Incremental housing strategies as an alternative to the poisonous gift of free housing

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ABSTRACT (max. 250 words)

For more than two decades, the South African government has provided poor households with state-subsidized ‘starter houses’. As in most cases no contribution was expected, national policy created the illusion of ‘no cost housing’. Despite this, precarious housing conditions have spread. Millions live in degraded environments while waiting for ‘the full housing package’. After a drive to ‘eradicate shacks’ was halted by the constitutional court and economic conditions have worsened, government has adopted ambitious targets regarding the upgrading of informal settlements. While official statistics suggest that there is a new culture of incremental improvement, research at local level shows confusion and a false labelling of ideas. E.g., Buffalo City, a municipality with a very high incidence of informal settlements, has received accolades for the ‘formalisation’ of such areas, which in fact are roll-over upgrades with single-occupancy homes on individual stands. Fiscal and capacity limits as well as the scarcity of land all indicate that this approach cannot solve the housing problem. As there is always a need for relocation as well as households who do not qualify as individual beneficiaries, ‘formalisation’ should not be described as in situ upgrading. Thanks to the National Upgrading Support Programme alternative strategies for regularization (i.e. recognizing basic tenure rights and the incremental provision of services) have been developed. A draft policy for Buffalo City could bring basic development (including water and sanitation, access roads and electricity) to all informal settlements within a decade but so far there has been no significant redistribution of resources.

KEYWORDS housing policy, incremental housing, informal settlements upgrading, tenure security, South Africa

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1 Introduction (max. 250 words)

For more than two decades, the South African government has provided poor households with state-subsidized ‘starter houses’. As in most cases no contribution was expected from beneficiaries, national policy created the illusion of ‘no cost housing’. At least 3.4 million units have been handed over. Despite several attempts at diversification, including rental and self-help options, subsidies have mainly produced very basic single family homes on individual stands. As various evaluations and scholarly articles have pointed out, this policy had several adverse effects and is clearly unsustainable. Perpetuating urban sprawl and the segregation formed under apartheid, most houses were built far from jobs, health and education facilities. Rather than creating new opportunities, they created a burden for society. As municipalities are forced to extend infrastructure to areas where people cannot even pay for maintenance, free housing puts increasing strain on local government resources.

Against this backdrop, this paper retraces policy changes, which have given prominence to the upgrading of informal settlements. It argues that upgrading could provide an incremental housing strategy and present an alternative to the unachievable promise of free housing. Based on the analysis of official documents, aerial photographs, interviews and site visits, it provides a snap-shot of upgrading efforts, focussing on Buffalo City, a lesser known metropolitan municipality with one of the highest percentages of informal dwellings. In its conclusion it connects own findings with those of independent evaluations, which show that upgrading is a concept that is still prone to false labelling and a confusion of ideas.

2 Main Text (1500 words)

Despite great expenditure, government was unable to prevent the spread of precarious housing conditions. The fact that the absolute number of households without adequate shelter rose from 1.5m in 1994 to 2.3m in 2012 (Topham 2013) clearly shows that public housing interventions did not have the desired effect.

Already in 2004 government has recognized that upgrading needs to be supported “on an area-wide, as opposed to individual basis” and vowed to “maintain fragile community networks, minimize disruption, enhance community participation in all aspects of the development solution” (DoH 2004:17). Yet, despite legal requirements that in-situ development should be the first resort in any upgrading project; the reverse was the case. Almost all pilot projects undertook green-field relocation. Local obstacles were compounded by official statements, which worked against the grain of law and policy. Lindiwe Sisulu, housing minister from 2004 to 2009, announced a “war against shacks” that was supposed to “eradicate informal settlements” in South Africa by 2014. This language contributed to a dominant mind-set, which risked “condemning thousands of households to living in degraded environments while waiting in long lines for ‘the full housing package’” (NUSP 2009:5).

In 2009 the shack dwellers movement Abahlali baseMjondolo has turned the tide against indiscriminate evictions. Prompted by their legal challenge to the so-called KwaZulu-Natal Slums Act, the Constitutional Court reached a judgement, which clarified that eviction can only be legal after ‘reasonable engagement’ including proper consideration of the wishes of the people to be evicted, whether the areas where they live may be upgraded in situ; and whether there will be alternative accommodation (Huchzermeyer 2011: 221).

Meanwhile, the unsustainable nature of the current subsidy programme was underlined by adverse macroeconomic development. According to a 2011 estimate, catching up with a “backlog of 2.2 million units (...) at R140 000 per unit” would cost more than R300 billion, a figure described by the Financial and Fiscal Commission (2011: 15) as “not remotely within the fiscal capacity of the state”. Against this back-drop, the South African Presidency pledged to “upgrade 400,000 households in well-located informal settlements with access to basic services and secure tenure” over a four-year period (The Presidency 2010: 14). A National Upgrading Support Programme (NUSP) was set up to provide technical assistance, training programmes and to build a community of practice. Despite being driven by a very small team, NUSP has taken on the challenge to “overcome the prevailing orthodoxy of state-subsidised provision and greenfield site development” (ibid.:17f.).

By August 2014 government reported that the “number of households benefitting from informal settlements upgrading” had already reached 447,780 and thus surpassed its target (DPME 2014:8). Yet, this quantitative approach was also criticized as it “may come at the expense of community participation and a broader focus on livelihood sustainability” and what exactly has been achieved remains unclear as long as ‘upgrading” “can
include anything from a connection to mains electricity to the provision of improved sanitation or roads” (Dawson / McLaren 2014: 24; 67). As NUSP was slowed down by a delayed disbursement of funds (ibid.:35; 57), it still has a long way to go to achieve the desired mentality change. Nevertheless, the programme did important groundwork for upgrading to take place. By August 2015 NUSP had funded 791 detailed assessments of informal settlements, 31 municipal upgrading strategies and 240 settlement level plans (with many more in progress; DHS 2015). According to its former head, the priority for NUSP must be “to get basics in place”: “once you get the people thinking about informal settlements as housing people who could be partners in development rather than the enemy, then you can start say, ‘maybe we will look into integrated sustainable development’” (Topham 2015, pers. com.).

How difficult it is to achieve a mind shift can be illustrated with the example of Buffalo City, the seventh most populous municipality in the country. Although population growth in Buffalo City has been well below the national average (0.69% against 1.44% for the 2001-2011 period; StatsSA 2011), the incidence of informal residential areas is the second highest amongst metropolitan municipalities (12.6%; author’s calculations based on 2011 census results). The municipality acts on the assumption that there are “154 informal settlements consisting of approximately 40,365 shacks (households) with a population of some 152,000 people that need to be formalized” (BCMM 2015:46). In this context, 41 settlements comprising almost 13,000 dwellings were earmarked for “full relocation”; 58 settlements consisting of more than 15,000 dwellings for “partial relocation & partial insitu upgrading” and only 39 settlements with little more than 2,500 dwellings for “full in-situ upgrading” (ibid.). Based on the predominant typology of single occupancy homes on individual stands (“at 60 dwelling units per hectare”), the study concluded that the municipality would require approximately 2.000 hectares to relocate the occupants (BCMM 2013:79f.).

A model difficult to replicate: State-subsidised housing in Second Creek, Buffalo City (own picture)

The first settlement tackled was a cluster of almost 300 informal dwellings next to the Second Creek waste disposal site, less than three kilometres from the city centre. The project included the rehabilitation of the dump site and the construction of 265 “minimum standard” 40 square metre houses with all internal services provided. While the project is regarded as ‘best practice’ by the provincial government, NGO observers are less enthusiastic, questioning whether its roll-over approach should even be considered as upgrading. Although the new development was able to use approximately three times the area covered by the original shacks, it was not able to accommodate all squatters, as at least two dozen informal structures at the fringe of the area are still inhabited. Following this example, various other informal settlements are currently prepared for
“formalisation” (BCMM 2015:55). Although the process is described as “in-situ upgrading”, formal tender procedures specify the “removal of informal structures” and the construction of new units. The analysis of aerial pictures and site visits to areas currently under construction show that, again, the municipality has made available significantly more public land than was occupied by the settlers. Even so, single occupancy homes on individual stands could only be accommodated after a sharp reduction of plot sizes, leaving only a two-metre distance between the new homes.

Meanwhile, planning support provided by NUSP has tried to stimulate an alternative approach. An “Informal Settlement Upgrading Policy and Strategy” jointly commissioned by the city and the national programme made it clear that, at the current construction rate of 1,438 houses per year, it would take more than 50 years to catch up with the backlog and future need. Thus, the policy promotes “Regularisation, where the municipality provides assistance in the form of basic services, access to emergency vehicles, tenure security and an address to informal settlements” before it even considers housing construction (CS Consulting / Afesis-Corplan 2014:6).

Defining four “priority interventions”, the policy calls for 1) the introduction of a new zoning category of “incremental settlement areas”; 2) a “locally administered land tenure system” recognising households’ basic tenure rights and citizenship; 3) “planning and basic development” (including communal ablution facilities, basic access roads; the installation of pre-paid electricity and area lighting; 4) a “development support programme” aiming at an improvement of the educational, health and employment situation. In order to cover all 154 previously identified areas within a reasonable period of time, a new round of intervention is required each year (ibid.:7ff.).

How this could be done was spelled out in detailed plans for the in-situ upgrade of 32 informal areas, housing approximately 7,000 families altogether. In order to be able to produce realistic plans in a short period of time, the collection of technical data (an assessment of environmental qualities, land use, current infrastructure and services) was meshed with community-based analyses (transect walks guided by representatives of the informal settlements and workshop situations). Three workshops were held for each cluster of areas with “between four and eight representatives from each informal settlement” as well as the Ward Councillors concerned (CS Consulting 2015:8). As expected, plans differ significantly. While they also include a number of shacks, which should eventually move as the land is considered unsuitable for permanent occupation, different from the above-mentioned formalisation projects, upgrading plans elaborated under the auspices of NUSP stress that some basic infrastructure (taps, toilets and electrical poles) has to be provided even to those households, which are expected to be relocated at a later stage.
Has regularization taken precedence over formalization? – In the 2015/16 Built Environment Performance Plan both strategies are presented in parallel. Explanations about a policy shift (BCMM 2015:48ff.) are followed back-to-back by “formalisation” projects, and there can be no doubt, which of the two strategies carries more weight. While the total deemed necessary for the improvement of roads, sanitation, water, waste removal, electrification and other infrastructure for the 32 informal settlements where participatory planning exercises have taken place, is R78.5mn, budgets set aside for internal services and top structures in one of the areas to be ‘formalized’ alone, add up to more than R125mn (ibid.:55). While almost 7.000 households would benefit from the former, the latter investment will create 1.400 fully serviced new housing units.

3 Conclusion (max. 500 words)

Despite significant progress in terms of data collection, policy development, fiscal and legal reform all claiming support for informal settlements upgrading, so far there has been no clear change of policy, neither in Buffalo City nor in South Africa in general. Even with detailed concepts for regularisation in place, formalization remains in the lead. As both approaches are described as “upgrading of informal settlements”, there continues to be confusion and false labelling of ideas. Although new legislation tries to facilitate incremental housing strategies, in many places there are still no legal provisions for incremental tenure security. While urban planners and engineers seem to be ready to accept alternative strategies, housing practitioners continue to be fixated on top structures. The only hope for an incremental approach seems to be the power of example. However, as regularization is yet to make a tangible impact on the lives of shack dwellers, how should they realize that a bird in the hand is worth two in the bush? – Legal reform, the availability of financial resources and the formation of a community of practice are all necessary but no sufficient condition for the implementation of incremental housing strategies. South Africa’ politicians would not have given up the concept of “slum eradication” if it hadn’t been for the resistance of shack dwellers and the principled stance of judges who upheld the socio-economic rights enshrined in the country’s constitution. Local upgrading strategies are only likely to be implemented at scale after a complete disillusion concerning the state’s ability to provide free housing to all; when those who settle the city’s gaps and fringes collectively demand immediate improvement; and when planners and engineers are willing to be at their service.

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References
