purpose of focusing attention on causal process and decision points” (Kahn and Wiener, 1967).

Strategic Planning – A decision-making process in which long-term decisions are taken to shape and guide an organisation’s path for an improved future result (Morgan Madison and Company, 2008)

CHAPTER 1: THE RESEARCH PROBLEM

1.1 BACKGROUND

Scenario planning is a strategic approach that can aid decision making by politicians and other concerned parties with regards to the housing problem facing South Africa, in the same way that it has aided in some other planning challenges facing various parts of the world.

The *New Housing Policy and Strategy for South Africa* (National Department of Housing, 1994) clearly indicates that the 'housing problem' has economic, socio-political and even technical dimensions. These include minimising urban sprawl; eradicating informal settlements and related urban degradation; creating sustainable living environments; implementing racially integrated residential patterns; funding that would cater for both a high quantity and reasonable quality of housing; optimal design of low cost housing and service provision. Even with the democratisation of the country, many are still left without adequate shelter due to a pace of housing delivery that does not match the growing demand over the years. If we knew in 1994 what we know now in 2008, it is likely that the decisions taken in an attempt to solve the housing problem may have been different. Had we considered contingency plans, we would have- at the very least- had ways of absorbing the 'shock' of an alternative outcome. This is where Scenario Planning- a futures studies methodology- comes in.

Scenario planning is a strategic thinking tool that "build[s] on existing knowledge to develop several plausible future scenarios" (More, 2001). This process of hypothesising actually stimulates thinking out of the box and motivates one to decide- beforehand- what they would do should any of the scenarios materialise. It also stands to reason then, that if during the future thinking, the final destination of a certain course currently taken is seen as heading towards disaster, the course can be changed timeously.

(More, 2001)

In 1994, the author, Graham Galer, set out to answer the question as to whether or not 'scenario-thinking' (in the early 1980s to 90s (pre-1994) contributed to the turnabout changes in the socio-political environment in South Africa. This investigation into the so- called *Mont Fleur* scenarios indicated that it is possible to draw a connection between this very scenario planning

and the current day state of South Africa's affairs (see Chapter 3, Section 3.6.3 for more details on the *Mont Fleur* scenarios).

The issue of housing was never a simple one. For this reason the importance of good forward planning was imperative in order to be able to absorb or strengthen the capacity to mitigate future shocks. The 'units of analysis' for this study will be based on the top themes that emerge as matters of priority for improved housing delivery in Gauteng. These may be technological, political, economic, social or environmental. These will be contextualised for the subject matter.

(Gauteng Department of Housing, 2005)

1.2 INTRODUCTION TO THE HOUSING PROBLEM

South Africa has made headway on several issues of democracy- all of which are reflected in the country's Constitution. But the road to democracy has not been without challenge. Presently, one of the thorniest issues in South Africa's socio-political landscape is that of service delivery. During 2007, members of the public, most notably in Gauteng, held several protests concerning the slow rate at which promised services were being delivered (Visser, 2007). One of these services was housing.

In a country that, prior to 1994, relegated the majority of its citizens to settle in the so called townships with little hope of owning property (and a home), the pressure to 'equalise the playing field' was paramount. The fact that access to adequate housing is now counted as a basic human right for all South African citizens, as heralded by government in South Africa's Constitution (1996), fuelled the fire of the protests mid- to late-2007. The most prolific of these protests occurred in Gauteng and the Western Cape, as was indicated by several media reports.

As a point of interest, the 2009/10 Gauteng Housing budget vote indicated that apart from major projects based on the Breaking New Ground policy document and the Urban Renewal programme, one of the major objectives for the financial year would be the enforcement of by laws. "The absence of adequate bylaw enforcement at municipality level breeds a culture of non compliance by citizens, and this in turn breeds lawlessness among people" (Legkoro, 2009).

Figure 1: The challenge and the hope



(Source: Department of Housing, Republic of South Africa, 2006)

In 2001, the Department of Housing's White Paper on a "new housing policy and strategy for South Africa" spoke to the housing crisis facing the country. In the words of the Paper, "the time for policy debate is now past – the time for delivery has arrived", (National Department of Housing, 2001). And yet, 6 years on, the country sits in delivery crisis.

Between 1996 and 2001 there was an overall 8.96% improvement in the housing backlog at a national level. The Northern Cape was the worst performer, where the backlog increased by 15.04%. The North West and Gauteng province were the best performers during this time period.

Table 1: Housing Backlog , 1994-2008

Province	1994	1996	2001	1996-2001% change	2008
Eastern Cape		223,427	220,524	- 1.30%	—
Free State		204,191	219,191	7.35%	—
Gauteng		731,780	877,492	19.91%	—
KwaZulu-Natal		322,415	323,429	0.31%	—
Limpopo		103,243	112,503	8.97%	—
Mpumalanga		136,474	144,574	5.94%	—
North West		215,343	241,523	12.16%	—
Northern Cape		39,705	33,733	- 15.04%	—
Western Cape		225,941	226,853	0.40%	—
Total	Estimated 1,200,00- 2,500 ,00	2,202,519	2,399,822	8.96%	Approx 2,1 00,000

(Van Der Westhuizen C, 2004: 7; Pillay A and Naude WA, 2006; Mbola B, 2008)

The (national) Department of Housing's *2005/ 2006 Annual Report* clearly illustrates exactly how complicated the business of public housing can be. The factors that must be considered include economic growth, oil and petrol prices, trends in inflation, interest rate movements and unemployment. All of these factors are interrelated as they affect building and house maintenance costs. This, in turn, affects the rate at which the Department can supply *quality* affordable housing (Department of Housing, Republic of South Africa, 2006). Effective planning is thus a crucial factor for housing success in the country.

It is for this reason that the *Policy Planning and Research* Programme, which includes the *Strategy for mainstreaming energy efficiency in housing* and the *Development of a multi year housing development plan* was instituted (Department of Housing, Republic of South Africa,

2006). The housing Research and Planning (sub-) programme is responsible for the following functions:

- The provision of administrative and transversal project management services;
- The provision of a regulatory framework for housing delivery;
- The development of provincial multi-year housing delivery plans;
- Housing research;
- And in certain cases, municipal support for housing delivery.

(Source: Van Der Westhuizen, 2004: 17)

Unfortunately, the relevance of this programme is not manifested uniformly across provinces. In the Eastern Cape, no allocation was made within the Eastern Cape Housing Department towards the Housing Planning and Research sub-programme during the financial period of 2003- 2007. On the other hand, the North West provincial housing department does not include a research and planning sub-programme (Van Der Westhuizen C, 2004: 17).

Table 2: Expenditure on Research and Planning (2003-2007)

	2003/04	2004/05	2005/06	2006/07	2003/04- 2004/05	2003/04- 2004/05	2003/04- 2006/07
R '000	Revised Estimate	MTEF	MTEF	MTEF	Nom. Growth	Real Growth	Real An. Av. Growth
Eastern Cape	0	0	0	0			
Free State	8,794	11,704	12,746	13,354	33.09%	26.51%	9.87%
Gauteng	9,496	8,945	10,855	10,855	-5.80%	-10.46%	-0.03%
KwaZulu Natal	11,708	11,295	11,974	12,692	-3.53%	-8.30%	-2.26%
Limpopo	6,953	17,591	18,362	19,462	153.00%	140.49%	46.82%

Mpumalanga	41,462	28,462	12,966	13,943	-31.35%	-34.75%	-29.68%
Northern Cape	10,818	5,342	5,786	6,565	-50.62%	-53.06%	-14.08%
North West	n/a	n/a	n/a	n/a			
Western Cape	11,983	16,938	17,832	18,685	41.35%	34.36%	11.35%
Aggregate	101,212	100,277	90,521	95,556	-0.93%	-5.82%	-6.54%

(Van Der Westhuizen C, 2004: 17)

The Eastern Cape was the 2nd worst performer with regards to remedying the housing backlog between 1996 and 2001 with an increased backlog of 1.30%. This may have been attributed to the province's funding deficit for Housing Planning and Research, but strangely enough, the North West Province, which appears not to have a Planning unit in Housing at all was the second best performer (after Gauteng) with a decrease of 12.16% in the housing backlog in this same time period. Mpumalanga received the greatest injection of funding for planning and scored a moderate improvement in housing backlog, while Gauteng received moderate funding and performed the best in decreasing the housing backlog. Comparatively speaking, the funding towards the Planning and Research programme or even the existence of the programme (as in the case with North West) do not appear to be the determining factors in diminishing backlog numbers. The difference between the strategies used in these 4 provinces warrants further investigation.

With Johannesburg- the *City of Gold* (See Pearce, 2006 and Kgowedi, 2007)- as it's business capital, Gauteng is perceived by many South Africans and individuals from neighbouring countries to be a province of plenty and opportunity. For this reason, large numbers of people migrating from other South African provinces and neighbouring African countries are recorded (HSRC, 2005). Subsequently, the ratio of population size to land area size of Gauteng is skewed compared to other provinces, i.e. Gauteng is the smallest South African province yet has the second largest population, second only to Kwa-Zulu Natal (Southafrica.info, 2008).

Table 3: SA vs Gauteng population growth, 1994-2008

	1994	2001	2008	Estimated growth per annum
Estimated South African Population	38,283,220	44,812,420	47,000,000	• 1994: 2.62% • Ave Annual growth rate (1996-2001): 2.1% • 2008: 1.5% Estimated % increase in population size (2001-2007:) 8.2%
Estimated Gauteng Population	7,063,639	8 837 178	10,450,000	• 1993: 1.3 • Ave Annual growth rate(1996-2001): 4.1% • 2007: 1.4% Estimated % increase in population size (2001-2007) : 13.9%

(Sources: Statistics SA, 2001; Department of Environmental Affairs and Tourism, 2004; Louw, 2007; CIA World Fact Book, 2008; NationMaster.com, 2008; Population Council, 2008; Statistics SA, 2008)

This inevitably places great pressure on service infrastructure in Gauteng, but also generates a pool of skilled workers in the same area. Although ample opportunity for financial fulfilment exists within Gauteng, not everyone can achieve the same level of success, if achieved at all. As the economic powerhouse of the country, it is important that Gauteng 'gets its house in order'.

1.3 WHY GAUTENG?

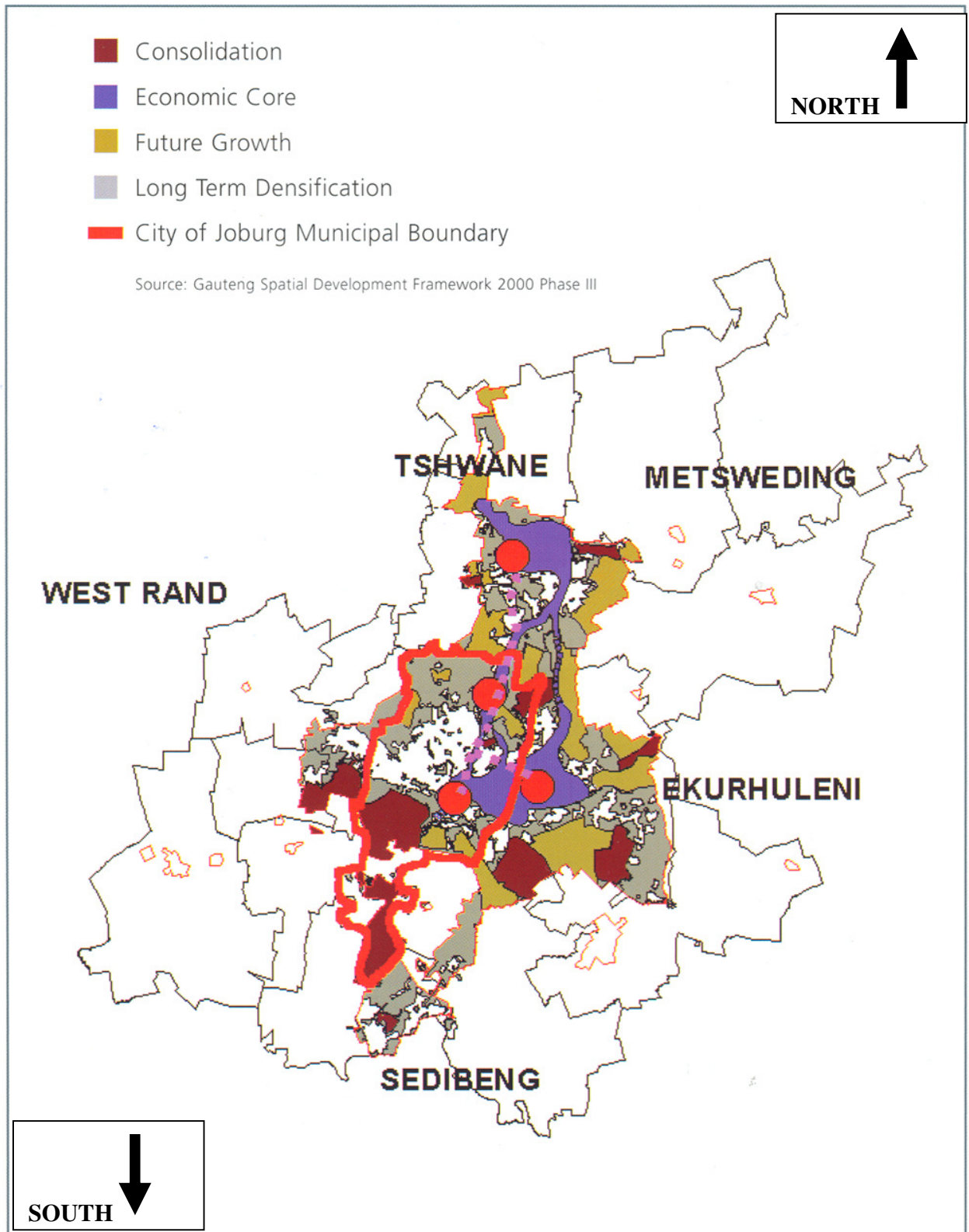
Gauteng is the smallest and yet most densely populated province of South Africa. This poses quite a challenge in terms of housing provision for both the private and public sector. It consists of the Municipalities of Johannesburg, Tshwane, Ekurhuleni, Metsweding, Sedibeng and the West Rand. The Gauteng "Provincial Economic Core" is anchored by the Rosslyn motoring industry in Tshwane, the O.R. Tambo International Airport in Ekurhuleni and Johannesburg's Central Business District . The points of the conceptual triangle are linked by the N1/M1, N1/R21 and M2/M3/R24 highway network. (City of Johannesburg Municipality, 2003: 8)

Gauteng holds the administrative capital (Pretoria) and business capital (Johannesburg) of the country. It also has 3 of the 6 metropolitan municipalities in South Africa, i.e. City of Johannesburg, City of Tshwane and Ekurhuleni.

To further bolster the prominence of the province, Blue IQ projects have been initiated. Blue IQ Projects are Gauteng government initiatives aimed at developing economic growth through technological and cultural investments within South Africa (City of Johannesburg, 2008).

Figure 2: Economic Linkages between Tshwane and Johannesburg

Note: scale not available from source; figure to serve the purpose of showing relative proximity of localities



(Source: City of Johannesburg Municipality, 2003:10)

Several of the country's BLUE IQ Projects are to be found within Gauteng. These are:

- Innovation Hub: it works as a co-operative of the University of Pretoria and the CSIR and promotes Tshwane as a center of technology and educational learning:
- Gauteng Automotive Cluster: in Rosslyn (Tshwane), the Automotive Supplier Park (ASP) is aimed at "establishing world-class resources in competitiveness and improvement on automotive research development" (Bubb, et al: 2004:6).
- Gauteng Rapid Rail Link: this is a public transport initiative aimed at connecting O.R. Tambo International Airport with various parts of Johannesburg and Tshwane. The target market is mainly the labor force that tend to live on one of these but work in the other and people either leaving from or arriving at the International Airport. Should the project turn out to be a success, it will also contribute to dramatically reducing the traffic congestion to be found on many of Gauteng's major roads.
- The Cradle of Humankind, a World Heritage Site and tourist attraction is to be found in the North West province, very close to the Tshwane border and will thus significantly influence tourism within Tshwane.
- Newtown: Newtown is the centre of arts, music, crafts and culture in Johannesburg. Blue IQ is spending R300-million to improve this area to make it attractive, accessible and safe for visitors and people who live and work in the area. The improvements include the building of houses, the Nelson Mandela Bridge and construction of roads connecting Newtown to the highway, making it easier for both motorists and pedestrians to reach the area. Newton is becoming a preferred place for tourists to visit.

(City of Johannesburg, 2008)

In addition to the Blue IQ projects, the O.R. International airport has been upgraded in order to accommodate the growing traffic passing through there. The increasing number of people passing through this airport is a clear indication that an increasing number of people are entering South Africa through Gauteng, either to visit that province or travel to another at a later stage using alternative transportation,

Since 2006, Gauteng has actively been positioned to become a globally competitive city region by the Gauteng Executive Council and other stakeholders (National Department of Housing, 2007) in light of its economic growth to date. Gauteng's economic success is a great attraction for many, and it is exactly this fact that creates the need to plan well for the housing needs of this ever expanding population.

In 2003, the Gauteng Housing waiting list stood at 500 000 (Mashatile, 2003). In 2006, Loerie Goering of the *Chicago Tribune* wrote an article highlighting the overall struggle of the government to deliver services in general. Housing shortages and backlogs were still a thorny issue, and even where housing was provided, it was deficient in many respects, such as quality of structure and lack of electricity and/or piped water and/or sanitation (Goering, 2006). In October of 2007, the previous Gauteng MEC for Housing, Ms Nomvula Mokonyane, admitted that a new approach to housing delivery is needed. Apart from the issue of backlogs, the possibilities for alternative construction materials (such as timber and steel instead of brick and mortar) and integrated settlements -as opposed to the RDP housing situated on the outskirts of formalised areas often offering the means for socio-economic survival (News24, 2007).

RDP housing was initiated in 1994, this was the first national programme developed by the African National Congress to address social-economic ills in the country. It had a largely socialist undertone, with a great emphasis on land restitution and the redistribution of resources such that they would be more fairly distributed among the citizens of the country. This was followed by the Macro-economic driven Growth, Employment and Redistribution (GEAR) strategy of 1996. The shortfalls of both of these initiatives are meant to be dealt with the current national development initiative Accelerated and Shared Growth Initiative, South Africa (ASGISA).

It is clear that the Gauteng Housing Department currently faces several challenges. Is it possible that decision-making processes are at fault? At times, it seems that the problem is short-sightedness, inappropriate planning, or planning that cannot adapt to alternative outcomes. Authors such as Cole (2001) and Myers and Kitsuse (2003) allude to this deficiency within government planning. The purpose of this study is to make the case for the use of scenario planning to strengthen the Housing Department of Gauteng's planning capacity to deal with the challenges of housing backlogs. The concept of scenario planning is further discussed in the literature review.

1.4 OBJECTIVES OF THE STUDY

The main goal of the study is to track the use of scenario within the Gauteng housing policy environment so as to make recommendations to the Gauteng Department of Housing in relation to strengthening housing delivery policy creation and implementation. The underlying objectives of the study (within the context of this same goal) are to:

- a) Interrogate the Policy Planning and Research Programme and sub programmes as implemented in the Gauteng Department of Housing;
- b) Illustrate that scenario planning is increasingly being regarded as a credible tool for making valid decisions;
- c) Track the use of scenario planning within the Gauteng housing policy environment
- d) Make recommendations for the Gauteng Department of Housing.

1.5 RESEARCH QUESTIONS

In order to focus the broad intentions outlined in the previous section (objectives), the following questions will be asked so as to guide the investigation:

Primary question

The primary research question for this research project will be: What can we learn from completed scenario planning exercises to further improve upon the application of scenario planning for housing delivery in Gauteng?

Secondary questions

This primary question will require many parts to be answered before a complete truth of the situation is understood. The primary question will thus be analysed and broken down into secondary questions in order to realise the various parts of the primary question. These secondary questions are:

- What are the various dimensions of the housing delivery problem that is facing the Gauteng Department of Housing;
- Where has the use of scenario planning been most successful and why?

- Where has scenario planning failed in policy planning for the Gauteng Department of Housing and why?

CHAPTER 2: RESEARCH DESIGN

In order to achieve acceptable research outcome, it is important that the study is conducted in a vigorous and methodical manner. It is for this reason that the research design is a process requiring meticulous thinking through. The elements that constitute the research design, are the philosophical stance taken, methodology used and the data collection and analysis approach in view of the type (quantitative, qualitative or mixed) aim of the study. This section concludes with ethical considerations that must be made by the researcher.

Crotty (1998, in Creswell, 2003: 4) says that there are four issues to consider in the design of a research proposal and these are as follows:

2.1 Philosophical Stance

The philosophical stance is also known as the theoretical or ideological stance and represents the principles that lie behind the methodology in question (Crotty, 1998, in Creswell, 2003: 4). Due to the fact that this is a study that identifies a problem and seeks to offer some solutions to this problem through a different approach to decision-making, the Advocacy / Participatory Knowledge Claims approach is the stance that shall be taken in this study. This approach is dissatisfied with status quo and advocates for change.

According to Creswell, 2003: 9-11) “this position arose from an individual who felt that the postpositivist assumptions imposed structural laws and theories that did not fit marginalized individuals or groups or did not adequately address issues of social justice [and] “...that constructivist stance did not go far enough in advocating for an action agenda to help marginalised peoples. These researchers believe that inquiry needs to be intertwined with politics and political agenda... an action agenda for reform that may change the lives of the participants, the institutions in which individuals work or live, and the researcher’s life.

The advocacy approach also assumes that the inquirer will proceed collaboratively so as to not further marginalise the participants as a result of the inquiry. In this sense, the participants may help design questions, collect data, analyse information, or receive rewards for participating in the research” The (Creswell, 2003: 9-11). While this may have been ideal, one of the limitations

of this study is that its scope does not allow for such a level of involvement from 'participants'. For the purposes of this study, the 'participants' would be both those seeking social housing in Gauteng, and decision-makers that are tasked with generating this social housing, as both parties have potential to benefit from the findings of the study.

2.2 Methodology

The methodology is a "strategy or plan of action that links methods to outcomes" – (e.g. experimental research, survey research, ethnography). The methodology will be mixed (quantitative and qualitative) in nature.

The quantitative approach is best applied to situations where relationships between measurable units of analysis can be established. The findings from this approach are intended to determine predictable patterns in nature and the social world. Although it is a desired outcome of the study, predictability is not by nature an attribution of the housing problem which is affected by social, economic and political factors. The quantitative approach is also sometimes called traditional, experimental or positivist approach. Large samples are collected for the purpose of statistical analysis, where value-free or objective analysis is stressed. Deductive reasoning is used and findings are communicated in a scientific style using numbers, statistics and aggregated data. This study will not incorporate large samples as this is not feasible, nor necessary in order to achieve the objectives of the study. While numerical data may be used to convey certain information, this will merely serve an illustrative purpose. The core of the findings will be detailed explanation and supporting argument. Due to the complex and multi-dimensional nature of the subject matter of this study, it would not be possible to record, analyse, discuss and evaluate all relevant components involved if only limited to the quantitative approach.

Qualitative methods, on the other hand, are best suited to explore complex social questions, such as what this study will do. This approach seeks to understand the context and give a detailed description and explanation. The qualitative approach is also referred to as the interpretative, constructivist or positivist approach. Small samples are used and investigations are in-depth and to the point. Analysis is sometimes subjective and potentially biased. As an ethical consideration, the researcher will acknowledge this. Inductive reasoning is used. The

findings are communicated in a literary style by means of words, narratives, individual quotes and personal voice.

The mixed method is where the solving of the problem takes precedence to the method that is used. For this reason a 'mixing' of both quantitative and qualitative methods is permissible, as long as this route is well motivated (Creswell, 2003: 12).

This study will be qualitative in nature, whereby developments related to housing will be sourced from current affairs (newspaper articles and television programmes) and desktop surveys; policy issues relating to housing will be derived from academic literature and government documentation; and information relating to the use of scenario planning in housing will be sourced from desktop surveys, academic literature and the conduction of a survey amongst housing practitioners.

The intention of the study is to evaluate the use of scenario planning within the Gauteng housing policy environment so that recommendations can be made towards the manner in which the Gauteng Department of Housing implements policy strategy. It was therefore pertinent to establish an understanding of the housing problem in the country and Gauteng in particular while simultaneously evaluating the use of scenario planning in the same arena (and beyond). An initial literature review revealed that the country is facing a housing problem and that policy choice and implementation may be the make or break factor in a sustainable solution. It has thus far been proposed that the application of scenario planning may offer an answer. The strategy then is to determine:

- Whether the GDoH practices the use of scenario planning
- Whether GDoH policies and strategies with regards to scenario planning are filtered down to Gauteng municipalities
- Whether the application of scenario planning by various municipalities is yielding any meaningful results
- What lessons can be learnt by GDoH with regards to application of scenario planning strategies in Gauteng to date.

The next step is to canvass for examples of completed scenario exercises worldwide and document the reasons for either success or failure if possible. The findings from the completed

scenarios are then to be contrasted against the current scenario planning approach being used by the Gauteng Department of Housing so as to determine where gaps may exist within the department's approach and make recommendations.

2.3 Data Collection

The Data collected was to make findings concerning:

- The housing problem in Gauteng
- Factors that influence policy decisions within the Gauteng Department of Housing
- To what extent scenario planning has filtered down to the level of application within Gauteng Municipalities
- What lessons can be learnt from scenario planning exercises to date for use by the GDoH
- Where scenario planning strategies may be used to bridge certain gaps that exist within the policy making strategies of the Gauteng Department of Housing.

All data was partially informed by relevant literature and desktop surveys.

Sensitisation to the housing problem was highlighted by media reports in newspapers and on television, especially during the period of mid- to late-2007 during which time several service delivery protests, especially pertaining to housing, took place in Gauteng and the Western Cape. The literature and desktop studies served mainly to string together the succession of events that lead to the current housing problem facing South Africa and the web of various dynamics that make the problem so complex. The housing problem was further exacerbated by the policy decisions that were fuelled by desperation and urgency rather than logic and sustainability during the mid-90s to the first years of the new millennium.

The use of internet search engines (using specific search terms) revealed that the GDoH was therefore later motivated to address the problem through research. And in some cases, part of the research strategy included scenario planning.

The researcher then made use of Internet search engines to identify 'scenario planning' websites, consisting of discussion papers, forums, examples scenario planning exercises and toolboxes. From here, the theoretical basis and history of the subject matter was established.

Unfortunately, the available literature and internet sites offered very limited record with regards to information pertaining to detailed examples of completed scenario planning exercises. A survey will also form an important part of the study, especially with respect to getting a perspective from the practitioners. Any quantitative data will be used solely for descriptive purposes, for example, indicating the housing backlog statistics in a clear and succinct manner.

Statistics concerning housing backlogs will be made clear from Gauteng government documentation and reviews presented by various researchers with an interest in public housing development issues in South Africa.

The literature and desktop surveys will serve the purpose of establishing what research has been done into the application of scenario planning and directions in Gauteng housing policy. It will also reveal current debates around those same issues. The survey will expose any gaps between theory (literature, reports, papers, etc.) and practice and touch upon the level of application of scenario planning at the municipal level..

Once all this data is collected, a process of 'sense making' shall begin. This will be achieved through *data analysis*.

2.3.1 Survey

A standard survey questionnaire was prepared for all respondents. The questionnaire was semi-structured in nature, allowing some flexibility in answers due to the fact that the nature of some of the responses would need to be qualitative in nature. The written questionnaire method was selected due to the fact that it was:

- Cost effective, as it eliminated the need to travel to various destinations in order to interview respondents;

- Non-intrusive and convenient for the respondent, as he or she would be able to respond at their own pace, in their own time and uninterrupted by the researcher;
- An efficient manner of recording qualitative information accurately

The target population for the survey consisted of policy-makers within the housing departments at the Gauteng metropolitan and district municipalities (Ekurhuleni, City of Johannesburg, City of Tshwane, Sedibeng, West Rand and Metsweding Municipalities and policy-makers within the Provincial and National Department of Housing. More specifically, individuals at a managerial level were targeted as these tend to be the decision-makers and their exposure and/or implementation of certain policies will filter into their departments, divisions and sections. These managers would then be representative of the housing policy makers and implentors in Gauteng. The nonprobability sampling method of Judgement sampling was thus used (StatPac, Inc, 2009).

Where contact numbers were available, individuals were contacted telephonically. Others were contacted via e-mail. This was done between 28 May and 16 July 2009, The deadline given for response was 27 July 2009.

The researcher had difficulty finding the contact details of a relevant individual within one of the target municipalities. As a result, this particular survey participant was only contacted on 5 August 2009. When consent was received to include them in the survey, an e-mail summarising the pupose of the survey was sent. Attached was a letter of verification that the researcher was a student of the University of Witwatersrand and the standard survey questionnaire.

Some participants took great interest in the survey and intentions of the study, and forwarded the e-mail to other colleagues. As a result, two responses were received from one target area, while three were received from another (one of these three was a telephonic response in which the researcher had an opportunity to have an unstructured conversation with the respondent, while another was from the Department of Local Governemtn and Housing. This extended the 'target' group from eight individuals to eleven.

Three respondents responded within the required timeframe. A reminder was sent out to all outstanding respondents. The remaining responses were received between 7 and 24 August 2009. An e-mail thanking each respondent was sent by the researcher. Only one response of

the initial target group was never received. Looking at the original target group of eight, the response rate was 88%. Taking the additional three respondents into account put the response rate at 91%. The researcher found both of these to be acceptable.

2.4 Data Analysis

The data was analysed using thematic coding, i.e. according to the broad themes of:

Housing:

- the extent of the housing challenge in Gauteng within the national context

Policy:

- the level of implementation of policy; and
- the extent to which scenario planning can be applied to public housing policy

Scenario Planning:

- how widely the approach has been accepted within various disciplines; and
- the extent to which scenario planning can be applied to public housing policy.

The research will be analysed according to the linkages found between housing policy and decision making in the form of scenario planning. This analytic induction allowed the researcher to search for similarities among the broad themes and create sub-categories e.g. with Housing as a main category and sub-categories could be: successful housing using scenario planning, successful housing using other decision making tools, successful housing with a substantial budget, successful housing with a low budget, etc. (Ratcliff, Date Unknown). These are reflected in the analysis of the data and the recommendations made.

All of these elements will later be synthesised to answer the research questions, thus achieving the goal of the study i.e. to investigate whether the palpable use of scenario planning could be used to inform policy making within the Gauteng Department of Housing (and South Africa)

2.5 Ethical Considerations

In order to maintain the integrity of this study and out of respect for participants, the following ethical considerations will be applied throughout the study (see Trochim, 2006 and Resnik, date unknown):

- Informed consent – The targeted survey population will be practitioners iwithin public housing development and scenario planning. Involvement in this research may affect their professional the purpose of the study and the manner in which the findings shall be used will be made evident to the participant at the point at which the survey participant is approached;
- Confidentiality – The subject manner of this research report may be sensitive in nature as it will allude to actions of various levels of government and may put certain parties in a bad light. The nature of the study cannot guarantee anonymity as survey participants will be targeted and contacted individually.. But the confidentiality of the participant's input will be maintained by not exposing the identity of the participant to anyone outside of the study, unless the participant gives written consent indicating that they are comfortable with being publicly identified;
- Objectivity- due to the fact that the researcher is professionally involved in urban planning within the Gauteng area, of which housing forms part of the strategic planning challenges, the researcher shall strive not to be biased towards any tendencies or direction. The researcher shall strive to collect data, analyse data and present findings in an impartial manner so that the truth is reflected.

The application of these ethical requirements will be to be to the benefit of all that may be affected by or take from the study.

2.6 Limitations of the Research

Limitations and constraints of this study may relate to:

- **Research Content**

Data will be limited to what is available to the researcher. Data on scenario planning and basic housing facts should be easily attainable from internet searches and academic literature, but the manner in which scenario planning is being used by the Gauteng housing government, and other related information may be deemed too sensitive by certain government officials to share. In this case some data may never surface. It is also possible that certain housing practitioners within government may not be aware of the use of scenario planning and some data may be overlooked.

- **Methodology**

The most important information will likely be derived from the surveys conducted amongst practitioners within Gauteng housing. The information that they share will be limited to their personal work experience and knowledge. This first hand information is invaluable, but at the same time there is a risk of information being biased or incomplete. It is in the opinion of the researcher, though, that the gain outweighs the risk.

- **Broad application of findings**

The findings of this study may be true only for the specific focus area, i.e. Gauteng. This may lend the study to the criticism of the findings not being broadly applicable. In the same manner that a case study may be context specific, the strength of that focus is that it exposes details that a more generalised study may have not managed to do. Any findings of this study may be applied to other contexts. The focus of this study is to make a contribution towards knowledge and not to solve all public housing challenges in South Africa.

- **Resources –**

Fuel, stationery and printing; in some cases certain published sources may not be available at an accessible library and may have to be purchased. Time will tell whether this will be a significant financial challenge. The proposed budget for the study is as follows:

<u>Expense</u>	<u>Budget</u>
<u>Printing</u>	<u>R1500</u>
<u>Purchase of source material such as published literature</u>	<u>R1000</u>
<u>Total</u>	<u>R2500</u>

- Time Limits

New information and innovations are constantly being found and made in the world of housing policy. The researcher shall be limited to data that is available at the time of the study. The requirement for completion of the study will also mean that certain ongoing policy work may be excluded from the data included in this study.

CHAPTER 3: LITERATURE REVIEW

The guiding concepts are determined by the subject of inquiry: scenario planning as an application within public housing policy in Gauteng. Due to the fact that scenario planning is an inter-disciplinary practice, the study has the potential to be rooted in several disciplines, but broadly speaking, the study will be in relation to governance and planning. Within both of these, there exist accredited scholars and researchers who will elucidate any information related to established knowledge and ideas/ investigations similar to the researcher's own i.e. the use of scenario planning in order to inform decision-making in public policy issues. The validity and reliability of the discussion will be supported by the use of published resources.

The framework of the review will be as follows:

- An indication of the long-standing challenges facing public housing in South Africa) – this warrants investigating housing policy;
- The importance and complexity of strategic planning for an organisation – this warrants investigating alternative approaches to decision-making influencing policy;
- An exploration of scenario planning as an established professional practice in order to reveal its innate value.

The literature review revealed the following:

3.1 On Housing Policy in South Africa

Pre-1994 housing policy was one of racial segregation and varying levels of insecure tenure for non-whites. When a new government came into power they had some key decisions to make in order to bring about a positive change. The goal was to ensure secure shelter for all South African citizens. In qualitative terms, the goal was to reach the target of 1 million houses in 5 years i.e. by the year 2000 (Khan and Thurman, 2001: 3). The quantitative goal was achieved (see figure 5), yet, this was not enough.

The question was how to set a policy that would facilitate *sustainable* housing while still moving the country forward politically, socially and economically. In the end, it was decided that the key driving forces that would influence the decisions constituting the new housing policy had economic, social, political implications.

3.1.1 Economy, 1994

The analysis of the intersection of the housing sector with the broader economy could be desegregated into four interrelated areas:

- Real side linkages: Real linkages include the effects of housing policy on such macro-economic variables as output, employment, income, consumption, savings and investment, prices, inflation, and the balance of payments;
 - financial linkages: Financial linkages deal with the relationship between the financial sector - in particular formal and informal institutions providing housing finance - and the demand for, and supply of, housing;
 - fiscal linkages: Fiscal linkages cover the contribution of government to the supply of housing through tax and subsidy policy; and
 - socio-economic linkages: Housing policy, through the quantum and quality of housing delivered impact on socio-political stability, productivity and attitudes and behaviour.
- (National Department of Housing, 1994)

In addition to this, the skewed income distribution that arose out of an unequal society gave a need for income redistribution. We can even go so far as to say 'asset redistribution', because it is from this equalizing policy, that the decision to provide housing to those who had none came about. (National Department of Housing, 1994).

3.1.2 Services, 1994-2007

In 1994, approximately a quarter of South African households did not have access to piped potable water, an estimated 48% did not have access to flush toilets or ventilated improved pit latrines and an estimated 46.5% of all households in South Africa were not linked to the electricity supply grid.

Progress has been made in that the percentage of households that had access to piped water in 2007 was 88, 6%; the proportion of households with access to a flush toilet sat at 55,1% in

2007; the use of pit latrines (without ventilation) has declined to 20,6% in 2007; and the use of electricity as the main energy source for lighting increased substantially from 57% in 1996 to 80% in 2007 (Statistics South Africa, 2007 (b)).

(National Department of Housing, 1994)

3.1.3 Land Reform, 1994-2008

Many South Africans did not have adequate tenurial security over their homes:

- Approximately 58% of all households (4.8 million households) had secure tenure (ownership, leasehold or formal rental contracts) over their accommodation; whereas
- an estimated 9% of all households (780,000 households) lived under traditional, informal / inferior and/or officially unrecognised tenure arrangements in predominantly rural areas; and
- an additional estimated 18% of all households (1.5 million households or 7.4 million people) were forced to live in squatter settlements, backyard shacks or in over-crowded conditions in existing formal housing in urban areas, with no formal tenure rights over their accommodation.

This pattern of insecure tenure is undoubtedly one of the salient features and causes of the housing crisis in South Africa. The issue of secure tenure has been treated as part of a three-part strategy by the South Africa government which includes the following:

- Land Tenure Reform- to give people (especially farm workers and farm labour tenants) security of tenure, over houses and land where they work and stay.
- Land Redistribution- making land available for agricultural production, settlement and non-agricultural enterprises.
- Land Restitution- the return of or compensation (usually financial) for land lost by persons or communities who lost their properties under apartheid law.

(Education Training Unit, 2007)

A major political target is to ensure that 30% of agricultural land is transferred to black South Africans by 2014. Given the progress as at 2005, delivery will have to increase fivefold to meet

this target. Land delivered (by restitution, redistribution, and tenure reform) by the end of 2004 amounted to 3.5 million ha, that is, only 4.3% of commercial agricultural land (Department of Environmental Affairs and Tourism, 2005).

Of these three, tenure reform has made the slowest progress (South African Council of Churches, 2005)

In 2008, land reform received R6,6-billion in funding. The then Finance Minister, Trevor Manuel expressed his concern that the capacity of the Department of Agriculture and Land Affairs may not be sufficient to efficiently execute land reform at a maximum rate (Groenewald, 2008).

The Department of Housing's *Alternative Tenure Programme* includes social housing, backyard rental, hostel redevelopment or affordable rental accommodation. It was indicated that 9500 housing units were to be delivered in the 2008/09 financial year (Gauteng Department of Housing, 2008).

3.1.4 Policy Implications

The 'housing problem' could not be limited to housing, but needed to be promoted in such a manner as to give meaning to the goal of creating viable communities. A broad economic policy framework which was to facilitate a significant increase in the delivery of housing was chosen to address the following issues:

- a higher rate of economic growth and, in particular, rising and more equitably distributed real per capita income;
- an increase in the level of employment; greater incentives to save;
- reduction in government dissaving; and
- Public-private partnerships in view of the fact that government resources were severely limited and it would have to combine the resources of the private sector in order to make ends meet. The private sector would include bodies from the financial sector and construction industry.

(National Department of Housing, 1994)

In November 1993, the Housing Arrangements Act (Act No 155 of 1993) was passed by Parliament, after extensive negotiations. This Act aimed to ensure that housing provision could proceed in the interim phase, while detailed future policy was being developed and implemented. This Act set out the following:

- The establishment of a National Housing Board (with representation from housing suppliers, consumers and regulators) to advise government on issues of national policy;
- the establishment of four Regional Housing Boards in the four (previous) provinces, to adjudicate the allocation of fiscal resources to projects at the provincial level; and
- the amalgamation and joint operation of housing funds and certain housing institutions of the old own affairs administrations, by April 1994.

(National Department of Housing, 1994)

In view of the interim Constitution of the Republic of South Africa (Act 2 of 1994) for co-operative governance among the three spheres of government (local, provincial and national), it was also vitally important that an extensive process of consultation with the nine new provincial governments was undertaken in order to reach consensus on the new housing policies and overall housing strategy.

(National Department of Housing, 1994)

3.1.5 Housing and Economic Policy Relationship

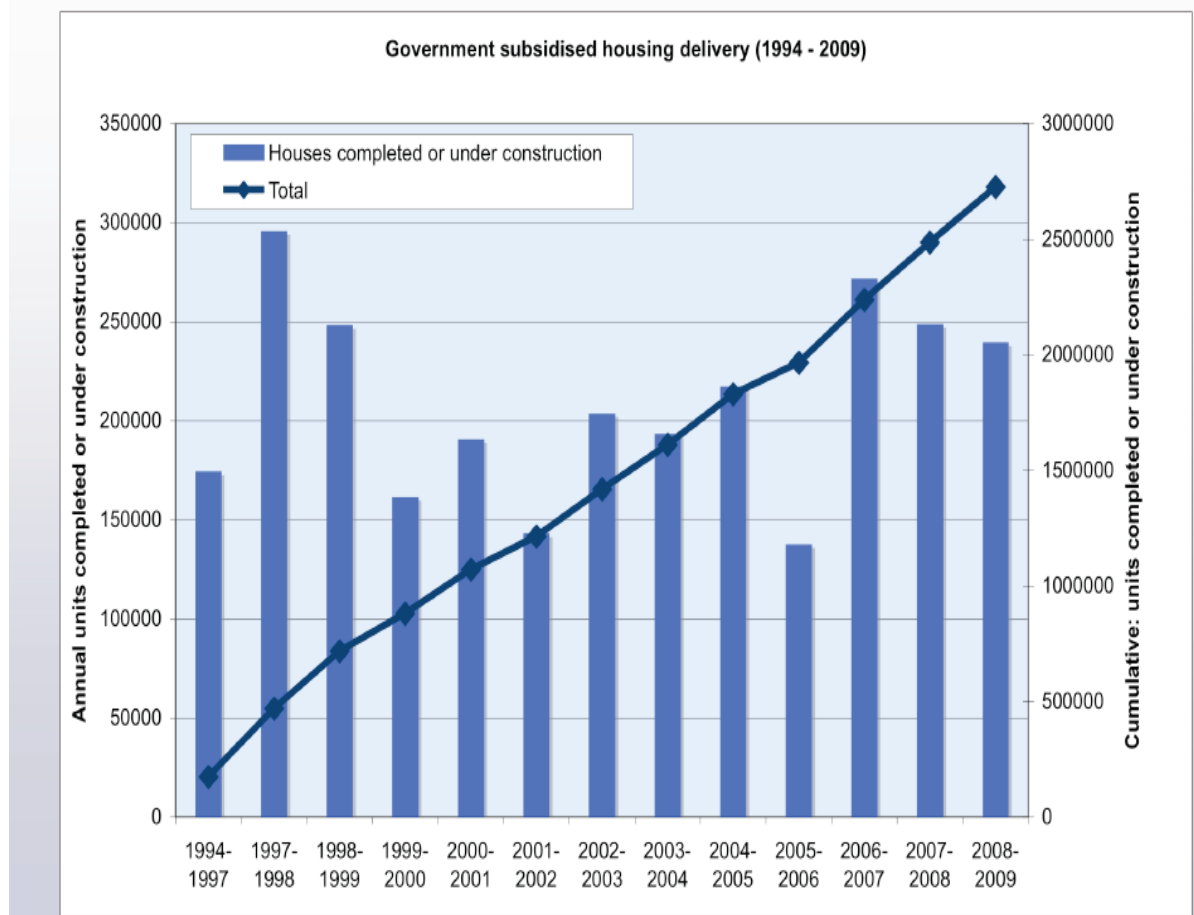
The right to “have access to adequate housing” first articulated in the ANC’s (African National Congress) Reconstruction and Development Programme (RDP) IN 1994, is enshrined in the 1996 Constitution of the Republic of South Africa (Khan and Thurman, 2001). The RDP aimed to address needs such as housing, land, health, education and services. A key aspect of the RDP is that it recognized that all these factors are directly connected to the economy of the country. The programme had a strong socialist focus, advocating the policy of redistribution. Unfortunately, the conservative and savings orientated national fiscal and monetary policy of the time did not correspond with this approach. “Thus, while the state bears the responsibility for ensuring that the basic needs of all are met, the obligation of the state, according to the Constitutional Court ruling of *Soobramoney vs Minister of Health*, 1997 is limited to ‘available resources’- defined as what the Minister of Finance has allocated in the national budget” (Khan and Thurman, 2001: 9). Further difficulties came with the unwillingness of private financial

bodies to afford credit to the poor as this was seen as a risky move and private developers not keen on investing in social housing when there was more to be made in the middle to high income section of the housing industry.

In June of 1996, Finance Minister Trevor Manuel introduced a strategy geared more towards macro-economic growth. This was the Growth, Employment and Redistribution Strategy (GEAR). This neoliberal economic strategy was to cover the years 1996-2000. The ambitious goals was to achieve sustained annual real GDP growth of 6% or more by the year 2000 while creating 400,000 new jobs each year (Department of Finance, 1996). Another goal was for government to “build up credibility as a responsible and capable facilitator of economic growth and development” (Creamer, 2007). However, these macroeconomic stabilisation policies had the effect of limiting the emergence of transformative programmes in a range of important sectors including in education, health care, housing and other services.

It was during the ‘term’ of the GEAR strategy that the *Urban Development Framework* (1997) was created. This framework was to ‘give substance to the imperatives outlined in the [GEAR] Strategy and relevant other development programmes and strategies” (National Department of Housing, 1997). The target areas would be urban- seen as places of economic growth and opportunity. With urban areas in South Africa annually increasing in population size, it was vital that the dysfunctional spatial fabric was reconstructed and developed. This would include the upgrading of townships and informal settlements, investment into infrastructure such as public transport, spatial integration of the city and social development. During the period of 1997-1998, public sector housing delivery was at its highest. But over the last few years, delivery has been in decline, as can be seen in the diagram below (Rust, 2006: 23).

Figure 3: Subsidised houses completed or under construction (1994- 2009)



(Rust, 2009)

In 2001, the Department of Housing's White Paper on *A new housing policy and strategy for South Africa* spoke to the housing crisis facing the country. In the words of the Paper, "the time for policy debate is now past – the time for delivery has arrived", (National Department of Housing, 2001). And yet, 8 years on, the country sits in delivery crisis.

Following this was the *Social Housing Policy for South Africa (2003)*. This policy was put in place in order to ensure that social housing emerged within a stable policy environment. It was also to ensure that Social Housing Institutions (SHIs) were not left at the funding mercy of international donors and that alternative funding sources were found (National Department of Housing, 2003). This saw a sharp increase in approved subsidies during the 2002/03 financial year.

Figure 4: 1994 Housing White Paper Estimates

Income category	Percentage	Number households
>R3501	13,9%	1,15m
R2500-R3500	5,6%	0,46m
R1500-R2500	11,8%	0,98m
R800-R1500	29,0%	2,42m
R0-R800	39,7%	3,30m
Total	100%	8,3m

Subsidy eligible population

(Rust, 2009)

Figure 5: Subsidies Approved per Financial Year (1994- 2008)

	1994/95 – 2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	Total
Eastern Cape	243 315	20 811	13 882	2 189	22 532	27 700	330 429
Free State	113 394	16 084	16 768	8 770	14 334	28 129	197 479
Gauteng	989 016	39 086	54 045	56 373	53 234	72 644	1 264 398
KwaZulu-Natal	265 452	43 397	42 776	13 766	21 906	20 032	407 329
Limpopo	128 303	32 681	17 503	27 456	2 138	17 435	225 516
Mpumalanga	153 493	14 378	2 407	1 153	14 281	7 858	193 570
Northern Cape	39 251	7 452	1 763	812	5 671	2 268	57 217
North West	146 718	7 570	23 543	14 778	19 440	47 698	259 747
Western Cape	221 046	8 143	77 354	12 449	12 987	28 300	360 279
Total	2 299 988	189 602	250 041	137 746	166 523	252 064	3 295 964

(National Treasury, 2009))

Strangely enough, the amount of subsidies does not correspond with the houses built. The 1995/06 financial year recorded 2nd lowest amount of subsidies approved, yet the highest

amount of houses appears to have been completed during that same time period. Overall, though, the most houses completed or under construction are in the province that received the greatest amount of allocated funds. It is not clear, though, exactly how or how much of the allocated funds were actually used. The 2006/07 annual report, for example, indicates that there has been an under expenditure of R167 505 by the Department of Housing. With so many provinces being in need of housing, it is important to establish why it is that there are funds 'to spare'.

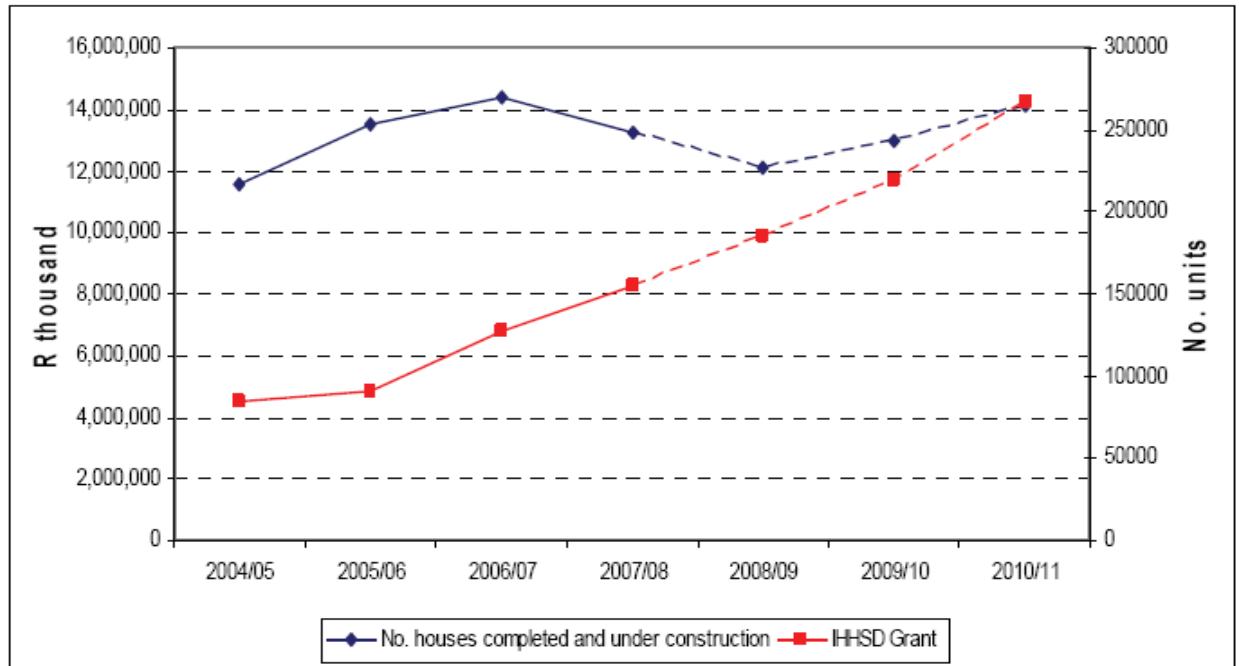
Figure 6: Houses Completed or Under Construction per Province (1994- 2008)

Number	1994/95 – 2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	Total
Eastern Cape	187 237	27 119	37 524	19 825	16 526	12 684	300 915
Free State	87 859	16 746	16 447	20 536	19 662	12 482	173 732
Gauteng	340 331	49 034	66 738	59 310	77 044	90 886	683 343
KwaZulu-Natal	245 534	33 668	36 734	35 872	38 290	34 471	424 569
Limpopo	114 767	15 810	16 514	46 813	23 609	18 970	236 483
Mpumalanga	105 093	21 232	18 000	14 986	10 651	16 569	186 531
Northern Cape	29 213	3 787	3 598	8 667	3 880	8 686	57 831
North West	125 353	10 484	10 037	35 515	46 972	19 945	248 306
Western Cape	185 510	15 735	11 756	11 310	34 585	34 157	293 053
Total	1 420 897	193 615	217 348	252 834	271 219	248 850	2 604 763

Source: National Department of Human Settlements

(National Treasury, 2009)

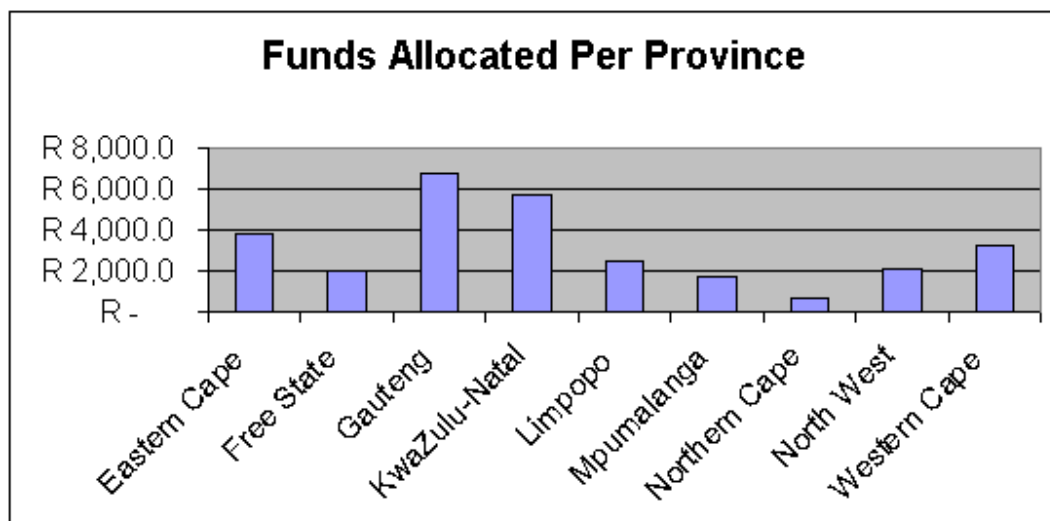
Figure 7: Grant Allocations vs Housing Delivery (2004-2011)



Source: National Department of Human Settlements

(National Treasury, 2009)

Figure 8: Funds Allocated per Province (1994- 2004)



(National Department of Housing, 2008)

Table 4 Published municipal infrastructure grant and household subsidy allocations by large municipalities, 2009/10

	MIG	Housing	Total	MIG as % of housing allocation
R thousand				
Cape Town (incl. N2)	327 790	663 499	991 289	49.4%
Nelson Mandela (est.)	156 016	365 000	521 016	42.7%
Ethekwini	508 950	385 300	894 250	132.1%
Ekurhuleni Metro	428 253	139 826	568 079	306.3%
City of Johannesburg	475 257	537 323	1 012 580	88.4%
City of Tshwane	328 083	365 164	693 247	89.8%
Msunduzi	89 943	40 300	130 243	223.2%
George	20 107	34 021	54 128	59.1%
Total	2 334 399	2 530 433	4 864 832	92.3%

1. Excludes self-financed contributions by municipalities which are significantly larger than these amounts in most cases.

Source: Division of Revenue Act, 2009

(National Treasury, 2009)

In February 2006, the Deputy President, Ms Phumzile Mlambo-Ngcuka, formally launched AsgiSA (Accelerated and Shared Growth Initiative for South Africa). AsgiSA has its origins from the commitment to half unemployment and poverty by 2014. This initiative is a move “to increase investment in economic infrastructure like electricity generation, transport and water management. A significant portion of the financing for expenditure on economic infrastructure is being raised by South Africa’s parastatals, such as Eskom and Transnet, and is not being funded from the national budget. Although this latest policy means well, the rise of building costs due to increased cost of certain input costs (i.e. labour, materials, plant and fuel) (National Department of Housing, 2008a: 18). This has inevitably increased the cost of providing housing, limiting the reach of housing subsidies. “The scarcity of suitable serviced land continues to add pressure on prices for housing development, thereby fuelling affordability problems” (National Department of Housing, 2008a: 18). There has also been evidence of a shortage of skilled labour and building material in the country (National Department of Housing, 2008a: 19)

3.1.6 The Private Sector

From the very beginning, it was understood that government would need to source the expertise and resources of the private sector. Public-private partnerships are a key feature of the implementation of the housing policy. Savings, credit and private sector investment are viewed as additional resources to supplement the government subsidy (Independent Democrats, 2008). The private sector has largely been engaged by the facilitation of the eight Development Finance Institutions of South Africa. These are:

- National Home-Builders Registration Council
- National Housing Finance Corporation
- National Urban Reconstruction and Housing Agency
- Servcon Housing Solutions (closure in 2009)
- Social Housing Foundation (closure in 2009)
- Peoples' Housing Partnership Trust (PHPT)
- Rural Housing Loan Fund
- Thubelisha Homes (closure in 2009)

In light of this, a number of initiatives were launched to extend the availability of home-loans to the lower income market from the formal financial sector. These are:

- Mortgage Indemnity Fund (MIF)
- Servcon Housing Solutions (closure in 2009)
- National Housing and Reconstruction Agency (NURCHA)
- National Housing Finance Corporation (NHFC)
- The Rural Housing Loan Fund (RHLF)
- The Niche Small Market Lenders (NSML)

(Independent Democrats, 2008)

On 11 June 2009 the Chief of Operations of the Department of Human Settlements¹ (Joseph Leshabane) announced the closure of "Thubelisha Homes, Servcon Housing Solutions (Pty) Ltd and the Social Housing Foundation. The agencies were established in the 1990's in accordance with an accord reached between Government and the banking sector for the purpose of rationalizing the funding of residential property acquisition in the former black

¹ In 2009, the Department of Housing was renamed the Department of Human Settlements with the Zuma regime, newly elected as the president of the ANC in May 2009.

townships. The mandates for the agencies had expired and the Minister decided to close the agencies down. ” (Parliamentary Monitoring group, 2009)

Out of all of these Development Finance Institutions, the National Housing Finance Corporation seems to be the most active (based on desktop research). The NHFC, was founded by the National Department of Housing and National Treasury in 1996 with the primary mandate of facilitating the engagement of the banking sector with provision of housing for low and moderate-income home seekers by initiating and managing relevant programmes where necessary and providing the skilled capacity needed to carry out this mandate. The NHFC is also tasked with funding non-bank retail intermediaries, niche lenders and social housing institutions (First Ten Years, 2004).

In 2007 Absa committed R2,6 billion aimed at achieving their target of ensuring the development of 100 000 units by 2010 as a result of a memorandum of understanding signed between Absa and the NHFC. The agreement will focus on pilot programmes such as Ngangelizwe, Elliotdale, Soweto on Sea, Motherwell, Mbashe, Elundini, Thornhill Siyanda (all from the Eastern Cape province), Mashishing (Mpumalanga province), Grabouw (Western Cape province) and Diepsloot (Gauteng province). The scope of the agreement will, however, not just be limited to these projects (Absa Bank Limited, 2007). In June 2008, the NHFC announced that a partnership with Sea Kay Engineering Services (Pty) Limited worth about R130 million has been initiated. This project is meant to see 9000 affordable houses being build for people from different income groups. Six hundred of these houses will be in Gauteng, the rest will be mixed income housing units in the N2 gateway area in Cape Town (South African Cities Network, 2008). These are just a few of the approximately 250 000 housing opportunities that have been created by the NHFC in collaboration with the private sector since 2003 (see the NHRC 2007 Annual report at http://www.nhfc.co.za/files/2007_Annual_Report.pdf).

In addition to these, Non governmental organisations have also contributed towards low income housing in projects such as the Urban Foundation: Informal Settlement Programme; the *National Business Initiative: Housing Delivery Support Team*; the *Inner City Housing Upgrading Trust (ICHUT)*; the *Lance Bailey Associates* (on behalf of USAID): *End User Finance Review* and the *Cooperative Housing Foundation: Social Housing Review* (Shisaka Development Management Services, 2008).

Social housing (rental stock) is managed by Social Housing Organisations (SHOs) on behalf of the Department of Housing, while private developers are free to tender for low-cost housing projects. The interest of the private developer has dwindled over the years, though, due to the fact that the profit margins in the RDP housing construction are very low (Dumisane et al, 2007). Even with the subsidies given by government, it is difficult for developers to keep up with the ever increasing cost of construction materials. In 2002, Rust wrote: “since being introduced the subsidy has been increased twice; first when subsidised housing delivery was deemed to be exempt from VAT, and then when the maximum amount was raised from R15 000 to R16 000 per household. However, the policy does not provide for an annual escalation. This undermines the developer’s ability to plan for a specific subsidy value. Given the delays in the delivery process, this increases developers’ risk, and tightens their margins”.

3.1.7 Housing and Planning

Planning is an essential function of Government. In the Department of Housing this is reflected in several programmes that have been adopted by the Department. One of these programmes is the *Policy Planning and Research* Programme, which includes the *Strategy for mainstreaming energy efficiency in housing* and the *Development of a multi year housing development plan* (Department of Housing, Republic of South Africa, 2006). The housing Research and Planning (sub-) programme is responsible for the following functions:

- The provision of administrative and transversal project management services;
- The provision of a regulatory framework for housing delivery;
- The development of provincial multi-year housing delivery plans;
- Housing research;
- And in certain cases, municipal support for housing delivery. (Source: Van Der Westhuizen, 2004: 17)

There has been a clear policy shift from the White Paper on Housing’s *quantity* (1994) to Breaking New Ground’s *quality* (2004) of Housing i.e. delivering houses in habitable and sustainable settlements (Department of Housing, Republic of South Africa, 2006).

Each policy direction taken has been well meaning and resulted in a spike in housing delivery from the year previous to when the policy was instituted. But these improved delivery stats do not seem to be sustainable, as the delivery numbers seem to falter in the years following the

policy institution. In addition to this, the relationship between funding and houses delivered does not necessarily correlate across the board, indicating other decisions taken that may influence the success rate of housing delivery. The cost of building is on the increase and this further stunts the involvement of private developers as their profit margins are inevitably decreased. An effective policy direction will need to deal with all of these aspects.

3.1.8 The Human Settlement Department: A New Era

The year 2009 has seen the dawn of a new era within the national housing department, now renamed the *Human Settlements Department*², with a renewed focus on the delivery of complete settlements (National Department of Human Settlements, 2009). This 'new department is based on the following vision and mission:

Vision:

A nation housed in sustainable human settlements with access to socio-economic infrastructure

Mission:

To establish and facilitate a sustainable process that provides equitable access to adequate housing for all within the context of affordability of housing and services and access to social amenities and economic opportunities.

(National Department of Human Settlements, 2009)

The Strategic Plan 2009/10 of the Department indicated the following as housing priorities:

- 1) Housing cover for military Veterans of the struggle;
- 2) Interventions in the housing industry and residential property market to curb the spiraling cost of construction input prices- including the cost of material development and supply;
- 3) Develop appropriate legislation to prevent the mushrooming of informal settlements (i.e. improve the regulations);
- 4) Provide for housing needs with the use of alternative housing options such as affordable rental stock;

² In 2009, the Department of Housing was renamed the Department of Human Settlements with the Zuma regime, newly elected as the president of the ANC in May 2009.

- 5) Develop and adopt a central planning approach to better direct resource allocation, distribution and overall coordinated response to human settlements;
- 6) Restructure the funding mechanism(s) and consolidate all housing-related grants and funding streams to improve sustainability;
- 7) In order to deal effectively with the challenges of human settlements, land acquisition be accelerated through a dedicated Housing Development Agency;
- 8) Introduce a once-off injection of resources and an extraordinary effort to impact on the housing backlog and poverty;
- 9) Introduce measures to assist people with building materials to encourage self involvement in the provision of housing needs. This will respond to specific conditions that prevail in rural areas.

The department still consists of 5 main programmes. These are:

- 1) Administration
- 2) Housing Policy, Research and Monitoring *previously* Housing Planning and Research
- 3) Housing Planning and Delivery Support to provide implementation and delivery support, build capacity and liaise with stakeholders for housing and human settlement programmes.
- 4) Housing Development Funding which now includes the activity of 'housing finance equity' which was previously an independent programme. The Housing Finance Equity function involves the identification of discriminatory lending patterns by financial institutions; providing the Secretariat function in terms of the Home Loans and Mortgage Disclosure Act; the management of the receipt, collation and analysis of information disclosed by financial institutions and the creation and support of a conducive environment in terms of the Financial Services Charter.
- 5) Strategy Intergovernmental Relations and Governance to manage intergovernmental and international relations, oversight of housing institutions; management of information services and communications and public relations functions.

3.2 On Scenario Planning

3.2.1 A strategic planning tool

Scenario planning is one of several futures studies methodologies and is thus about planning for the future.

Scenario planning is a strategic planning tool that combines known facts about the future such as demographics, geography and weather pattern, with plausible alternative social, technical, economic, environmental, educational, political and aesthetic trends. These 'trends' are known as *driving forces*. Following "...strict logic from [the] assumptions about [the] driving forces" (More, 2001), the planner is able to "highlight major underlying forces that will form the future" (More, 2001).

For every organisation with a set mission, values and a goal, this is a valuable tool. It is rarely ever an entirely straightforward exercise to arrive at the appropriate decision to take an organisation forward into the desired future. The difficulty of making decisions based on some unknowns is ever present. Huber (1986: 109) suggested that we look at the decision-making process as "just a special type of problem". He further goes on to say that a problem has three characteristics. These are:

- An (undesired) initial situation (initial state);
- A desired goal situation (goal state); and
- The problem-solver does not know in advance how to transform the initial state into the goal state.

(Huber, 1986: 110)

The 'operator' is that factor that alters the undesired state to the goal state. More often than not, several operators are required. And even when all these operators are available, it is only a particular sequence of application of the operators that will deliver desired results. Deciding what operators are required and how to use them are the essence of decision-making. "In other problems the search for or the invention of operators may be a major part of the problem", Huber, 1986: 110).

In a well-defined problem, the required path to reaching the goal state is more simply attained. Such problems are common or have at least previously occurred, and solutions to the problem are tried and tested. Tyszka (1986: 159) refers to this as “predecisional information seeking behaviour”. In an ill-defined problem, it is not as simple (Huber, 1986: 111). The problem is often multi-dimensional i.e. the ‘units of analysis’ are several and complex (Huber, 1986: 119-121). For addressing these ill-defined problems, mental exploration of possible alternatives is an option. “The pictures that we draw in the course of exploring the future are sometimes called “scenarios”, (Thuring and Jungerman, 1986: 163). This mental simulation is a process of logically linking existing variables and examining how these relate to each other, and the possible outcomes of the various connections or relationships (Thuring and Jungerman, 1986: 165).

Scenario planning is not about predicting the future, but about going through an exercise that allows the planner to realise all *possible futures*, so as to establish a flexible long-term plan to achieve the desired goals.

Winning Benefits of Scenario Planning:

- Early Warning: The majority of winning business strategy results from awareness of the impending change. Knowing when to advance or retreat keeps your business alive and flourishing.
- New Opportunities: As your competitors struggle with changing conditions, your business will be poised to survive and thrive.
- Risk Reduction: Running your small business with the assumption that change cannot impact your business will impact your business. Preparing for possible changes can reduce over exposure of capital and resources to uncertain risks.

(Zahorsky, 2008)

On the flip side of this there is also the imperfection of scenario planning. Scenario planning is not the beginning and the end of all strategic planning and therefore is subject to certain weaknesses:

- Because each scenario will need its own strategy, the entire process can be time-consuming.

- Several areas of expertise may be required in order to inform decisions, resulting that the planning exercise being resource intensive.
- The substantial amount of time and the resources that may be required to complete a scenario planning exercise may be expensive.

Scenarios are not only for choosing an initial decision but also play a vital role in monitoring the continued fit of a decision or strategy with changing conditions and can thus help policy-makers to anticipate hidden weaknesses and inflexibilities in organisations and methods.

3.2.2 A brief history of Scenario Planning

Scenario planning was originally developed during the Cold War years as a tool to consider what might happen in the even of a nuclear war (Encyclopaedia of Ecommerce, 2008). This approach was further developed by Herman Kahn in the 1970s. Kahn was a military strategist and systems theorist Hudson Institute, New York - a policy research organization (Davis, 1998)

The approach was transformed into a business tool, most notably by Pierre Wack who developed the scenario planning system used by the Royal Dutch/Shell. As a result of these efforts, Shell was prepared to deal with the oil shock that occurred in 1973 and greatly improved its competitive position in the industry during the oil crisis and the oil glut that followed (NetMBA, 2007). "Peter Schwartz, chairman and co-founder of the Global Business Network (GBN), was responsible for scenario planning while working at Royal Dutch/Shell from 1982 to 1986. He too was instrumental in the approach's development. Along with Jay Ogilvy, Lawrence Wilkinson, Stewart Brand, and Napier Collyns, Schwartz eventually formed GBN in 1987 (Garreau, 1994). According to GBN, the organization is "a community of individuals and organizations committed to thinking broadly and collaboratively about the future and to pioneering tools for organizational learning, planning, and innovation." Companies from many different industries pay handsomely to receive scenario-planning consultancy from GBN. Among them are American Express, Lucent Technologies, Nokia, Campbell Soup, Disney, Nissan, Rubbermaid, Procter & Gamble, and Sun Microsystems" (Encyclopaedia of Ecommerce, 2008). The success of the Royal Dutch/Shell saw the increased use of scenario planning win both the public and private sector (see *Future Studio* at <http://www.futurestudio.org/full-text-scenarios.htm>, where various full-text scenarios are given for various governments and companies all over the world).

In 1994, the *Mont Fleur* scenarios that were developed for the future socio-political development of South Africa highlighted that:

- Credible scenarios were plausible
- The scenarios were not a prediction of the future, but rather options for South Africa;
- The desired results involved political, social and economic stability, with various groups of society co-existing in harmony;
- The desired possible future would not happen on its own, but by way of choice, i.e. South African citizens and other key role players would have to *decide* to make the future fruitful, but setting relevant processes, e.g. negotiations, in motion.

3.2.3 The Process

There are many ways to complete a scenario planning process. The approach used for the purposes of this study is based on the Global Business Network's (GBN) methodology and process. This approach was selected due to the fact that this was the methodology to which the researcher was exposed to during a scenario planning study module presented at the University of the Witwatersrand, where the researcher attended classes.

The scenario planning team should consist of individuals that have a thorough understanding of the organisation, its history and goals. Disciplines should be across the spectrum from social, environmental and political to economic and technological. Visitors from outside of the organisation may bring a much needed alternative perspective to the discussion. These outsiders may also help to break the mould of some stifling 'organisational cultures' (Ogilvy and Schwartz, 2004: 3, 5)

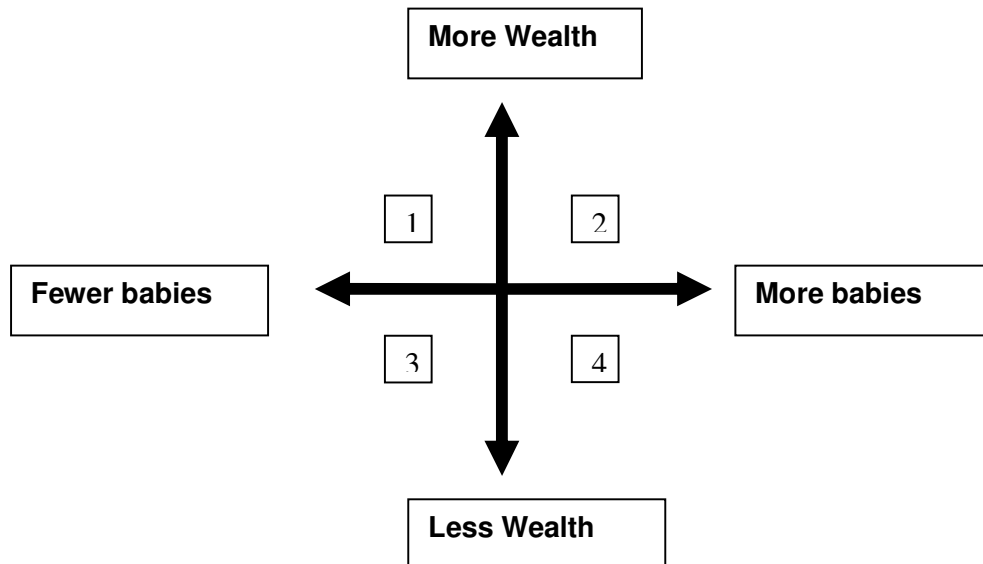
The steps are as follows:

1. Decide on key question to be answered by analysis. This will also help to determine whether scenario planning is the best strategic planning tool to be used. If the question is based on very few, small and simple changes, then another method may be more appropriate.
2. Set the time and scope of the analysis. This can be done by assessing trends over the past few years and examining how rapidly changes took place. This can shed light on

- the length of periodical cycles the planning should cater for and the timeframe of the entire plan as a whole.
3. Identify major stakeholders. These consist of those who will be affected and those who influence possible outcomes. An analysis of how their interests have changed over the years is also worth doing.
 4. Identify key driving forces.
 5. Determine which of the driving forces key uncertainties are. Any driving forces considered to be negligible should be discarded. In the end one should only remain with what is important and unpredictable.
 6. Identify a few scenario logics by using either the deductive or inductive approach. "The inductive method is less structured and relies largely on the patience of a group to talk and talk until consensus is reached". The deductive approach checks for the possibility to group the linked forces and if possible and then reduces the forces to the two most important (to allow the scenarios to be presented in a neat xy- diagram. Clearly, the inductive method may prove to be time consuming. It is up to the facilitator/manager of the team to decide what approach would be best in view of the participants and resources (including available time). An example of such a matrix can be used in the following scenario (see Figure 9):

A young couple is trying to decide what size home to buy (i.e. how many bedrooms? Should it have a garden? Do we need to be close to school, etc). After considering a number of issues, they decided that the most pressing deciding factors (drivers) would be the number of children that they were planning on having and how far their money could stretch in terms of monthly payments for the home. The xy matrix would look as follows:

Figure 9: Scenario Matrix: Deciding to buy a home



Each quadrant represents a possible scenario. For example:

- Scenario 1: More wealth and fewer babies may mean a moderate house in size but not limited in finances
- Scenario 2: More wealth and more babies may mean a larger house not constrained by finances
- Scenario 3: Fewer babies and less wealth may mean a moderate house in both size and finance
- Scenario 4: More babies and less wealth may mean a larger house with compromised quality due to constraints in finances.

It is important to note that the scenarios that are derived here are not strictly limited to the ones that have been presented. In Scenario 1, for example, more wealth and fewer babies may also mean a larger house and limited financial strain.

7. Identify the extremes of the possible outcomes of the two driving forces and check the dimensions for consistency and plausibility.

8. Develop a wild card scenario. This is a scenario totally unlike any of the others- almost over the top and extreme. One must always plan for the completely unexpected.
9. Define the scenarios.
10. Write out the scenarios.
11. Assess the scenarios i.e. are they relevant to the goal and do they represent plausible outcomes
12. Identify the research needs. Research methods throughout the process may include document analysis such as annual reports, desktop surveys, sample surveys, fieldwork and questionnaires distributed to relevant individuals.

3.3 Linking Housing Policy to Scenario Planning

In 1993, the Institute for Futures Research at the University of Stellenbosch (South Africa) undertook a review of policy trends and possibilities most significantly affecting post-apartheid South Africa. The publication was entitled “Public Policy in South Africa in the year 2000”. The investigation included a review of policy documents that were produced by the current government (the African National Congress), the Inkatha Freedom Party (IFP) and other political parties since 1991. The product of these reviews were the offerings of proposals of how future policies could be shaped to better address all related issues against the backdrop of a globalising world and a politically sensitive nation. Among the policies reviewed was the housing policy at the time. In the words of Spies (1993:1), “the authors were selected on the basis of their expert knowledge in the specific policy area, and on the basis of their ability to move beyond the present policies (and policy debate)...”.

The main question that Van der Westhuizen (1993: 57) tackled here (in the same policy review) was whether the housing problem in South Africa could be solved by the year 2000. Having the advantage of currently being post-2000, the answer to this is clearly “no”. In Van der Westhuizen’s exposition, he highlights the fact that the backlog present in 1993 would require that a total of 200 000 houses per year would need to be built by the year 2001 in order to address the backlog of 1,4 million units and escalating population growth. The issue of employment is a further complicating factor. Lack of housing is essentially an issue of poverty. Those with financing qualify more easily to receive funding for the purpose of acquiring their own home from private financial institutions. Taking all the challenges into consideration, Van der Westhuizen employed the “Columbus” scenario as an analytical approach to the housing

issue (Van der Westhuizen, 1993: 58-61). This scenario was produced by Lewis and a team of contributors (1993) of the Building Research Strategy Consulting Unit (Sandton, South Africa). Their work can be viewed in the publication entitled *Scenarios for the building industry: Engine for growth Scenarios*, 1993. The full publication is available to the subscribers of the *Strategic Forum* of the Building Research Strategy Consulting Unit, or available for the purchase price of R7500 for non-subscribers (see their website at <http://www.bmi-brscu.co.za/products.asp>). In this Columbus scenario, the importance of a realistic and sustainable strategy was emphasized. The requirements for this scenario to take place were:

- Subsidies and financing from the state- these subsidies would be allocated to households earning below a certain annual income. The lower the household income, the greater the subsidy. This approach has actually been implemented through the National housing process (see Annexure 2)
- A single housing ministry- this has materialise in the form of the National Department of Housing
- The need for consensus among role players, i.e. political parties, private sector with special regards to financial institutions and affected communities

(Van der Westhuizen, 1993: 58-61)

A projected spin-off of state investment was employment of individuals within the building industry. Van der Westhuizen pointed out that in order for the Columbus scenario to be truly successful, objectivity in decision-making was paramount. The housing issue, like many others, was – and still is – a highly politicised and emotionally-linked matter.

This brief exposition indicates that the housing problem has been long-standing and that it is a multi-faceted issue needing an all encompassing approach for a possible solution.

In 1986 a comparative study of futures studies versus policy making and planning. This comparison holds true for scenario planning as well. In summary they concluded the following (World Futures Studies Federation, 1986:119):

Scenario Planning

- 1. Non- prescriptive*
- 2. Emphasis on variety*
- 3. Long-term*
- 4. System wide (often international)*
- 5. Emphasis on monitoring*

Policy making/ planning

- 1. Prescriptive*
- 2. Choice of “best” policy*
- 3. Short and medium-term*
- 4. Often single Agency*
- 5. Rejection of monitoring (too politically embarrassing*

Planning and policy making are those vehicles whereby scenario planning manifests in physical and social reality and means by which scenario planning can remain anchored in reality instead of drifting into fantasy (Cole, 2001). It is for this reason that scenario planning has been so successfully used in various industries to date.

3.4 Scenario Planning in South Africa Today

Within the Policy Co-ordination and Advisory Services Unit (PCAS- headed by Joel Netshitenzhe of the Presidency) is a Chief Directorate entitled ‘Planning’ (Presidency, 2008). The Chief Directorate's core role is to undertake work related to medium- and long-term planning within Government, including:

- Using scenarios to interrogate policy and promoting scenarios as a management tool for the appraisal and development of plans and strategies in Government
- Undertaking policy research and analysis with a view to strengthening co-ordination and alignment within Government.

(Presidency, 2008)

The Presidency undertook a study to review the impact of government policies and programmes since 1994. The result, *Towards a Ten-Year Review*, was made public on 16 October 2003 (GCIS, 2003). The study identified the major achievements in the first decade of freedom and also indicated that there are still some major challenges in the next decade. In addition to this, the Presidency undertook a scenario planning exercise (*Memories of the Future*) for Government to facilitate internal planning by government departments (Presidency, 2004). The

four scenarios are defined in terms of the possible combinations of the two principal driving forces - global environment and social cohesion:

- S'gudi S'nais- becoming too comfortable with the existing environment (politically and socially content) and missing out on further opportunities that may have been attained with concerted effort.
- Dulisanang- speaks of a South Africa isolated from an unfriendly world but successful nonetheless.
- Skedonk- depicts an divided and unfriendly world, with the society of South Africa being no different.
- Shosholoza- "assumes an accommodating world and an inclusive society here in South Africa"

(Presidency, 2003 and Galer, 2004: 381)

PCAS made numerous presentations of these studies to a wide audience from both inside and outside of Government and included trade unions and business. Since (and even before) then, there have been a substantial amount of instances in which scenario planning has been applied as a strategic management tool in both public and private circles. A few examples are as follows:

- In 2001, the Department of Agriculture, Conservation, Environmental and Land Affairs significantly collaborated in a study known as *the Environmental and Financial Feasibility of Selected Health Care Waste Management Scenarios for Gauteng Province*. Using scenarios, the study made recommendations concerning the preferable methods of managing waste disposal in the Gauteng for the sake of environmental sustainability (Kristiansen, 2001).
- *Equity* and *development* are to concepts that several governments around the world- including South Africa- try to harmonise and operate side by side. But in many instances, exist in tension. Many argue that you cannot have one with the other (Provincial Treasury, 2005). It was in response to this challenge that the Provincial Treasury developed Equity and Development Scenarios so as to creatively find a way forward (Provincial Treasury, 2005).

- In 2006, the *Institute for Water Research* of the Rhodes University in Grahamstown partook in a study that formed part of the European Union funded project WERRD (Water and Ecosystem Resources in Regional Development). Other contributors included other European Universities, the Botswana and Namibian Departments of Water Affairs and Departments of Meteorological Services and other environmentally concerned organisations. This particular study was entitled *Impact of climate change and development scenarios on flow patterns in the Okavango River* (Andersson et al, 2006)
- In 2006, the eThekweni Municipality was looking to amend its existing Umhlanga Town Planning scheme in view of the increased pressure from developers who saw the area as a major economic investment node and wanted to take advantage of this by increasing the development density. Within the context of strict national laws in relation to development of coastal areas and the fact that this particular coastal node played a key role in tourism and the local economy, the Municipality had to be cautious in the type and extent of development that it would allow in the area. As a result, the Municipality undertook a study to investigate the range and potential impacts associated with increased development based on two scenarios. An in depth analysis of these scenarios allowed them to come to the decision to allow for carefully managed development in the area that would allow for sustainable development patterns (eThekweni Municipality, 2006) .
- In view of the high numbers of unemployed in South Africa, the national priority initiative for employment, growth and development (EGDI) was established at the Human Sciences Research Council (HSRC) during 2006. This scenario drew together a set of "evidence-based" scenarios for employment-absorbing growth (Human Sciences Research Council, 2006).
- Within the structures of the Gauteng Provincial Government is the *Competitive Intelligence Centre*. One of the tool that have been identified to be used in order to give them Gauteng a competitive edge both nationally and internationally is scenario planning (Gauteng Provincial Government, 2006).

- In 2007, Department of Local Government and Housing (Limpopo) “finalized the reviewal of its organizational structure in order to enhance service delivery” (Department of Local Government and Housing-Limpopo, 2007). As a result, it advertised several management posts that were intended to be filled by individuals that were required to assist the Municipality in moving towards its desired future. Two of those posts were for *Deputy Manager Strategic Planning*. One of the requirements for that post was that the individual/s would have experience with Scenario Planning (Department of Local Government and Housing-Limpopo, 2007).
- In this year’s annual *Programme of Action*, the Economic Cluster in particular has stated the following as some of the goals to be achieved:

Actions	Departments	Timeframe
Modeling and scenario planning on economic po to anticipate needs of economy and identify area requiring enhanced coherence and alignment	NT, DPE, DTI, Presidency	Jun-08
Finalise long-term mitigation (climate change) scenarios and implement decisions	DEAT, DME, DPE, DST, D	Apr-08
Review water usage scenarios and develop mea for efficient management of water resources	DWAF, DEAT, DME	Dec-08

(GCIS, 2008)

- *The Building Research Strategy and Consulting Unit* started as the former Building Research Division of the *Building Research Unit of Building and Marketing Intelligence (Pty) Limited* (BMI). This Division was purchased by Dr. Llewellyn Lewis in 1990 and has since been expanded to include (in addition to research into the Building Industry research into scenarios for South Africa, for the residential and commercial Property Sectors and a range of other sectors. A Scenario Planning approach was adopted from the outset with the introduction of the Quarterly Strategic Forum in March 1990. They state that their “proprietary scenario planning process can be custom applied to any industry sector” (Building Research Strategy and Consulting Unit, 2008).

Considering the scenario options for Low Income Housing in South Africa, the Strategic Forum agreed that the key Driving Forces of change (High Impact, High Uncertainty factors in the environment) in the evolution of the low income housing market Financing Industry are:

- Trends in Affordability (from low ability to pay to high ability to pay, coupled with willingness to pay);
- Trends in Consumer Confidence (from no confidence and risk avoidance, to high confidence and risk taking); and
- Trends in Housing Delivery (Availability of appropriate affordable housing and financing products for the Low Income Housing Market).

(Building Research Strategy and Consulting Unit, 2008).

The publication , *Development Indicators Mid-term Review: South Africa, June 2007-* released by PCAS- gave summarised data on trends mainly for the period leading up to the middle of the current government's term, two-and- a half years after the April 2004 elections . Among the broad themes covered was "household and community assets". In the document itself, there is a one page summary on progress concerning land redistribution and not actually on housing development and provision; nor is there any talk of scenario planning. Even so, there is evidence that government departments across the board are aware of the scenario planning methodology and even use it to a greater or lesser extent. Environmental bodies in particular appear to be especially geared towards using the tool in their planning.

According to this year's *15-year review* (released on the 2 October 2008), Housing is one of the state's biggest success stories. According to the review, between 1994 and 2008, 3.1 million housing subsidies were approved, and 2.3 million units were completed as a result of expenditure of R48.5 billion. This allowed 9.9 million citizens to access state-subsidised housing opportunities. Of the subsidies, 53% went to women-headed households (PCAS, 2008b).

As an accompaniment to this latest review of democratic developments in the country, South Africans have again been sensitized to the need to prepare adequately for the unforeseen future through the proposed scenarios of September 2008, entitled *Scenarios 2025: The Future we Chose?*

- Not yet Uhuru- depicts a Government strongly committed to accelerating economic growth through optimizing conditions for private investment, but which struggles to

achieve its goals in the face of deteriorating global conditions and severe ecological challenges...

- Nkalakatha- depicts a more cohesive society as a result of government playing a more central role in the economy, prioritising poverty reduction and skills enhancement by articulating a compelling national vision and fostering partnerships...
- Muvhango- depicts a government that battles to govern well despite an initial resurgence of the economy and positive world conditions, because of poor planning, lack of coordination and slow policy implementation...(PCAS, 2008c)

Although scenario planning was initially designed for the purposes of military strategy and later as a business tool, it is clear that the nature of scenario planning has allowed that its use has extended to various (if not all) other fields.

3.5 Budget for the Future

The Medium- Term Strategic Framework (MTSF) as outlined by the Presidency (2004), and in line with Electoral Mandate Period (2004-2009) was “meant to serve as a backdrop to guide planning and budgeting across the three spheres of government” (Presidency, 2004). *Vision 2014 is articulated in the Manifesto: “Guided by the Reconstruction and Development Programme (RDP), our vision is to build a society that is truly united, non-racial, non-sexist and democratic. Central to this is a single and integrated economy that benefits all”* (Presidency, 2004). The Manifesto identified several key objectives which were further broken down into targets. Among these targets were:

- Sustainable livelihoods
- Access to services
- Comprehensive social security

(Presidency, 2004)

All objectives were linked back to the scenario study, *Memories of the Future*. The budget overview from the National Development of Housing covers all aspects required to meet the objectives of the Manifesto in relation to housing specifically. Included in this particular budget is the subprogramme of Policy Planning and Administration.

Table 5a: National Budget Overview, 2004-09

Programme	2005/06	2006/07	2007/08
1 Administration	83.737	92.246	97.948
2 Policy Planning and Research	24,634	26,112	27,418
3 Programme Management	95.061	69.893	96.887
4 Housing Sector Performance	130,607	190,258	211,620
5 Housing Equity	5.949	6.306	6.621
6 Housing Development Funding	4,851,724	5,668,648	6,927,081
Total	5.191.712	6.053.463	7.367.575
Net Increase to baseline	19.629	569.535	1.609.451

(National Department of Housing, 2005)

The Strategic Plan of the 2009/10 financial year included five programmes, i.e. administration, policy, research, monitoring and evaluation, housing planning and delivery, housing development funding and strategy, relations and governance. The Department was recently re-structured and expected to take over responsibility for sanitation from the Department of Water Affairs in the near future.

(National Department of Human Settlements, 2009)

The total budget amounted to R13.588 billion. The Conditional Grant allocation to the provinces totalled R12.442 billion. The number of housing units delivered between 2004/05 and 2008/09 was 1.192 million. The total delivery target for 2009/10 was 225,740 units. A summary of the budget allocated for financial intervention, incremental housing, social and rental housing and rural housing programmes was included in the presentation.

(National Department of Human Settlements, 2009)

Table 5 b: Budget allocation per intervention, 2009/10



Top Five sub programmes from PHD Business Plans ranked by Budget allocated for 2009/10 Financial Year

Financial Intervention	Target Units 2009/10	Share of Total Units 2009/10	Budget 2009/10 (R'000)	Share of Total Budget 2009/10
Operational capital budget	-		R 250,074	2.08%
Social and economic facilities	-		R 201,126	1.67%
Rectification of RDP stock 1994-2002	-		R 182,958	1.52%
Housing finance linked individual subsidies (R3 501 - R7 000)	5,112	2.26%	R 163,021	1.35%
Land parcels procured (IHAHSD grant)	-		R 142,375	1.18%
Incremental Housing Programmes	Target Units 2009/10	Share of Total Units 2009/10	Budget 2009/10 (R'000)	Share of Total Budget 2009/10
Project Linked Subsidies	77,909	34.51%	R 2,383,501	19.81%
Informal Settlement Upgrading	42,884	19.00%	R 1,466,528	12.19%
Integ residential dev prog: Phase 2 Top structure (excl inf sett)	22,567	10.00%	R 1,463,541	12.16%
Integ residential dev prog: Phase 1 Planning & services (excl inf sett)	-		R 806,884	6.71%
People's Housing Process: curr commitments (excl blocked projects)	12,015	5.32%	R 668,707	5.56%

Based on available information – subject to amendments to business plans by PHDs

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Top Five sub programmes from PHD Business Plans ranked by Budget allocated for 2009/10 Financial Year

Social and Rental Housing	Target Units 2009/10	Share of Total Units 2009/10	Budget 2009/10 (R'000)	Share of Total Budget 2009/10
Community residential units	7,487	3.32%	R 858,436	7.13%
Back Yard Rental programme	550	0.24%	R 201,825	1.68%
Institutional Subsidies	1,195	0.53%	R 110,416	0.92%
Social housing: operational support	-		R 45,751	0.38%
Housing assistance to hh affected by death of guardians	100	0.04%	R 3,000	0.02%
Rural Housing Programmes	Target Units 2009/10	Share of Total Units 2009/10	Budget 2009/10 (R'000)	Share of Total Budget 2009/10
Rural Housing communal rights	31,625	14.01%	R 1,492,801	12.41%
Farm Worker Housing Assistance	-		R 12,420	0.10%
Total Units & Budget for all Sub-Programs 2009/10	225,740		R 12,033,630	

Based on available information – subject to amendments to business plans by PHDs

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(National Department of Human Settlements, 2009)

Nine housing priorities were identified, i.e. housing for military veterans, interventions in the housing industry to curb the cost of construction, legislation to prevent the mushrooming of informal settlements, the provision of affordable rental housing, the development of a central planning approach, a restructuring of the funding mechanisms, the acquisition of land through a dedicated Housing Development Agency, a once-off injection of resources to address the housing backlog and the encouragement of self-involvement in the provision of housing.

(National Department of Human Settlements, 2009)

Table 5c: National Budget Overview, 2009-10

Programmes	2009/10
1 Administration	198, 540
2. Housing Policy, Research and Monitoring	58,000
3. Housing Planning and Delivery Support	138, 486
4. Housing Development Finance	13,011,341
5. Strategy Intergovernmental Relations and Governance	182,206
Total	13,588,573

(National Department of Human Settlements, 2009)

Table 5d: Conditional Grant Allocation by Province, 2005/06-2011/12

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	Outcome			Pre-audited outcome	Medium-term estimates		
R million							
Eastern Cape	607	637	337	981	1 313	1 599	1 803
Free State	370	528	467	859	963	1 301	1 380
Gauteng	1 357	1 760	2 614	2 778	3 187	3 772	4 323
KwaZulu-Natal	816	1 075	1 311	1 627	2 180	2 714	3 150
Limpopo	383	605	633	825	997	1 235	1 415
Mpumalanga	269	330	652	797	795	976	1 118
Northern Cape	103	105	231	219	325	273	313
North West	615	697	786	952	1 100	1 289	1 578
Western Cape	552	769	1 122	1 306	1 581	1 869	2 142
Total	5 072	6 506	8 152	10 343	12 442	15 027	17 222
Percentage growth (average annual)¹	2005/06 – 2008/09				2008/09 – 2011/12		
Eastern Cape	17.3%				22.5%		
Free State	32.4%				17.1%		
Gauteng	27.0%				15.9%		
KwaZulu-Natal	25.9%				24.6%		
Limpopo	29.2%				19.7%		
Mpumalanga	43.6%				12.0%		
Northern Cape	28.8%				12.6%		
North West	15.7%				18.3%		
Western Cape	33.3%				17.9%		
Total	26.8%				18.5%		

1. Growth rates should be viewed against significant underspending and rollovers in previous years.

Source: National Treasury provincial database

(National Treasury, 2009/ National Department of Human Settlements, 2009

Table 6: Gauteng housing medium- term budget estimates for Research and Planning (2007-10)

Sub Programme	2003/04	2004/05	2005/06	2006/07			2007/08	2008/09	2009/10
	Audited		Main Appropriation		Adjusted Appropriation	Revised Estimate	Medium- term estimates		
R thousand									
1. Administration	1,837	1,095	3,949	3,170	2,871	1,898	6,757	7,019	8,064
2. Policy	2,875	2,432	957	5,164	3,961	1,052	4,145	4,460	5,719
3. Planning	1,726	3,563	4,224	1,950	1,930	740	4,530	4,675	5,597
Total Programme	6,438	7,090	9,130	10,284	8,762	3,690	15,432	16,154	19,380

(Gauteng Department of Housing, 2008)

Table 7: Gauteng housing budget allocation 2007-08

Programmes	2007/08	2008/09
1. Administration	R151 593 000	R 212 028 000
2. Housing Planning and Research	R15 432 000	R 15,504 000
3. Housing Development Implementation	R2 379 433 000	R2, 803 873 000
4. Housing Property Management	R91 490 000	R67 848 000
TOTAL	R2 637 948 000	R3,099 253 000

(Mokonyane, 2007; Mokonyane, 2008)

The 2008/09 allocation reflects an increase of 16,64 percent compared to the previous financial year.

Understanding that there may be some budget constraints at some point, the Gauteng Department of Housing developed 4 scenarios with a view to the *analysis of changes to programmes*. These are:

- **Scenario 1- 2014 Strategy**
Here, it is assumed that both time-bound and non-time bound projects will be completed by 2014.
- **Scenario 2- Time Bound Strategy**
Here, it is assumed that only time bound projects will be funded to ensure completion within targeted time frames.

- Scenario 3- Budget Drivers

The possibility of a funding shortfall will result in completed projects being directly aligned to available funding.

- Scenario 4- Resource Mobilisation Strategy

The possibility to generating additional resources may allow the Department to mobilize additional funding to take the projects further.

(Gauteng Department of Housing, 2007)

These four scenarios clearly indicate that the Gauteng Department of Housing is attuned to the need to prepare for the unforeseen. What is not clear is whether or how well these scenario exercises are being executed and implemented in the various municipalities within the Province. These questions will hopefully be answered through the investigation of this research report.

In 1994 the major constraints to solving the housing challenge were identified as being the enormous scale of the problem; the existing “wasteful settlement structure” (National Department of Housing, 1994); the existing institutional and policy framework that was yet to be replaced; end-user finance and subsidies; land and planning issues; constraints within the housing sector such as a shortage of engineering skills and building material supply and a low rate of economic growth. The (national) Department of Housing’s *2005/ 2006 Annual Report* clearly illustrates exactly how complicated the business of public housing can be. Planning for housing in Gauteng will need a tool that will cut across many themes. Scenario Planning is one such tool.

The literature review indicates that the concept of Scenario Planning is well rooted within government at all levels and across provinces. Although it is clear that scenario planning has been used in some aspects Gauteng Housing planning e.g. Budgeting, it does not seem that scenario planning’s use extends to more functional areas of planning, such as scenario planning with a view to land values or the price of cement rising. Use of the tool in these areas, specifically may improve final output.

3.5.1 Delivery Statistics

In research done by Rust (2009), it was determined that the average cost of a subsidised house is R135000 (service infrastructure included) while the current housing backlog is approximately 2,9m houses. The total fiscal implication of this is R391bn in the absence of any population growth. If the projected annual delivery were 250 000 houses per annum, it would take 11 years to provide the required subsidised housing (again making the assumption that there is no population growth). The annual fiscal implication would therefore be R33, 75bn. This would leave a burden of approximately R19bn on municipalities.

Table 8: Housing Delivery (2004-2009)

Housing Delivery over 5 years 2004/05 – 2008/09						
Financial Year						
Province	2004/05	2005/06	2006/07	2007/08	2008/09	Total
EC	37,524	19,825	16,526	12,684	22,180	108,739
FS	16,447	20,536	19,662	12,482	14,667	83,794
GP	66,738	59,310	77,044	90,886	80,469	374,447
KZ	36,734	35,872	38,290	34,471	36,068	181,435
LP	16,514	10,112	23,609	18,970	16,686	85,891
MP	18,000	14,986	10,651	16,569	16,678	76,884
NC	3,598	8,667	3,880	8,686	4,914	29,745
NW	10,037	35,515	46,972	19,945	15,912	128,381
WC	11,756	11,310	34,585	34,157	31,011	122,819
Total	217,348	216,133	271,219	248,850	238,585	1,192,135

Table 9: Delivery targets (2007-2010)



Delivery Targets 2007/08 – 2009/10 (3 yrs)

Province	Annual Target 2007/08	Annual Target 2008/09	Annual Target 2009/10
Eastern Cape	42,379	39,523	31,752
Free State	17,383	17,263	14,460
Gauteng	-	155,834	43,789
KwaZulu-Natal	53,189	26,790	45,481
Limpopo	8,803	9,588	25,704
Mpumalanga	13,966	7,828	4,455
Northern Cape	3,210	2,121	3,353
North West	38,912	19,473	29,696
Western Cape	40,500	21,700	27,050
Total	218,342	300,120	225,740

Based on available information – subject to amendments to business plans by PHD's

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3.6 Lessons Learnt

Up until this point, this study has primarily focused on setting the background to and foundations of the objectives of the thesis. What has been established so far is:

- The importance of solving the housing problem in Gauteng;
- The various dimensions of the housing problem;
- The extent to which scenario planning has and is being used worldwide, including within South Africa; and.
- The value and legitimacy of scenario planning as a decision-making mechanism

The relevance of using scenario planning for the housing problem facing Gauteng has already been explored. It is clear that the South African government has already been making use of

scenarios for planning purposes, but generally not on an in-depth level. There is still room for improvement with regards to scenario planning application concerning its use in housing policy decisions.

The overarching objective of this study is to document the journey of housing policy and scenario planning in South Africa to date. Part of this will be to note any lessons to be learnt from completed scenario planning exercises so as to strengthen housing delivery policy creation and implementation in Gauteng.

In setting about to collect examples of such scenarios, it became evident that even though several scenarios have been and are being created in various disciplinary fields, it is almost impossible to find evidence of detailed documentation and tracking of these scenarios. For this reason, it is very difficult to determine when or where many of these scenarios were implemented; what interventions were taken or alterations made as a result of or in spite of the scenarios; and what the outcomes were. What is also clear is that many of the scenarios that have been created within the last three decades or so have long term timelines, with dates of manifestation often being 2020 or 2050. These are dates that have not yet been reached.

The following is one such example.

3.6.1 The Future of Housing in New Zealand (2030)

The following future-dated scenario was selected due to its relevance to the subject matter of this study i.e. housing and scenario planning. Although the scenario has not reached its date of manifestation, there are still lessons to be learnt from the processes used to create these scenarios.

In 2005 the Centre for Housing Research, Aotearoa New Zealand Building Research (CHRANZ) contracted Scion to “generate a set of though provoking and realistic scenarios to show how New Zealand’s housing sector might look in 2030” (Scion and BRANZ, 2006). Scion is a New Zealand based government-owned research institute. For more information, their website can be visited at <http://www.scionresearch.com/> . The findings of the research were published in February 2006.

The study began with an analysis of social, technological, environmental, economic and political trends. Interviews and a workshop with key stakeholders were held. Pre-determined driving forces were separated from critical uncertainties and these two aspects were used to create four plausible scenarios: Sunrise, Sunset; Change of Heart; Vertical Village; and Gates of Heaven. A fifth status-quo scenario was added to complement the four scenarios (Scion and BRANZ, 2006).

“Sunrise, Sunset arose from a closer examination of the effects of regional economics on housing. A fundamental assumption by many New Zealanders is that housing is a “safe” investment; however it rapidly became obvious that this could really only be said for city areas, and even then it was not a foregone conclusion. The impact of an unforeseen regional economic decline on house/ land prices and regional demographics contrasts sharply with the same issues in a nearby city, where an economic upswing brings different problems.

Change of Heart is the result of discussions about durability issues and changing attitudes to home ownership. The implicit assumption made by many New Zealanders is that their houses will last forever. When combined with land shortages, and an emergent debt-tolerant younger population which does not value ownership as highly as experience, society’s former opinion leaders find that their assumptions may not just be wrong, but may actually be preventing them from enjoying their lives to the full.

Vertical Village emerged from questions about resource availability and transport policy. There is an interesting contrast between those who live on one side of the city, and those who live on the other, based almost entirely on transport policy. Although land in the city is scarce, the sheer impossibility of getting to work from some suburbs creates the economic conditions in which pleasant high-rise communities can exist in the city centre.

Gates of Heaven emerged from challenging conventional wisdom regarding demographics. Overseas, faith-based communities are emerging: can communities of this sort exist comfortably in New Zealand where many types of social segregation are frowned upon? The emergence of Real Estate Investment Trusts provides funds for investment in such communities...” (Scion and BRANZ, 2006)

The fifth (status-quo) scenario...“assumes that current regulatory initiatives surrounding housing continue in a fragmented and ill-coordinated manner, and provides an illustration of how the “social” houses provided today function when the occupant has no choice in the housing supplied” (Scion and BRANZ, 2006).

The following pre-determined elements were common to all scenarios: “the advent of new technologies and solutions; more mass-produced/ factory housing; capability changes withing the construction industry; an increase in the number of households relative to the population; ageing of the population; climate change; the need to address the quality of the 70% of 2030’s housing stock that already exists; and regulatory changes in the New Zealand building industry...critical uncertainties [were]: regional economics and communities; aspirations and attitudes, durability, economic lifetime, maintenance; resource availability and price, transport and infrastructure; demographics, communities, attitudes” (Scion and BRANZ, 2006).

The scenarios were never intended to predict the future, nore to steer policy and decision-makers in a certain direction, but rather to get the population talking and thinking about all possibilities so as to be prepared even for the unforeseen. What we learn from this exercise is that scenario planning is well suited to housing as a planning methodology.

3.6.2 Royal Dutch/ Shell Scenario Experience

The following scenario exercises (Royal Dutch/ Shell and South Africa) were selected for analysis of lessons learnt. The following scenarios may possibly be the 2 most cited in the world, and the data detailing the processes followed in these exercises is easily available, which serves the purposes of this study.

Looming Crisis

In 1972 the OPEC governments indicated that they were no longer content to rent their land to oil companies; they wanted stock in the companies that drilled the wells...Shell recognised that... if industrial growth depended on oil, then an oil crisis could soon lead to global shortages and even economic collapse” (Kleiner, 1996: 162). The possibility of a ‘new world’ was looming, but without being able to grasp any tangible aspect of this new world, the managing directors of

Shell were unable to act. It then became the goal of Pierre Wack and his team of twenty or so planners “to figure out how to design scenarios to accomplish this goal” (Kleiner, 1996:163).

The first stage, which Wack called “breathing in” focussed on gathering intelligence from the outside world. This outside world consisted of “remarkable people”. “Wack and the planners cultivated their own network of “remarkable people.” Wherever Wack travelled, making presentations to Shell offices, he sought out people, inside and outside the company, who had some depth of understanding. When other planners asked how he recognized remarkable people, he would say, “You know very well who they are when you meet them.” Sometimes, a remarkable person from outside Shell might stumble into a scenario presentation, as an Iranian physician did in the early 1970s, looking for stimulating conversation” (Kleiner, 1996: 163-164).

Six Scenarios

The scenario team then plotted out six scenarios for presentation to Shell’s managing directors in September 1972. “They overlaid these scenarios with... the most significant energy actor: the oil-producing countries of the Middle East, the oil-consuming countries of the West and the oil companies” (Kleiner, 1996: 164). At the presentation, Wack highlighted two “predetermined elements” i.e. elements of the future that were a sure certainty due to current events. One of these elements was that the governing structure of international oil production would collapse. Although the exact moment of collapse was unpredictable, it was unavoidable. It was likely to happen before 1975 before when the existing Teheran Agreement between OPEC and the oil companies was set to expire. The other predetermined element was the expanding need for oil in the West and the nations of the “developing world” due to technological advances and innovations. What was uncertain was how each affected government would react to the pressure of a shortage (Kleiner, 1996).

There were six scenarios. Three of these averted the crisis somehow and oil remained plentiful while in the other three, an oil shortage took place, but with different types of political response. Only one of the scenarios led to crisis. “The other five represented the hidden hopes of the people in the room. Thus, there was a moment of relief, until Wack began to describe each of the alternative and the [directors] could hear how absurd they sounded” (Kleiner, 1996: 167):

The Private Enterprise Solution (A1) suggested that free-market forces would solve the problem in the form of higher prices charged by oil companies. This future, however, depended on governments recognizing the crisis before it happened - in time to undo their oil company regulations in advance. Shell's managers knew they could not count on this future.

In the Dirgiste scenario (A3), the industrial governments would similarly anticipate the crisis. This time, they would take the role of strategists. They would act together ahead of time: collaborating on policies to control prices, allocate the flow of oil among themselves, and negotiate as a bloc with the Arab world. This future, to anyone who knew the governments, was even more unlikely.

The Successful Muddling Through scenario (B2) was Wack's response to a comment from one of the British planners: "Look, you are French. You guillotine your kings. But here in, we tend to muddle through these crises and come out the other end. Why couldn't that happen with the oil crisis?" A muddling-through scenario was reasonable, Wack said, "as long as we do not probe too deeply into current forces." In order to successfully muddle through, the West would have to encourage energy saving ahead of time (reducing the demand for oil) and find some leverage with which to get the OPEC countries to back down. (In some respects the events Wack described for this scenario did take place - but it required twenty years.)

A Low Demand scenario (B1) posited that new countercultural values (or, as the planning people called them, "the change in social attitudes toward work and achievement"³⁰) would abort the rat race of industrial expansion. People would voluntarily consume less, corporations would produce less, governments would promote energy efficiency, and the need for oil would decrease. The idea had seemed plausible during the European recession of 1971, but the recession had ended. The stoutly successful businessmen of the CMD had little trouble dismissing this scenario.

Finally, that left what Wack called the "Three Miracles" scenario - the image of the future that some of the CMD men still held dear. On the chart, it was labeled High Supply (B3): it said that through the heroic efforts of oil companies, the West would develop enough new oil to keep on top of the world's demand. Mild shortages might take place temporarily, but they would simply reinforce the instincts of most oil executives - to explore, drill, refine, ship, and market oil even more aggressively than they had in the past. In this scenario, the crisis would be merely an opportunity to show what they could do.

"But let us see," Wack said dryly, "what would have to come to pass." This future would require not just one, but three simultaneous miraculous events. First, oil companies would have to find

and retrieve new reserves incredibly quickly - including 13 million barrels from Africa, and 6 million from Alaska and Canada. These regions were all unprepared for new drilling, and, in some cases, closed to it. Second, the OPEC countries would have to undergo a change of heart and become willing to sell as much oil as they could produce, happier with massive amounts of money in the bank ("exposed to erosion by inflation") than with oil in the ground. And, finally, there would have to be no extra strain on oil production capabilities - no wars, no extra-cold winters or sudden demand for off-road vehicles, and no natural disasters. Most daunting of all, there could be no more oil spills or refinery fires that would waste oil. "Any single small accident could upset the whole system. Again," continued Wack, brandishing a pointer at the screen, "nothing short of miraculous."

(Kleiner, 1996: 167-170).

For the first time, the directors had a sense of what 'new age' was coming. "It was represented by the only scenario left on the chart: the Energy Crisis (A2). The price of oil might jump fivefold within a few years: from \$1.90 per barrel, where it was now, to \$10. Shell would now have to work much harder at weighing its investments, and every other major oil company would be in the same position" (Kleiner, 1996: 170).

Wack was careful to warn not to fall for the trap of strategising based on the most 'probable' scenario. The belief in what is most 'probable' is always influenced by what is most familiar to an individual and therefore subjective. The purpose of a scenario exercise is to aid one to be prepared for what is expected *and* the unexpected (Kleiner, 1996).

Following the presentations, Wack and his team were given two assignments. First was to present these scenarios to Shell managers around the world. For this, the "eggshell-blue book" (Kleiner, 1996: 171) was made. This was for Shell eyes only. Second was to describe this coming age to government officials. For this the pink book" (Kleiner, 1996: 171) was produced. Both these books were accompanied by presentations and discussion to the relevant stakeholders in 1973. Both operating managers and government officials were generally not very receptive.

Yet, slowly but surely, the engineers, executives and directors of the Royal/ Dutch Shell group began to make some prudent and cost-effective decisions. By early 1973, Group Planning was ready to present three more refined scenarios than their predecessors to the management of Shell. This presentation was to take place in October 1973. But they never got the chance. By the date of the planned presentation, the crisis had arrived..."three years ahead of schedule, with its own existential imperative" (Kleiner, 1996: 174).

Crisis

"In mid- September, OPEC's ministers told the oil companies that their current contracts, which were supposedly valid for another three years, were no good. They agreed to meet in Vienna on October 6 to negotiate new contracts" (Kleiner, 1996: 174). Discussions were unsuccessful and no consensus was reached. Then, on October 16...the OPEC leaders announced that, hereafter, they would set the price of crude oil themselves" (Kleiner 1996: 176). Oil companies could either take the offer, or leave it. "A second blow to the West came on October 20, when the Arab oil ministers announced that they would punish "Western supporters of Israel" with an embargo. Only a limited number of barrels would flow to consuming countries. They would deal particularly harshly with the Unites States" (Kleiner, 1996: 176-177).

Managers from most of the 170 operating companies listened to Pierre Wack and Ted Newland explain, using the scenario approach, what was happening. Then each of the major operating companies described how the supply system looked from their end. "This meeting was a crucial strategic move, because Shell, like all the oil companies, was about to be placed in the uncomfortable position of allocating oil among all of its consumer countries, and at times there would not be enough to go around" (Kleiner, 1996: 178). A further realization that Shell had was the importance or retaining good relationships with other corporations and governments- a task that would prove to be very challenging in the coming future.

Although not immune from the oil crisis of 1973, the preparedness of Shell meant that the company handled the challenges better and faster than the competition. " Within two years, Shell moved from being the world's eighth biggest oil company to being the second biggest" (Wylie, 2007). The success of the scenario exercise undertaken by Royal Dutch/ Shell in the 1970s has meant that Shell has continued to use this technique "...and to disseminate its "global scenarios" widely- to customers, the World Bank and many national governments, investment analyst, and special-interest lobbies" (Marsh, 1997: 52).

Wack left Shell in 1982 for Anglo American, the South African mining corporation, on it's efforts to globalise. One of his fascinating insights involved the effect of apartheid on the price of gold production. He said, "South Africans live with the feeling that they are blessed with a geological miracle: their gold and diamond deposits. But it is actually a human miracle: People work in horrible conditions for very low wages. 'Be careful,' I told them. 'You are going to be the highest-cost producer, because this human miracle is not going to last' " (Kleiner, 2003).

To Anglo American executives, Mr. Wack seemed to be predicting the end of apartheid, and they wanted to hear more (Kleiner, 2003). So did their spouses; indeed, they wanted to know if there was a future for their children in South Africa, or whether they should emigrate. An Anglo American executive named Clem Sunter picked up the challenge, and, inspired by Pierre Wack, he suggested two scenarios for the country: A “low road” scenario in which the whites fought to hold on to apartheid, and a “high road” scenario in which they accepted the inevitability of a multiracial society and pushed for the kind of widespread economic growth that would allow such a society to thrive (in part by bringing South African business back into the flow of the international economy). Mr. Sunter’s 1987 book, *The World and South Africa in the 1990s* (Human & Rousseau Tafelberg Ltd.), became a bestseller in South Africa during the late 1980s and early 1990s, second only to Nelson Mandela’s autobiography *Long Walk to Freedom*. It is credited with helping South Africa’s white population see the value of a peaceful transition from apartheid.

(Kleiner, 2003).

Lessons Learnt

- This was an issue of economic importance for the affected countries and justified the seeking out of ‘remarkable people’ to form the scenario team.
- It is unlikely that desirable futures will be achieved by themselves unless all important actors are under duress to force certain decisions towards that desirable future. Intentional action must be taken.
- Sometimes, unpopular steps may have to be taken for a desirable outcome.
- One must be careful not to strategise for what is most ‘probable’ as such decisions can often be subjective.
- Different levels of detail of information given may need to be provided depending on the audience.
- As wonderful a tool as scenario planning may be, it must never be assumed that audiences will receive the approach well. For this reason, the facilitating team must truly believe in their work so as to have an attitude to their work such that they will not give up.
- Initial scenarios are not necessarily cast in stone. The process of wider public participation may lead to further refinement of the scenarios.

- The earlier preparations start for the scenario the better- it may arrive before 'planned'!
- There was a clear demonstration that scenario planning can be applied to the general South African policy environment and could be used efficiently if applied to targeted and appropriate areas such as housing, in particular.

3.6.3 South African Scenario Planning Experiences

(Note: Scenario summaries in Table 10)

In 1994, the author, Graham Galer, set out to answer the question as to whether or not 'scenario-thinking' in the early 1980s to 90s (pre-1994) contributed to the turnabout changes in the socio-political environment in South Africa. By way of interviews with relevant people and the study of literature, he found that "during the 1980s a number of groups and individuals in South Africa saw the potential of scenario thinking as a means of conceiving and disseminating futures for the country which might be different from the apocalyptic future foreseen at the period by many both in South Africa and abroad" (Galer, 2004: 370).

High Road/ Low Road

The Anglo- American Corporation of South Africa was interested to see into the future of the then South Africa of the 80s. For this, they commissioned the assistance of Pierre Wack, formerly of the Royal Dutch/ Shell group. The studies resulted in 3 scenarios that focused on the socio-economic and political background of South Africa and the rest of the world. The scenarios were created to depict possibilities of the 90s. These scenarios were then taken on by Clem Sunter and his team and presented to "230 audiences comprising 25000 to 30000 people from all walks of life...and in November 1986 Sunter additionally gave a presentation to senior politicians of the African National Congress" (Galer, 2004: 371). The three main actors identified on the world stage were the USA, Japan and the USSR. The key uncertainties were the relationship between the US and Japan and the US and the USSR. The three scenarios that were depicted differed depending on the economic growth rates and year that was attributed to each scenario. "On the prospects presented by this material Sunter commented, "For South Africans, it shows what an incredibly tough world it is" (Galer, 2004: 371). But South Africa had a comparative advantage in its location- with was conducive to trade-, good climate and rich in

resources. The largest obstacle to South Africa being able to maximise this advantage sat in the apartheid regime. What was for certain, though, was that apartheid would eventually come to an end. A key uncertainty would be the “balance of individual and group power”. These considerations yielded two basic scenarios, known as “Low Road” and “High Road” (Galer, 2004: 372).

Nedcor/ Old Mutual

In 1990, sensing an approaching change and a new South Africa, *Nedcor/ Old Mutual* sponsored scenario studies that would further flesh out and explore the High Road/ Low Road Scenarios. This particular project was headed by Bob Tucker of Perm. The Nedcor/ Old Mutual scenario team consisted of approximately 23 members, including Professor Bruce Scott Harvard, “who provided comparative political analysis and a framework for comparing economic strategies. Professor Scott also contributed material on the US experience with desegregation, published in an appendix to the book” (Galer, 2004: 373). Acting on the suggestions from Sunter... [and] invoking the help of Pierre Wack, the team created the ‘Business as Usual’ versus the ‘Change of Gears’ scenarios (Galer, 2004: 373) . Although built on the foundations of the Hi Road/ Low Road scenarios, which “had concentrated on expressing a general vision for the country within the world economy, together with the identification of necessary conditions for it to be realised: (Galer, 2004: 373), these scenarios “focussed in much more detail on the economic and political conditions for ‘successful transition’ to the new system...” (Galer, 2004: 373). “The team’s work was presented to company management (Nedcor, Old Mutual and Perm) in December 1990, and a book was published in 1992 based on a write-up by Bruce Scott...Presentations of the material were given to over 45000 South Africans between January 1991 and June 1992, those who attended these presentations included the State President, cabinet members, and members both of the ANC executive committee and of the KwaZulu cabinet” (Galer, 2004: 373).

Mont Fleur

Following this, an academic, Professor Pieter le Roux of the University of the Western Cape, was approached by the Friedrich Eberg Stiftung and Swiss Development Agency- a European funding agency- to “organise a conference on the future of the ‘new South Africa’ (Galer, 2004: 375) and was persuaded by Ms Koosum Kalyan, (of the Planning Department in Shell South

Africa) “to try the scenario methodology, widely used by business but then relatively untried in the civic realm” (Galer, 2004: 375).

Le Roux and his team of approximately 26 set to work. Meetings were held at Mont Fleur near Stellenbosch, starting in September 1991. Initially, 30 scenarios were developed. These were refined even further to result in nine scenarios, and finally, four scenarios (See Table 10 for scenario summaries). These were:

- Flight of the Flamingos
- Lame Duck
- Ostrich
- Icarus

The timeline for the exercise was as follows:

DATE	EVENT
Feb- Aug 1991	Preparation Phase
Sept 1991	First scenario team workshop at Mont Fleur, 22 participants meet for 5 days, brainstorm 30 stories.
Sept- Nov 1991	Selected non-team members do supporting research, distribute research papers to team members; core team holds weekly meetings, finalise preliminary stories
Nov 1991	Second team workshop at Mont Fleur Workshop team assesses stories, agrees on 4 draft scenarios and refine them
Dec- Mar 1992	Core team writes up scenarios and consults with political parties, academics and others about them
Mar 1992	Third team workshop at Mont Fleur Workshop team refines the 4 final scenarios, agrees on the name “Mont Fleur Scenarios”. The team meets with a video production crew and discusses dissemination of scenarios
Apr 1992	The video producer creates a video. The core team holds a workshop to test scenarios with invited leaders

May 1992

National launch of Mont Fleur scenarios

This includes: reports in major newspapers

Publication of a Mont Fleur booklet

Presentations to general public

Mailings to embassies, trade unions, other groups to “market”

presentations of scenarios

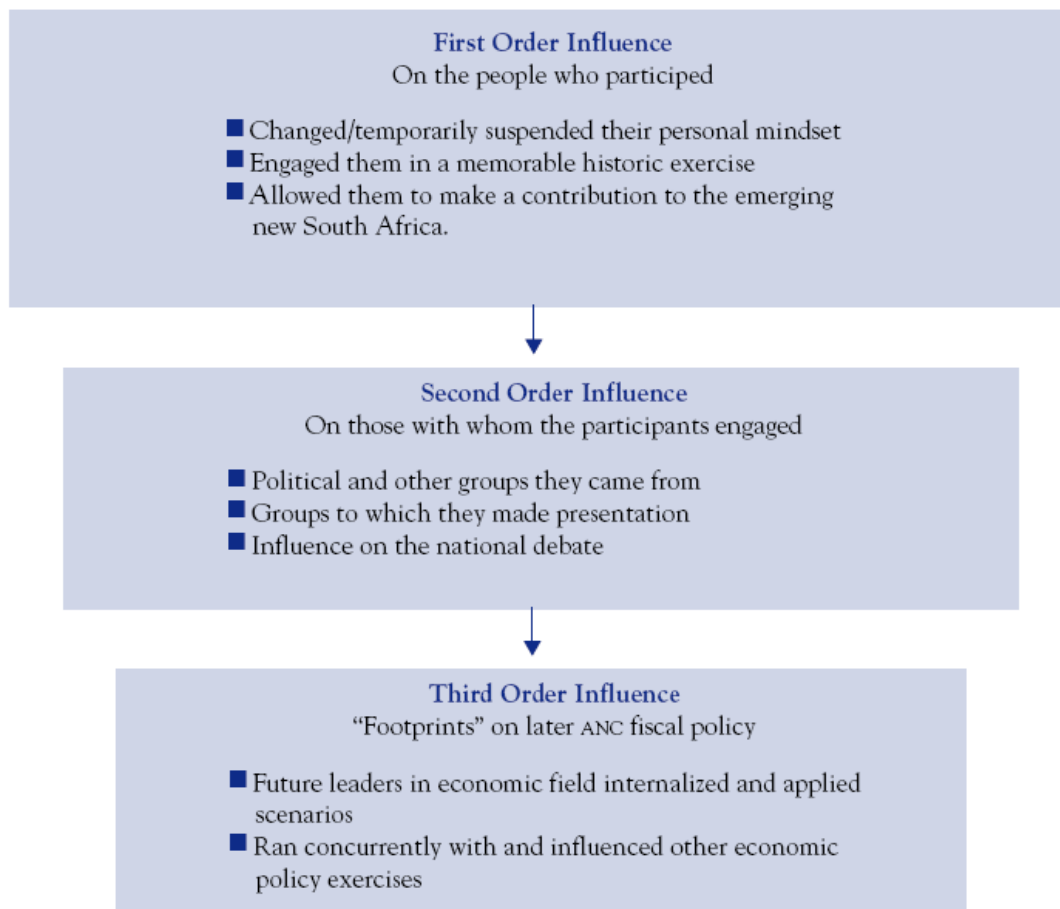
Beginning of dissemination process

(Gillespie, 2004)

The approach focussed on highlighting common ground and shared aspirations among the participants, as opposed to highlighting differences in concern and standpoint (Kahane, 1997: 327-328).

These four scenarios were included as an insert in one of the “important weekly newspapers, and a 30-minute video was produced that combined cartoons with presentations by team members. The team then presented and discussed the scenarios with 100 or so groups, including political parties, companies, academics, trade unions, and civic organisations. At the end of 1992, the work was completed, the project ended, and the team was dissolved” (Kahane, 1997: 326-327).

Adam Kahane, who himself was a part of the Mont Fleur team, said that even though the Mont Fleur scenarios could not be credited as having solved South Africa’s political problem in the 90s, it could be credited with creating a shared vision for South Africans. And though not blatantly obvious, the exercise had far reaching effects.



Source: Gillespie, 2004

Kahane indicates the following as important elements of the exercise's success:

- Logical and fact-based
- Open and informal
- Inclusive
- Choice eliciting
- Constructive

(Kahane, 1997: 330-331).

All of the above are universal laws of successful scenario planning.

During June 2000, Glennifer Gillespie interviewed participants of the Mont Fleur Scenarios. These are some of the responses that she received:

What has really worked is the small group, convincing people, not this mass [dissemination]. That is partly why we did not go for the wide publication, because it starts working when people ask questions and make contributions...the reason why we didn't is that sometimes I changed things on the spot. Immediately, by having one little thing in the scenario presentation changed, that specific person [would] buy into it.

Mont Fleur convener

What was nice is that it became a household name. You could talk about the Flight of the Flamingoes and everybody knew what it was. It was not as though you had to explain it to them...the nice thing was that nobody could tell us that the scenarios were wrong. They had such logic-it might not happen, but the fact is that it was a logical story...a very consistent story, very logical, very readable.

Private sector participant

I remember when we did a presentation for a group of businesspeople in Johannesburg. There were 100 or 200 people there and it had an impact in the sense that people knew beforehand that these people presenting the scenarios were going to become important in the South African setup. So people outside the scenarios, on the establishment side as well, took it seriously. I think having been exposed to the scenarios by and large made them more positive about the future.

ANC Leader

We had a very diverse team of whites, blacks, Asians, coloreds, rich, poor, community workers, trade unionists-a really interesting mix, and the fact that we could get together every now and then for three or four days at a time in a place like Mont Fleur-work together, play together, go for long walks after the sessions were over [was remarkable]. We would be walking for instance with a guy like Tito Mboweni [an ANC economist who later became Governor of the South African Reserve Bank]. Tito Mboweni was the

I learned an enormous amount because I have never been involved in economics, particularly. There was quite a heavy emphasis on the economic side-a lot of economists on the project-and quite a heavy emphasis on what was going to happen to the economy and how the country would progress. I was coming from the development side. [But] I became interested in [economics] and it has affected me because now I serve on the finance committee [in Parliament] and ...I often think about the Mont Fleur scenarios...I think we nailed the issues quite accurately, [though] it has been much more difficult to implement than any of us imagined.

ANC Member of Parliament

In April 1994, the Government of National Unity came to power in South Africa, under Nelson Mandela. Trevor Manuel became Minister of Finance in 1996. A few months later, he introduced the GEAR (Growth, Employment and Redistribution) strategy-a conventional, conservative, supply side type of economic policy. It kept interest rates high, applied conservative fiscal policy with a low budget deficit, and liberalized exports. It was intended to promote growth and drive unemployment down. When I saw GEAR-and this was not even conceptualized at Mont Fleur, it was something that was decided by the new government and the appropriate structures-when I saw it, I could look at the relationship between what the policy said and where I thought it was going to take us, and those are the sort of footprints that Mont Fleur made.

Economist

last sort of person I would have talked to a year before that... very articulate, very bright. We did not meet blacks like that normally. I do not know where they were all buried, but they were there. ...new [for me] was how open-minded they themselves were. These were not people who simply said: 'Look, this is how it is going to be when we take over one day.' They were prepared to say: 'Hey, how would it be? Let's discuss it.'
Businessman

Source: Gillespie, 2004

Lessons Learnt

- The wider scenario planning team can consist of ordinary citizens right up to political heads, if appropriate to the situation.
- If possible, it is preferable to sustain continuity within the scenario planning team, (especially with regards to lead roleplayers in the team) in the event that scenarios are revised or refined in a separate follow-up exercise.
- Use a wide variety of media to communicate scenarios.

Table 10: Scenarios of Change, South Africa

SCENARIO SUMMARIES			
	High Road/ Low Road	Old Mutual/ Nedcor	Mont Fleur
Desirable outcome	High Road: required minimal international sanctions against the county, small government, decentralised power and "joint negotiation synergy" (p 372)	Change of Gears: "an effort would be made to "transform both the economy and social environment while the political leaders were busy with the political transition" (p 374).	Flight of the Flamingos- the most positive of all scenarios, where social and political cohesion leads to slow but steady economic growth and development, with the main driving force being the strategies of a good and decisive government.
Undesirable outcomes	Low Road: opposite characteristics of High Road including a downwards spiral towards economic stagnation. The ' Low Road' might eventually lead to a return of authoritarian government, either 'black' (p 374)	Business as Usual: "based on the "two commonly held assumptions"...that President de Klerk's political initiative was sufficiently based on consensus that future governance of the country could be negotiated and not fought over, and that economic reforms could wait until basic political issues had been resolved and a new government elected" (p 373)	Lame Duck- this is a 'neither here nor there' scenario where De Klerk government is willing to negotiate but fears South Africa's demise due to an incapable new government. This potential new government, likewise, fears a return to repressive rule if drastic decisions are not taken. The slow and uncertain progress of transition within the country would lead potential outside investors to shy away due to tensions. Ostrich- where De Klerk's government chose to evade negotiation, resulting in the county spiralling further into dissonance until the situation became so desperate that the government would eventually have to give in to negotiation with the opposition.

Icarus- an allusion to the fallen winged young man, indicating the danger of aiming too far and too high. The newly elected government, in an effort to overcome many social injustices of the past, would promise too much to the population in the way of social and economic support and benefit. This unsustainable economic reform and policy would lead to “economic and social collapse” (p 376).

(Galer, 2004: 371- 377

3.6.4 Implementation

Often, the creation of scenarios is not so much a problem as the implementation. Wilson (1997a: 353-354), talks about 'cultural barriers to implementation'. Here, the culture is explained as a tradition of organisational management whereby only a 'single-point forecasting' is used in order to set a goal for the organisation and all efforts are rallied around that single focus. The creation of several futures can cause confusion among those that do not understand the true purpose of scenarios. Another cultural barrier is that "we [tend to] equate managerial competence with "knowing"" and assume that a manager that does not 'know' is incompetent...And because few, if any, corporate cultures reward incompetence, managers have a vested interest in not acknowledging their ignorance, and so in resisting the intrusion of scenario planning into traditional forms of executive decision-making", (Wilson, 1997a: 354).

What may assist is to narrow the scope of focus i.e. determine what decision needs to be made and planning the scenarios around that instead of around a broad strategy. When the scenarios are created around broad strategies, the outcome is that a decision concerning which route to follow can become complex (Wilson, 1997b).

A strategy should not be created for each scenario. There are usually not enough resources for such an exercise. Nor should the most 'probable' scenario be selected in order to inform decision making. Rather, a strategy should be developed within the context of all plausible futures (Wilson, 1997b).

"More scenario projects fail because they have no impact on strategy and management decisions rather than because they were unimaginative or poorly constructed" (Wilson, 1997b).

It is also important to challenge the 'mental maps' of the decision makers. These mental maps are the basic premise on which ones view of how the world works is built (Wilson, 1997b).

CHAPTER 4: ANALYSIS OF RESEARCH RESULTS

Pre-1994 housing policy was one of racial segregation and varying levels of insecure tenure for non-whites. When a new government came into power they had some key decisions to make in order to bring about a positive change. The goal was to ensure secure shelter for all South African citizens. In qualitative terms, the goal was to reach the target of 1 million houses in 5 years i.e. by the year 2000 (Khan and Thurman, 2001: 3). The qualitative goal was achieved. But this was simply not enough, proving that this is more than a numbers game. To this day, service delivery protests continue (Brooks, 2009).

In the introduction to this study (see section 1.1) it was explained that the issue of housing is a complex one. The study then set out to investigate the various aspects of the 'housing problem' in Gauteng in relation to policy formulation. From this, various themes arose. The units of analysis for this study are based on these prevalent themes. These were matters concerning:

- Institutional Arrangements
- Funding and Resources
- the Democratic Paradigm
- Political Agendas

Throughout the study, scenario planning was held up against the housing problem theme as an option for part of the solution to deal with the challenges.

The findings of the literature review were weighed against the input from the housing practitioners that were included in the study through a survey. Nine written responses were received during the survey. The tenth response was an open-ended conversation regarding the subject matter in that the discussion revolved around the scenario planning exercise that is currently being done for the Gauteng Department of Housing and did not follow the survey questionnaire (see section 2.3.1).

Of these:

- two had worked in the housing or related fields for two or less years, one for two to five years, four for five to ten years and two for over ten years;
- Related fields included :
 - Researcher for a *Sustainable Human Settlements* sub-division of a research institutions
 - Policy development for sustainable housing development
 - Administration
 - Management of various housing-related portfolios

In essence, all respondents worked directly within the housing environment;

- 6 were in managerial positions;
- 6 actively partook in policy-making decisions.

Basic scenario plans were then applied to the findings.

4.1 INSITUTIONAL ARRANGEMENTS

Section 41(1)(h) of the Constitution of the Republic of South Africa (Act 108 of 1996) states that each sphere of government (National, Provincial and Local) should:

co-operate with one another in mutual trust and good faith by-

- i. fostering friendly relations:
- ii. assisting and supporting on another;
- iii. informing on another of, and consulting on another on, matters of common interest;
- iv. co-ordinating their actions and legislation with one another;
- v. adhering to agreed procedures; and
- vi. avoiding legal proceedings against on another.

Unfortunately, the directives of the Constitution often do not find any footing in practice. The *Policy Planning and Research Programme*, for instance, was instituted in order to facilitate the

implementation of housing plans throughout the country. Further investigation revealed that this programme was not cascaded downwards from national government to all nine provinces. Some provinces did not even have any research directorate to speak of i.e. the Eastern Cape and North West Province. No surprise then that only six of the nine questionnaire respondents were aware of the *Policy Planning and Research Programme* emanating from the National Department of Housing. . What is curious is that the existence of the programme did not correlate with the performance of a province (see section 1.2).

Five of the nine respondents did not express confidence with regards to the adequacy and efficiency of institutional arrangements required to address the housing challenges. A serious hindrance to implementation was cited as being weak communication amongst the spheres. At municipal level, it was indicated that although National government had at some or other time interfaced with the local sphere with regards to the *intention* to review policy in line with the Policy and Research Programme, very little happened in terms of follow-up. To make matters more difficult local municipalities are under great pressure to implement and can often not afford to wait on the release of national programmes or policies before they can develop and implement their own. Some municipalities then end up developing policies out of necessity and forced by time constraints, and as a result these policies are not always linked to the national agenda. The reliance of local municipalities on provincial government for various resources and approvals required for implementation of housing delivery (e.g. funding, approval of housing projects and land feasibility studies) is often a stumbling block. This is further exacerbated by the lack of synchronisation of financial years of local and national government. A respondent indicated that the accreditation of eligible municipalities (which is the sphere of government closest to the communities) to have the necessary authority to make decisions regarding housing matters will enhance housing delivery.

Within some municipalities themselves, line departments regard the municipal housing department as a liability due to the perception that the department is a co-competence of national and provincial housing departments. The lengthy procurement process involved in appointing service providers for implementation of various housing programmes does not make matters any easier.

The houses, themselves, once delivered, often leave much to be desired. This is often due to budget constraints and/or corruption e.g. the ill-run beneficiary administration process whereby housing units are sometimes incorrectly allocated or not allocated at all and the illegal sales of RDP houses (as indicated by a survey respondent). The following have been proposed for purposes of quality assurance by questionnaire respondents:

- National Home-builders Registration Council (NHBRC) needs to come fully on board with respect to quality assurance
- Increase in the number of municipal building inspectors for government housing projects;
- Appointment of credible contractors

Even once the stages of implementation are reached, further challenges await. The culture of 'entitlement' means that several beneficiaries do not pay for the services rendered to them on receipt of their housing. Some recipients simply cannot afford to do so due to the lack of employment. Unfortunately, beyond the physical structure of the house, depletable services such as water and electricity are provided at an expense to the municipality. Better enforcement of specific by-laws at the local municipal level for the payments for services must be provided. This of course, is dependent on the available resources to do so.

On a positive note, one respondent felt that the research programme encourages coordinated planning.

One metropolitan municipality indicated that their Housing Department is an active participant in the Policy and research task teams established by the NDoH and implementation of housing programmes and projects are implemented strictly in accordance to housing policies and strategies.

Other district municipalities indicated that the municipality is represented on the Gauteng Human Settlement Research Forum and that other stakeholders on that forum included the National Department of Human Settlement Research Unit, academic institutions, municipalities, the Development Bank of South Africa (DBSA) and the Independent Development Trust (IDT).

4.2 FUNDING AND RESOURCES

Section 26 of the Constitution of the Republic of South Africa Act, No. 108 of 1996 states that:

... (1) Everyone has the right to have access to adequate housing.

(2) the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right.

(3) No one may be evicted from their home, or have their home demolished, without an order of court made after considering all the relevant circumstances. No legislation may permit arbitrary evictions.

To further underline the issue of government's accountability within *available resources*, the court case ruling of Soobramoney vs Minister of Health, 1997, was that ... "while the state bears the responsibility for ensuring that the basic needs of all are met, the obligation of the state is limited to available resources" as defined as what the Minister of Finance has allocated in the national budget (Khan and Thurman, 2001: 9).

The severely limited resources of government led to a policy environment that would facilitate public-private partnerships so that resources of the private sector could be used to make ends meet. This included the GEAR strategy of 1996 that was intended to encourage significant macro-economic growth. The financial sector, both formal and informal, were to play an important role in bridging the gap in funding for both public and private housing. The bulk of the balance of funding for public housing is funded by government through the tax base. But the risk involved for private body investment in public and social housing was high enough that the response from the private sector was an unwillingness to engage.

The private sector has largely been engaged by the facilitation of eight Development Finance Institutions of South Africa- the most active of which appears to be the National Housing Finance Corporation (NHFC). Servcon Housing Solutions, the Social Housing Foundation and Thubelisha homes were due for closure in 2009 due to the fact that their respective contracts with government have come to an end. Initiatives emanating from these institutions are viewed as additional resources to supplement the government subsidy (see section 3.1.6).

The 2003 *Social Housing Policy* was created to ensure social housing emerged within a stable policy environment. It was also to ensure that Social Housing Institutions were not left at the funding mercy of international donors and that alternative funding sources were found (National Department of Housing, 2003). This saw a sharp increase in approved subsidies during the 2002/03 financial year (see Figure 5). But, as in the case of the *Policy Planning and Research Programme* (see section 1.2), the amount of subsidies received did not correspond with the number of houses built (Refer to tables 5 and 6).

Overall, though, it would *appear* that where less than the subsidies compensated, this seems to have been compensated for in other years where units built exceeded subsidies granted. But the Housing Department itself has indicated that there has been a huge discrepancy between allocations and product.

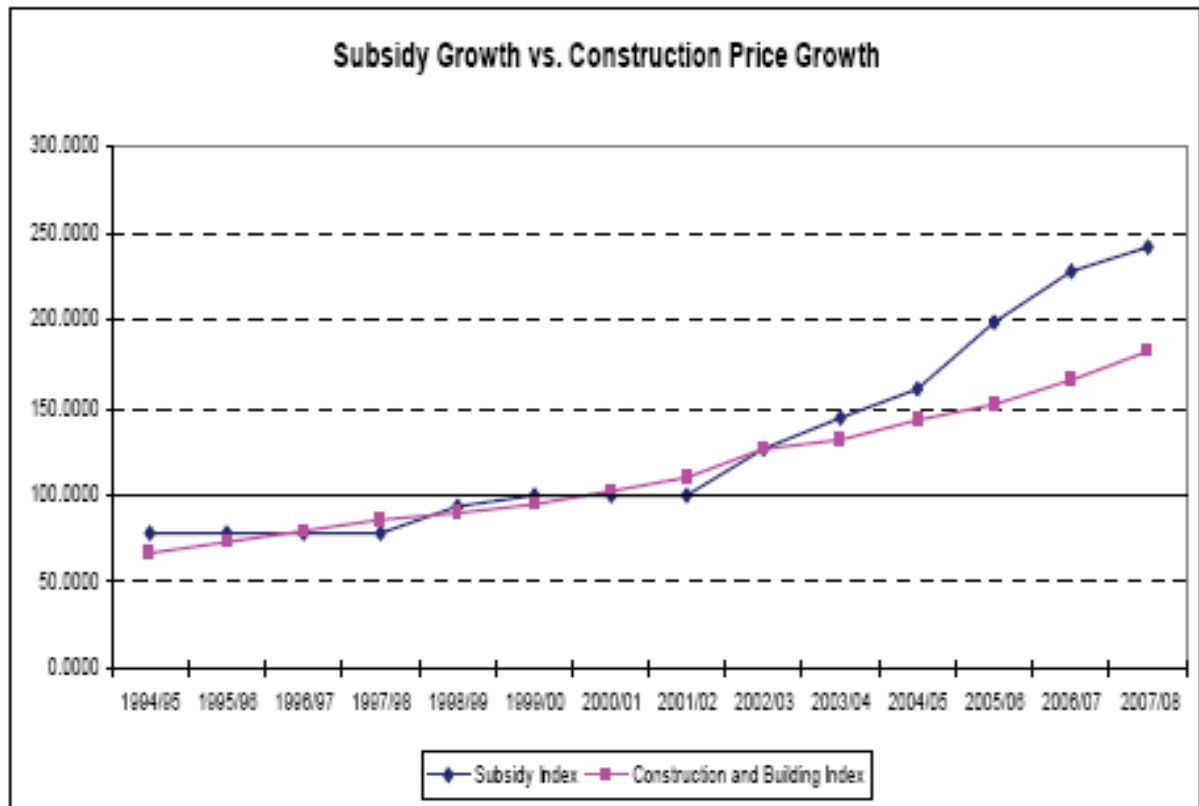
“Yet, despite both the growth in resources and in subsidy approvals, the delivery of subsidised housing units has been slower than anticipated. Between 2001/02 and 2007/08, the delivery of subsidised housing units declined in most provinces... the highest rate of decline in delivery was evident in Eastern Cape, North West, and Limpopo (between 2006/07 and 2007/08). During the same period Gauteng, Mpumalanga and Northern Cape recorded increases. This then clearly points not so much to the number of subsidies allocated as the amount per subsidy allocated. “

(Department of Human Settlements, 2009/ National Treasury, 2009)

Figure 7 indicates that the yield of houses build should have been much higher. Reasons for this include institutional arrangements, under spending as a result of mismanagement and escalating construction costs that often render the allocated subsidies insufficient to complete planned projects (National Treasury, 2009).

The AsgiSA Initiative was created “to increase investment in economic infrastructure like electricity generation, transport and water management. A significant portion of the financing for expenditure on economic infrastructure is being raised by South Africa’s parastatals, such as Eskom and Transnet, and is not being funded from the national budget. Although this latest policy means well, the rise of building costs due to increased cost of certain input costs (i.e. labour, materials, plant and fuel) (National Department of Housing, 2008a: 18).

Figure 10: Subsidy growth vs. Construction Price Growth



(National Treasury, 2009)

This has inevitably increased the cost of providing housing, limiting the reach of housing subsidies. “The scarcity of suitable serviced land continues to add pressure on prices for housing development, thereby fuelling affordability problems” (National Department of Housing, 2008a: 18). There has also been evidence of a shortage of skilled labour and building material in the country (National Department of Housing, 2008a: 19). In October 2007, the previous Gauteng MEC for Housing, Ms Nomvula Mokonyane, admitted that a new approach to housing delivery is needed. This included the possibility for alternative housing materials. One of the respondents to the interview specifically indicated that a policy shift that will accommodate alternative technologies within the human settlements service delivery process is required in order to face some of the challenges facing the housing department. When one looks at the public housing environment, one may find a few examples where cost effective building technology has been implemented.

In 2004, the national Department of Housing investigated the extent of usage of alternative building in low-cost housing and their socio-economic impact on beneficiaries (National Department of Housing, 2004). The need to reduce costs was obvious, but all this has to be done within the requirements of the National Building Regulations. Five provinces were selected as samples for the study. These were Limpopo, Mpumalanga, Western Cape, Eastern Cape and Gauteng. Although the technologies applied proved cost-effective, there were several issues with regards to structural integrity and satisfaction of the beneficiaries (see Annexure 4 for full presentation). But since then, it appears that these issues have been dealt with. Alternative material projects are being provided. The Kaalfontein settlement is situated in the North west of Ivory Park within the City of Johannesburg and is the first settlement in Gauteng to have been built using alternative building technology (ABT). The project is utilising an ABT known as Gold Flex Building System and will deliver 858 units, 40 m². The Department appointed Mino Global Properties which began in June 2008 (National Department of Housing, 2008b). “Zola 1 Alternative Building Technology (ABT) project, part of 20 PTP was launched on 18 September 2008 and is expected to yield 500 units and is certified by the Department's Quality Assurance. ABT is an unconventional way of building houses and it uses materials other than brick and mortar. The insulated walls consisting of polystyrene core which is clad with plaster on both sides are energy efficient.” (National Department of Housing, 2008b; Manthi, 2008). It takes a team of six labourers to erect one unit in 1 ½ hours, that is how fast and cost-effective ABT is. It has been said that this will enable government to accelerate the eradication of informal settlements by 2014 (National Department of Housing, 2008b). Due to the fact that these projects are in the early days of implementation, it is difficult to say whether the standard of quality being delivered will leave beneficiaries satisfied in the long run. Unfortunately the researcher could not locate any data on customer satisfaction to date.

In 2007 the NHFC entered into a memorandum of understanding with Absa Bank in which the bank committed R2,6 billion aimed at achieving their target of ensuring the development of 100 000 units by 2010. This was just one of many other agreements with the private sector initiated by the NHFC.

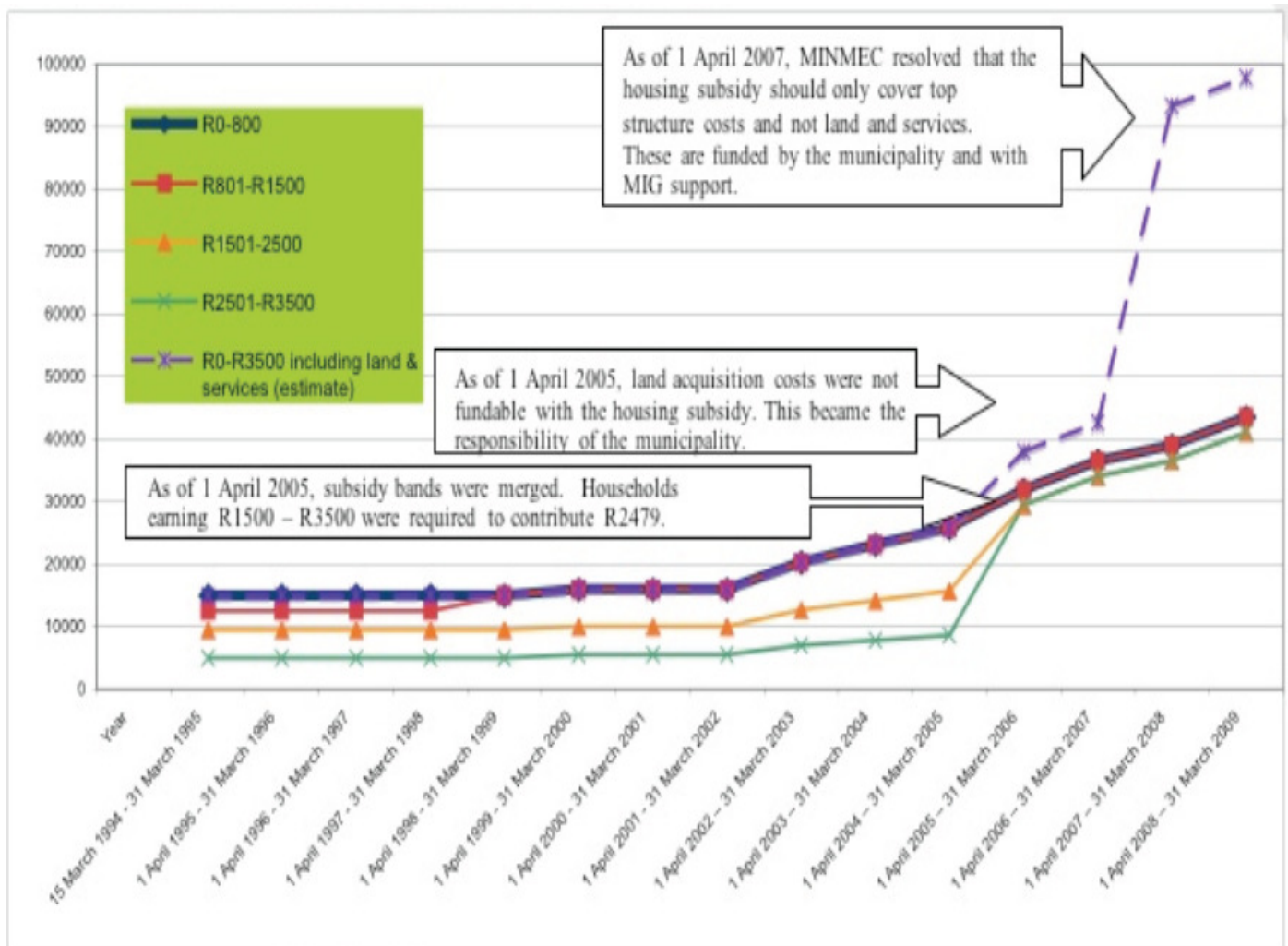
With all of the available funding and the new technologies coming into place, some respondents felt that this was still not enough. Many of the estimations and plans don't seem to take into account an increasingly growing urban population. Gauteng is especially affected by this as it receives many immigrants from neighbouring countries and other provinces in the country due to the possibility of economic opportunity. The settlement upgrade approach is supported in

view of the fact that there is still a severe lack of suitable land for purposes of relocating and accommodating informal settlers (assuming that the existing settlement is ideal for such a use e.g. not under a flood line).

The current global economic recession was mentioned by one respondent that saw this as yet another obstacle for implementation. This is not untrue, yet it must be said that the country as a whole has fared well in these tough economic times (relative to other nations) and the housing department itself did not report any significantly different figures as a result.

In many instances one will find that RDP housing structures have been provided but are lacking services such as water and sanitation or even a decent road leading up to the housing development. This is due to the initial policy that housing subsidies would only cover the top structure of the house, but that all supporting infrastructure would need to be funded by municipalities, which often did not have sufficient funds to do so.

Figure 11: Quantum of National Housing Subsidy (1994-2008)



(Rust, 2009)

The Department of Human Settlements was recently re-structured and expected to take over responsibility for sanitation from the Department of Water Affairs in the near future (National Treasury, 2009). This is yet to be seen.

4.3 DEMOCRATIC PARADIGM

Section 26 of the Constitution of the Republic of South Africa Act, No. 108 of 1996 states that:

... (1) Everyone has the right to have access to adequate housing.

(2) the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right.

(3) No one may be evicted from their home, or have their home demolished, without an order of court made after considering all the relevant circumstances. No legislation may permit arbitrary evictions.

This coupled with a government that was determined to give back to the 'previously disadvantaged' through land restitution and redistribution programmes, have left many with a sense of entitlement. The highly socialist focus of the RDP housing programme meant that those who had not yet received free housing or been allocated land would like to know when their turn will be, and go to great (even violent) lengths to voice their dissatisfaction, often through protests. The manner in which democracy is practiced in the country has essentially affected attitudes and behaviours of some South African citizens- and not for the better.

The 'new South Africa' meant freedom of movement and place of residence. Inevitably, this would mean an explosion of the urban population as these were the areas seen to be the heart of economic activity and opportunity. One of the questionnaire respondents indicated that "rapid urbanisation/ urban migration is a key challenge affecting cities in most developing countries including South Africa. This put strain on existing overstretched resources. Gauteng plans should reflect urban migration. Since this is a cross border challenge it is important that National and Provincial economic strategies tackle rural under development to alleviate urban migration ...".

It was during the 'term' of the GEAR strategy that the *Urban Development Framework* (1997) was created. (see section 3.1.5) The target areas were to be urban. During the period of 1997-1998, public sector housing delivery was at its highest yet began to decline post 1998 (see Figure 3).

The paradigm of constitutional rights in which we currently live means that the citizen is entitled to protest at almost any given point in time on almost any given point of dissatisfaction, such as the location of a public housing development of the targeted beneficiaries for that specific beneficiaries. Examples given by survey respondents were:

- The constitutional right for basic shelter which invaders and informal settlers often site as validation for their actions;
- An unfortunate culture into which many have unfortunately settled into resulting in the belief that they are entitled to free government hand-outs.

As already mentioned, this has led to lawlessness at times. Respondents have suggested:

- A paradigm shift that encourages self-sufficiency. Government housing should be targeted at specific groups of individuals that most in need of such assistance, e.g. the elderly, disabled and child-headed households
- Minimising the subsidy programme to instil responsibility in our communities;
- Better enforcement of specific by-laws at the local municipal lever for the payments for services provided;

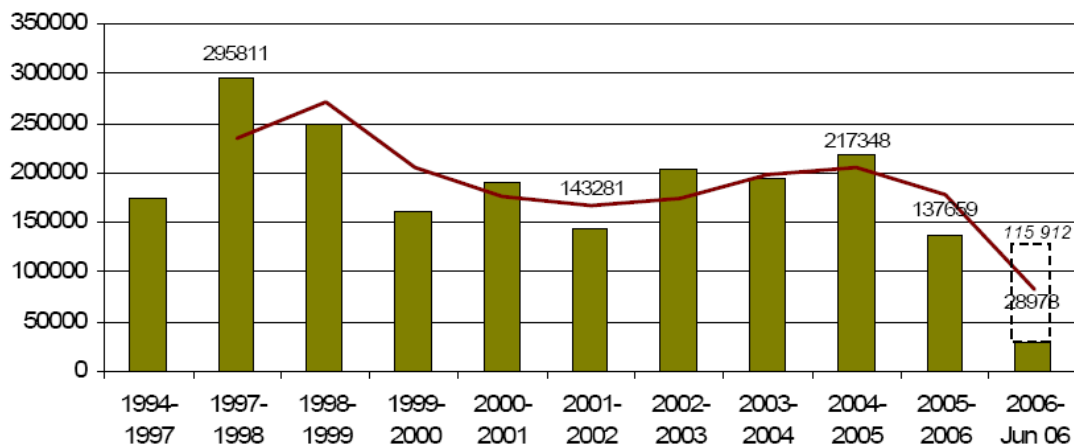
The 2009/10 Gauteng Housing budget vote indicated that apart from major projects based on the Breaking New Ground policy document and the Urban Renewal programme, one of the major objectives for the financial year would be the enforcement of by laws. “The absence of adequate bylaw enforcement at municipality level breeds a culture of non compliance by citizens, and this in turn breeds lawlessness among people” (Legkoro, 2009).

4.4 POLITICAL AGENDAS

When the 1st democratic South African government was ushered in in 1994, the promise to the nation was that one million houses would be build in five years. Yet another political target is to ensure that 30% of agricultural land is transferred to black South Africans by 2014. The deliver

of 1 million houses was achieved. Actually, the delivery of top structures exceeded the original goal by approximately 200 000 houses.

Figure 12: Housing Delivery (1994-2006)



(Rust, 2006: 23)

But by the end of 2004, only 4.3% of commercial agricultural land had been transferred (Department of Environmental Affairs and Tourism, 2005). Even though approximately 1,2 million houses had been delivered by the year 2000, many of these were merely top structure without the necessary supporting services or environment due to the manner in which the housing subsidy is allocated, as explained in section 4.2. A more recent goal is to eradicate informal settlements by 2014/15, but eight of the nine survey respondents felt that this was not possible. One of the reasons given for this was political interface.

In 2009, the total housing budget amounts to R13.588 billion. The Conditional Grant allocation to the provinces totalled R12.442 billion. The total delivery target for 2009/10 is 225,740 units. ,

(National Department of Human Settlements, 2009)

In research done by Rust (2009), it was determined that the average cost of a subsidised house is currently approximately R135000 (service infrastructure included) while the current housing backlog is approximately 2,9m houses. The total fiscal implication of this is R391bn in the absence of any population growth. If the projected annual delivery were 250 000 houses per annum, it would take 11 years to provide the required subsidised housing (again making the

assumption that there is no population growth. The annual fiscal implication would therefore be R33, 75bn. This would leave a burden of approximately R19bn on municipalities. Survey respondents have indicated that their respective municipalities do not have the necessary funding required to meet the national housing agenda, while simultaneously seeing to other municipal financial obligations.

Politicians have experts at their disposal that can do such simple calculations and forecast for them, and probably have. But as a political vehicle wanting to stay in power, the preferred approach is to promise the moon and earth to voters, without explaining the actual implications or limitations of such promises. Needless to say that it is exactly this lack of explaining the entire picture of the rollout of housing delivery to citizens that creates the unrest so often seen over the past two years over service delivery.

4.5 SCENARIOS: PRACTITIONERS' EXPERIENCES

Eight of the nine written respondents were familiar with the concept of 'scenario planning' and felt positive about its possibilities that such an approach could offer. The ninth respondent was not familiar with the concept. It must be said here, that the tenth respondent (who was interviewed telephonically in an open-ended conversation) was part of the team developing scenarios for the GDoH (Gauteng 2055 Human Settlements Scenario).

The appreciation of this approach was reflected in a response which pointed to the fact that scenario planning would allow the planner to think beyond just the provision of the physical structures of housing, but would require that other factors such as the economy, technology, politics, society, etc, would play a role. In addition, this 'long-term' planning approaches (as one respondent referred to it, could inform important decisions such as budgeting. It could also assist GDoH to 'forecast' migration numbers for service delivery planning purposes.

One respondent indicated that the Gauteng 2055 Human Settlements (Gauteng 2055) plan which is intended to filter through to all GP departments is largely built on the scenario planning concept. The Gauteng 2055 Scenario Planning exercise was initiated by the Gauteng Department of Local Government and Housing, and aimed to develop 2055 Human Settlement Scenarios for the province (See Annexure 3). Workshops were held in July 2009, and speakers included the likes of Petal Thring (responsible for Planning and Research in the provincial

Human Settlements Department) and Koosum Kalyan (see *Mont Fleur* section 3.6.3) the outcome of which was still pending at the time of compiling this report.

Four respondents indicated that they were participants within the Gauteng 2055 Human Settlements Scenario Planning Exercise. One specifically mentioned that the process was proving to be meaningful to the point where he hoped that it could be applied to policy throughout Gauteng. He further hoped that a report would be forwarded to the Gauteng planning Commission in the premier's office and ultimately national planning in the Presidency.

On the other side of the spectrum, one respondent indicated that, to his knowledge, GP does not implement the concept beyond feasibility studies. But this still indicates some level of application.

The study has looked at scenario planning from its inception and how it became a strategic planning tool that can be used in the policy environment. Examples exist both locally and internationally. In the examples that have been cited, scenario planning has been used at a very strategic (almost superficial) level, and very rarely at the local municipality level, department by department. The success of these scenario exercises at higher levels suggests that they can be used successfully at local level. Perhaps even on a project by project basis, if resources allow and if absolutely necessary.

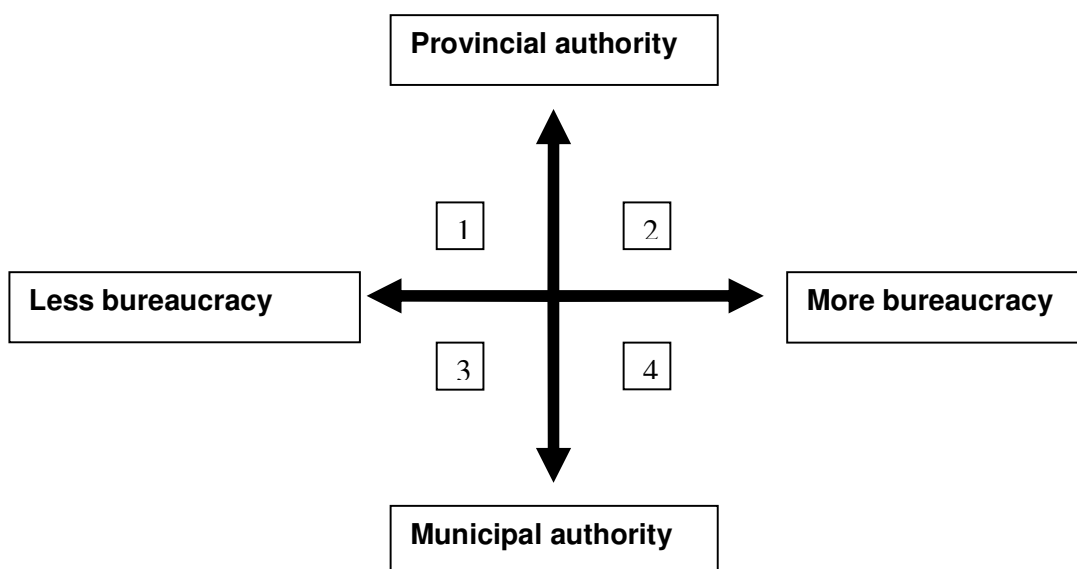
The South African National and provincial government are active players with regards to scenario planning exercises. But often, that's where the journey ends. Although municipalities are sometimes included within such exercises, the outcome often does not equal the operationalisation of resulting plans within municipalities.

The undesirable state to be dealt with is the housing backlog challenge. The desired goal is the eradication of the backlog and housing for all South Africans. Gauteng faces the largest challenge with regards to rate of population growth, and inevitably, housing backlog. Municipalities, who are responsible for implementation within the government environment, are fighting a losing battle. What possibilities have been presented? The researcher would like to make some suggestions through possible scenarios. It must be made clear at this point that these scenarios are simply indicative and more deeply investigated and fleshed out scenarios would be required for any serious consideration by Gauteng municipalities. As explained in

section 3.2.3, the scenario planning exercises should be carried out by an expert team, which the researcher cannot be said to represent. Nonetheless, these scenarios are put forward with the intention of sparking debate over possibilities and perhaps encouraging municipalities to adopt scenario planning as a policy and planning tool.

The question to be answered is how to eliminate the housing backlog in Gauteng? More specifically, how to eliminate the backlog such that quality housing in acceptable environments with required services are provided. Based on the themes that emerged from the study, the driving forces have been identified as political (institutional arrangements and political agendas), social (democratic paradigm) and economic (funding and resources).

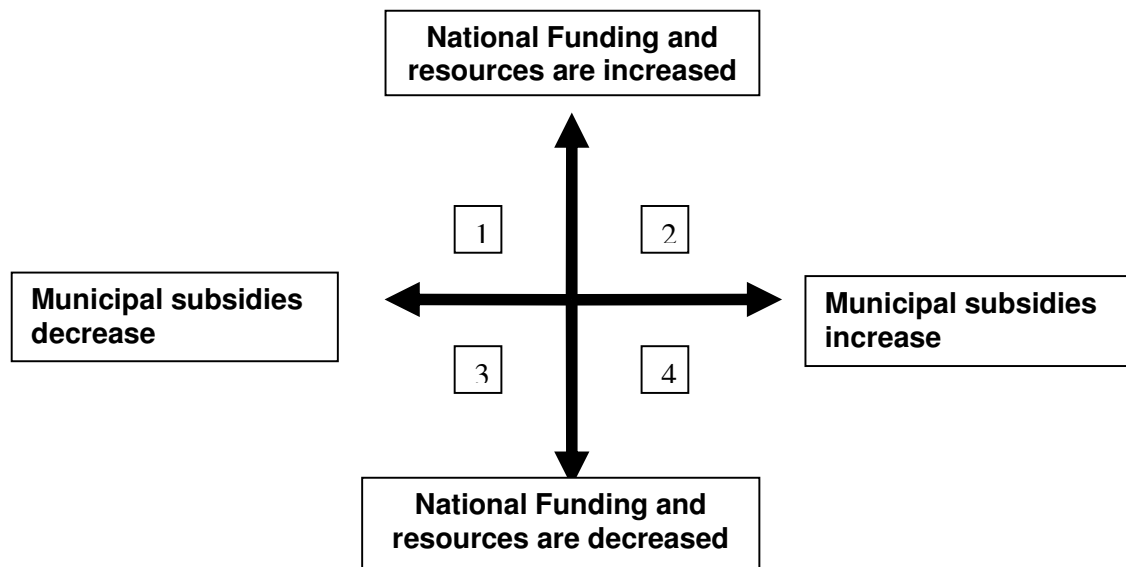
Scenario Matrix1: Change of Sphere



- Scenario 1: Status quo is maintained. A factor (such as better communication between spheres of government) which overrides the bureaucracy comes into play. Houses are delivered at a faster rate.
- Scenario 2: Status quo is maintained. Processes are prolonged, continuing to contribute towards slower pace of delivery.
- Scenario 3: Municipalities are accredited to have the authority regarding housing matters. Bureaucracy is reduced. Time is saved. Houses are delivered at a faster rate.

- Scenario 4: Municipalities are accredited to have authority. Internal municipal processes prove to be more cumbersome than what was inherited from the provincial sphere. Housing delivery is slowed down.

Scenario Matrix 2: Economic Outlook

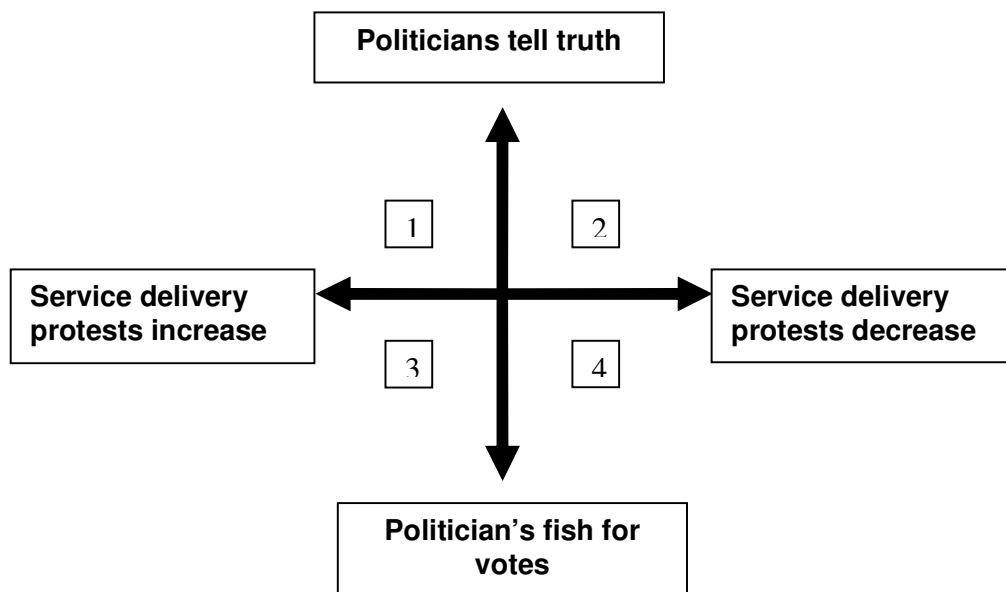


- Scenario 1: South Africa experiences an economic boom and government budget allocations are significantly increased. National housing department sees it fit to allocate greater funding to other areas other than municipalities. Implementation at municipal level continues to be challenging.
- Scenario 2: South Africa experiences an economic boom and government budget allocations are significantly increased. National housing budget allocation trend remains the same and municipal subsidy increases. Housing top structures are supplied with the supporting services and environment in line with the requirements of a sustainable human settlement.
- Scenario 3: The recession takes a turn for the worse and government funding is limited. The allocation to the national housing department is decrease, which

follows that the municipal allocation will be decreased. Housing delivery is problematic.

- Scenario 4: National housing funding is decreased due to a continuation of the recession that becomes more severe over time. National housing department realises that resources are stretched and has to make some tough choices. The decision that is adopted is “quality over quantity”. Municipal grant allocation is increased so that all the unserviced houses that have already been provided by national housing are connected to bulk infrastructure, thus delivering a complete product to the beneficiary.

Scenario Matrix3: Balancing Act



- Scenario 1: The political approach is altered. Politicians explain the true implications of the housing backlog in terms of finance and timeframes. Protests continue and even increase due to this revelation and the fact that people were initially 'lied' to.
- Scenario 2: Politicians paint the entire picture of the housing delivery challenges and their implications. Citizens appreciate the honesty and support the

government that they voted into power in view of the new information that has come to light. Protests decrease.

- Scenario 3: Status quo is maintained. Politicians make promises they can't keep. Protests continue and increase.
- Scenario 4: Politicians continue to tell citizens what they want to hear in order to maintain popularity. Citizens give them the benefit of the doubt. Mindsets also slowly begin to change and personal responsibility reigns supreme. More and more of the poor take actively take part in their own emancipation as opposed to waiting on government and protests decrease.

The scenarios presented above are very basic and certainly not exhaustible. Nonetheless, they have strung together the themes that have come to fore in this study. Scenario 1 of Economic Outlook, for example, could have been different. Although municipal budget allocation is decreased, housing delivery at the municipal level may remain unaffected due to new cost-effective technologies that are employed. Funding is increased but construction cost increases outweigh this input and rate/ quality of housing delivery remains the same.

4.6 CRITICAL FINDINGS

National government is responsible for developing national mandates, provincial government is delegated many of the authorities required to facilitate the national mandate, while local municipalities are responsible for implantation. Unfortunately, the communication between these three spheres of government is not unlike a cell phone network with reception problems. As a result, certain critical messages are not relayed from top to bottom, or visa versa. Consequently, necessary support, resources and synergy required for reaching the stage of implementation and delivery of a quality product is very difficult to come by. The issue of inter-governmental relations (specifically with regards to communication and engagement) is critical to the stability of the current institutional arrangements and the Gauteng housing department will have to be weary of this in moving forward.

Add to this the challenge of limited funding and resources, and the obstacles become increasingly insurmountable. The study revealed that by and large, the expected houses delivered relative to the funding granted fell short throughout most of the country. In certain

instances, housing delivery exceeded expectations even with a limited budget. This is a clear indication that although financial resources are necessary to implement the housing mandate, a good measure of ingenuity, resourcefulness and thinking out of the box can go a long way. The use of cost-effective building materials is one such example. But whatever these new and unconventional solutions, they will need to be implemented at a rapid pace if they are to match up with the continuous explosion of urban growth.

Many of the 'have nots' within the South African population feel entitled to what's theirs due to the country's past. As a result, a mood of inaction towards one's self made success often replaces potential for enterprising minds and activities. For this the country has suffered dearly, losing out on a potential skills base, and pumping resources into a seemingly bottomless pit that could have been otherwise spent. On the extreme side, some of these 'entitled citizens' have resorted to violence in order to make themselves seen and heard. South African government may have to reconsider its stance on the "rights" of citizens, and at what point the requirement to be a law-abiding citizen overrides those rights i.e. to reach a point where people understand that there will be serious consequences for their unconstructive actions.

In the same way that communication between various spheres of government is vital, communicating the reality of providing a certain standard of housing to an ever increasing population should be honestly communicated to the citizens of South Africa by government, as opposed to pushing political agendas through unachievable promises. It is failure to achieve these very same false promises that often ignite violent protests from the citizens seeking service delivery.

It appears that 'communication' will play a big role in improving the situation i.e. efficient communication between spheres of government and honest communication from the South African government to the South African public. In addition to this, the value of thinking out of the box can not be emphasised enough.

CHAPTER 5: RECOMMENDATIONS

The following are, essentially, recommendations made to the Gauteng Department of Human Settlements with regards to the findings of this study. Due to the interconnected nature of the various spheres of government, recommendations are also made to national government.

Institutional Arrangements:

- It is possible that the authorisation of municipalities to perform certain functions of the housing delivery process would facilitate the process. This should be investigated. Scenario exercises would greatly assist.
- Gauteng, as the most powerful economic province has substantial bargaining power in comparison to other provinces and should make a case to its national housing counterpart to engage provinces in policy and planning exercises. The province should, in turn, do the same with municipalities and take it even a step further by encouraging the operationalisation of such policies and plans at municipal level though adequate support systems.
- GDoH should investigate the possibility of aligning municipal financial years with that of National government in order to streamline processes and reporting.
- The focus should be on *sustainable* human settlements as opposed to just housing as this would also encourage other line departments in local municipalities to get on board.

Funding and Resources

- The National Department of Human Settlements should, indeed, take over the responsibility of sanitation from the department of Water Affairs, subject to the advisory body on issues of sanitation remaining within the Water Affairs department, as they have the technical understanding of implications of decisions that may be made.

- A study such as the one carried out in 2004 by the national housing department (see annexure 4) with regards to the outcome or alternative building materials used in housing developments should be done or made available to the public, including the exact cost implications of this. This may encourage a greater untapped segment of private developers to engage in public housing.

Political Considerations

- Fifteen years into a democracy, and with temper of citizens that have not seen the delivery of promises made, it is advisable for the national housing department to make an honest and objective evaluation of the housing situation and communicate this to the citizens, using the scenario planning methodologies, and possibly bringing about a shared vision as was created using the *Mont Fleur Scenarios*.

CHAPTER 6: CONCLUSION

In 1994 the major constraints to solving the housing challenge were identified as being the enormous scale of the problem; the existing “wasteful settlement structure”; the existing institutional and policy framework that was yet to be replaced; end-user finance and subsidies; land and planning issues; constraints within the housing sector such as a shortage of engineering skills and building material supply and a low rate of economic growth. In 2009, challenges include institutional arrangements, budget constraints and a democratic paradigm in which many citizens feel entitled to service provision, free of charge, ‘right now’. In essence, the challenges remain economic, social and political in nature.

The main goal of the study is to track the use of scenario within the Gauteng housing policy environment, the objective of which was to determine whether scenario planning could be better used in order to improve public housing delivery within the Gauteng province. Scenario planning is used within strategic planning environments and in order to make policy decisions. It was therefore evident that the researcher would need to investigate the policy making domain within the Gauteng housing department.

The policy hub was identified as the *Policy Planning and Research* programme or directorate within various provincial and municipal departments. It was found, though, that this function did not exist in all provinces and/or municipalities and that the existence of the function may add value to the housing policy environment, but was not the single determinant as to whether or not the policies that were being developed contributed to a greater rate of housing delivery in any specific year.

The infiltration of scenario planning within this policy environment was then investigated. The study included both a local and international outlook. Locally, examples were assessed from the local level, in various sectors. It was clear that scenario planning has been used in the public sector for several years, most significantly at the national level. A good example of where it has been used in the public sector in Gauteng is the *Gauteng budget for Research and Planning (2003-2010)*. Unfortunately, many other examples of scenario planning exercises were future dated or did not contain sufficient detail to draw required information and guidance for the Gauteng situation. Nonetheless, it was clear that scenario planning is being used extensively

and successfully throughout within various sectors globally. The strategic planning tool has proved to be most successful within the business sector, where the bottom line remains profit, and there is seldom interference regarding personal agendas or inhouse politics. The facts are usually clear and straightforward, making it easier (than in the public governing environment) to derive possible futures from driving forces. Big business can also often afford the fee that goes along with scenario exercises.

Once the innate value of the strategic planning method was established, it was then important to see how this may assist Gauteng housing policy in particular.

The various examples yielded various generic lessons that can be applied within Gauteng scenario planning exercises, such as:

- The scenario planning team must preferably consist of 'remarkable people' that have the ability to be objective and think outside of the box.
- It is unlikely that desirable futures will be achieved by themselves unless all important actors are under duress to force certain decisions towards that desirable future. Intentional action must be taken.
- Sometimes, unpopular steps may have to be taken for a desirable outcome.
- One must be careful not to strategise for what is most 'probable' as such decisions can often be subjective.
- As wonderful a tool as scenario planning may be, it must never be assumed that audiences will receive the approach well. For this reason, the facilitating team must truly believe in their work so as to have an attitude to their work such that they will not give up.
- Initial scenarios are not necessarily cast in stone. The process of wider public participation may lead to further refinement of the scenarios.
- The earlier preparations start for the scenario the better- it may arrive before 'planned'!
- The wider scenario planning team can consist of ordinary citizens right up to political heads, if appropriate to the situation.
- If possible, it is preferable to sustain continuity within the scenario planning team, (especially with regards to lead roleplayers in the team) in the event that scenarios are revised or refined in a separate follow-up exercise.
- Use a wide variety of media to communicate scenarios.

Most of these directives have been applied in the South African context. But often, the *creation* of scenarios is not so much a problem as the *implementation*. The first issue with regards to implementation is the *level* of implementation and the other is the *culture* of implementation. Within government, most scenarios are exercised at the national or provincial level. This means that the scenarios are geared exclusively for strategy and not so much implementation (as is the responsibility of municipalities). Due to institutional barriers such as ineffective communication between the various spheres of government these scenarios often do not move beyond the desktops of provincial and/or national officials. At times, even when municipalities are included within scenario planning exercises, they are not informed of the outcome or given the tools and assistance required to translate the outcome of those scenarios into operational plans and thus have little impact. .

The *culture*, like many other things in government, is ruled by political agenda, where there is a single end-point and scenarios or strategies may be rallied around that single point, as opposed to looking at the possibility of realising that end-goal, while simultaneously acknowledging that it may not be achieved and putting shock-resistant systems in place to prepare for the unforeseen. Departmental heads may feel threatened by the talk of unplanned futures, or even\ that this is a waste of time and that one must 'focus' all energies on achieving the given mandate. A scenario planner (and leader) has to be able to think outside of the box to solve problems that do not fit neatly into the box.

The focus of the study was Gauteng and the delivery of *quality* housing units for the poor. Municipalities within Gauteng were looked at more closely, most significantly through the input of officials working within the housing sector. The general feeling towards the direction in which the government is moving with regards to housing provision was negative yet hopeful. Practitioners can see the opportunity for change. And it is in this vain that it is said that Gauteng, as a province, should afford itself the opportunity to delve deeper into the alternative technique of scenario planning that has effectively been used to enhance other areas of development elsewhere. More specifically, municipalities should create and implement their own.

The basic scenarios created in section 4.5 are testament to this. For example, practitioners that partook in the survey indicated that the authorisation of municipalities to manage certain aspects of the housing process may open up some bottlenecks. Scenario 4 of the *Change of Spheres* scenario matrix creates a scenario where municipalities are accredited to have

authority, but internal municipal processes prove to be more cumbersome than what was inherited from the provincial sphere. Inevitably, housing delivery is slowed down. If this option is not even considered, and does in actual fact happen, it will be a case of one step forward and two steps back. Where this option has been included, municipalities can either assess their internal processes before readily accepting such authorisation or put contingency plans in place.

It therefore serves that scenario planning, if better used within provinces and municipalities can improve service delivery on the whole.

In view of the fact that the starting point for government policy emanates from the Presidency, it is wise to see how these findings could possibly tie in with their overall planning. The Presidency has now entered the phase of the 2009-2015 Medium Term Strategic Framework. In 2009, "Household and Community Assets" served as one of eleven development indicators for the Presidency (Presidency, 2009a). The goal for this indicator is "meeting housing needs and building decent human settlements", which ties directly into the responsibility placed upon the Gauteng housing department. Having a broad overview of the performance of the government as a whole, the Presidency has "acknowledged that the state has not performed optimally in relation to public expectations. Quality and service standards have not always improved, despite massive increases in successive budgets. In some areas service quality and standards have deteriorated" (Presidency, 2009b: 4). One of the latest developments within the organisation is the new outcomes performance management system, implemented in February 2009 (Presidency, 2009b). The aim is to link performance monitoring to planning and co-ordination. The belief is that "What gets measured, gets done" (Presidency, 2009: 12) and there is a high emphasis on accountability.

The process that will be ascribed to will start with the identification of politically agreed upon outcomes, agreement on the most valuable output measures, pinpoint of the *key* activities that will be required to achieve the outputs and identification of essential inputs that must form part of this delivery chain (Presidency, 2009: 7). While the initiative is commendable, on the surface, it appears that this unit may fall into the trap of expecting certain pre-determined steps to come to a presumably logical outcome. In matters of a strategic nature, history (and this research report) has shown that this is not always the case and there always needs to be preparedness for the unexpected. This is the essential ingredient missing from this performance management process. In the same way that significant funding did not guarantee a sustainable delivery of a

good number of housing year on year throughout the country, it cannot be assumed that certain key inputs and activities will ensure desired outcomes.

Even though PCAS pioneered scenario planning within the government environment, they seem to have fallen prey to that affliction where organisations do their planning in silos, and integration is lacking. The scenario planning approach that has already been practiced practiced by the organisation needs to be taken up even in this monitoring and evaluation unit and process, or many of the efforts may come to naught. Needless to say, this bodes negatively for provincial and local spheres of government, the Gauteng Human Settlements department included.

As long as the intervention focuses around *planning*, scenario planning should be included as that 'out of the box' approach that has been the make or break of other institutions in the past, whether at national, provincial or local level. With the preparedness that it affords, scenario planning will indeed, assist in planning for the ongoing and *unforeseen* challenges facing the Gauteng Department of Housing.

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ANNEXURE 1: SURVEY



Tuesday, 14 July 2009

To whom it may concern

This letter serves to confirm that Namugaya Irene Kisuule (Student number 0710513G) is a registered Masters of Management student in the Graduate School of Public and Development Management.

The proposed title of her research is called "USING SCENARIO PLANNING TO MANAGE THE CHALLENGES FACING THE HOUSING DEPARTMENT IN GAUTENG".

It is recommended that she be given assistance in terms of information for research purposes towards her Master of Management Degree. The information will be used for research purposes only.

Yours sincerely



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From: Namugaya Kisuule
Sent: 16 July 2009 07:36 AM
Subject: Housing/ Scenario Planning Interview

Good morning

I'd like to thank you all for graciously agreeing to partake in this interview process. Just as a reminder I am a Masters student at the Wits Management School (Graduate School of Public and Development Management), doing the Public Policy Course. I am also a planner at the Tshwane Municipality where the focus of my research is also of great interest and concern to me.

I'd also like to say that all responses received will remain confidential and anonymity will be retained when results are reflected in the research that I am doing (unless you expressly indicate that you have reservations about your details being revealed).

The basis of the research is with regards to all aspects of the housing 'problem' facing the Gauteng Department of Housing (GDoH). These include urban sprawl; informal settlements, urban degradation; integrated residential patterns; funding; optimal design of low cost housing and service provision amongst other things. The intention is to investigate whether *scenario planning* has or can partially address(ed) the challenges faced by the GDoH.

It is clear that the GDoH is attuned to the need to prepare for the unforeseen through the use of scenario planning (e.g. the four scenarios created with regards to the 2008/09 financial year). What is not clear is whether or how well these scenario exercises are being executed and implemented in the various municipalities within the Province- or even by the GDoH itself. This will partially be answered through a literature review and partially through interviews with practitioners in the Housing field.

In order to answer this questionnaire, it is not necessary that you were in any way dealt with or used scenario planning. What is important is that you have worked with housing programmes or projects in South Africa.

Please respond by either fax or email **by Monday 27 July 09**. The entire questionnaire will take 20-30mins to complete. You may fill in the form in writing and then scan to computer and e-mail from there.

I can be reached at 0723718790/ 0123587926 or namugayak@tshwane.gov.za.

Thank you again.

Regards

Namugaya IF Kisuule

SEMI-STRUCTURED SURVEY QUESTIONNAIRE: HOUSING POLICY-MAKERS

INSTRUCTIONS:

1. Kindly respond to all questions
2. Please feel free to ask for clarity on any point
3. The questionnaire consists of 3 Sections and a total of 22 questions
4. Mark with an “X” where relevant
5. Please indicate “N/A” where not applicable

NB: All information gathered will be kept confidential

SECTION 1: IDENTIFICATION

1.1 For how long have you worked within the housing or related field/s?

Less than 2 years	2-5 years	5-10 years	More than 10 years
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1.2 If you were involved in a *related field*, what field/s or occupation/s was/were this/these?

1.3 Do you actively partake in policy-making within your organisation?

YES	NO
-----	----

1.3.1 If YES, do you have delegated authority to make final decisions within your organisation?

YES	NO
-----	----

1.4 Do you have (housing) policy-making authority beyond your organisation?

YES	NO
-----	----

SECTION 2: HOUSING POLICY

2.1 There has been a definite shift in the public housing domain from quantity to quality. In light of the past 13 years of housing delivery performance of the current paradigm, do you feel that the goal of eradicating or upgrading all informal settlements by

2014/15 is likely to be achieved?

YES	NO
-----	----

2.1.2 Briefly elaborate on the reason for your answer

2.2 Do you feel that the current set-up within your organisation (with regards to interdepartmental roles and relationships for public housing delivery) is appropriate in order to address current problems and challenges?

YES	NO
-----	----

2.2.1 If NO, elaborate

2.3 Are you aware of the *Policy Planning and Research Programme* emanating from the National Department of Housing?

YES	NO
-----	----

2.3.1 If you answered YES to the above question:

Is there a clear application of this programme within your work environment?

YES	NO
-----	----

2.3.2 If YES, elaborate / If NO, please indicate why you believe this to be the case

[illegible]

YES	NO
-----	----

[illegible]

SECTION 3: SCENARIO PLANNING

3.1 Are you familiar with the concept of *scenario planning*?

YES	NO
-----	----

3.1.1 If YES, briefly elaborate on your understanding.

3.2 Do you feel that this approach could be effectively applied to housing policy in the Gauteng Province?

YES	NO
-----	----

3.2.1 Please elaborate

3.3 Have you ever applied or been involved in a housing project/ policy where scenario planning was used?

YES	NO
-----	----

3.3.1 If YES, please elaborate

3.3.2 What was the outcome?

3.4 Do you have any other general comments with regards to scenario planning within the context of Gauteng public housing policy?

Thank you for your time!

ANNEXURE 2: SUBSIDY SCHEME

According to the Columbus scenario, in order for a sustainable strategy for housing to take place, subsidies and financing from the state would be one of the requirements (See section 3.3).

Please note that all information pertaining to this annexure was sourced from the Independent Democrat's website (2008) at <http://www.id.org.za/policies/adopted-policies/housing-policy-bridging-the-divides-by-building-sustainable-communities/>, except where otherwise stated.

The Subsidy Scheme:

The subsidy scheme offers a lump sum 'capital subsidies' to those lower income households that earn less than R3 500 per month. These subsidies are designed to accommodate social demands, the enormous existing backlogs and fiscal constraints. In addition, they also aim to minimize housing and financial sector market distortions. The subsidy provided is determined by the applicant's income. There are eight different subsidy forms, as defined by the Department of Housing:

- a) Institutional subsidies:** available to qualifying institutions to enable them to create affordable housing stock for persons who qualify for housing subsidies
- b) Consolidation subsidies:** designed to afford previous beneficiaries of serviced stands, financed by the previous housing dispensation [including the Independent Development Trust's site and service schemes], the opportunity to acquire houses.
- c) Rural subsidies:** available to beneficiaries who only enjoy functional tenure rights to the land they occupy - this land belongs to the State and is governed by traditional authorities.
- d) People's Housing Process (PHP):** aims to support households who wish to enhance their housing subsidies by building or arranging the building of their own homes themselves.
- e) Emergency programme:** aims to assist people in crisis or desperate situations. Additional subsidy amounts are also available for people with walking or hearing disabilities and these subsidies would enable modifications to be done to their houses.
- f) Informal settlement upgrading programme:** shacks in informal settlements get demolished and replaced by RDP houses.
- g) Fast Tracking Programme:** aims to fast-track projects that might be hindered by inter-departmental processes.

h) Public Sector Hostels Redevelopment Programme: aims to make state hostel more family-friendly; now a worker's whole family can stay with him in a upgraded family hostel unit.

Table 11: Housing Subsidy Scheme quantum amounts for a 40m² house 2009/10

Subsidy programme	Top structure funding	Own contribution	Product price
Rands			
Project linked subsidies			
R0 – R1 500	55 706	None	55 706
R1 501 – R3 500	53 227	2 479	55 706
Indigent: Aged, disabled and health stricken R0 – R3 500	55 706	None	55 706
Individual subsidies			
R0 – R1 500	55 706	None	55 706
R1 501 – R3 500	53 227	2 479	55 706
Indigent: Aged, disabled and health stricken R0 – R3 500	55 706	None	55 706
Institutional subsidies			
R0 – R3 500	53 227	Institution must add capital	At least - 55 706
Consolidated subsidies			
R0 – R1 500	54 650	None	54 650
R1 501 – R3 500	52 171	2 479	54 650
Indigent: Aged, disabled and health stricken R0 – R3 500	54 650	None	54 650
People's housing process			
R0 – R3 500	55 706	None	55 706

(National Treasury, 2009)

**ANNEXURE 3: PROGRAMME AND INVITATION TO GAUTENG 2055 SCENARIO
PLANNING WORKSHOPS**

There are many possibilities, shape the way for Human Settlements in 2055



Department of Local Government and Housing

NOW

14th and 15th July 2009

Gauteng - 2055 Scenario Planning Workshop

Day 1 – Programme

No.	Item	Speaker/Presenter	Duration
1	Arrival, Tea/Coffee & Registration	ALL	8h00 – 8h30
2	Opening and Welcome	Petal Thring	8h30 – 8h35
3	Background and Purpose	Petal Thring	8h35 – 8h40
4	Workshop Process and Outcomes	Mphathi Nyewe	8h40 – 8h50
5	Key Stakeholder – Inputs – Gauteng Depart of Econ. Dev. – Eskom – CSIR – Council for Built Environment – Gauteng Depart of Environ. Affairs and Rural Development – Intersite – Central Energy Fund	Sam Mabilo Andrew Etzinger Maria Coetzee Nana Mhlongo Leboho Leku Babalwa Mgolombane Dr. Chris Cooper	8h50 – 9h30
Morning – Tea/Coffee Break			
6	Key Challenges for Housing	Mongezi Mnyani	9h45 – 9h55
7	Group Process Briefing	Mphathi Nyewe	9h55 – 10h05
8	1 st Facilitated Group Sessions Basic Trends & Critical Uncertainties	ALL	10h15 – 12h30
9	Group Presentations	Group Leaders	12h30 – 13h00
Lunch			
10	2 nd – Group Sessions Futures Wheel Process	ALL	14h00 – 14h45
Afternoon – Tea/Coffee Break			
11	3 rd – Group Sessions ACTVOD Tables	ALL	15h00 – 16h00
12	Group Presentations	Group Leaders	16h00 – 16h20
13	Summary and Closure	Mphathi Nyewe	16h20 – 16h30

There are many possibilities, shape the way for Human Settlements in 2055



Department of Local Government and Housing

NOW

28th and 29th July 2009

SECOND & Follow-up 2-DAY Scenario Planning Workshop

Day 1 – Programme

No.	Item	Speaker	Duration
1	Arrival, Tea/Coffee & Registration	ALL	8h00 – 8h30
2	Opening and Welcome	Mphathi Nyewe	8h30 – 8h35
3	Guest Presentation – Gauteng and Global Scenarios	Koosum Kalyan	8h35 – 8h45
4	Key Stakeholder – Inputs – Water Affairs – Alternative Building Materials – Urban Landmarks – Social Dynamics		8h45 – 9h30
5	Summary of Emerging Substance Areas	Mphathi Nyewe	9h30 – 10h10
6	Pathways to the Future – The pull of the future, the push of the present and the weight of history	Mphathi Nyewe	10h10 – 10h20
Morning - Tea/Coffee Break			
7	Group Session Briefing – From Possible to Plausible	Thembinkosi Semwayo	10h45 – 10h50
8	Scenario Implications Causal Layered Analysis and Shared History	ALL	10h50 – 12h00
9	Refinement of Possible Scenarios Breakthroughs and Enablers	ALL	12h00 – 13h00
Lunch			
10	Group Presentations Strategic Levers of Change	Group Leaders	14h00 – 15h00
11	Scenario Pathways Backcasting	Group Leaders	15h00 – 15h30
Afternoon - Tea/Coffee Break			
12	Group Discussion	ALL	16h00 – 16h25
13	Summary and Closure	Mphathi Nyewe	16h25 – 16h30

SECOND & Follow-up 2-DAY Human Settlements Scenario Planning Workshop



Department of Local Government and Housing

NOW

28th and 29th July 2009

INVITATION

As you are aware, the Gauteng Department of Local Government and Housing has embarked on a Scenario Planning Process to facilitate the development of the 2055 Human Settlements Scenarios for the province. This exercise draws on the broad knowledge, experience and expertise of a wide variety of stakeholders within the Province and Nationally. On the 14th and 15th July 2009, the first 2-Day Scenario Planning workshops were held successfully and these yielded some fairly interesting and challenging preliminary scenarios.

The SECOND 2-Day Workshop seeks to build on these preliminary scenarios to arrive at the most plausible scenario options that will yield more probable and preferred scenarios. In order to achieve this result, expert input and opinion is required. The scenario planning process will be greatly enhanced by your participation.

You are invited to participate in this SECOND 2-Day Scenario Planning Workshop

The Key Scenario Planning Question is:

What kind of Human Settlements do you envisage in 2055?

The response to this question will serve to inform appropriate housing models, policy initiatives, interventions and practices that should be adopted to ensure sustainable housing delivery in the next 5 decades.

The key outcome will be more comprehensive possible, plausible and preferred scenarios with appropriate action plans.

The details of the event and reply mechanism are detailed below.

Date: Tuesday 28th and Wednesday 29th July 2009

Time: 08h30 for 09h00

Venue: THE BIRCHWOOD HOTEL AND CONFERENCE CENTRE – THE CAPE TOWN ROOM
Viewpoint Street, Bartlett, Boksburg 1459

RSVP: To confirm attendance, please reply by return email to dineo@sakaza.com, alternatively complete the attached registration form or call Dineo Thinyane on tel: 011-880 8669 by latest 12 noon, Monday 27th July 2009.

[CLICK HERE TO REGISTER ONLINE](#)

ANNEXURE 4: ALTERNATIVE BUILDING TECHNOLOGIES IN LOW COST HOUSING AND THEIR SOCIO –ECONOMIC IMPACT ON BENEFICIARIES

A study conducted by the National Department of Housing, 2004

Retrieved from

<http://www.housing.gov.za/Content/Research/2004%20Seminar/Seminar%20Presentations/41%20Mgiba.pdf> on 16 October 2009

In 2004, the national Department of Housing investigated the extent of usage of alternative building in low-cost housing and their socio-economic impact on beneficiaries (National Department of Housing, 2004). The need to reduce costs was obvious, but all this has to be done within the requirements of the National Building Regulations. Five provinces were selected as samples for the study. These were Limpopo, Mpumalanga, Western Cape, Eastern Cape and Gauteng. Although the technologies applied proved cost-effective, there were several issues with regards to structural integrity and satisfaction of the beneficiaries. The following is a presentation summarising the study into the possible use of alternative building technologies by the National Department of Housing (See section 4.2 Funding and Resources).

Note: some of the slides appear to be cut off. This is the manner in which the presentation was made available online. The researcher contacted the author of the presentation, Mr Reineth Mgiba of the NDoH, who was unable to provide reformatted slides.

THE EXTENT OF USAGE OF ALTERNATIVE BUILDING TECHNOLOGIES IN LOW-COST HOUSING AND THEIR SOCIO-ECONOMIC IMPACT ON BENEFICIARIES



Department of Housing

Background and objective

- Ministerial Building norms and standards as guided by the Housing Act, 1997 (Act No 107 of 1997)
 - It is essential to contain costs, **reduce, or simplify maintenance requirements**
 - Any building or any structure element or component must be designed to provide **strength, stability, serviceability and durability** for the life of the structure.
 - To this effect a particular design must comply with the requirements of the **National Building Regulations (NBR)**
- In terms of these norms and standards any unconventional product envisaged for use in the construction of a house must carry an Agrément or Mantag certificate.
- The extent to which low-cost housing projects use alternative building technologies and their socio-economic impact on beneficiaries

Scope of the study

- Housing projects that used Alternative Building Technologies
 - *Five provinces were selected*
 - Limpopo Province
 - Mpumalanga Province
 - Western Cape Province
 - Eastern Cape Province
 - Gauteng Province

VISUAL IMAGES AND RELATED INFORMATION OF ALTERNATIVE BUILDING TECHNOLOGIES THAT WERE USED

Compressed earth-brick technology

- Used in Eastern Cape (Haven Hill South)
- 35m² semi-detached units with a pitched roof and internal partition walls.



Related structural problem: Making extensions



Interlocking blocks

- Used in Thubelihle (Mpumalanga)
- Comprised hollow interlocking concrete blocks that are dry-stacked (no mortar between horizontal and vertical joints)



Related structural problem: Structural problems as a result of extensions



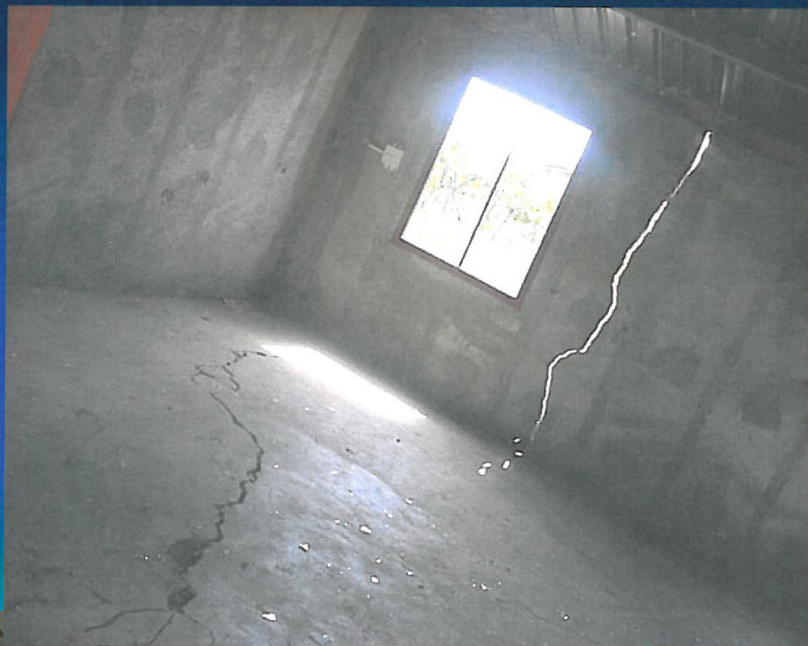
An extension made by one of the beneficiaries (Thubelihle, MP)

Shutters and concrete

- Method used mainly in the Limpopo Province.
- Shutters are used to form dwelling walls



Related structural problem: Cracks



Everite Fibre cement

- Mainly used in Western Cape
- Houses are constructed using all-round everite fibre cement.



Related structural problems



Foundation erosion makes water penetration easy

Related structural problems



Everite Fibre cement and blocks

- Used in Western Cape Province
- Houses are constructed using everite fibre cement on one side of the house and blocks on the other sides
- Mainly used to cater for future extension





- Everite fibre cement and bricks

Common Structural Problems Across the projects

- Strength – there is an indication of limited material strength as demonstrated in some projects
- Making extension – making of housing improvement seems to contribute into some structural problems
- Stability – some houses showed different cracking patterns
- Serviceability
- There is a general indication that most houses cannot resist extreme weather conditions
- Water penetration on the walls
- Roof leakages

PROJECT FINDINGS

- 12 housing projects used alternative building technologies (0.5% of housing projects that used 'project liked housing subsidy instrument' since 1994)
 - Six prevalent alternative building technologies:
 - Compressed earth
 - Interlocking blocks
 - Shutters and concrete
 - Everite fibre cement
 - Everite fibre cement and blocks
 - Eco-frame
- The study has shown that there is little knowledge/ awareness on the part of beneficiaries with regard to building systems approval requirements
- 84.6% of the beneficiaries did not know if the building method used carried an agrément certificate.
- Responses from developers also showed that 4 of the 5 developers used building methods that were not certificated

Findings (cont.)

- 74.8 % of the respondents are not satisfied with the technology used to build their houses
- 69.4% intend to effect extensions in their houses
- 84.4% of the respondents did not get any employment in the project
- Developers attested to saying some people were given some form of employment in the project
 - Foundation digging
 - Site clearing
 - Walling
 - Roofing
 - Glazing
 - Painting

Findings (cont.)

Advantages found:

- Cost effective (on the part of developers)
- Speed delivery
- Some building methods were found to be easy to maintain e.g. Compressed earth brick construction

Disadvantages:

- Inability of houses to resist extreme weather conditions
- Structural defects such as cracks are not easy to repair e.g. Everite Fibre cement, Shutters and concrete
- Poor workmanship
- Structures are not compatible to future extensions
- Few jobs are created

CONCLUSION AND RECOMMENDATIONS

- The study has shown that unconventional building technologies benefit developers (mainly because they are cost effective)
- Beneficiaries feel they are being reaped off.
- A house, as a shelter, should be a fixed asset which the owner should be proud of. To most beneficiaries the use of these methods compromises its value
- Most houses are prone to structural defects (cracks, leaks etc.)

Recommendations

- All building technologies envisaged for low-cost housing projects should have gone through approval processes
- Thorough feasibility studies of local conditions should be conducted before any unconventional building technology can be used
- Briefing sessions and exhibition of building methods to be used should be arranged prior to the commencement of any housing project to get a buy-in from beneficiaries
- With the NHBRC on board since April 2002 more emphasis should be put on compliance to quality assurance

Recommendations (cont.)

- The Department of Housing should strengthen its working relation with NHBRC in the **inspection** of houses built.
- All unconventional building technologies used in low-cost housing projects should carry an **Agreement Certificate** from Agreement South Africa
- The Department of Housing should begin to consider a need for a proper **maintenance management system** especially for houses built using unconventional building systems e.g. NHBRC
- The department should consider compiling a “Manual” outlining guidelines on the use of available building technologies in low-cost housing projects. The manual should be made available for use to both Provincial and Local Housing Departments and, other relevant stakeholders

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Email: reineth@housing.gov.za

Website: www.housing.gov.za

ANNEXURE 5: RESEARCH UNITS WITHIN PROVINCIAL HOUSING DEPARTMENTS

In 2006, the (national) Department of Housing instituted the *Policy and Research Programme* in order to investigate solutions and remedies to the complex and interrelated factors creating challenges for public housing provisions. Unfortunately, the relevance of this programme is not manifested uniformly across provinces (see section 1.2). In March of 2009, a simple internet search for the research units of the housing departments of each province yielded the following:

EASTERN CAPE

The Eastern Cape Department of Housing has a programme called *Housing Planning and Research*, which include the following sub-programmes:

- Housing Planning and Research
- Housing Policy Research
- Integrated Planning
- Accreditation and Capacity Development

Relevant contact details are indicated as follows:

Mr Mbanga

+27 40 609 5713/5454

+27 40 636 4350 / 0866022170

+27 79 525 5461

sjekula.mbanga@dhlgtta.ecape.

The Strategic Framework for Development of Sustainable Human Settlements in the Eastern Cape (2007-2014), produced by the Eastern Cape Department of Housing makes mention of the use of research in order to achieve it's goals.

(Department of Housing- Eastern Cape, 2009)

WESTERN CAPE

The Western Cape has a directorate known *Planning and Research*. Relevant contact details are indicated as follows:

CONTACT

OVERVIEW

STREET
ADDRESS:

27 Wale Street, Cape Town, 8001

CONTACT

POSTAL
ADDRESS:

Private Bag X9083, Cape Town, 8000

GENERAL ENQUIRIES:	
TELEPHONE:	021 483 4151
FAX:	021 483 5510
EMAIL:	rvrensbu@pgwc.gov.za

(Cape Gateway, 2009)

KWAZULU NATAL

It is indicated on the website that there exists a directorate known as *Policy and Research*, but no contact details for the specific directorate are given.

(Department of Housing- Kwazulu Natal, 2009)

GAUTENG

The website indicates that there is a directorate know as *Housing Needs, Research and Planning*. The relevant contact details are indicated as follows:

Name:	Mrs P. Thring (Planning and Research)
Email Address:	petal.htring@gauteng.gov.za
Street Address:	Bank of Lisbon Building 37 Sauer Street Johannesburg 2001
Postal Address:	Department of Housing Private Bag X79 MARSHALLTOWN 2107
Telephone:	+27 11 355 4557
Fax:	+27 11 355 4160
Cell:	+27 83 601 3698
Web URL:	www.housing.gpg.gov.za

(Department of Housing- Gauteng, 2009)

LIMPOPO

According to the Portfolio Committee presentation dated 13 May 2008, the province has a *Housing Sector Performance Programme: Housing Policy Research Sub-programme* (Department of Local Government and Housing- Limpopo, 2008). But there is no mention of this sub-programme on the website itself.

NORTH WEST

Under the Housing Delivery Directorate, one of 4 sub-programmes is *Housing Planning and Research*. Contact details are indicated as follows:

Chief Director: Mr Monnapula Johnny Motlogelwa
Tel: 018 387 6002
Fax: 018 384 1569
Email: MMotlogelwa@nwpg.gov.za

(Department of Housing, North West Province, 2009)

MPUMALANGA

While there is no mention of a Planning and Research programme on the provincial website, it is reported that Mpumalanga exceeded its housing delivery target for the 2009/09 financial year (Mashego-Dlamini, 2008).

NORTHERN CAPE

No apparent existence of a Research unit within the Housing Department.

FREE STATE

No apparent existence of a Research unit within the Housing Department.