

**Some Distributive Patterns in the Housing Programme and  
Subsidies: A situational analysis with special reference to  
Khayelitsha and other informal settlement in the city of Cape  
Town.**



A project report submitted in partial fulfillment of the requirement for the M.  
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Natural Sciences, University of the Western Cape.

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## Abstract

The study provides a situational analysis of some distributive patterns in the housing programme and subsidies. The overall research question revolved around the extent to which the post-apartheid housing policy responds to issues of establishing integrated sustainable human settlement. The methodology of the study outlined different instruments, public records, and reports at the local level, survey of housing applicants in the concerned communities. Basic indicators were developed to perform the assessment of the policy, outcomes achieved so far, structures to identify institutional problem affecting the process of policy implementation, and in final analysis, to collect the view points of effective and potential beneficiaries of housing programmes subsidies.

The case of Khayelitsha examined in the study is a strong illustration of the magnitude of problems associated with housing delivery in disadvantaged areas. These problems are multidimensional and reflect in the overall, poverty context in which people live. Some indications from the policy implementation suggest substantial progress and significant outcomes in regard to the provision of housing subsidies in the poor communities. Although the housing subsidies programme, is part of the growing effort deployed by the governments of South Africa in new dispensation have produced positive outcomes. The survey collected from the applicant and beneficiaries, however, indicated that there are different views in regard to the process of housing delivery. Some beneficiaries praised the government for the houses allocated to them and which gives them some kind of dignity. Whereas those on the waiting list expressed their discontentment regarding the process. Overall, the survey reveals that people benefited from the policy, despite the structural deficiencies (lack of communication sometimes), and political collisions affecting the policy implementation process. Appropriately in line with this study, suggestions were propose regarding ways of improving the housing policy delivery.

## Keywords

Informal Settlement

Shacks

Housing subsidy

Housing policy

Sustainable human settlement

Service delivery

Disadvantaged area

Khayelitsha

Cape Town

South Africa



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## Declaration

I, the undersigned, hereby declare that **Some Distributive Patterns in the Housing Programme and Subsidies. A situational analysis with special reference to Khayelitsha and other informal settlement in the city of Cape Town**” is my own work, that it has not been submitted for any degree or examination in any other university, and that all the sources I have used or quoted have been indicated and acknowledged by complete references.

Xoliswa Njokweni

November 2008

Signature: .....

Date: .....



## Acknowledgements

First of all, I would like to convey my gratitude to various people who had been of help to me in the course of my studies. Without them, it may have not been possible for me to finish this research work. My appreciation to those whose support and encouragement made this project a possibility is as follows:

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- Special thanks to Shiyiwe Skosana who have helped me in achieving these feet., and finally,
- Thanks to my savior and creator, GOD for carrying me through.

## **Dedication**

This work is dedicated to the memory of my late husband: **Gcobani Kondlo** and my late uncle: **Sayeti Kortjan** for being supportive and giving me the courage to go in life while they were still alive. May their gentle souls rest in peace.



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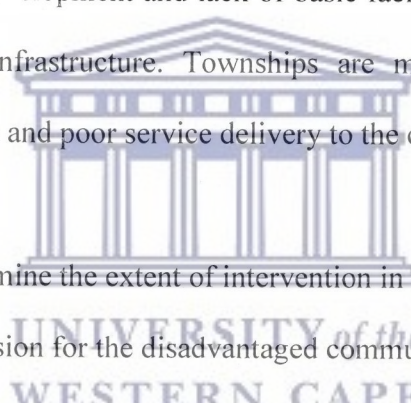
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## ABBREVIATIONS

AIDS	Acquired Immunodeficiency Syndrome
BNG	Breaking New Ground
CBO	Community Based Organization
CMC	Cape Metropolitan Council
DLG&H	Department of Local Government and Housing
Erf	A plot of land about half an acre
FCR	Foundation for Contemporary Research
HIV	Human Immunodeficiency Virus
NIMBY	Not In My Back Yard
MIF	Mortgage Indemnity Fund
NGO	None Government Organization
RDP	Reconstruction Development Programme
SALDRU	South African Labour and Development Research Unit
SANCO	South African National Civic Organization
SCCCA	Southern Cape Coastal Condensation Area
UISP	Upgrading of Information Settlement Program
WCHSS	Western Cape Human Settlement Strategy
WCSHSS	Western Cape Sustainable Human Settlement Strategy

## Chapter 1: Introduction

The provision of affordable housing is one of the constitutional rights of an ordinary citizen of South Africa. This was entrenched in the constitution as a means of correcting the ills of the apartheid era, whereby citizens are grouped together in certain place and housed in very denigrating conditions. To facilitate this, housing subsidies were earmarked and given to deserving indigenes after certain criteria have been met. The greatest problem in most parts of the townships in Cape Town is the high rate of poverty. As result of the improper development and lack of basic facilities in many areas, houses are built without proper infrastructure. Townships are mostly confronted with the problem of housing shortage and poor service delivery to the communities.



This research intends to examine the extent of intervention in the housing sector that aims to address the housing provision for the disadvantaged communities, living in some of the informal settlement of Cape Town. Khayelitsha Township is one of the major locations of informal settlers, provides a case study of targeted housing subsidies, a central component of the government policy named in “Breaking New Ground” in housing delivery. In Cape Town, the provision of housing is slow because there is not enough land to build houses on. Many of the sites are reserved for marketing purposes by whites that own more than one farm or plot. They often sell this land or houses to immigrants from Western countries and affluent Asian countries for about R1.5 million to R10 million. This has resulted in the absence of housing market for lower income groups.

## **1.1 The Problem Statement**

The study addresses the following questions:

What are the factors contributing to long wait say for more than ten years to get RDP houses, whereas others waited less than two years?

To what extent are informal settlements deprived of houses, water, sanitation or electricity?

How is service providers contracted to build houses? Are they contracted on a first come first served basis?

What are the perceptions of applicants about the process of housing delivery?

How do beneficiaries value the acquisition of housing unit as an asset?

These questions are explored in line with the following objectives.



## **1.2 Statement and Objectives of the study**

The study pursues a set of inter-related objectives that can be expressed as follows:

- To measure housing delivery process and to estimate the size of backlogs.
- To define and describe the principles adopted in public policy about the provision of housing in informal settlements.
- To identify the interpretation of the principles of housing by all stakeholders, e.g. the supply and use of water (infrastructure) in Khayelitsha.
- To find out whether the housing subsidy structures cater for the needs of the poor.

- To document the range of housing distribution-related problems and its impact on the people.
- To obtain varied perceptions of (potential) beneficiaries about the problems (waiting list, quality of housing, communication, transparency) encountered during the acquisition process.

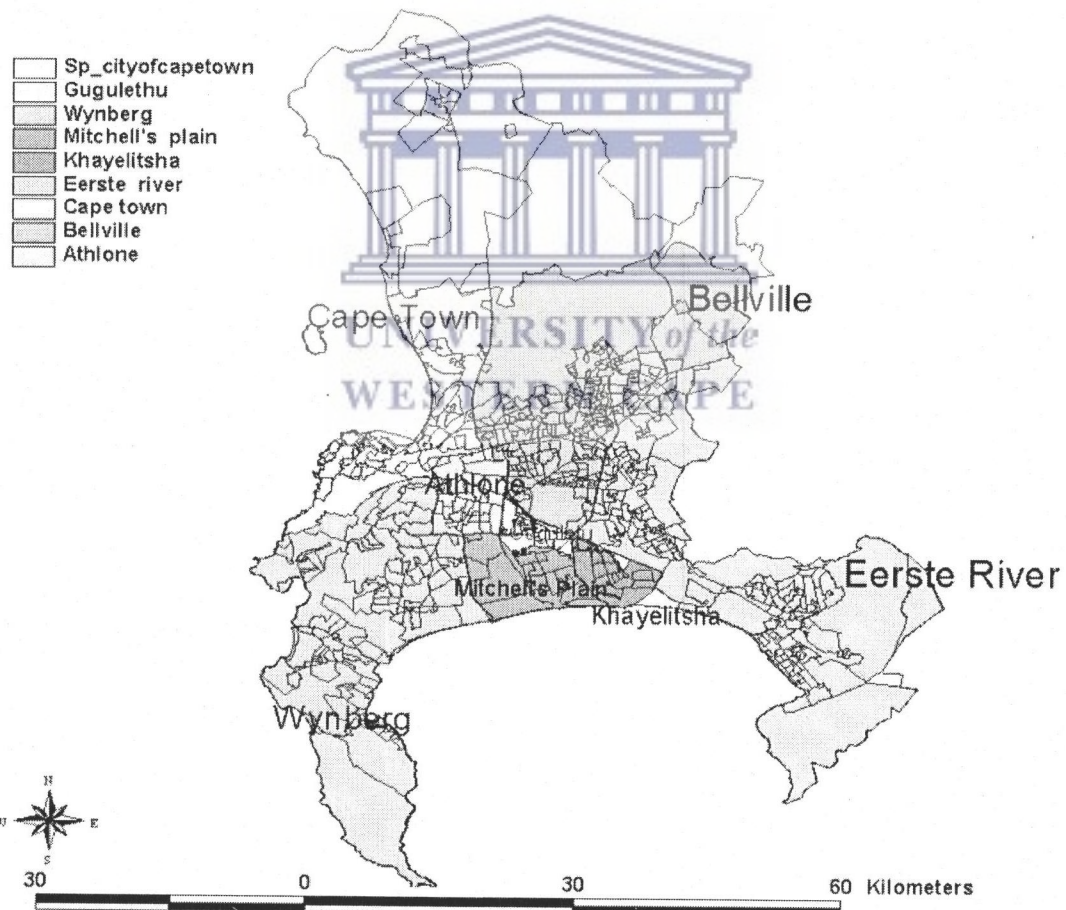


Fig. 1.1: Map showing the location of Khayelitsha in the Cape Metropolitan Area.

### **1.3 Outcome of the study**

On the basis of the findings of the proposed study, some policy formulation are recommended with regards to ways in which relevant indicators of policy and population change could be cooperated into account in the implementation of housing schemes at local level. These recommendations are outlined in the concluding chapter of this report.



## Chapter 2: Data and Methodology

The data come from different sources including population censuses of limited scope, local surveys conducted in the areas of concern and various public records. The public records inform on the actual procedures used by the local government to assess the housing needs. Public information was collected from relevant departments dealing with the assessment of needs in housing. Socio-demographic information came from institutions that have gathered the relevant information and these data were used to establish the gap between the normative or programmatic housing delivery and the real needs. Using all types of data, the study produce a profile of problems associated with housing conditions. Variables such as size, composition, type of housing, growth data, and tenure were informatively and numerically quantified to provide insights into the demographic dimensions of the backlog in housing provision. The township of Khayelitsha serves as a case study. Not only it is the biggest township in the city of Cape Town; it also reflects all types of conflicts and developments taking place in the delivery of housing backlog. The township is the arena of social movements involving a wide spectrum of grassroots groupings engaged in the struggle for citizenship.

Largely, the backlog reflects increasing and unsatisfied demands for the household population, which is growing constantly. From questionnaires collected, a situational analysis is conducted to produce some descriptive statistics mainly percentages. Importantly, a comparative assessment of needs was elaborated with special reference to households in those disadvantaged townships. The study also makes use of policy instruments about housing programmes formulated and implemented by the provincial

and local governments to address the housing needs of the communities affected by the lack of adequate shelter. Using a purposive survey, face-to-face interviews were conducted with all stakeholders involved in the supply and use of housing in the sites of interest. In addition, local council leaders, civic organization leaders, donors, local people and women were included.

Informal settlers interviewed in the purposive survey are all South Africans who applied for housing subsidy from the government. Questionnaires were handed out to and answered as regards whether the respondents were successful or not. The questionnaires were structured in such a way that the respondents' addresses were required. The respondents, which are 50 in number, are from the informal settlements and squatter camps of Khayelitsha, Joe Slovo and the N2 Gateway. Apart from information concerning their area of residence, other parameters like age, sex, marital status, employment status, the waiting period and their membership of community volunteering programmes was acquired. One of the indices of whether the applicants were successful and what type of housing is suitable for them is the acquisition of housing at the line of interview. This information is also gathered from the questionnaires and all these serves as complimentary data for this report. The two questionnaires used during the purposive survey are included in the appendices of this report. While a questionnaire was interviewed to collect information from those who have already received a house, another questionnaire was directed to those applicants still waiting for an outcome as to whether they would be allocated a house. The questionnaires were administered by way of face-to-face interview. Informant's consent was first obtained after explicitly revealing the



motives behind the survey. Notwithstanding some logistics-related problems, there were no major refusals as regards taking part in the interview.



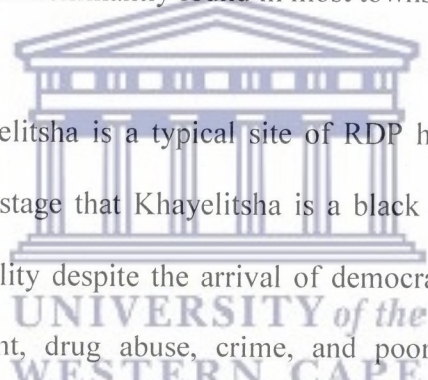
### Chapter 3: Literature Review

The provision of housing for the poor in South Africa can differ from province to province due to local specificities. It is, however, driven by a progressive policy initiated by the ANC government since coming to power in 1994. The problems facing the post apartheid state in providing housing remain great in the face of growing demands. In spite of the massive housing provision mostly in recent years, shack settlements in cities have grown at an alarming rate. Household conditions in most townships and informal settlement are unsafe, unsanitary, and unhealthy. Informal settlements are everyday feature of cities landscapes. The South African housing situation in the public policy framework is one of the foremost challenges facing the government. The following presents in detail the components of the current government policy geared to upgrade informal settlements.



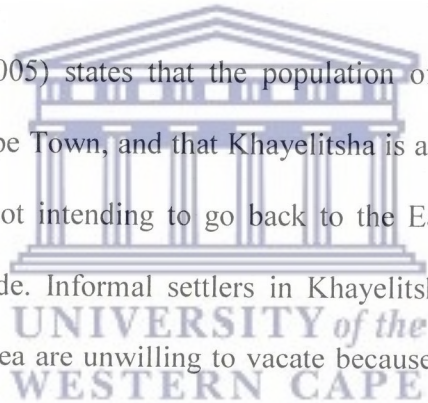
The Department of housing recently announced that the state plan to fast-track housing delivery and eradicate all shack settlements by 2010 (Adams, 2000). The process of distribution will allocate housing subsidy grant to qualified individuals with dependents. They may use the grant to purchase low-income housing. In the City of Cape Town, the provision of rental accommodation is a central component in the municipality housing intervention. There is also provision for privately owned, newly built, low-cost housing. The state shifted housing provision for the poor to private and local levels by gradually pursuing a policy of integrated sustainable human settlement. The policy is structured around a set of housing programme and subsidies.

The processes of subsidy-based housing provision enable individuals to apply for, and if eligible, receive a state grant. All specific community members apply together in order to maximize the funds. Thereafter, government negotiates with building contractors so that they come up with specialized price in low-income housing. The negotiations consider the places between poor communities, local authorities, building contractors, and other interested parties. Until recently, the houses were built as small units known across the country as RDP house (Reconstruction and Development Programme) and widely disparaged as being little better than the “matchbox houses” built by the apartheid state. This type of housing unit is predominantly found in most townships of South Africa.




In the Western Cape, Khayelitsha is a typical site of RDP houses (Short, 2005). It is important to inform at this stage that Khayelitsha is a black Xhosa township, existing with deprivation and inequality despite the arrival of democracy. It is characterised by poverty, high unemployment, drug abuse, crime, and poor health. The size of the population in Khayelitsha is estimated as ranging from 350,000 to 900,000. About 14 % live in core housing, with 54 % in serviced shacks and 32 % in un-serviced areas. Only a handful of residents have electricity and most families have to fetch water from public taps. Unemployment is 80 %, with about a quarter of the half million people living in ramshackle houses and shacks being HIV positive (Barron and Fisher, 1993). Over 90 percent of HIV infections in children result from mother-to-child transmission and this year alone, an estimated 70,000 babies will be infected. 50 % of the population are under 15. With the age structure of the population in mind, Aids, under-nourishment, tuberculosis and inadequate health facilities in the area are matters of serious concern.

The rate of tuberculosis in Khayelitsha is the highest in the Cape Metropolitan area (Shaikh *et al.*, 2006). From police statistics, there are an average of 31 murders, 43-armed robberies, 34 rapes and 172 cases of assault with intent to cause grievous bodily harm reported per month. The police-to-population ratio of 1:1500 is inadequate (Crime Information Analysis Centre-SAPS, 2005). The dusty streets are alive with people and wandering livestock. There are some 1500 students aged between 11-18 years old. This township is a major host of internal migrants, mostly from the Eastern Cape (Barron and Fisher, 2005).



Government Publication (2005) states that the population of Khayelitsha is made of residents that are new in Cape Town, and that Khayelitsha is a new era. More than 80 % of people living there are not intending to go back to the Eastern Cape even though, majority come from that side. Informal settlers in Khayelitsha even when offered an option to move out of the area are unwilling to vacate because of its proximity to many job centres in town. Various housing programmes have been unrelated and some of them require relocating people in designated sites. The transfer of sites and the registration of owners are likely to affect Khayelitsha in two ways: an increase in household expenditure to house improvement. Secondly, the rationalisation of sites, particular in site B, C, and Macassar can result in a need to assign new houses or formulate housing programmes. Most of the time, informal residents tend to take the lead in improving their properties. This attitude tends to conflict with the official housing schemes.

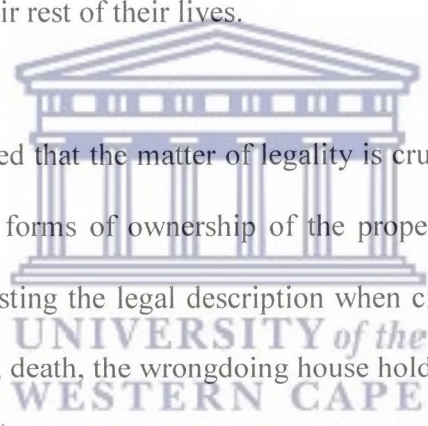
Fiona (1995) argues that some recent attempts undertaken by local state authorities in the Western Cape to enact state housing policy have on occasion been frustrated by residents innovative by using property in the way not anticipated by state vision and desires. In a housing intervention in Cape Town in 2000, residents of a shack settlement moved to formal houses distant from their previous sites. The new houses were considerable improvements on the shacks. Some were larger than shacks and were provided with basic amenities such as road access, piped water and electricity. The housing material was of better quality than zinc sheets, plastic and cardboard of which many shacks were made. Despite that few months ago, residents had moved out of their houses and once again build informal houses on the old site.

The logo of the University of the Western Cape, featuring a classical building facade with columns and a pediment, with the text "UNIVERSITY of the WESTERN CAPE" below it.

Fiona (1995) argues, “in fact people were making good use of their new assets, lacking employment; they had no material support or personal networks to enable them to live decently in their areas. Despite their newly acquired house, the owners remain as poor as they were before. To avoid the payment of service charges on their subsidy, homeowners sold their new houses to those who can afford to pay rent, and then returned to shacks. Due to the lack of jobs, people cannot afford the payment of service charges. This is possibly the reason why government lately introduced the criterion of job tenure with minimum salary of R7000 per month. The flow of communication between the officials and the community is an additional problem affecting the delivery process.

Fiona (1995) states that during the process of application and moving to new houses, the community was misinterpreted in local discourses. People were not well informed as to

who next is going to get house and what criteria were being followed in the provision of houses. In order for people to move into the formal houses, they need to have access to state grants. To qualify the application need to meet the means test and be married. To qualify for housing provision, some residents had to formulate their house holding arrangements, by formalizing social relationships that had previously been legally broken under apartheid and to enable all residents to live together as a community. The community mentioned here are those members given some long-term residence who live alone did not qualify for household subsidies, which means there are not able to live in the formal settlement for their rest of their lives.



This author further mentioned that the matter of legality is crucial already in the villages there are lot of inheritance forms of ownership of the properties. The people failed to understand the law in contesting the legal description when circumstances had changed. With the high rate of illness, death, the wrongdoing house holding and the desperate need for housing in the area, it is likely that these forms of contestation will continue. Fiona's argument must be assessed in line with differences between the residential patterns and the social connotations under which people live in a context of inappropriate housing within the informal settlement. This has generated tension between various groups of residents. Some residents were angry that Xhosa's speaking residents maintain households elsewhere and did not reconfigure their urban relations to conform to the imagined norm of nuclear families (Fiona, 1995).

Fiona (1995) said that implications of such social transformations are mere forms of material investment in housing or the legal implications of registering dependants. In her comparative study of formal housing in the Milnerton area of Cape Town, May (1998) found that people living in the shanties make use of symbolic linguistic association that equate shacks with rural areas and able to activate the kinds of social networks. The people moving from shacks to formal housing are confronted with the problem of adjustment due to changes that result from the strong social pressure to conform to ideals of self-sustainable associated with modern urban dwelling.

In historically disadvantaged communities such as those in townships, housing is regarded as a very valuable asset that contributes to individual's well being. May (1998) states that the more assets that individual, households and community have or secure access to, and the better these assets are managed, the less vulnerable they are. In addition, Moser (1996) adds on that by saying the greater the erosion of their asset base, the more insecure they are and the greater their poverty becomes. Rakodi (1995) and Moser (1996) argue from the perspective of this asset vulnerability framework that poverty is characterized not only by a lack of assets and the poor's inability to accumulate an asset portfolio, but also by the inability to devise an appropriate coping or management strategy. The asset vulnerability framework for dealing with poverty provides a conceptual base for understanding and applies equally at all levels of policy analysis from that of national government down to the operational level of local government (Moser, 1996). The argument of the theories mentioned suggests that building the houses for community alone cannot work. The government must not divorce

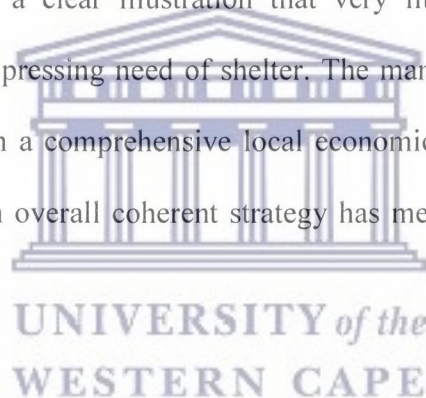
the means for people to secure their assets, as it is mentioned above in order to prevent the increase of poverty. All the spheres of government need to work closely together to understand the asset vulnerability framework.

Rogerson (1995) stipulated that there have been a number of significant municipal or local-level government initiatives towards poverty alleviation through housing provision. According to Stren and Gonbay (1994), the importance of these municipal approaches to poverty alleviation must be understood against the background of the two conventional policy directions of poverty alleviation programmes: policies that emphasize the poverty alleviation through macroeconomic growth and policies that center on specific community-level programmes targeted at the poor (Wegelin and Borgman, 1995). It is argued that municipalities are strategically well placed to undertake local long-term planning in the area of poverty alleviation in association with the private sector, non-governmental organizations (NGOs) and community-based organizations (Stren and Gonbay, 1994). The duty of local government is to generate and manage local projects, which aim to address inequalities between citizens.

In a summary of a Khayelitsha case study, Dyantyi and Franter (2001) states that most of township in South Africa were established as dormitories' settlement and labour reservoirs, and they have virtually no significant formal economic base up to this date. For example, Khayelitsha is institutionally part of the Tygerberg Substructure of the Cape Town Metropole. The area has a high rate of unemployment and has a high poverty profile, major housing and infrastructure shortcomings and low-income levels. Despite



the lack of accurate statistics, it is evident that Khayelitsha is a major poverty-stricken area in the of Cape Town metropole (Barron and Fisher, 1993). Local authority has been ineffective as a development facilitator. Civil society and NGOs operating in Khayelitsha have been prime drivers of local development activity. The resources available to these organizations are limited. The Tygerberg municipality has paid very little attention in providing sustainable housing for the vast majority of people in Khayelitsha who remain homeless and informally-housed. Presently, Khayelitsha largely consists of shelters, which, in the past has been viewed as dumping grounds. The magnitude of the housing problem in Khayelitsha is a clear illustration that very little is being done by the municipality to address the pressing need of shelter. The mandates are very narrow and insufficient to carry through a comprehensive local economic development strategy for Khayelitsha. The lack of an overall coherent strategy has meant that many of them are narrow in their objectives.



## Chapter 4: The Policy Framework for Housing Programmes and Subsidies.

This section reviewed the Policy Guidelines as outlined in the document entitled “The Road Map Communities of Life Dignities reflecting the Western Cape Human Settlement Strategy (WCHSS)” (DLG&H, 2006). This is part of the Breaking New Ground Policy (BNG) that serves the national strategy on housing delivery. The document contains four highlighted topics based on the findings of the draft report:

1. Agreement and implementation structure with the key role players
2. Special references to municipalities
3. Community-based organizations
4. Key role players



The reason for the above information is to ensure that the implementation structures were put in place in a proper manner in order to obtain excellent results. There is need of a change because there are more existing subsidies and interventions needs to be delivered of 14 360 RDP project-linked housing per annum for urban areas of the Western Cape. According to the document, R1 billion is available yearly and each area supposed to spend R70 000 on building government-subsidized houses. The amount allocated might only be used to consider 15 years housing backlog.

To achieve the goals and objectives of the WCHSS, the eight top priority key activities were proposed:

Key Activity 1: Create a well-organized environment for implementing the WCSHSS internally and externally.

Key Activity 2: Identify 25 lead projects and appoint project experts to drive them.

Key Activity 3: Develop technical and process designs for project implementation.

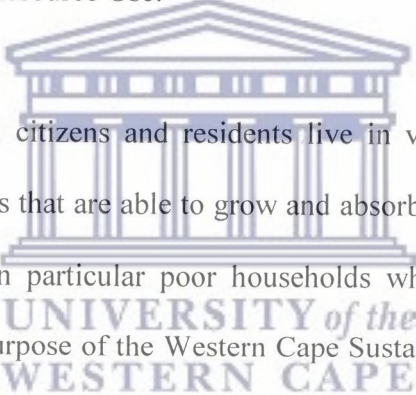
Key Activity 4: Align planning and budget

Key Activity 5: Diagnose and Model Research and Information Management.

Key Activity 6: Apply, test and validate.

Key Activity 7: Savings-based Housing Delivery

Key Activity 8: Sustainable Resource Use.



The ultimate goal is that all citizens and residents live in vibrant, safe, efficient and sustainable human settlements that are able to grow and absorb everyone who chooses to live in the Western Cape, in particular poor households who do not have access to housing opportunities. The purpose of the Western Cape Sustainable Human Settlements Strategy is to ensure that those human settlement interventions aimed at achieving the goal will indeed create an environment that allows the citizens and residents of the Western Cape to constructively engage with the state in order to access a wide range of services, facilities and benefits that can satisfy their fundamental human needs without degrading the eco-systems they depend on.

To achieve the aforementioned goal, the WCSHSS will set out to address the housing backlogs experienced in the province. The three spheres of government (national, provincial and local governments) influence the focus of the WCSHSS which is to deal

with the current backlog of housing subsidies in the Western Cape. The summary of the current backlog is as follows:

1. The current backlog for the Western Cape is 410000 units, growing to 804 000 by 2040 if the current delivery rate remains constant.
2. R1 billion per annum is available via the DLG&H to fund a subsidized human settlement programme aimed at eliminating the backlog
3. By continue the current RDP type-housing model, will cost R8.1 billion to eliminate the housing backlog by 2010 and R4 billion by 2015.
4. However, if the focus is to provide every intended beneficiary with fully serviced site, the backlog could be eradicated by 2010 with the funding of 2.5 billion with funding of R1.8 billion per year and by 2030 with funding of R0.7 billion. Such focus, aimed only on providing serviced sites in outlying areas through the Upgrading of information Settlement Programme (UISP) could, however, reinforce apartheid divisions.

The WCSHSS takes as its point of departure the constitutional right to housing and the existence of a market economy that is regulated by a developmental state. To this extent, it is an attempt to find a mid-way between the post-1994 market-orientated project-liked capital subsidy solutions and the more radical demands from the left for pro-poor state-delivered mass housing approaches.

The post -1994 pre-BNG housing policy was little more than a continuation of apartheid housing policy thinking, for one simple reason: it defined the problem in purely quantitative terms as numbers of homeless people who, in turn, needed access to land and services.

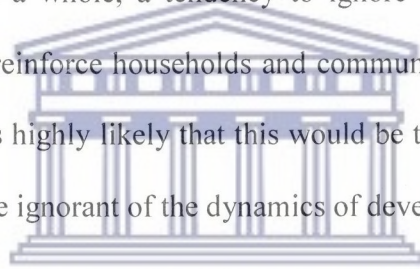
Equally: provide a capital subsidy to cover mainly the cost of land and services, and ensure access to affordable land in Greenfields developments.

In other words, the focus of the post-1994 housing policy was "the poor" and in particular 'urban poor', and the creating of the single homogeneous product (the capital subsidy) to trigger housing developments 'for the poor' using state-funded private sector delivery mechanisms. As the popular saying goes, "if the solution is a hammer, then all the problems are nails".

The focus of the pre-BNG policy was not the overall housing system and its complex dimensions and modalities, and contextual specificities were largely ignored. This policy framework replicated the apartheid spatial pattern because the cost of land needed to cover by the subsidy, which inevitably meant the poor would get housing opportunities where land is cheapest, that on the urban periphery. Results: racial apartheid spatial forms persisted, the poor ended up far from centres of employment: a situation that thus undermined employment-generating growth and environmentally unsustainable urban sprawl was encouraged. This was only made financially viable by massively escalating the transport subsidies required to transport poor people over long distances. In other words, the Department of Transport helped the Department of Housing to make financially viable an extremely costly land and housing programme that has, overall, made the poor poorer while costing the state more than more compact solutions would have. The only real beneficiaries were the mainly white-NIMBYs (Not in My Backyard).

Ten years later, the post-1994 housing policy began to be reviewed within the context of a national policy shift away from the neo-liberal notion of “state-as-facilitator” of development, to the notion of a “developmental state” approach.

The result was a search for mid-way between the old policy because of its failures and more radical demands for pro-poor state-delivered mass housing schemes. The reason why the latter could be problematic is that it runs the risk of the same error of the old policy i.e. a narrow focus on needs of the poor, no restructuring of the economics of housing delivery system as a whole, a tendency to ignore contextual specificity, and being state centric-it could reinforce households and community disempowerment (even if this was not intended, it is highly likely that this would be the case when implemented by a bureaucracy that may be ignorant of the dynamics of development practice).



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Seeing BNG as a “mid-way” solution, however, does not imply that is a compromise, or the “best of the worlds”. As it stands, Breaking New Ground is a policy framework that is faithful to “development state” approach in that it make provisions for a state intervention across a wide range of fronts, in particular in land and property markets.

As the same time BNG’s so-called “demand-driven and supply negotiated” approach is simply another way of saying that contextual specificity is finally recognized. The most significant consequences of this are that the recognition of contextual specificity immediately opens up the space for empowerment. The reason for this is that if it is recognized that each context is different, then it follows that specific knowledge of that

context is now needed as a basis for planning a particular project (such as Greenfield development) or systematic interventions (for instance reinforcing backyard development via loans to landlords and regulations to protect tenants, and so on). The need for contextual specific knowledge is what makes participation an authentic necessity, rather than the rhetorical ideologically-determined formality and therefore, legitimating the ritual that it has become. For the first time, there is a real potential role for CBOs and NGOs who know how to facilitate authentic participation on the poorest households. Finally, the BNG framework recognizes the need to work with the private sector and the market while simultaneously transforming the ground rules.

As stated above, the core problem that needs to be addressed is that if nothing changes, “existing subsidies and interventions will deliver 14 360 RDP-type project-linked housing for the entire Western Cape per annum” (DLG&H, 2006). This might just address the backlog in 15 years, but it will do nothing to address new needs created by immigration, natural growth, and an increase in the number of households as family units shrink in size. Furthermore, the existing approach exacerbates poverty by locating the poor on the urban peripheries, and it is unsustainable from a financial and resource use perspective.

The problems describe above is embedded with a cluster of four inert-related problems, namely:

- The challenge of existing backlog and projected needs;
- The negative consequences of skewed land and property markets;
- The limitation of existing policy;

- In addition, the implication of unsustainable use.

According to the Sanitation Backlog Study done by the Department of Local government and Housing, the current Western Cape Housing demand (backlog 2006) was estimated at 410 000. These numbers represent a backlog of 300 100 for the city of Cape Town, 38 522 in the Cape Winelands, 35 380 in Eden, 15 876 for East Coast, 17 427 in the Overberg and 2 522 in the Central Karoo.

The table below shows the forecast housing demand for “high” and ‘low’ growth scenarios. The high growth scenario assumes a growth rate in household information (based on the current housing backlog), of 3 % between 2006 and 2010, a 2.5 % growth between 2011 and 2015, a 2.0 % growth between 2016 and 2025 and a 1.5 % growth between 2026 and 2040. These result in a total housing demand of 805 000 by 2040.

The low growth scenario assumes growth rate in household formation (based on the current housing backlog) of 2 % between 2006 and 2010 a 2, 5 % growth between 2011 and 2015, a 1.0 % growth between 2016 and 2025 and a 1.5 % growth between 2026 and 2040.

Positing the problem in this way makes it clear that the solution is unrealizable, given the resource limitations. Moreover, it would require an additional 8 200 hectares of land.

**Table 4.1:** Projected housing backlog (2006-2040)

Year	2006	2010	2014	2020	2025	2030	2040
High growth	410000	456420	502840	572470	630495	688520	804570
Low growth	410000	433718	457437	493014	522662	552310	611606

Source: R Del Misho (quoted in DLGH, 2006)

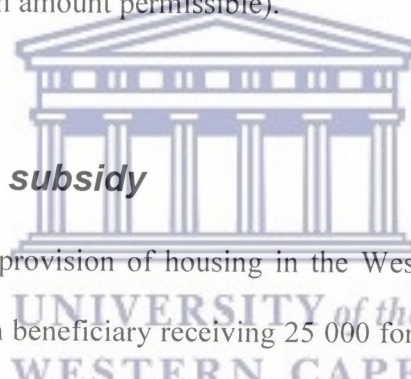


### ***Budget Funding***

Until recently, The Western Cape capital budget housing subsidy was in order of 500 million. This was increase to R1 billion for 2006/2007; R948 000 for 2007/2008 R1 204 for 2008/2009 and R1 464 000 for 2009/2010. The budget for 2010/2011 has been estimated at R1 616 000.

This indicated an annual growth in funding of 12.7 %. This growth in funding is considered to match the expected increase in building costs very closely. As such the subsidy amounts reflects financial capacity to deliver 14 360 RDP houses per year over the period. (70 000 maximum amount permissible).

### ***Specified housing subsidy***

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The capital subsidy for the provision of housing in the Western Cape can (with a few exceptions) be based on each beneficiary receiving 25 000 for a fully serviced UISP type sites and R70 000 (maximum amount permissible) for a fully serviced RDP type house (that is, R25 0000 for service, R39 000 for the dwelling and R6 000 for precautionary measures in the Southern Cape Coastal Condensation Area (SCCCA). These values were developed from a current formula for housing subsidies specified by the National Department of Housing.

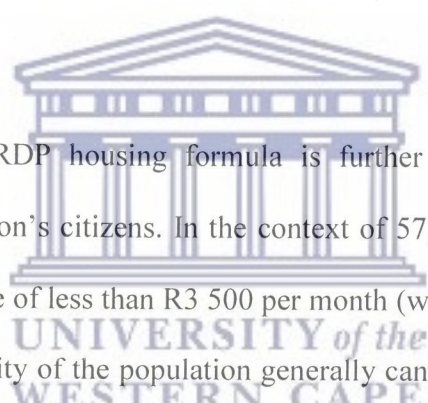
### ***Budget required eradicating the backlog***

The figure below shows the annual budget required to eliminate the housing backlog in Western Cape by providing RDP housing at (70 0000 per beneficiary) or UISP services

(At R25 000 per beneficiary) based on the expected date of completion.

It can be seen that if the goal is to provide every intended beneficiary with an RDP house, the backlog would be eradicated by 2010 with funding of R8.1 billion per year, by 2015 with funding of R4 billion per year and by 2030 with funding of R2 billion per year. With funding of R1 billion per year, the backlog will not be eradicated.

It can also be seen that if the goal is to provide every intended beneficiary with a fully serviced site (UISP), the backlog could be eradicated by 2010 with funding of R2 billion per year, by 2015 with funding of R1.8 billion per year, per year and by 2030 with funding of R0.7 billion.



The unsustainability of the RDP housing formula is further amplified by the socio-economic profile of the region's citizens. In the context of 57, 3% of households in the province in receipt of income of less than R3 500 per month (with more than half-earning less than R1 500), the majority of the population generally cannot afford service charges let alone meet home-ownership obligations. These trends point to the limitations of a subsidy regime whose basic premises founded on formal employment and rising income wish would supposedly over time enable people to access market-based: on the one hand a sophisticated land, finances and property market that work for those who can afford it, and on the public sector housing intervention to meet the needs of the poor via a capital subsidy which operates as a welfare instrument. The instrument delinked which has the effect of sidelining shelter provision for the poor and unemployed majority.

In sum, meeting the backlog and projected need is not just a matter of more money, capacity and enhanced co-ordination, alignment and integration. In line with the BNG policy, framework and taking into account Western Cape conditions, the re-orientation of housing intervention will have to shift its focus away from people as object of state-packaged and government-defined products. Active participation by beneficiaries and integration into restructured land, financial and property markets will be necessary.



## **Chapter 5: Khayelitsha: A case study social and infrastructural of problems affecting housing delivery.**

Khayelitsha is one of the largest townships in South Africa and is located approximately 20 km from Cape Town on the Cape Flats. The area, which was previously a nature reserve covers approximately 24 km<sup>2</sup> and now provides housing to approximately 450 000 people. There are approximately 43 000 serviced sites with both internal water supply and water-borne sewage while there are a further 27 000 low-cost housing units which are supplied with communal standpipes. The area has been expanding continuously since the early '80s when the first settlements were established. The basic water distribution infrastructure is therefore relatively new and considered to be in generally good condition.

### **5.1 Population**

Possibly, the most complex matter when dealing with Khayelitsha is its population size. Estimates vary considerably according to the information source and when the survey was done (see Table 1). A survey conducted by SALDRU in 2000 found a population of 2 496 672 (SALDRU, 2000).

**Table 5.1:** Population estimates - comparison between 1994 and 1997 estimates

	May 1994	July 1997	Difference
Potential number of single residential even	50 293	56 868	+6 575 (+13%)
Number of serviced residential even	36 667	45 118	+8 451 (+23%)
Number of formal erected houses	10 808	10 932	+124 (+1%)
Number of informal houses on serviced even	36 667	31 201	-5 466 (-15%)
Number of informal houses with rudimentary services	3 386	8 545	+5 159 (+152%)
Number of informal houses without services	12 702	6 181	-6 521 (- 106%)
POPULATION	302 029	319 533	17 504 (+6%)

## 5.2 Age structure

Figures from the housing survey indicate that 18 % of the population is under 6 years old, 13 % is 7-11 years old, and 11 % is 12-16 years old. The relative youth of the population (an estimated 42 % are 16 years or under), has considerable implications for any development strategy and strategy around the provision of services. These services particularly relate to the provision of educare, primary

health care, nutrition education, and the development of schooling and recreational facilities.

### **5.3 Settlement Patterns**

Indications from a household survey conducted during 1997 (Hoffman et al, 1997) indicated that majority of the households have been living in Khayelitsha for longer than five years. This concurs with the household nutrition survey done in 1994 (O'Brien and Gillis, 1994) which established that 81.4 % of children under six were born in Cape Town. Of the youths aged 6-18 years, 45.4 % were born in Cape Town. It is worth noting that of 86.55 % of the adults over 18 were born in either the Transkei (57.6 %), the Ciskei (17 %) or in other areas (11.9 %). The high proportion of adults born in the Eastern Cape indicates that strong connections remain with the Eastern Cape. This is confirmed by further findings of this survey which indicate that 38 % of the 1 376 households surveyed had children in the Transkei. Familial ties and direct rural experience play an important role in Khayelitsha. Links with the rural remain strong with regular travel to the Eastern Cape, ownership of property there, regular payments to family members living in the rural areas and - possibly most importantly - the continuation of various traditions. The close rural ties are a catalyst for community cohesion.

### **5.4 Tenure**

Despite the fact that a significant proportion of the Khayelitsha population are relatively recent residents in Cape Town and that Khayelitsha is a comparatively

new area, there is a strong sense of belonging and a desire to remain in the area. More than 80 % of people in virtually all areas (except for Harare – 67 %) regarded Khayelitsha as their home. The percentage of people who did not want to move from Khayelitsha if offered another option was similar, except in the older and more crowded areas like Site C (55 %) and the northern part of Site B (56 %), where there are high levels of double occupancy with resultant land tenure complications. The percentage of registered owners in other areas amounts to more than 80%. This is largely a result of the transfer of state-owned properties under the Discount Benefit Scheme to long-term tenants - over the past year, more than 28 000 properties have been transferred under the scheme. The transfer of sites and the registration of owners are likely to affect Khayelitsha in two ways. Firstly, an increase in household expenditure on house improvements, given security of tenure can be expected. This will result in growth possibilities in building material manufacturing and small-scale construction enterprises. Secondly, the rationalization of sites, particularly in Sites B and C and Macassar will result in a need to assign new erf's or institute housing programmes.

### **5.5 Housing**

Housing constitutes a priority need in Khayelitsha but at this stage, there is an absence of a real strategy and no co-ordination of activities. There is a wide range of actors in the housing sector, notably NGOs, private sector developers and more recently the active involvement of the Tygerberg Substructure. The substructure has proceeded with the development of a Housing Strategy Plan for the area that is currently in its investigative stages. Because of this, all housing programmes

have been held back pending its finalization. However, some housing schemes are proceeding regardless.

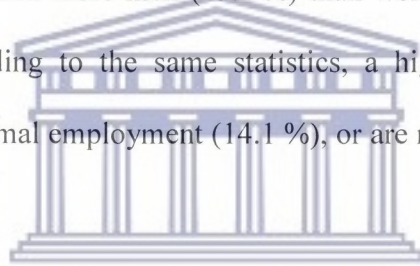
## 5.6 Employment

The Cape Metropolitan Council's (CMC) estimations, based on a demographic profile of Site C, are that approximately 77 % of the population is presently under the age of 35, and only 1% of the populations are pensioners. This would indicate that 57 % of the populations are at employable ages. As with population statistics of Khayelitsha, information on levels of employment in Khayelitsha is limited to the results of socio-economic surveys and broad estimates. In their 1995 report on Khayelitsha, Wesgro estimated that a total of 150 000 people were employed in various different categories. They broke this down into open employment (34 000), survival activities (32 000), micro-enterprises (38 000), and formal employment inside (10 000) and outside (36 000) Khayelitsha. If these figures were put together with the population and age statistics, they would indicate that the rate of employment was 64 % (taken from Wesgro's population estimate of 410 000) (Wolfgang, 1995). It is difficult to conceive that 10 000 people are formally employed inside Khayelitsha considering the lack of formal employers in the area.

The 1997 survey asserts that 43 % of adults were not employed in some way. The unemployment rate is determined as 24 %, which is the same as the 1995 October Household Survey, but is 2 % higher than the Western Cape average.



Levels of employment differ according to areas in Khayelitsha. The highest levels of unemployment were found in Griffiths Mxenge [43 %], while Macassar (37 %), Harare (37 %), Green Point and Solomon Mahlangu (39 %) show higher levels of formal employment than other areas, including areas with formal housing. This indicates that there is no trend towards higher levels of unemployment in informal areas. Levels of self-employment appear to be the highest in the older informal settlements of Site C (14 %), Site B (12 %) and Macassar (12 %), which is a newer area. In terms of gender breakdown, it is indicated in a 1994 survey that more men (45.1 %) than women (25, 1 %) were formally employed. According to the same statistics, a higher percentage of women are engaged in informal employment (14.1 %), or are not actively seeking work (16.4 %).



The study done in October 1995 by the Cape Town City Planner's Department indicates that majority of people who have employment in Khayelitsha are involved in unskilled occupations. It is worth noting that a higher proportion of people living in formal houses are engaged in skilled or semi-skilled service occupations, while levels of skills appear to be much lower for people residing in informal dwellings (Wolfgang, 1995). A more recent survey conducted to assess training needs reached several conclusions with regard to education levels for the whole Tygerberg Substructure (see Table 2) [LSA School of Technology. 1997. report on training needs assessment, July 1997].

**Table 5.2:** Education level

	None	Std 5	Std 6-8	Std 9-10
Education level	0 %	11,5%	46,2%	41,3%
Unemployed	1,2%	11,9%	41,3%	45,2%

Source: - Wolfgang (1995)

### **5.7 Type of employment**

The majority of employed people fall into types of occupations that are typically unskilled and low-paid. This is confirmed by the 1995 study done by the CMC, which noted that the highest percentage of employed people which the study surveyed fell into the unskilled service category (see Table 3) [City Planner's Department. Urban Studies Unit. 1995. Socio economic characteristics of Langa, Nyanga, Gugulethu & Khayelitsha, November 1995].

**Table 5.3:** Type of employment (Wolfgang, 1995)

Income earning activity of household heads	Freestanding shacks	Formal houses
Unspecified	2 %	4 %
None	24 %	17 %
Unskilled labour	12 %	-
Unskilled service	34 %	29 %
Semi-skilled labour	12 %	12 %
Semi-skilled service	6 %	20 %
Skilled labour	10 %	4 %
Skilled service	-	13 %

Source: - Wolfgang (1995)

It is worth noting that people living in formal houses tended to have higher levels of skills than those living in freestanding shacks.

### **5.8 Income**

The housing investigation established that of the 2 000 houses surveyed, 74 % of the occupants were receiving an income of less than R1 500 per month. This low level of household income is alarming, particularly as there is limited scope for the production of food to supplement household existence. The low figures confirm that there are high levels of unemployment and a dominance of low paid unskilled work as a source of income. The City Planners Department (1995) notes a discrepancy between the levels of income in informal areas relative to formal areas. It notes that 58 % of households in informal dwellings fall into the category earning R800 per month or less compared to 29 % in formal houses. Forty- three percent (43 %) of the households living in formal houses earn more than R1 500 compared to only 13 % of households in informal dwellings.

### **5.9 Expenditure**

Over 60 % of the households surveyed spend less than R1 000 per month. The low levels of income and consequent low levels of expenditure have a significant impact on the ability of low-income occupants to pay for services. This is indicated in the low expenditure priority of this item, which places it 8th, below food electricity, transport, clothes, education, savings and family.

### **5.10 Service payments**

Rent, water and bonds come lowest in terms of priorities, possibly due to the fact that majority of the residents surveyed had freehold ownership of the erf on which their house is situated and the costs of water tend to be included in the rates bill. Nevertheless, according to the survey, only 28 % of the respondents paid rates and service charges. Aside from this being related to low levels of income, there was also a high level of dissatisfaction with the standard of housing, refuse removal, community centres and sporting facilities, which partly explains why payment of service charges and rates is so low on the list of household expenditure priorities [Strategic housing plan: investigation (1998)]. Payment of service levies improved substantially after the introduction of the SMP in 1995/6. This was partly due to people seeing improvements in service delivery, and partly because people benefited from the employment opportunities, which the SMP generated. Improved service payments prevailed until groups broke away from the South African National Civics Organization (SANCO) over the rate levels, which had been agreed by the council in consultation with both SANCO and the KDF. Payment levels have not recovered since this time.

### **5.11 Housing expenditure**

In 1995 financial institutions considered Khayelitsha a high-risk area, as 92 % of the households have not been servicing their bonds. The KDF in association with its NGO partner, the Foundation for Contemporary Research (FCR), embarked on a process to resolve this situation and thus release private lending from financial institutions. After 15 months, the bond repayment programme was launched,

yielding a result of 65 % co-operation by the end of the campaign. Financial institutions provided documented reportage of this statistic. The net result of this process was that Khayelitsha was given Mortgage Indemnity Fund (MIF) cover and financial institutions began to fund housing developments.

### **5.12 Spatial issues**

The Metro South East area, of which Khayelitsha is part, is generally characterized as mono-functional in nature, with the accent on housing with insufficient community facilities, industry and large-scale commercial enterprises. Long distances, the lack of transport facilities and an overall poor level of service exacerbate problems for people seeking to gain daily access to economic and social resources. High travel distances and costs, coupled with long commuting times and a general lack of personal safety in what is one of the least efficient public transport subsystems in the city. Low population density in certain areas makes access to public transport difficult, expensive and unsafe. Disregard for people's living environments in the past, inadequate service levels, and unregulated development, mostly as a result of demand for well-located private space in excess of supply, are found, notably in the west of Khayelitsha. This has resulted in degradation of sensitive ecological systems, illegal occupation of land, overcrowding of certain areas and functional under-utilization of these areas by the community traditional purposes.

### **5.13 Location of employment**

Most dwellers settle in Khayelitsha because of the proximity to the main job centers. According to recent estimations made by Shand (1998), only 4 % of the employed population of Khayelitsha works in the settlement. The inner city (24 %), the northeast (Bellville – 30 %) and the south (Claremont/Wynberg – 29 %) are the dominant employment destinations for people living in Khayelitsha. The southeast, including areas around Philippi only account for 9 % (Shand, 1998). Khayelitsha: upgrading of mini-bus taxi facilities, January 1998]. These figures differ from the 1995 Wesgro estimates - firstly because they are extrapolated from commuter movement patterns, and secondly, because they are more recent.

The social and economic consequences of this are substantial. The cost of movement for the state, the people of Khayelitsha and the environment are immense, and are not likely to decline should land use interventions not be made to address this imbalance.

### **5.14 Institutional involvement in poverty reduction programmes**

There has been a wide range of institutions that have been involved in poverty reduction programmes in Khayelitsha. The ineffectiveness of the local authority as a development facilitator until relatively recently has created space for civil society-based organizations such as the KDF and a wide range of NGOs to focus their efforts on confronting poverty issues in the area. These organizations have

been involved in a wide range of both social and economic initiatives, the majority of which have involved high levels of community participation. The diversity of these initiatives and the lack of an overall strategy have meant that many of them are narrow in their objectives and do not confront the structural problems relating to spatial separation and resource starvation in Khayelitsha in an holistic manner, by (CSI). To end this description of spatial problems affecting Khayelitsha, it is important to mention that the same problems were observed at varying degrees in other informal settlements.



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## **Chapter 6: Perceptions of applicants for housing subsidies.**

One of the apex priorities of the South African government is that its citizens should have affordable houses. This is one of the many ways of correcting the ills of the past whereby people are subjected to living in squalor. However, despite the good intentions of government, there has been outcry against the modalities used in allocating these houses. There have also been accusations of deliberate delay and favoritism in delivering these houses to South Africans. Hence, as mentioned in chapter 2 questionnaires were designed and administered to inform on this issue, while information were collected from those applicants who received housing as well as those still waiting to get one.

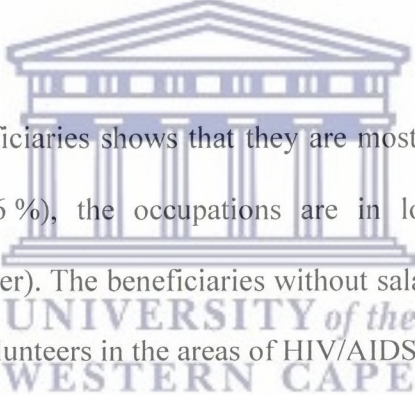
### **6.1 Beneficiaries' perceptions on the housing received.**

The results from this survey revealed that 24 respondents of the total 50 actually received housing from the government. These are people previously staying in Langa and Khayelitsha: two areas classified as informal settlements. Of these beneficiaries, 33.3 % were males while 67.7 % were females. This data showed a higher success rate of female applicants over their male counterparts and this reflects gender equality as against what happens in the past. Marital status of the beneficiaries revealed 58.33 % are married, while 41.66 % are single. The age distribution of the beneficiaries is between 23–59 years. This is quite a broad distribution but the dominant age range among beneficiaries is 35–50 years.



The beneficiaries revealed that some applications received quick processing than others and this is indicative of the waiting period from the time of application for these houses to the actual time of receiving the houses, which varies between 3-216 months.

The data collected revealed most beneficiaries are from Eastern Cape, which contributed 50 % while Western Cape makes up 45.83 %, and just 4.16 % are from the Northwest province. This result is indicative of the fact that a high percentage of people move from the rural provinces e.g. Eastern Cape to places like Cape Town where jobs are readily available.



Employment status of beneficiaries shows that they are mostly self-employed (12.5 %) and when employed (66.66 %), the occupations are in low rank (domestic work, gardener, secretary and cleaner). The beneficiaries without salaried employment make up 33.34 % and this includes volunteers in the areas of HIV/AIDS care-giving.

Apart from the reasons mentioned above, some of the unsuccessful applicants talked about negligence on the part of government vis-à-vis the housing department. It was explained that successful application is followed by allocation of house and the subsequent handing over of the document of ownership referred to as "title deed" which is the legal registration of the houses under the applicant's name. The main point here is that applicants are allocated houses but never received the title deed confirming their ownership and hence, this negligence results in a number of people not having houses allotted to them. Moreover, this negligence results in more than one person allotted to a

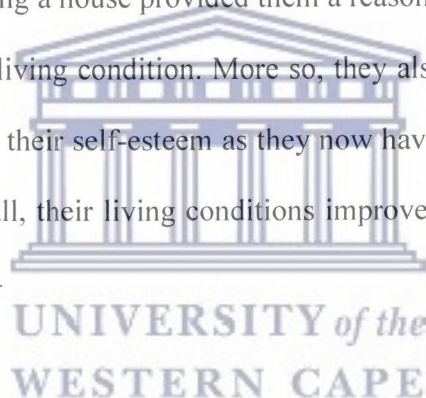
house and this occurrence leads to conflicts between the allottees since the house has merely being allocated to them but not registered in their names.

The beneficiaries raised some concerns as regards the quality of the houses approved for them and the size of their family. Apart from the fact that some of the housing units lack the basic amenities like plumbing for proper sanitation, some of the units were not even plastered before being handed over to the respondents. Most of them complained about the housing units being too small to accommodate all the members of their family. They argue that a bigger housing unit would be big enough for them thereby, creating a convivial atmosphere, which leads to harmony among family members. A bigger housing unit with all family members accommodated, might be helpful in curtailing juvenile delinquency, as parents would be able to keep an eye on their children. This would restrict children wandering around for a space to sleep and thereby become tools for crime in the hands of gang-lords and crime-lords.

Another major issue raised by the beneficiaries concerns the high rent paid by the respondents. In fact, most of them believed their lack of options is the reason why they are still living in these houses. The pattern is this: those living in flats are supposed to be paying a subsidized rent to the government while those living in RDP housing units are only to pay monthly service charges for the maintenance of the houses. However, some respondents say they pay around R1000 or more monthly as rents and service charges which points to the fact that the subsidies might in the first place not meant for the poor. Some even pay separate fees for utilities such water. This they believe is on the high side

and questions whether these rates have been subsidized at all. Further challenges faced by the beneficiaries include the proximity of these houses and flats to public transportation amenities. For those staying at Khayelitsha, there is a 20-30 minutes trek before getting to any reasonable form of transport and two taxis has to be taken for them to get to the Cape Town city centre. Same challenges were faced with beneficiaries staying at the N2 Gateway.


On a positive note, the beneficiaries were unanimous in giving the government a pat on her back as they believe owing a house provided them a reason to buy some furniture and this has resulted in a better living condition. More so, they also see their ownership of a house as an improvement in their self-esteem as they now have both privacy and a space for receiving visitors. Overall, their living conditions improved considerable with a new house.



## ***6.2 Perceptions of applicants on the waiting list***

Majority of the applicants who were unsuccessful with their housing applications come from the Eastern Cape. However, some small numbers of these applicants also come from the Western Cape. This is important as it depicts that area of origin plays an insignificant role in determining whose application is successful or not. Taking into cognizance the marital status of the unsuccessful applicants, there was a spread of status as regards those interviewed being single, married or has been widowed. The age range of these unsuccessful applicants is from 21-59 years, however, age range of 45-55 years accounted for maximum percentage of these people.

The waiting period between the time of application and response from the Department of Housing as regards application outcome sometimes takes 15 years and this can be due to communication breakdown between the department and the applicants. This means that during the waiting period, the applicants continue to live in the informal settlements, which they have been living. There was no communication as regards how long they are going to wait and there are no follow-ups. The Ward Councillors' also do not have any information for the applicants as regards why they were left out. This creates a sense of abandonment and it partly explains the reason for public unrest and protests across the country.

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In terms of employment, majority of the unsuccessful applicants are those who fall into the unemployed and unskilled employment category. The people who work mostly as cleaners, waiters and others are in part-time job or self-employment. This is so as the Department of Housing duly considers ability to pay service charges as one of the criteria to be met before allocation of housing subsidies. This accounts for the high number of the unemployed applicants being unsuccessful with their applications.

The reluctance of the Ward Councillors and Councillors to help facilitate the application of rival or opposition party members was also cited by the applicants as one of the reasons why some of them have being unsuccessful in getting these houses. Applications for these houses are through the ward councilors and information concerning the modalities of acquisition is gotten through them. Hence, there is hoarding of this

information from the rival or opposition party members, thereby leading to exclusion based on party affiliations. In areas equally populated between the ruling party and the opposition, the success of the ruling party-affiliated members in securing these houses often leads to violence and social unrest by opposing party members.

A classification of people lives in informal settlements. There are those whose 'shacks' are cited and those whose 'shacks' are not sited by the municipality. For those whose shacks were sited by the municipality, they enjoy some social amenities like electricity, water and good sanitation/flush toilets. There is a lack of these amenities by those whose shacks are not cited. Hence, in applying for houses, those whose shacks are sited by the municipality are more successful because they somewhat pay some service charges for the use of the social amenities to the municipality. This aids their application and hence, government is able to provide them with houses since they will be able to pay these service charges.

Overall, there is a great deal of hopelessness among those interviewed who have been unsuccessful in getting in a house from the government. Their hopeless situation arose from the fact that some of them have applied a long time ago. Some have been placed on the waiting list and along the line another waiting list surfaces without their names on it. The ineffective way of disseminating information coupled with the role played by ward councilors as regards politics of exclusion leads to desperation among applicants and results in social unrest as evidenced recently by people who inhabited houses not allocated to them in Delft, Cape Town. More so, some applicants see these houses as

transferable assets to their children after their death, and inability to get these houses equates to failing in their responsibility towards their families. Some see it as way of escaping from shylock property owners who almost on monthly basis increase house rents and threaten them with eviction.



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## Chapter 7: Conclusion

The issue of housing subsidy is of great interest to the vast majority of the South African population. Considering the history of the nation and how family lives have been disrupted due to apartheid legacy, the onus was on the government of the new dispensation to alleviate the plight of the impoverished masses as regards housing. The response from the government has been so far unambiguous and straight to the point on this issue. In the early years of post-apartheid era, housing subsidies were promised to the people with the attainment of certain proviso before this benefit is obtained. However, after fourteen years of democracy in South Africa, the widely held belief is that the government has not fully achieved her promise to the masses as regards the provision of affordable and decent housing. Better still, some people believed the government has tried its best under the prevailing situation but are of the opinion that housing delivery can be done much well than it is now. Hence, the situational crisis around the housing policies of the government was researched under the above-mentioned context using informal settlements of the city of Cape Town as the spatial context of the study.

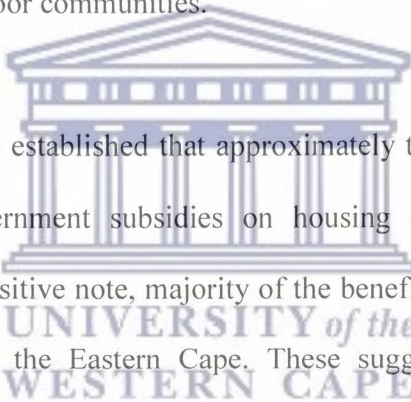
During the apartheid era, local government was based on principle that was in conflict with the firm belief of democracy. As result of apartheid policies, majority of South Africans were either homeless or living in poor quality houses. The apartheid policies not only deprived people of a better quality of life but also erode the Africanness (*ubuntu*) seen in families. The abolition of apartheid with the consequent advent of democracy was supposed to open doors and easy access of opportunities that has hitherto been denied the ordinary South African. Hence, the South African government through the Department of

Local Government and Housing allocates a considerable amount of funds from its budget on subsidizing low-income housing on an annual basis. However, in spite of the large expenditure on this housing programme, it is far from obvious if it has any effect on whether families have their own housing units as opposed to sharing a unit with any family or being homeless. The consensus among the populace is that this programme is a waste of money, ineffectual and not people-oriented, although the government thinks otherwise.

The situation of Khayelitsha served to illustrate the magnitude of housing problems prevailing in most townships. Several years of under development during apartheid have resulted in under serviced sites in the township. The situation is particularly worse in informal settlements. To assess the extent of the housing problems, questionnaires were handed out to people living in three shantytowns in the city of Cape Town with fifty of these people returning them fully completed and hence, our analysis was done based on the information gathered from these respondents. To assess the implications of ongoing crises generated by the growing backlogs in the housing subsidies for poor communities, a situational analysis of the impact of this government policy on the people was conducted using the township of Khayelitsha as a case study. Using a cross-sectional data involving 50 respondents, the survey revealed an almost equal proportion of both successful and unsuccessful applicants of housing subsidies. Among the successful applicants, 67.7 % were females with 41.66 % of them being single ladies or widows. The age distribution of these beneficiaries is between 23-59 years with the dominant age group being 35-50 years while 50 % are originally from Eastern Cape, 45.83 % from the



Western Cape and the Northwest Province accounting for 4.16 %. Results also showed that 33.34 % of the beneficiaries are unemployed while 12.5 % were self-employed. On the other hand, respondents within the age range 21-59 years with a dominant age range of 45-55 years make up the proportion of unsuccessful applicants. More so, majority of those refused these housing subsidies are within the unskilled employment group. However, for both set of applicants, the waiting period can be as long as 18 years from the day their applications were filed. On the basis of the findings from this survey, recommendations were proposed to help the government in tackling the implementation of housing subsidies to the poor communities.



From the survey, it could be established that approximately the same number of people benefitted from these government subsidies on housing as compared to the non-recipients. However, on a positive note, majority of the beneficiaries were women, while most recipients come from the Eastern Cape. These suggest women empowerment coupled with detribalization and integration of South Africans regardless of the colour, race or creed is being slowly but surely attained. More so, majority of the beneficiaries were employed in one way or the other while half of them are engaged in though precarious, salaried employment. A small number of the beneficiaries are self-employed. The employment status of the beneficiaries is necessary because of the need to pay monthly service charges.

Meanwhile, it was not all success stories as the non-recipients laid the blame of their unsuccessful application on the doorsteps of the ward councilors who they believe give

first-hand information regarding these subsidies to party faithful before circulating it to other members of the communities. This leads to erosion of trust between these party officials and the other members of the community as the unsuccessful applicants blames them for their inability to secure these subsidies. More so, most Khayelitsha respondents believes a drastic measure has to be instituted by the government so that applicants do not have to wait endlessly for these subsidies i.e. there should be a reduction of the waiting period. More so, there is also a belief among the non-recipients that being able to have a source of livelihood has been taken as the biggest criteria before a successful application. This should not be the case as a huge number of the South Africa populations are still without jobs due to the inequalities of the past.

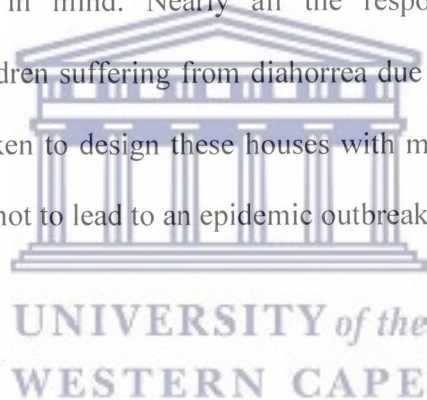
## **7.1 Recommendations**

Overall, government has done a good thing by implementing this housing policy but should find a way of collaborating with big property investors so that affordable but sustainable houses can be built for the people. Another initiative the government can embark upon to solve the problem of housing subsidies is in the area of development skills training. This way, community members can receive training on how to build suitable and affordable RDP houses of their own, with the government supplying the building materials and supervision. This will even help to create jobs for the teeming unemployed youths of the communities and keep their minds occupied from criminal acts. Remember a wise saying, which goes thus “an idle mind is the devils workshop”.

Dissemination of information as regards applications waiting period, payment of service charges should be improved upon. The government should use the local papers and hold regular Indaba to informed people about their housing policies so that people applying for these subsidies would know what to expect even before applying for these subsidies. As shown in the Eastern Cape, and depicted by the Umzingisi, government should shift their focus on quality and not speedy finishing of these houses in a short space of time.

Although views were not collected during the field work local government councilors ward councilors and community development workers they need to work hand in hand with the communities and community structures to give a feedback on the strategy put in place for Breaking New Ground. The above-mentioned structures need to inform communities which area is next on the list to obtain houses and why. The policy need to consider the income of the beneficiaries as to account for unemployed families having to pay high service charges, in regards to the quality of the house received. This will curb a situation where people sell their houses to the highest bidder who can afford the rent or service charges and hence, negating the purpose of building the houses for the poor. Closely related to the above is the need for the government to have a proper registration and evaluation of all house owners who had benefitted from these housing subsidies, even including those who buy from the original homeowners. This will curb incidences whereby the houses are sold to foreign nationals and hence defeating the purpose for which the programme was instituted.

More so, the government should institute a centralized control as regards the issuance of “title deeds”. This will reduce conflicts in situations where a house is given to multiple owners, and more than one house is given to a person. Apart from the above, the specifications of the house and the accompanying yard should be included in the “title deeds”. There should be quick processing of applications for these housing subsidies, the age of beneficiaries should be considered e.g. applications from youths can be processed less quickly than others as opportunities for better jobs might still come to them in which they might not even need these subsidies. Above all, these houses should be built with proper hygienic situation in mind. Nearly all the respondents from Khayelitsha complained about their children suffering from diahorrea due to unavailability of proper sanitation. Care must be taken to design these houses with minimizing the incidence of these infectious diseases as not to lead to an epidemic outbreak in the area.



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## APPENDIX A

<b>Location:</b>
<b>Gender of the respondent:</b>
<b>How long he/she has been living there:</b>
<b>Place of birth:</b>
<b>Marital Status:</b>
<b>Employment Status::</b>
<b>Role in the community:</b>
<b>Age:</b>
<b>Informal Settlement: People who received housing subsidies.</b>
1. What were the main difficulties in obtaining your house?
2. How long did you wait before obtaining your house?
3. How have you benefited from obtaining your house?
4. How have your living conditions change after getting the house?
5. How many rooms are there?
6. How large is your family?
7. What type of house is it? RDP, FLAT etc
8. What is the amount of subsidies received?
9. How much are paying for the monthly rent?
10. Does the rent include utilities such as water, sanitation and electricity?
11. How much is paid separately for the services?
12. In your opinion, is the rent high, appropriate or low?
13. If the rate is increased, are you willing to pay?
14. If no, why?



## APPENDIX B

Location:
Gender of the respondent:
How long he/she has been living there:
Place of birth:
Marital Status:
Employment Status::
Role in the community:
Age:
<b>Informal Settlement: People who didn't received housing subsidies.</b>
1. Have you applied?
2. How long have been waiting to obtain a house?
3. Has housing people informed you about how much longer you have to wait?
4. Are you facing any difficulties that may be delaying the process of obtaining the house?
5. Are you still hopeful that you will get the house?
6. Of what benefit will it be to you and your family?