ELECTION PROMISES AND PUBLIC POLICY: NEVER THE TWAIN SHALL MEET? THE CASE OF HOUSING.

by

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DECLARATION

I declare that this research report is my own, unaided work.

It is being submitted for the
Degree of Master in Public Administration (MPA)
at the University of the Western Cape.

I further testify that it has not been submitted
for any other degree
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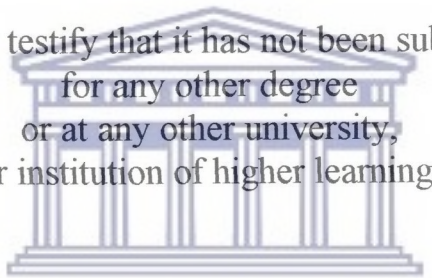

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ABSTRACT

This research report examines whether election promises find their way into public policy. This question has a particular significance for a fledgling democracy such as South Africa's.

During the run-up to South Africa's first democratic elections in 1994, the electorate was wooed with a litany of promises in respect of a number of social issues. This first election is widely regarded as having been an Uhuru election, i.e. a freedom election for the majority of South Africans. There was therefore not only a lot at stake for the contesting political parties, but infinitely more for the electorate. Predictably the voter turn-out nationally was inordinately high. It would probably not be inaccurate to state that there is a high correlation between this high voter turn-out and the promise of freedom.

However, in this report this student wishes to propose that the voter turn-out was also about the expectation that the new democratic government would take responsibility to deliver essential services such as housing to the previously disenfranchised and materially neglected segments of the population - in short, that its policies would be welfarist.

In the post-1994 period, it is becoming apparent that the clarion call of `housing for all' has become a major problem. It would appear that this is the result of the adoption by the new government of macro-economic policies which limits social spending. What we, therefore, see is a dissonance between election promises and public policy. This raises the question whether government policies meet the criteria of being socially just. When policies are experienced as socially unjust they promote amongst the disadvantaged populace feelings of political apathy and alienation. These are phenomena that the young South African democracy cannot afford.

In conclusion, recommendations are made which it is hoped will be useful to especially those outside of government who concern themselves with the important issue of public policy formulation.

CHAPTER ONE

1. HOUSING: OBJECT OF ELECTION PROMISES AND PUBLIC POLICY

1.1 RESEARCH OBJECTIVE AND MOTIVATION

The objectives of this report are to see the extent to which election promises in respect of housing made by the ANC in particular have found its way into post-apartheid housing policies; to see whether these policies have facilitated the delivery of housing to especially the poor; and to give due consideration to those factors which may have caused election promises and housing policy to be at variance.

In the course of election campaigns, political parties invariably incorporate promises and statements with regard to important social issues. There is, consequently, often the expectation by the public that these statements present very clearly and unambiguously a party's position in respect of these social issues. This was also the case during the run-up to South Africa's first democratic elections in April 1994. Political parties tried to drum up support for themselves by making all sorts of promises to the electorate in respect of different social issues.

In South Africa, though, these promises had a particular significance. There was a mass of people who had for decades (some would say, for centuries) been disenfranchised, dispossessed and marginalized, who were awaiting the sonorous sound of election promises. It could arguably be said that anything short of grandiose promises, would have been disharmonious with the mood of

the people. The outcome of this interaction between the electorate and political parties was an increased expectation that the promises of the victorious party or parties would find its way into public policy.

The particular area of focus of this report is public housing, and the role of the State in the resolution of the housing crisis in South Africa, and whether, in fact, the proposed role of the State is in accordance with the promises made at election time. The promises made by the African National Congress (ANC) will be focussed on in particular, but reference will be made to the promises of the National Party (NP) and the Democratic Party (DP).

An important part of this report is to trace the involvement of the State in the provision of housing. Furthermore, the election promises did not only create expectations around housing delivery, but also presented the electorate with a picture of the new South African state that would not only be sympathetic to the plight of the masses, but benevolent in response to the needs of the previously disenfranchised.

Some reference will be made to the development of political apathy and alienation amongst the electorate when parties do not deliver on the election promises made by them and, also, the dangers of this to the fledgling South African democracy.

This report will not contain references to the 1999 Elections. However, this student is mindful of the apparent difficulty that there was to get voters to register and the consequent renewal of voter

registration deadlines - and this was not only the result of the controversy surrounding the use of bar-coded identity documents. This registration difficulty may be indicative of an apathy and alienation that had already set in amongst prospective voters.

The report is a ***qualitative study***. The ***research material was obtained*** in the following manner:

Three interviews were held with important government housing officials (which includes the National Minister of Housing).

A literature survey and analysis in respect of housing and policy formulation.

A survey and analysis of official / government policy documents.

An analysis of propaganda materials.

1.2 THE RESEARCH PROBLEM

During the run-up to South Africa's first democratic elections in April 1994, the electorate was attracted to parties by a range of promises made by these parties around a number of social issues.

This first democratic election is widely regarded as having been an uhuru election, i.e. a freedom election, for the majority of South Africans. There was, therefore, not only a lot at stake for the contesting political parties, but infinitely more at stake for the electorate. As is to be expected of such an election, the voter turn-out nationally was inordinately high. It would probably not be inaccurate to state that there was a high correlation between this high voter turn-out and the promise of freedom. However, it would be superficial analysis and flawed extrapolation if we were to ascribe the high voter turn-out only to the attainment of the abstract phenomenon,

freedom.

Freedom, as a concept in the liberal tradition generally finds practical expression in concepts such as freedom of religious worship, speech, press, assembly, privacy and protection against unreasonable searches and seizures, equality before the law, and so on. Ranney (1975:260) speaks of these freedoms as civil rights. He categorizes civil rights into two classes, i.e. limitations on government (things that government is forbidden to do to the individual) and obligations of government (series of duties the government is pledged to perform for the individual). In his list of those things which can be regarded as government obligations, he does not include the provision of housing. He does, however, list economic assistance as an obligation. It would, therefore, in the opinion of this student, not be wrong to infer that the provision of housing or assistance for housing by the State would fall in this category. We can, therefore, say that the practical manifestations of freedom are to be found in state assistance to the populace in the areas of education, social security, health services and housing. It is especially about these latter issues that promises are made by political parties, since they provide the gravitational pull that parties need in order to attract electoral support.

The point, therefore, is that South Africa's first democratic elections was not only about the attainment of freedom by the mass of the electorate, but also about the acquisition of public services that they had for so long been denied or that had been provided on a differentiated basis - with skin colour serving as the basis for such differentiation.

In squaring up to the elections, political parties appropriated a range of these rights and privileges and included these in their manifestos and party programmes, but chiefly in their election campaigns. What is critical for the purposes of this paper, is the fact that these appropriations were often put forward as non-negotiables that would, at a minimum, be incorporated into future policy formulations. One such non-negotiable was housing, or more accurately put, the State's responsibility to assist in providing `housing for all'.

1.3 HOUSING IN THE SOUTH AFRICAN POLITICAL DISCOURSE

The notion that the State is responsible for providing `housing for all' is not a new one. It is a notion which precedes the election of 1994 by many decades. It was first formulated in 1955 at Kliptown and is contained in the Freedom Charter. What this means is that views on the State's responsibility in respect of housing, is deeply rooted in the South African political discourse. It has, of course, also a longer history and is of great significance in what has come to be known as Charterist politics.

Charterist politics were revived between the years 1977 and 1982 and found its most cogent expression in the formation of the United Democratic Front (UDF) in 1983. The centrality of housing, as an issue in the formation of the UDF, is captured by Seekings (1990) who points out that on the 23rd January 1983, Allan Boesak called for the formation of a `united front' of churches, civic associations, trade unions, student organizations, and sports bodies to oppose the State's constitutional reforms.

It is common knowledge that civic politics, i.e. the politics of housing and related issues would be used during the 1980s as a catalyst for political mobilization. This is not to suggest that housing was not a substantive issue on its own. On the contrary, it was an important issue then, as now. It therefore comes as no surprise that one of the more active and larger affiliates of the UDF in the Western Cape, during its existence, was the Cape Housing Action Committee (CAHAC).

What was the nature of the housing problem in the mid-1980s? In a report about homeless Blacks in the Sunday Tribune (7 September 1986) the following was reported:

> "Home for them is with the rats and the cockroaches ... they have nothing to share except the streets. They are the pavement people."

This untenable situation co-existed with White housing security. A different newspaper report said the following:

> "While almost 16 blacks are living in each house in urban townships, an estimated 37 000 houses and flats in white areas are standing empty, according to a survey by the Housing Research Information Centre" (The Star, 12 August 1986).

It is, thus, easy to see how such blatant discrimination could be used by a populist movement to mobilize and conscientize the masses politically. This mobilization and conscientization, subsequently, served the ANC well in 1994 as it revved up its campaign for national political honours.

Blacks had ways in which to deal which their housing plight. Those who were renting dwellings from Local Authorities, were encouraged to refuse to pay rents and service charges. This

reportedly (The Citizen, 1 October 1986) led to a situation, in 1986, whereby residents in 54 Black townships were reputed not to be paying rents, and if this boycott had to continue for another year, the State would have lost for that year alone an amount of R480 million. The boycott of housing and service levies formed part of the strategy to make the country ungovernable in the 1980s. However, it portended an ominous behemoth for the ANC government-in-waiting. No wonder, that one of the cornerstones of the present government housing policy is the inclusion of the Masekhane idea. In terms of this principle, the people are encouraged to pay for housing, site and service levies.

At the time of the elections, how effective would the new State be with regard to its benevolent electoral promises? This question forms a central focus point of the forthcoming analysis. However, firstly the discussion examines some of the promises that the major political parties made at the time of the 1994 elections.

1.4 POLITICAL PARTIES AND THEIR ELECTION PROMISES

1.4.1 The African National Congress (ANC):

The following demonstrates that the ANC assumed a very clear position on what it proposed to do about the housing problem. The party did not hesitate to quantify the amount of houses it would provide.

> "The ANC will eliminate racially-based housing institutions and install one national housing department which is non-racial, non-sexist, legitimate and accountable.

An ANC government aims to spend 5% of the budget on providing 1,2 million housing units within five years" (Scheffer et al, February 1994:8).

"An ANC government will immediately start a national public works programme which will address community needs and create jobs. Through this programme alone, we will aim to provide employment and training for about 2,5 million people over the next 10 years, building roads and providing water, electricity, schools, clinics, housing and meeting other needs" and, furthermore, "Having a roof over one's head and reasonable living conditions is not a privilege. It is a basic right for every human being. We will focus on the 7-million squatters and the homeless and the upgrading of townships" (A Better Life For All; ANC, 1994: No page number).

This clearly represents the promise of a benevolent welfarist State. The extent to which the ANC has fulfilled these promises will be examined in our analysis of current government policy.

1.4.2 The National Party (NP):

As can be inferred from the following, the NP promised that as the ruling party of the new democratic State it would be no less sympathetic than the one promised by the ANC. However, this coming from the party who was instrumental in creating the problem in the first place raised questions about its veracity.

"Billions of rands, some of which have been available for a few years because of

the ANC's delaying tactics will be used to purchase land. Infrastructure to provide services for squatter communities will be in place. Many houses will have been built" (Scheffer et al, February 1994:8).

"The National Party will within the next five years `promote home ownership and appropriate welfare housing', `make progress in respect of the housing needs of rapidly urbanising groups, within affordable limits'" (Five Year Plan of Action of the National Party 1989-1994, circa 1989:3).

"The new National Party truly understands the importance of proper housing. The new National Party will vigorously pursue its new Housing Endowment Scheme which was launched in 1994. This new Housing Endowment Scheme will eliminate underdevelopment of the past and also deal with the needs of a growing population" (National Party Manifesto 1994:No page number).

1.4.3 The Democratic Party (DP):

It will become apparent from the ensuing statements that the DP did not commit itself to the same level of benevolence as the ANC and the NP. However, it did hold out the promise of large scale public works programmes, and in this way, also created the impression of a ruling party which had a vision of a state that would be benevolent in its concerns for the poor.

"The State has a role in providing housing or at least service sites, for those who cannot provide for themselves. Housing needs will be met by a partnership between the individual, the community and the public and private sectors"

and furthermore,

"No government can create jobs, only people create jobs ... In addition essential public works programmes must use labour-intensive methods to employ, and provide skills training to, as many people as possible"

(The Democratic Party 1994 Election Manifesto:8).

The result of these promises, especially those of the ANC and the NP, is that the masses have high expectations of what the State would deliver and, also provided the impression that the State would carry most of the burden of the cost of such delivery. The question of course is, has the new State delivered and if not, what reasons are given and what trends seem to be emerging in terms of civil society action?

1.5 POLITICAL APATHY AND ALIENATION

It would appear that the expectations for many, if not for most, of the homeless and the poor have not been realized. Thus, the person who cast his vote, at the time of elections in 1994, thinking that this would change his circumstances, may now have doubts about the value of the exercise.

It must be remembered that implicit in the call to the masses of the people to participate in the

political process, by casting their votes, was the suggestion that through such participation, the individual would make a difference. Thus, people voted the way they did not only because of the yearning for freedom and the pull of political parties, but also because they believed that through their votes they would make a difference to their own lives and circumstances. It is, of course, when the voter feels that his participation in the political process, through voting, does not bring any change in his circumstances, that the person becomes apathetic.

Political apathy is an important political phenomenon which has been the object of much writing and discussion. Apathy is the principal visible characteristic of the a-political stratum in any society. It is this layer of citizens, who despite the opportunities to participate in political life, decline to do so. Dahl (1963:78) says that it is a universal phenomenon and has been around since the time of the Greek city-states. But, this notwithstanding, it is a phenomenon that the young South African democracy can ill-afford. In the opinion of this student apathy is the seed-bed for the other known political phenomenon, political alienation.

Why do people become apathetic and alienated, and withdraw from politics? One of the reasons, according to Dahl (1969:81), is the fact that the individual thinks that what he does won't matter, since he cannot change the outcome anyway through legitimate participation. Such an individual who has pinned much of his hope on the legitimate government to help improve his lot, but who is left dissatisfied is a sitting duck open to the persuasions of undemocratic or revolutionary means to satisfy his needs.

In this regard, Nnoli's description of pre-Castro's Cuba in which Cubans had lost th and authority over their material conditions is instructive. He says

> "In pre-Castro Cuba extreme poverty pervaded that society ... Being a capitalist country Cuba tolerated the payment of workers for only three months. For the rest of the year they were unemployed. Furthermore, its close proximity to the United State of America enabled big American capitalists to displace small Cuban-owned firms ... Many people remained jobless ... Foreign domination, corruption and unemployment in turn led to alienation of the people from their society. Alienation gave rise to widespread loss of legitimacy causing the system to rely essentially on repression" (1986: 97-98).

It is Marx who spoke with such cogency about the alienation of the working class. He said that

> "As the working class grew even greater in number, ever poor in purchasing power, individual workers would become ever more alienated from themselves, transformed into the ultimate product of the world of private property: a proletariat. In order to regain their identity and their rightful share of the material goods the proletariat would have to abolish both itself (as a class of exploited workers) and the private property which had created it ... The existing system would be overthrown ..." (Lawson 1985:105).

The ideological connotations of these views notwithstanding, there are many who would argue that such pessimism is out of step with the mood and disposition of the South African people.

However, our further examination in this report of the housing plight ought to put us on our guard against too much optimism.

1.6 Structure of the Report

Given the above context the report will be structured in the following manner. **Chapter Two** will speak to the issue of whether State benevolence is a prerequisite for the provision of housing to the poor and also whether, when the State is responsive to the housing needs of the poor, it in fact acts out of benevolence (a welfarism) or simply to secure sufficient legitimacy.

What do we mean when we describe the State as benevolent or welfarist? Essentially, it means that the government has as one of its primary concerns, the welfare of its people, and that its policies represent efforts to satisfy these welfare needs, such as housing. It is this impulse of benevolence that serve as the motive-force for the social policies we have come to associate with the welfare state. An important assumption in the welfare state, is the obligation that the state has to assist those citizens who are materially not in positions to help themselves. Marcuse (Bratt 1986:262) speaks of the benevolence of the state as the `underpinning of the welfare state'. Therefore, in this report the words benevolent state (and benevolence) will be used interchangeably with the words welfare state (and welfarist).

In order to address the issue of State benevolence, a brief overview of the involvement of the State in housing will be given. This will include references to Great Britain, the United States of America (USA) and the former Union of Soviet Socialist Republics (USSR - Russia). These

expositions will give us some insight into housing provision where the State plays a limited role (Britain and USA) and where the State was the principal player in housing provision (the then U.S.S.R).

With reference to S.A., an attempt will be made to demonstrate that the provision of housing to the poor by the State is a necessity whether the State is benevolent (or welfarist) or not. This necessity is a direct consequence of the political practices in apartheid-SA and the consequent adversarial relationship between the State and those denied the vote. A historical account of the development of this relationship will be given.

The principal reasons for the adversarial relationship between the State and the masses were the seeming never-ending episodes of removals and relocations of the masses and their concomitant impoverishment especially "Since the Afrikaner christian nationalist government came to power in 1948 ..." (Nash 1980:1). It will also become evident that the State through these actions, and its later inactions, allowed the housing problem to develop into what it is today. It follows naturally that a democratically elected government ought to accept some responsibility to compensate these people for the losses suffered through the actions of the previous State. It will be argued that the State can do so by being responsive to the housing needs of the poor.

Chapter Three focuses on an analysis of official state policy documents, which will not only give us an insight into proposed state housing policy, but also whether the proposed policy adequately addresses the housing problem.

Interviews were held with the National Minister of Housing, a Member of the Parliamentary Portfolio Committee on Housing and a Senior Staff Member in the Western Cape Housing Directorate. The Member of Parliament is also an ex-Chairperson of the South African National Civics Organization. Their views will be incorporated into this chapter, to add to the official views contained in the documents.

An attempt will be made to demonstrate through analysis that State Housing Policy is geared to the greater commodification of housing. Commodification is a fundamental value in a market-oriented milieu. Greater commodification of housing means that housing is becoming more and more privatized and subject to the private sector quest for profit. This movement to privatize housing raises two important questions:

- Firstly, whether housing, which is enshrined in the country's constitution as a social right, is in fact such, since privatization and commodification will put housing out of the reach of many.
- Secondly, whether a housing policy that promotes privatization amidst a sea of poverty and homelessness can be considered socially just and fair.

It is generally accepted that South Africa has a very serious housing problem - especially the housing of the poor. In this chapter, we will also examine the extent of the current housing problem in SA. This will be based on tables and a report of the Council for Scientific and Industrial Research (CSIR). An attempt will be made to draw inferences from the tabulations that are pertinent.

Chapter Four will attempt to demonstrate that the preference for the privatization of housing in SA should be seen in the context of the Government's embrace of the neo-liberal macro-economic policy, i.e. Growth, Employment and Re-distribution (GEAR).

The ANC Government's commitment to GEAR has been criticized by many, no less its own partners in the tri-partite alliance, i.e. the labour movement (COSATU) and the Communist Party (CP). The criticism is more often than not about Government having abandoned the `original' Reconstruction and Development Programme (RDP), with its vision of growth through employment and re-distribution. The point of departure in GEAR is, employment and redistribution through growth with the emphasis on fiscal austerity and limits on social spending.

It will be argued that Government's commitment to GEAR might be rooted in the notion that democracy and the market economy are two elements of a virtuous circle. In order to have democracy and sustain it, the principles of the market economy must be embraced. It will be argued that there exists important contradictions between democracy and the market economy and that the slavish support of the market economic principles may, in fact, undermine democracy. This is particularly true when the State appears to have become malevolent rather than benevolent, and is seen to be pandering to the needs of big business rather than to the needs of the poor, thus reneging on election promises.

Chapter Five consists of concluding remarks and some general recommendations. The former will touch on the issues of justice and fairness in public policy, whilst the latter will take the form

of recommendations, which it is hoped, will have practical usefulness.

1.7 Conclusion

From the above it is clear that South Africans, especially the homeless and the poor have been promised a State that would be benevolent in the sense of welfarist and responsive to their plight. Those who promised such benevolence may at this stage be rather cavalier about the fact that political parties often renege on election promises and that there is therefore no need to worry too much about the discontent that may develop albeit about a matter as politicized as housing. We have seen though that this discontent can go over into apathy and alienation which are phenomena known to have threatened existing political orders.

The next chapter will give us some insights into the history of State involvement in housing and why there exists expectations for State benevolence in this area.

CHAPTER TWO

2. THEORETICAL AND PRACTICAL CONTEXTS

2.1 INTRODUCTION

According to the ANC, as well the NP, if their election promises were to be believed the provision of housing to the indigent is the responsibility of the State. This raises two important issues, firstly, the issue of the State as the benevolent benefactor of the poor, and relatedly, even if the State portrays itself as benevolent or welfarist, whether the provision of housing to the poor is, in fact, a realistic responsibility.

There can be no question that the ANC had built up an unenviable reputation of beneficence long before it took over control of the principal organs of the South African state. Thus, as it has been pointed out earlier, South Africa's first democratic elections in 1994 was not only about the acquisition of freedom and democracy by the black majority, but heralded a time for many to have their economic and material conditions improved. An ANC government at the helm of the ship of state would deliver.

It therefore comes as no surprise when survey data collected in a late 1995 IDASA national survey reveals, about people in the Western Cape, that

> "... 93% of people in the province agree that equal access to economic goods is a key element of democracy, which was virtually identical to the national average" (Mattes and Africa 1996:8).

The authors of the report do go on to express some doubt as to whether this figure conclusively indicates that the people have only economic conceptions of democracy, since the wording `equal access to economic goods', leaves room for ambiguity about inferences drawn. They state that people may have been responding to equal access (which could easily be seen to be a key procedural element of democracy) or houses, jobs and income.

The authors are very clear about the point that equal access to these economic goods obtain far greater agreement as an essential element of democracy, than any of the procedural elements put forward in the survey. But, perhaps more importantly, they state that the results suggest that for a large proportion of people in the Western Cape Province, as well as across the country, economic progress may have quite an important impact on their satisfaction with, support for, and commitment to, democracy. A further breakdown of the interviewers responses along racial/ ethnic lines reveals the rather compelling feature about which the authors say,

> "With regard to the first question on the primary meaning of democracy, whites in the province were evenly divided on the question, while coloured and African citizens were more decidedly in agreement with the primarily economic view" (Mattes and Africa 1996:8).

2.2 THE BENEVOLENT STATE: EVOLUTION AND CRITIQUE

Clearly, the groundwork has been laid for the benevolent State to make its `entree' or, perhaps more accurately put, the expectation that the `new' South African state will be more benevolent than before - the prevailing perception being that it owes it to the people.

According to Offe (1993:147-149), the welfare state has historically been the combined outcome of forces such as social democratic reformism, Christian socialism, enlightened conservative political and economic elites and large industrial unions. It has served as a peace formula of advanced capitalist democracies for the period following the Second World War. The formula consists of the explicit obligation of the state apparatus to provide assistance and support either in money or in kind to those citizens who suffer from specific needs and risks which are characteristic of the market society.

The welfare state has been criticized both from the right and from the left. Offe (1993:149) says that the right has been critical of it because it has meant more taxation on and regulation of capital which, in turn, is a disincentive for investment. It is also regarded as disincentive to work. The left has been critical because it regards the welfare state as conditioning a false understanding of social and political reality within the working class. It is also regarded as ineffective since it does not address the causes of the need in society.

This does not mean that the notion of the welfare state has become irrelevant. Judging by the deterioration of the material conditions of South Africans generally, there is now a greater need for state benevolence. About the deteriorating material conditions of the British, the (British) Report of the Commission on Social Justice says

> "Far from making the welfare state redundant, social and economic change creates a new and even more vital need for the security which the welfare state was designed to provide" (1994:222).

If such is true for the British, it is infinitely more true for South Africans.

In South Africa and elsewhere, business and many others criticize the welfare impulse of the State as unproductive because it is said to funnel capital away from growth related sectors of the economy, such as industry and commerce. This is a spurious argument which is not dissimilar to what happened in Britain and Europe in the 1970s. In this regard, Glennerster (1992:279) says that social welfare spending was widely blamed for the economic crisis of the time. On closer examination, though, it becomes clear that the massive reduction in public sector investment in the late 1970s and 1980s has not produced a equivalently massive increase in investment in manufacturing.

The idea of the benevolent state is open to contestation. For example, Peter Marcuse (Bratt et al 1986:249) states quite bluntly, that the idea of the benevolent state is a myth. He rejects the idea that the government acts out of concern for all its citizens and that its policies are efforts to find solutions to social problems. The myth, he says, is sustained by the notion that the failure of government to find solutions is only because of the lack of knowledge, countervailing selfish interests, incompetence or lack of courage. However, it is in the area of housing, in particular, that he regards the idea of the benevolent state as `radically and demonstrably false', and he refers to housing policy as an `ideological artifact'.

For the mass of the people, this kind of contestation would be purely academic. They have been previously disadvantaged through the policies of the State, and now expect redress, since it is they

who put the Government into power. But, more importantly, the tenor of election promises were such that they presupposed a state sympathetic to their needs and benevolent in satisfying these needs, especially their need for housing.

2.3 HISTORICAL EVOLVEMENT OF THE STATE'S INVOLVEMENT IN HOUSING

2.3.1 The United States and Great Britain:

Analysis of state involvement in housing in Britain and in other West European countries reveals that state intervention has its roots in two impulses, both of which do not include benevolence. Firstly, the concern with public health and the consequent need for the state to formulate housing regulations to protect the public health. The protection of public health meant the emergence of minimum standards in housing construction and housing project development. The requirement of minimum standards meant that housing provision would become more expensive. This led to the second starting point for State intervention in housing, viz. market failure. Adhering to minimum standard requirements, meant smaller returns on investments, which made the provision of housing to the poor by the private sector unattractive.

On the housing situation in Britain, Burke (1981:2) says that during the eighteenth and nineteenth centuries Britain experienced a social and economic transformation. This period saw changes in many areas, amongst others, technological development, labour relations and industrial organization. These were accompanied by a tremendous increase in the urban population. This urban expansion took place with little or no control, hence the rapid appearance of slums. She

makes the important point, though, that slum housing conditions existed before the industrial revolution, but that the industrial revolution and the concomitant urban expansion increased the growth of bad housing conditions dramatically.

It was in these slums that epidemics, such as cholera, dysentery, tuberculosis and smallpox were spawned and wreaked havoc. It soon also became apparent that these diseases could easily spread from these areas to those occupied by the wealthier classes. The need for public policy had, therefore, become imperative. This public policy was based on the `sanitary' idea and at its centre was the clearance and demolition of slums. The main effect though of this policy, as Steadman Jones (Burke 1981:3) has shown, was to increase the housing shortage and, therefore, those very conditions of overcrowding it was supposed to combat.

In the United States of America, sanitary considerations were also at the heart of early attempts at state intervention in housing. Prominent housing reformers opposed public housing vociferously. They considered governmental assistance for the construction of housing to be socialistic and welfarish. It would give rise to the promulgation of undesirable class legislation which would promote unfair competition to private capital and the evolvement of unwieldy government systems.

In both countries, housing reformers were not only concerned about communicable diseases and epidemics, but were also fearful of the moral decay that was spawned in the slums. In Britain, sanitary reformers saw the conditions in which the poor people lived as resulting less from

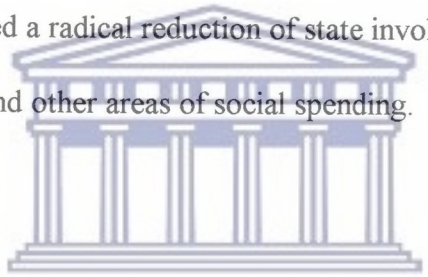
overcrowding and lack of amenities than from moral laxity. Peter Marcuse (Bratt et al 1986:252) states quite categorically that the housing codes and the consequent state housing provision were not the beginnings of benevolent policies addressed to remedying housing problems, neither was the public provision of housing for the poor a manifestation of such concerns.

The large-scale housing projects that were in evidence in the US in the first half of the 20th century bear testimony to Marcuse's assertion that the provision of large-scale public housing was a direct consequence of the military needs arising from World War 1. For example (Bratt et al 1986:253), the US Shipping Board Emergency Fleet Corporation was created under the Shipping Act of 1916 and was given the authority in 1918 to build or requisition housing for employees and the families of employees, of shipyards in which ships were being constructed for the US War effort. Thus, the overriding consideration was national defence and not so much the housing of those in need.

It may of course be argued that national defense considerations are such that it overrides all other aspects of social, or then housing policy, especially at a time such as a World War. However, the lack of US government commitment to housing to the poor is demonstrated clearly in its housing programmes available for veterans returning from the war. They were able to purchase single-family homes, regardless of the quality or suitability of their existing homes. According to Marcuse (Bratt et al 1986:252), this can be likened to the provision of housing by Augustus Caesar to the housing of the returning Roman Legions. The determinant was not housing need but rather social standing.

What we can gather from this is that the original impulse for housing provision in the US and other Western European countries was not benevolence. However, it would be incorrect to assert that the State has not been involved in the provision of public housing at times not related to war. The period immediately after the Second World War was characterized by massive State involvement in the provision of housing and other social amenities, especially in Europe. This, however, was done out of necessity and part of the post-war reconstruction of Europe.

In the 1980s, though, we witnessed the ascendancy of political and economic conservatism under the leadership of Ronald Reagan (Reaganomics) in the US and Margaret Thatcher (Thatcherism) in Great Britain. They propagated a radical reduction of state involvement in, amongst other areas, the provision of housing and other areas of social spending.



2.3.2 Russia

Even though Marx (Fromm 1966:68) foresaw the eventual disappearance of the state and the establishment of a society composed of voluntarily co-operating individuals, he probably would have agreed with Marcuse's rejection of the notion of the State being benevolent if the State he refers to is a capitalist state. Marx, after all, did regard the leadership in the modern State as the agents of the bourgeoisie. If the State were to be benevolent, it would be a contradiction in terms. As the agent of the bourgeoisie, it has to consent, albeit tacitly, to the acquisition of private property. Bourgeoisie property has been described by Marx (Taylor 1967:96) as based on class antagonisms and the exploitation of the many by a few. Thus, the theory of communism may be summed up in a single sentence, `the abolition of private property'.

On the other hand though, Marx would probably have been far less critical about the communist state. In his view, in the progression to a stateless society, the communist state represented an important step towards the achievement of economic abundance. According to Hazard (1967:4), he regarded the communist form of government as democratic by design and it would yield maximum benefits to the general public. The benevolence of the State arises from its appropriation of the forces of production and its monopoly over property. It is when the State has extended its control over the means of production and distribution that all citizens will benefit maximally and share equally in the economic abundance.

Our principal interest, of course, is to establish whether state benevolence has been felt in the area of housing in previously called "communist" states. According to Andrusz (1984:26), the public sector in the then USSR in 1980, accounted for 77% of all urban housing. This stands in sharp contrast to the only 3% of housing stock in the USA which fell under public ownership. However, this high percentage of state ownership does not tell us whether, in fact, the then Soviet State had been responsive to the housing needs of its people, let alone its benevolence. The answer to this question may well be contained in the assertion by Andrusz (1984:154), that the picture that emerges in respect of housing and urban planning in the USSR is one of an under-developed and under-funded sector within the society's overall planning apparatus.

David Lane (1985:62) speaks to this issue when he says that social provision in the U.S.S.R. was not of a high standard and that by 1977 the average person had only twelve square metres of house space.

This lack of adequate planning appears to have been the result of the fact that the gathering of the statistics was geared to economic planning rather than urban planning. But, it can be argued that even the economic planning in the U.S.S.R. was contrived because of a pervasive war mentality. Alec Nove (1970:163) speaks of the U.S.S.R.'s war economy which was even in peacetime engaged in a politico-military operation. The planners were constantly struggling with priority problems which he says occupied most of their time and demanded unremitting attention. Non-priority sectors such as housing were not enabled to fulfill their plans.

A further problem in respect of housing in the USSR which reflects negatively on the `generosity' of the State, is the standard design for houses. Andrusz (1984:157) says that the external forms of houses and public buildings were unoriginal and stereotypic, which made most of the residential areas appear uniform and unattractive. At face value it appears that this emphasis on standardization and uniformity was the result of constraints in the economy. However, an equally plausible explanation is probably the fact that individuality was sacrificed in the interest of the group. In this regard, James Scanlan (Hall 1988:42) says that Marxism's basic unit of analysis has been the group and not the individual. He refers to Gennadiy Batygin who says

> "We preferred to speak of the individual only as a member of a collective, a class or as a society as a whole" (Hall 1988:42).

What, therefore, emerges about the State's role in the provision of housing in the then foremost Communist State, the USSR, is firstly that by virtue of the fact that its efforts are geared to economic planning, proper planning for and the adequate provision of housing has been neglected.

Therefore, even though a very large percentage of the housing stock in the USSR was provided by the State, the evidence suggests that it had not adequately responded to the housing needs of its citizenry.

Secondly, implicit in the Communist ethos is the centrality of the collective. This principle was narrowly interpreted in the USSR and consequently housing provision was bereft of individuality and diversity. Thus, the housing needs of the citizenry were homogenized, not only at the level of housing provision but also at the level of State policy. The tendency of politicians and bureaucrats to homogenize the needs of the population is an issue that will be returned to in Chapter Five.

2.3.3 South Africa

It might be argued that the South African state has been involved in housing provision for decades. Thus, in becoming directly involved in the provision of housing now, it is not assuming a new role. The South African State has, even in the `bad days' of segregationist tendencies and thereafter in the harsher apartheid-years, displayed benevolence, albeit in a limited way.

In South Africa, though, the principal determinant of state benevolence was racial considerations. Only Whites were considered to be worthy of state benevolence. This was in evidence especially at the time of the Great Depression of the 1930's. The South African State then threw its full weight behind an investigation into the poverty of Whites in South Africa, i.e. the Carnegie Commission into the Poor White Problem in South Africa.

According to Du Toit (1934:3), the idea of a national conference on the Poor White question owed its inception to the publication of a report of the Carnegie Poor White Commission in 1932. The extent of the then government's commitment to the matter can be gleaned from the remarks made by the then Minister of Labour, Mr A.P.J. Fourie a representing the government at this National Conference on the Poor White Problem. He said amongst other things,

> "Die regering sal ernstige oorweging skenk aan u besluite..... Vandag is dit vir ons gebiedend noodsaaklik om ons aandag skerp op die dreigende gevare van armblankedom te vestig as ons nie wil toelaat dat die blanke beskawing ondergaan nie. Hierdie Kongres wat byeen geroep is om die groot vraagstuk van alle kante te behandel is derhalwe `n spontane uiting van die volksgevoel" (Du Toit 1934:16). [1]

2.3.3.1 State Discrimination In Housing

For most blacks the situation in respect of housing and land was acute. The State, at best, discriminated against them and, at worst, robbed them of their land and housing. At the heart of the apartheid ideology was the geographical and physical separation of Blacks and Whites. And it is a generally acknowledged fact that in this process of separating Blacks and Whites, Whites were accorded most-favoured persons treatment in respect of housing and other public goods.

This process of discrimination evolved over a long period of time, with the most significant

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[1]The government will give your decisions serious consideration ... It is of paramount importance that we today give attention to the dangers of the poor-white problem if we wish to preserve white civilization. This Congress has been called to look at this matter from all angles and is therefore a spontaneous expression of the nation's feeling.

milestones in the separation of Blacks and Whites geographically being the Land Act of 1913, the Group Areas Act of 1950 and the Bantu Homelands Citizenship Act of 1970. According to Nash (1980:23,31), these Acts were often implemented under the guise of slum-clearance exercises, which it was claimed were done in the interest of the public health. In the case of Africans, repatriation was also used as a justification. The areas to which people were moved were euphemistically called `betterment areas'. She regards these Acts as part of the propaganda that was applied to achieve large-scale and destructive social engineering.

According to O'Meara (1996:69), millions of black people were eventually forcible ejected from `white land' in terms of these measures. They were usually dumped unceremoniously to `adapt or die' in remote and primitive `resettlement areas'. The appalling conditions in these areas regularly produced excruciating poverty, disease and crippling infant mortality. These exercises by the State, though, were more often than not seen for what they were, that is justifications for the State's political philosophy, policies and practices - and, consequently, invited some form of protest or resistance.

As far back as 1901, the Colored People's Vigilance Society (CPVS) recorded (South African Spectator, 18 May 1901:8) what appears to have been its apprehensions about slum-clearance exercises. One of the expressed objects of this society was to investigate and place before the proper authorities (for the purposes of compensation) the claims of Coloured people who had sustained losses through the enforcement of laws deemed necessary to suppress the spread of the bubonic plague. Interestingly, that organization introduced notions of blackness that would

almost seven decades later be embraced by the Black Consciousness Movement (BCM). About blackness, a BCM affiliate, the South African Students Organisation (SASO) launched in 1969 said the following in its' Policy Manifesto

> "We define Black people as those who are by law or tradition, politically, economically and socially discriminated against as a group in South Africa ..." (Gerhart 1978:261).

The CPVS said that it used the term Coloured to mean all those who are not White.

The role of the State, along the colour divide, is captured in another article which was written about fifty years later. Reporting (The Torch, 23 June 1947:4) about the possibility of the expropriation of properties in Grassy Park on the Cape Flats, the reporter was told by a resident of this suburb that the improvement of amenities, such as electricity and storm-water drains in the area, brought with it the very real threat of expropriation. The general perception at the time was that whenever a suburb had acquired such amenities the original inhabitants who had made the area liveable had their properties expropriated by the State, so that poor Whites could move into these areas.

It would not be inaccurate to say that these two examples were indicators of what would happen all over the country over the next few decades. Cumulatively, these and other similar exercises meant the destruction of an enormous amount of housing stock. About the enormity of the destruction, only under the provisions of the Group Areas Act, the Minister of Community Development said (Morris, March 1993:61) in 1979 that 72 000 Coloured families and 34 000

Indian families - involving a total of more than 547 000 people - had been moved. For Africans, the removal of families from Duncan Village (Eastern Cape) alone would eventually affect 100 000 people.

It is clear from the above that the housing shortage that is currently in evidence has developed over many years. It is equally true to say, that the apartheid ideology was the biggest singular obstacle to the State spending enough of its resources on housing for Blacks in general, and Africans in particular. However, it must be borne in mind that by the mid-1980s, the government was flaunting its constitutional reformist ideas and one would have expected State resources to be ploughed into service delivery to Africans especially since they had suffered greater levels of discrimination as well as the scale of need.

In 1983, South Africa saw the introduction of the National Party constitutional reform programme which culminated in the acceptance of the tri-cameral constitution. It was of course the exclusion of Africans from the tri-cameral dispensation that led to the formation of the UDF. About this, Van Zyl-Slabbert says:

> "The issue of black exclusion from the new tri-cameral constitution was effectively seized upon to question the relevance of any participation in such structures and to highlight the co-optive nature of the State's constitutional programme"
> (Giliomee & Schlemmer 1989:75).

2.3.3.2 Constitutional Reform and Housing Provision

The tri-cameral constitutional dispensation initially excluded Africans. However by the middle 1980's a shift in the NP policy became apparent. In 1988, Stoffel van der Merwe, the NP Deputy Minister of Information and of Constitutional Affairs, said about the governments future constitutional designs

> "The first principle of the framework is that all citizens must share in the political decision-making on an equal basis. By citizens we mean also those black people who had previously lost their South African citizenship in favour of citizenship of one of the self-governing territories or the independent states, provided that they live within the boundaries of the republic of South Africa (but excluding the TBVC states)" (Giliomee & Schlemmer 1989:41).

If, though, the government had genuine reformist intentions, especially in respect of those Africans outside of the TBVC states, one would have expected it to deploy resources of the state to acquire or release land for township development for this long-neglected segment of the population. But this did not occur. The government continued to be indecisive and acted as if it was trapped in its own ambiguities about constitutional reform. John Kane-Berman captured this indecision most succinctly when he said, as early as 1978,

> "There can be few countries where dominant elites talk so much of the need for change, but do so little to bring it about" (Kane-Berman 1978:230).

The consequence of this apparent constitutional indecision meant that, by the end of 1986 the State was still engaged in forced removals. The Sowetan (Thursday 18 December 1986) report that more than 4 000 families in villages around Sibasa and Thohoyandou were threatened with removal to make way for expanding townships and industries. The villagers alleged that the Venda government had ordered a halt to all new buildings in the villages until the existing sites were reduced. After the reduction of sites apparently only approved expensive houses would be built in the area. Those who could not afford to move into these new houses would have to move away without any government compensation or assistance.

It may be argued that this proposed removal happened in an independent (of South Africa) Venda. However it is common knowledge that, almost without fail, the policies and practices in these states were replications of the policies and practices of the South Africa that spawned them.

Another example of continued segregationist tendencies is reported by The Argus (17 December 1986) on the impending demolition of the squatter camp, Lawaaikamp, just outside of George. According to the report, three members of the Provincial Executive Committee issued a joint statement wherein they said that Lawaaikamp fell within the George municipal area and that it had not been proclaimed an African residential area. The land was needed for the extension of the Coloured residential area.

Thus, the failing Apartheid State used both class and racial differentiation to try to achieve its political objectives. We can therefore say that despite its seeming change of heart in respect of

urban Africans, it had in fact had become more repressive and discriminatory.

It may however be said that this continued repression and discrimination was borne of necessity. The State had no clear or coherent policy, but it still had to project the image of being decisive. In a hard-hitting article entitled `There's no Nat Plan' (The Argus, Thursday 2 October 1986) Hugh Robertson argued that the National Party Provincial Congresses of that year were essentially pointless gatherings. The National Party had no new initiatives, no new policy and no new vision for dealing with the crisis that enfolded South Africa.

The consequence of this was that the State was not delivering. Because of the lack of delivery, the housing need of the homeless was regarded to be so great that Mike Fowls (Daily News, 16 May 1991) of the South African Housing Trust said that the building of forty cities the size of Soweto was needed to accommodate the homeless.

In an interview with Business Day (Monday 15 September 1986), the Executive Chairman of the Urban Foundation, Mr Jan Steyn, reportedly said that one of the biggest risks facing South Africa at the time, was that a climate of deep despondency, impotence, frustration and bitterness was being created by the political log-jam and apparent Government intransigence. He pleaded for an emphasis on the delivery of products rather than on the high profile promotion of a (political) reform agenda. This is a call that many would say is not out of place even in the `new' South Africa.

This lack of vision and policy by the NP was no more apparent than in the area of housing. This state of affairs led to the World Bank issuing a report (The Weekend Argus, 17 August 1991) in which it compared South Africa's Housing Policy under apartheid to that in the command economies of Eastern Europe. The report said that the housing sector in South Africa had failed to contribute to broader economic and social development.

The enormity of the housing problem was such that if the State were to commit itself to the provision of low-cost housing to the poor and homeless, it would provide a tremendous boost to the economy through job-creation, increased consumer-spending and the taxes that could accrue to the State. However in an article in Finance Week (1-7 August 1991) it was pointed out that hopes that Black housing would provide a quick and substantial fillip to a sagging economy had all but collapsed. Instead, there had been little more than a continuous chipping away at the obstacles to building houses in the townships. Ironically, this still seems to be in evidence, and will be dealt with in Chapter Four.

2.3.3.3 Housing : A Site of Struggle

It is clear from the above that the combination of large-scale housing and property destruction, together with the lack of clear policy, must have engendered an adversarial relationship between the State and those affected by its policies and programmes. Since the State also provided a limited amount of homes to Blacks in a differentiated way, it also acted as a landlord. Thus, Blacks experienced the State as either the destroyer of their homes or as a pernicious landlord.

The arena of housing has therefore almost unavoidably become a site of struggle. It, therefore, comes as no surprise that during the mid-1980s with the ascendance of the United Democratic Front (UDF) (Seekings 1990:1) in the political arena, that civic and squatter organizations were to become principal players in making the country ungovernable. But, the question is, do the homeless, at this stage, have the will to organize themselves into a broad political movement that is willing to fight for a housing policy that is acceptable to them.

There are those who will argue that the homeless do not possess such a will. In this view, the fact that housing had (before 1994) been a site of struggle, is only because housing and civic matters piggy-backed on other more fundamental political issues. Now that the national question of political freedom has been settled, poverty and homelessness are regarded as nuisance caste issues.

Gunnar Myrdal (1970:375-377) has some instructive views on the masses and the satisfying of their expectations. According to him, conventional theory has it that when impoverished masses are touched by rising expectations, it was believed that the new hopes would inspire them to change their outlook on the world and work to bring about development. If these hopes are frustrated though, the masses are susceptible to (communist) propaganda and will rise up in revolt. Myrdal rejects this view. With reference to his observations in South Asia, he says that the raised expectations have very little to do with the masses. Instead, it reflects the feelings of those in the upper and middle classes reacting as part of the poverty-stricken masses.

Does this mean that the homeless in South Africa had previously had their plight articulated by an elite outside of their ranks? Also, that the elite is now sitting pretty in post-1994 and, therefore, the homeless have been rendered toothless and without wherewithal to do something about their plight?

The South African population is highly politicized. It has already been indicated that they turned up in large numbers at the time of the first democratic elections, not only to demonstrate their acquisition of the franchise, but also out of the belief that a new government will deliver. Furthermore, the housing issue did not ride the back of the national issue, but was in fact a political issue in its own right. Thus, the housing problem in South Africa has always been a political issue. Under previous regimes, the matter was politicized because of a battery of legislation and policies that discriminated against the masses.

Furthermore State action has consigned a significant segment of the population to live as squatters under the most appalling conditions - conditions that are, more often than not, far worse than the slum conditions that served as the rationale for large-scale evictions and relocations.

In 1852, when the Reverend Thomas Beames wrote

> "We have termed our rookeries plague spots; are they not indeed such? Where are our convicts nursed ...? Do not such outcasts hide their heads in the rookeries ...? And in close connection with such dregs the honest and hard-working labourer rests his weary head, his children play with felon's children, learning their habits,

infected by their example" (Burke 1981:6).

In the opinion of this student, it is a view that continues to ring true in South Africa today.

In South Africa, Mike Morris (Work In Progress, March 1993:64) expresses a qualitatively similar view, albeit with greater caution when he says that slums and squatter camps are notoriously difficult to regulate and are often regarded, with justification, as hotbeds of criminal activity and political agitation. On conditions in New York in the mid-nineteenth century, Lubove (Bratt et al 1986:250) comments that it was not simply the danger of epidemics emerging from the ghettos that panicked the middle class, but the memory of those days in July 1863 when the poor streamed out from their gloomy haunts to burn, plunder and murder.

These are phenomena that the young South African democracy can ill-afford. Too many continue their twilight existence in the squalor of squatter camps. It is in these camps that we find the majority of the unemployed and the poor. Schlemmer and Levitz (1998:10) refer to them as the surplus people - those who are left behind while the rest of South African society progress. According to Yach (Spier 1994:9), their numbers are increasing. Between 1980 and 1990, the absolute numbers of those who lived below the minimum living standards have increased from 14,7 million to 17,1 million. It is the existence of such large numbers of `surplus' people that threaten the stability of the new South African democracy. This threat is captured succinctly by Lipset(1976:102) who says that public opinion data from a number of countries indicate that the lower classes are much less committed to democracy as a political system than are urban middle and upper classes.

2.4 CONCLUSION

In this chapter we have argued that there are compelling reasons why the state should become more responsive to the housing needs of the poor:

- Firstly, it would appear that the majority of those who cast their votes in the first democratic elections hold, by and large, economic views of democracy. This view that there is an expectation that government will deliver in an area of material neglect such as housing.
- Secondly, these expectations were fuelled by promises made at election time, and even before, of a state that would be benevolent especially to those segments of the population that were previously denied state benevolence.
- Thirdly, besides the fact that the housing problem is numerically an enormous one, it is perhaps qualitatively even a greater challenge. Squatter camps breed discontent and alienation and should not be allowed to multiply as they have done in the last few years.
- Lastly, housing in South Africa has over the years become a highly politicized issue.

Therefore, if we consider all of the above, it is clear that should the State fail to respond appropriately to the housing needs of the masses, it will not only create socio-political problems for itself, but compromise the hard-for struggled democracy. Whether the Government intends to respond adequately to this pressing problem will become evident in the next chapter which focusses on housing policy documents.

CHAPTER THREE

3. THE STATE'S RESPONSE TO THE HOUSING PROBLEM

3.1 INTRODUCTION

In this chapter, we will give attention to two issues. Firstly, we will look at the extent to which government is willing to commit itself to the provision of housing for the poor and on what basis this commitment will be made. This will be done through an examination of important government policy documents that pertain to housing. The manner in which this will be done will be to unpack important issues pertaining to housing policy. Thus, the documents will not be examined separately. Of the documents, the White Paper on Housing is the principal document and will therefore be used extensively. Other documents that will be used are the Housing Accord (1994) and the Housing Act No.107 of 1997. Reference will also be made to the S.A. Constitution (1996).

The **Housing Accord**: The Accord (1994:5) is an important document since it was co-authored by such a divergent group of role-players. These role-players were the homeless; government at national, provincial and local level; the communities and civil society; the financial sector; the emerging contractors; the established construction industry; the building materials suppliers; the employers; the international community; and the developers. Quite important for this report (1994:6) is the recognition by the signatories that historically the housing arena has been a site of conflict and that the resolution of the housing crisis demands political courage by the country's leaders.

The spirit of co-operation is to be found on all the pages of the Accord. Interestingly though, the homeless (1994:8) in their pledge and with reference to the private sector makes the call that housing provision takes precedence over the quest for profits. This quest for profits and the concomitant commodification of housing is an important theme in this report.

The **Housing Act** (No. 107 of 1997): The importance of the Act is the fact that it sets out in detail the institutional roles and responsibilities of the different tiers of government. This is especially true in respect of the implementation of the Capital Subsidy Scheme. There are two points pertinent to this report that can be gleaned from the Act. Firstly, the way in which the institutional roles and responsibilities are set out appears to be based on a presumption of co-operative governance between especially the National Government and Provincial Governments. It will become evident though that this presumption is premature. Secondly, the Act (Part 1: Clause 2c[i]) not only speaks of the desirability of different tenure options, but in fact elevates it to a general principle of housing development. It will become apparent from this report that virtually nothing has been done at the level of housing provision and even policy to promote different tenure options.

Interviews have also been obtained with the National Housing Minister and with two other government employees tasked with housing portfolios. The views of these three persons will be integrated into this chapter.

The other issue that we will look at is extent of the country's housing problem. It has been

suggested that the problem is an enormous one which must raise questions about affordability. In his 1996 Report, the Managing Director of the Mortgage Indemnity Fund (MIF) listed affordability as the single biggest challenge, not only to the MIF, but to the whole of the National Housing Program (MIF Annual Review 1996:5). The provision of housing to the poor, who happen to be primarily Black, is at the centre of the issue of affordability. This chapter will, therefore, touch on the issue of `race' in housing provision.

3.2 ANALYSIS OF OFFICIAL POLICY DOCUMENTS

It is to the official documents that we now turn. It is perhaps appropriate to turn to the White Paper on Housing since it says that

> "This White Paper marks the beginning of a process" (1994:4).

3.2.1 Delivering Housing to the Poor

The pre-eminence of housing on the agenda of government is seemingly established when the White Paper (1994:4) says in the preamble,

> "Housing the nation is one of the greatest challenges facing the Government of National Unity".

There is also no doubt that the principal benefactors of this apparent state benevolence will be the poor when the document says

> "Our collective success in achieving this productive climate will be the essential foundation for removing the blight of homelessness - one of the most visible and destructive legacies of the past."

We may infer from the above that the official view is that the State is serious about delivery and especially about delivery to the poor. This is a sentiment that the Minister reiterated a few times in the interview with her. She said

> "The many housing projects underway in the different provinces are evidence of how serious government is about the provision of housing to the poorest of the poor" (15 April 1998).

Many would differ with her about whether Government is delivering enough, but more importantly whether it is delivering in accordance with pre-election (1994) promises made.

For example, the Provincial Deputy Director of Housing, Ms Charlotte Lamour, stated

> "Delivery is extremely slow. This is due to the fact that the National Government has given the Provincial Governments too little latitude to plan their own housing programme" (17 March 1998).

Her view is validated in a Cape City Council document which says the following about delivery:

> "Likewise, as far as the numbers are concerned, it is a fact that the current rate of delivery in Cape Town is so low as to be negligible" (City of Cape Town, 1997:2).

This view is supported by Thurman (1999:71) who says that large numbers of houses have been or are in the process of being delivered in the small and medium provincial towns. However, in the metropolitan areas where the need is the greatest, delivery is inadequate.

The Minister gave what appeared to be a plausible explanation for the slow delivery when she said

> "Delivery at the local level was slowed down by the postponement of the Local

Government Elections" (15 April 1998).

The criticism, though, from a Provincial official contradicts the Minister's claim that

> "... the spirit of co-operative governance guides the housing process nationally" (15 April 1998).

The White Paper on Housing sets out in much detail what the current housing context is, with important demographic information and its link with the provision of housing. What is, perhaps, of particular significance to this paper is the breakdown of the projected monthly household income distribution figures for South Africans.

TABLE 1:

Projected monthly household income distribution figures (1995)

No.	Income category	Percentage	Number of households
1.	R 0 - R 800	39,7%	3,30m
2.	R 800 - R1 500	29,0%	2,41m
3.	R1 500 - R2 500	11,8%	0,98m
4.	R2 500 - R3 500	5,6%	0,46m
5.	>R3 5001	13,9%	1,15m
	TOTAL	**100%**	**8,3m**

(Source: White Paper 1994:8)

The significance of the breakdown lies in the fact that it is stated in the document that

> "... the low incomes earned by many South Africans is a major consideration in the formulation of a future housing strategy" (1994:4).

Such consideration must augur well for housing provision to the homeless. But, drawing such an inference, at this stage, would be premature especially when we consider the updated figures below.

According to the 1998 Annual Report of the Department of Housing, those households who have an income of less that R1 500 per month, now make up 74,17% (up from 68,7%) of the total S.A. households. This represents an increase of 5,47% on the amount reflected in the tables. At the other end, those households which have an income of R3 501 or more, now represents 10,78% (down from 13,9%) of the total number of households. This indicates a decrease in this `more affluent' category of 3,12%. What this therefore means is that overally approximately 8,5% of the population have become poorer.

One would expect that where there has been such a significant increase in the ranks of the poor that government will commit more to the provision of housing. However as we will see later in this chapter, less money is in fact earmarked for housing.

3.2.2 Tenure Options

The White Paper contains an analysis of the living conditions of South Africans and its link to the current housing stock. Quite rightly, it gives attention to the estimated present housing backlog. It says

> "Socially and politically, this backlog gives daily impetus to individual and communal insecurity and frustration, and contributes significantly to the high levels

of criminality and instability prevalent in many communities in South Africa" (1994:11).

Of particular importance to this paper, is the exposition on conditions of tenure, albeit a rather brief one. What is of critical importance, though, is the point made that

> "This pattern of insecure tenure is undoubtedly one of the salient features and causes of the housing crisis in South Africa" (1994:11-12).

It then goes on to say, rather interestingly, that

> "One of the most significant and short-term interventions required of the Government will be to provide the widest range of options for the rapid attainment of secure tenure" (1994:12).

As has been said earlier, different tenure options are accepted as a general principle in housing development in the Housing Act of 1997. It says

> "National, provincial and local spheres of government must ensure that housing development provides as wide a choice of housing and tenure options as is reasonably possible; ..." (Government Gazette, 1997:6).

For the purposes of this report, this is a critical intention stated in the White Paper. Since tenure options have important financial implications it will be further elaborated in the context of the state's macro-economic policy in the next chapter. We will examine whether the proposed State housing policy does make provision for the widest range of options and the significance of this to the provision of housing to the poor.

3.2.3 Housing - A Public Good or a Commodity?

A detailed examination of the constraints to resolve the South African housing crisis is undertaken in the White Paper. Under Section 3.38 of the White Paper, there are two `Sociological' constraints which are very important for this report. Firstly, the Paper says that

> "... the high expectations of many people from the new democratic order have to be tempered by fiscal and practical realism, if this is not to become a major constraint to housing development in South Africa; ..." (1994:15).

In my opinion, this may indicate an awareness of a restive and highly politicized constituency with high expectations who could at best alter their party political allegiances and at worst withdraw their allegiance to the new political order.

Secondly, it says

> "... many households still have a limited view of housing, and have not realised its full potential as a means of increasing equity and security ... increased housing production will provide an opportunity for the creation of a viable secondary housing market" (1994:15).

There can be no question about the sense of equity and security that will be generated through the acquisition of housing, not only for the individual household, but for the homeless collectively. However, it is when the White Paper addresses the question of increased production of housing as a means of creating a secondary market, that we are reminded of the tendency in Government to commodify housing.

The question is that if housing is viewed as a commodity, can it also realistically be viewed as a basic human right? It must be remembered that housing is a right that is enshrined in The Constitution of this country, which says

> "Everyone has the right to have access to adequate housing" (The Constitution 1996, Clause 26 [1]).

But not only that. As stated in chapter one, the ANC made the following promise,

> "Having a roof over one's head and reasonable living conditions is not a privilege. It is a basic right for every human being. We will focus on the 7-million squatters and the homeless and the upgrading of townships" (A Better Life For All; ANC, 1994: No page number).

It can therefore be argued that the ANC promoted the interpretation that housing ought to be regarded as a public good rather than a commodity.

Thus, it could be said that the more housing is treated as a commodity, the more one has to doubt Government's professed commitment to housing the poor. It must be borne in mind that the commodification means that housing becomes the object of trade, and therefore of profit. This in turn places an upward pressure on housing prices. It is the quest for profit that may put decent housing out of the reach of the poor. Alternatively, if the poor are forced, out of necessity, to accept such housing, a too large amount of their disposable income will be spent on housing. This must have a negative effect on the overall standard of living. It raises very serious questions about the welfare intentions and hence the benevolence of the South African State and the veracity of the election promises that would have ostensibly formed the basis of state policies.

3.2.4 State Limitations vs People's Potential

To be fair, it is clear that there are very real financial constraints confronting the State in respect of housing delivery. The Minister insisted that

> "... the existence of financial constraints does not mean that the State has reneged on its responsibility to assist the poor and homeless. In fact, the differentiated subsidy available to even those who are unemployed, is evidence of the State's commitment to housing the nation" (15 April 1998).

Interestingly, though, is the fact that in the outlining some of these important economic constraints, it is stated in the White Paper that

> "A number of factors militate against a massive increase in effective demand for and supply of housing" (1994:16).

This is clearly the language of the market place.

The summary of the economic constraints puts emphasis on budgetary limitations, and rightfully so. It makes the very important point, that all of the constraints are overshadowed by one important factor, and that is affordability. It then relates affordability to the limitations imposed on the State by the State fiscus and macro-economic realities. It is important to note that a recurring theme in the White Paper is this reference to the limitations confronting the State. It says

> "In policy terms, affordability is conceptualized here, as having two essential components. The first relates to State affordability, and is understood in terms of

the very real and accepted limitations imposed by the State fiscus (italics mine) and macro-economic realities" (White Paper 1994:16).

It also says

"*This constraint is further tempered by the realisation that housing has to compete with other national priorities (italics mine),* such as health, water and education" (White Paper 1994:16).

Affordability, as an issue for the poor, is also raised as a constraint. However, with reference to the poor and the homeless, the Paper becomes somewhat contradictory about the issue. The document recurringly refers to the potential of this mass of people that can be *helped to help themselves* (italics mine) in respect of housing. It, for example, says

"High expectations: the high expectations of many people from a new democratic order have to be tempered by fiscal and practical realism ...";

"In more specific terms, it requires the State to constantly seek new ways of *supporting the poor to mobilise complementary support (italics mine)* through which our housing goals can be achieved over time"; and "... *individual themselves have the capacity to mobilise (italics mine)* important resources for housing" (White Paper 1994:15-17).

This is not a bad idea, but it has the potential to create an imbalance i.e. when one speaks about the State, one must first consider its limitations, but when one speaks about the poor and the homeless, the emphasis changes to what they can do for themselves.

In this regard, the White Paper makes the point that where people, due to socio-economic adversity, are not in positions to afford access to secure tenure, basic services and basic shelter, then society in general and the State specifically have the responsibility to address this situation within the resource and other constraints applicable to it. It then goes on to say rather ominously that

> "In doing so, Government's aim will have to be in the medium to long term, reduce levels of dependency and increase levels of independency from the State financial assistance and support" (1994:23).

The above statement is ominous when one considers that government, on the one hand, commits itself to the challenge of the housing crisis but also proposes to do something about dependency before it is an issue and before any significant reduction has been made in the need for housing. It must be borne in mind that thus far the poor and homeless have by and large satisfied their own housing needs through the erection of make-shift dwellings to be found across the South African landscape. This renders the suggestion of dependency presumptuous. Furthermore, the material and social conditions of the poor and homeless are to a large extent the direct consequence of the policies of the former apartheid state.

3.2.5 Homelessness and Unemployment

We can safely argue that there is a positive correlation between the presumed dependence of the poor and homeless on the State and the fact that these individuals and families are generally also unemployed. When people are employed and self-supporting, they are less likely to be dependent

on the financial resources of the State.

The potential impact that large-scale housing provision can have on unemployment is recognized in the White Paper when it says

> "... the need to reduce the level of unemployment and the scope for job creation in a mass housing programme should encourage investment in housing" (1994:17).

The expectation that large-scale housing projects can contribute to an increase in employment opportunities, is also contained in the Housing Accord (1994:10) which says:

> "In the face of high unemployment, we recognise the significant contribution that housing can make to job creation in communities."

The Accord is an official agreement between the State and other role-players. What this means is that the State has not only committed itself to the housing process, but also to a process of creating employment opportunities.

During the course of the interview with her, the Minister said "Thus far the housing process has contributed significantly to job creation" (15 April 1998).

However, this is interesting when we consider the fact that job losses, rather than job creation, have been the order of the day in South Africa over the last few years. An article in the Finansies en Tegniek (F&T Weekly 15 May 1998:26) refers to a Reserve Bank report which states that there was a nett loss of 104 000 jobs in S.A. in the first three-quarters of 1997. Overall, the Bank reported that the number of people in full-time formal employment was no higher in 1998 than in 1981. More significant though is the statement made by the Department of Housing when it

states that

> "The main sectors contributing to this decline were the mining, construction and manufacturing sectors. By the end of 1997 the average level of employment in mining had declined by 3%, *in construction by 4,7%* (italics mine) and in the manufacturing sector by 3,7%" (Annual Report 1998:40).

Furthermore, the Annual Report (1998:40) also says that the building industry experienced a downward trend in confidence levels from the first quarter of 1996, with the exception of the third quarter of 1996. In the second quarter of 1998, a net 30,6% of respondents expected worse conditions. The negative sentiments spilled into the third quarter of 1998 when another 30,6%of respondents expected conditions to be worse for another year. This stands in sharp contradiction to the Minister's claim and the intention expressed in the Housing Accord.

3.2.6 The State Housing Subsidy

The question arising from the above is what the homeless can expect from the State in the short term. In order to have an idea, we need to turn to the White Paper's proposed key strategies to ensure housing delivery. These are:

- stabilizing the housing environment in order to ensure maximal benefit of State housing expenditure and mobilizing private sector investment;
- facilitating the establishment or directly establishing a range of institutional, technical and logistical housing support mechanisms to enable communities to, on a continuous basis, improve their housing circumstances;

- mobilizing private savings (whether by individuals or collectively) and housing credit at scale, on a sustainable basis and simultaneously ensuring adequate protection for consumers;
- providing subsidy assistance to disadvantaged individuals to assist them to gain access to housing;
- rationalizing institutional capacities in the housing sector within a sustainable long term institutional framework;
- facilitating the speedy release and servicing of land;
- co-ordinating and integrating public sector investment and intervention on a multi-functional basis.

(White Paper, 1994:27).

The strategies are each separately quite important and when applied in a synchronized manner, will go a long way to help resolve the housing crisis. One is struck by the prominence given to the issues of savings, credit and subsidies. This is not unsurprising since as has been pointed out, affordability is the single most important obstacle to both the State and those who live in abject poverty, in the pursuance of the housing challenge. Thus the provision of financial support by way of State subsidies or putting in place mechanisms that will create for many more households, access to credit are in principle accepted in the document.

For the very poor, the state subsidy looks particularly attractive. The levels of subsidization until March 1999 were as follows:

Joint spouse monthly income (R)	Subsidy* (R)
0 - 800	15 000
801 - 1 500	12 500
1 501 - 2 500	9 500
2 501 - 3 500	5 000

* Adjustable by up to 15% (on an area, not project basis) at the discretion of the relevant Provincial Housing Board, for locational, topographical or geotechnical reasons.

(White Paper, 23 December 1994:46)

Since 1 April 1999, the subsidy amounts have been increased and is as follows:

Monthly beneficiary income (R)			Current subsidy amount (R)	Increased subsidy amount (R) from 1/4/99)
Up	to	1 500.00	15 000.00	16 000.00
1 501.00	to	2 500.00	9 500.00	10 000.00
2 501.00	to	3 500.00	5 000.00	5 500.00
Consolidation subsidies				
Up	to	1 500.00	7 500.00	8 000.00

(Source: Department of Housing Annual Report 1998:13)

The question is whether the proposed subsidy is really as attractive as what it seems? Will it significantly assist the poorest of the poor in satisfying their housing needs? Should the State's contribution not be in a different form? Let us consider what the White Paper says in answer to

these two questions.

Firstly, with regard to the seemingly attractive amount of money as portrayed in the tables, the White Paper states that due to the presence of a high proportion of poor households and State budgetary constraints, there is insufficient subsidy money per household to ensure the construction, at State expense, of a minimum standard complete house for each household unable to afford such a house. If this is the case, one wonders what kind of State subsidized housing for the poor will fill the urban and rural landscapes of South Africa. A further word of caution about the provision of mass housing, expressed by the former Director-General of Housing, Mr William Cobbett, takes on a very real significance. In an Annual Report of the Housing Department (1996:5), he said that if mass delivery is approached in such a way that the idea is to primarily chase after quantity, this may compromise quality. This will result in the creation of new ghettos, but with one difference: they would have been created democratically.

His view is echoed by Project Managers (Thurman 1999:29) involved in the impact study undertaken by the Development Action Group (DAG)

> "... you have to do something. The something ranges from a 20m structure to a toilet ... The 20m is close, but it certainly does not allow for decent family living."
>
> and
>
> "five years ago we wouldn't have believed we could build such rubbish - houses that are totally technically inferior ..."
>
> (Thurman 1999:30).

The second question is answered with equal clarity in the clause 5.3 which states

> "Given the constraints imposed by the need for fiscal discipline, it is clear that the State will not in the foreseeable future be able to provide levels of subsidization at the lower end of the market which are sufficient to cover the costs of delivering a formal house to every South African in need of housing" (1994:41).
>
> This raises question about the veracity of the stated intention to assist the poorest of poor through the introduction of a fourth category of subsidy, for the lower end of the market.

The increase in the level of subsidy may also be taken to be a positive move by the State. However, if as has been stated earlier, less money is made available by the State but more households are in need of State assistance, it follows that less households can be assisted. Presumably, these households will fall in the category of those with the least income. However, the fact that the main beneficiaries of the capital subsidy are the lowest income groups creates a new set of problems. According to Thurman (1999:73), large numbers of these households cannot afford the cost associated with formal housing such as rates and service charges, while some cannot even afford the connection fees for basic services.

The City of Cape Town (December 1997:1) is blunt in its appraisal of the State Subsidy when it states that the national housing subsidy is insufficient to produce an acceptable standard of habitation. It regards the availability of the subsidy as having fostered uncreative ways of dealing with the problem by overlooking other resources such as micro-lending as opposed to mortgages

and local government resources and expertise.

It would appear that this seeming lack of commitment to housing the poor, or the ambiguity about the extent of the commitment, arises from the fact that housing is treated as a commodity, rather than a public good. If this is the case, and it certainly seems to be so, then it must raise questions about the supposed welfare orientation of the South African State. Election promises and public policy appear to be at odds.

3.2.7 Partnerships with Business

What emerges from the above is the necessity of the State to enlist business as a partner in the provision of mass housing. A Housing Department Discussion Paper on Direct Access of Subsidies by the People (1996:10) says that private sector organizations can become involved in supporting the people's housing processes in the context of project-linked subsidies. It goes on to say that although there appears to be no large profits to be made, it will be in the interest of private sector companies to enter into partnerships with communities. Needless to say, unless partnerships are profitable, it is most unlikely that private sector organizations will engage in partnerships in respect of large-scale housing projects with either Government or communities.

There exists some evidence of private sector companies having undertaken such partnerships. However, these have been few and far between. About private sector developers, Thurman (1999:71) says that they play a very small role in housing delivery. When we consider the

magnitude of the overall housing problem these adhoc and numerically small numbers hardly make a dent in the problem and, therefore, becomes of very little consequence.

It therefore comes as no surprise that the Minister said during the interview

> "South African business generally has been unwilling to become involved in the housing process. This has meant reliance on funders from abroad"
> (15 April 1998).

Her views were echoed by Mr Tsenoli, MP and Parliamentary Housing Portfolio Committee Member, who said

> "Those of use in Parliament, concerned with housing, have been struck by the reluctance of big business in South Africa to support financially the housing process. This has forced us to look beyond the country's borders for the necessary finances needed to support the provision of housing for the nation"
> (23 April 1998).

These two views stand in sharp contradiction to the commitment made by the financial sector when it said with the signing of the Housing Accord (1994:11) that it would re-double its efforts to access further wholesale funds which can be dedicated to the housing market. Perhaps this lack of commitment should have been predicted since as Ted Baumann (1998:23) says that the Accord was more symbolic than substantive. By virtue of its importance, this matter will be further elaborated in Chapter 4 when we look at the position of business in respect of housing.

One could conclude that the way in which the official documents speak of private sector

involvement creates the impression that private sector support will be secured. However, the record shows that should private sector support be secured it will probably be to satisfy profit motives rather than the needs of the community. It follows that yielding to the profit motive leads to the greater commodification of housing.

3.3 APPROPRIATING THE DISCURSIVE SPACE

The official documents on housing are voluminous. This allows all sorts of conflicting and even confusing interpretations to arise. The Minister was asked about this. Her response was

> "The issues affecting housing are so many and varied that these can only be captured in voluminous documents. I do not think that the volume of State documents means that the State has appropriated the discourse in respect of housing. I also do not think that through its documents, the State is setting the parameters in respect of the debate on housing. The State is definitely not the gatekeeper of the discourse in housing" (15 April 1998).

Her views were again supported by Mr Tsenoli who said

> "I feel that all important stake-holders were invited to participate in the formulation of or to comment on policy documents. The State can therefore not be accused of acting as a gatekeeper or of having appropriated all there is to say or print about housing policy" (23 April 1998).

These two arguments, of course, do not hold. The State churns out so many documents that the

best civil society organs can do, is to react to this State discourse. Furthermore, many of the most articulate individuals, who had before 1994 formulated an alternative discourse to that of the State in respect of housing, have become part of the State apparatus, thus robbing civil society of its principle agents of discourse formulation. Mr Tsenoli, as a past President of SANCO, is a good example of such a person. It has, therefore, become easier to formulate a housing policy which is at variance with election promises.

3.4 MAGNITUDE OF THE HOUSING PROBLEM

The magnitude of the housing problem can be gleaned from the tables attached as annexures (see Annexures One and Two for estimated housing shortage). The data contained in the tables were obtained from the October Household Survey (1995:3).

To date, this has been the most extensive survey that specifically relates population size to housing need. During the survey, the household shortage has been estimated to be 2,1 million units. Thus far, a survey of this nature has not been repeated. The Annual Report of the Department of Housing states that

> "The household figures are based on the Census 1996 preliminary estimates of the population by Central Statistical Service and average household sizes extracted from the 1995 October Household Survey" (1997:33).

The survey divides the households into two main geographical categories, viz. rural and urban, with the latter including semi-urban areas. The following dwelling-type categories were used in

the report, viz. formal, hostel, informal backyard shack, informal shack and traditional dwelling. The report also distinguishes between acceptable and unacceptable housing.

The authors are quite confident that the housing shortage can be calculated at 2,1 million units. This is a formidable amount of housing units. The rhetoric of government has been that this figure represents a challenge to which it will rise especially as it pertains to the provision of housing to the poor.

The question to be asked is whether there is evidence of adequate commitment to resolve the housing problem. If we consider the evidence at hand, this appears not to be the case. For example, in May 1998 the Minister of Housing (Interpellation May 1998:2) lamented in the National Assembly that housing's share in the total State budget for the fiscal year 1998/1999 is **only** 1,8%. This is indeed far less than the proposed 5% that is recommended in the Accord (1994:7). By all accounts, it does not look as if it might get better in the near future. The DAG (Annual Report 1998/9:4 & 5) links the decline in funding directly to the replacement of the RDP with GEAR.

The ANC in its (1994) election promises stated that it would build 1,2 million housing units. This in itself, would have been hopelessly inadequate. If we consider the fact that by September 1998 only 629,449 units had been completed or under construction (Annual Report 1998:41), and as has been said earlier many of these units are of very poor quality and provided where they are least needed, the tenuousness of the situation becomes apparent. Thus, the decrease in State funding for housing can only add to the problem. Perhaps the most urgent issue pertaining to the

housing shortage is the `race' issue.

3.4.1 The `Race' Issue

The fact that there is a decline in the level of funding, has very serious implications for housing provision especially as it affects the poor, who are mostly African. The level of African poverty, compared to that of other groups in South Africa, can be gleaned from the following table which indicates the Human Development Index (HDI) of South Africans.

The HDI is a measure of people's ability to live a long and healthy life, to be able to communicate, to participate in the life of the community and to have sufficient means to obtain a decent living.

Year	RSA	African / Blacks	Coloureds	Indians / Asians	Whites
1990	0,557	0,394	0,532	0,655	0,739
1991	0,677	0,500	0,663	0,836	0,897

(Source: Statistics In Brief 1996:3.15)

What is rather disturbing is the fact that Spier (1994:2) says that since its ranking (70th out of 160 countries) in 1991, there is evidence that South Africa and therefore South Africans have in fact dropped lower in the ranking. It would probably not be inaccurate to say that for a significant number of Africans their already low HDI has in fact become even lower.

For a number of years the African population increase has outstripped that of the other population groups. In 1985 the African population was estimated (Jordaan et al 1991:13) to have been 73,8

per cent of the total population. The 1996 census (Dept of Housing Annual Report 1998:44) pegs the African population at 76,7% of the total population.

Of this number 54,0% of the African population is estimated to be under the age of 35 years. What this means, is that by the year 2005 these individuals will be in the age group where they , in all probability, would have started their own families. Thus, the need for housing increases and, therefore, higher levels of State funding is demanded.

The issue will be increasingly tinted with racial overtones when we consider the level of housing shortage for Africans compared to the housing shortage for other racial groups. In the Free State, Gauteng and KwaZulu/Natal provinces there were zero housing shortages for Coloureds, Indians and Whites compared to the almost 1,3 million units in shortage for Africans in 1995 (see Annexure Three). This is a politically untenable situation and carries the seeds of potential racial strife that the young South African democracy cannot afford. It must be remembered that it is by and large the African constituency that has voted the ANC government into power. By failing to deliver to this constituency, it will also undermine its own credibility.

3.5 CONCLUSION

On the surface it seems that the State has a definite commitment to the housing of the poor. However, closer inspection of relevant policy documents reveals at best an ambiguous commitment and at worse very little commitment. This reduce the expressed intention to `house the nation' to a hollow cliché.

The policy documents to many represent the clearest indication of a departure from state benevolence that the masses have been promised and have come to expect. It would appear that housing provision is becoming more and more commodified, and it is when this happens that the needs of the homeless are not addressed. This raises questions about whether housing policy satisfies the criterium of being socially just. Furthermore, the poor and the homeless in South Africa are mostly African and therefore if the State appears to lack commitment to do something about their plight, it also adds a racial dimension to the problems of homelessness. Government will be accused of racial discrimination which may undermine its nation-building project of the post-election years.

Those in government would deny that discrimination is intended and would argue that it is macro-economic factors that determine housing policy. What these factors are will emerge in the next chapter.

CHAPTER FOUR

4. GOVERNMENT'S MACRO-ECONOMIC POLICY AND ITS IMPLICATIONS FOR HOUSING

4.1 INTRODUCTION

What has become evident in the previous chapter is the intention of Government to promote the commodification of housing. In so doing, the responsibility of the State to provide housing to the poor will be lessened.

In this chapter we examine how a declining role of the State in the provision of housing not only fits the prescriptions of GEAR, but also the neo-liberal economic precepts that we have come to associate with globalization. The privatization of State enterprizes and service delivery are important tenets of neo-liberal economics. This chapter explores the privatization of housing delivery and the link between such privatization and the promotion of home-ownership as the most appropriate form of tenure.

4.2 GEAR - ITS ASCENDANCE

Analysis of housing policy in South Africa will reveal that there is a strong move in the direction of housing commodification. This should come as no surprise. In June 1996, the South African Government made public its `new' macro-economic strategy, Growth, Employment and Redistribution (GEAR).

GEAR is oriented towards a declining role in public sector spending, and an increased role by the private sector in areas traditionally serviced by the state. The strategy has been criticized by many as representing a neo-liberal framework similar to that advocated by the World Bank and the International Monetary Fund (IMF). These two international agencies have gained unenviable notoriety, particularly in Africa, as a result of their structural adjustment conditionalities to beneficiaries of their funds.

About the World Bank and the IMF and their relationships with many African countries, Dot Keet (Vick 1994:33) says that since the early 1980's the World Bank and the IMF have implemented a vast social engineering project to structurally adjust more than seventy-five countries, of which more than half are in Africa. Structural adjustment plans have often been the object of controversy. Consequently, Keet says that every World Bank policy for SA is diplomatically `pre-cooked and served' in such a way so as to cause minimum controversy.

Dexter appears to describe the embrace of the neo-liberal framework as unavoidable when he says that

> "Already the ANC is subject to tremendous pressure from local and international capital, forcing it towards the centre" (Vick 1994:31).

The international pressure that Dexter speaks of is the direct result of the globalization of politics and markets and the emergence of dramatically new information and production technologies. We can now speak of a world order that, has since the decline of the Soviet empire, been

dominated by the precepts of the market economy. In this regard, Keet (Vick 1994:34) speaks of the New World Economy which she says embraces the global economic control exercised by the World Bank, the IMF, the North Atlantic Free Trade Agreement (NAFTA) and the General Agreement on Tariffs and Trade(GATT). She has the following to say about the World Bank and the IMF,

> "So the Bank is adopting `a delicate approach to SA (as a recent Business Day piece noted), engaging in a `quasi-Socratic' dialogue with our present and future leaders and `quietly preparing the next government's policy-makers and analysts" (Vick 1994:34).

We can infer from this that she means that even though the pressure is subtle it is effective.

Leon Gordenker (Cox 1969:134) is far less critical about the IMF and the World Bank when he says that in general the outward form of the relationship between an intergovernmental aid-giving agency and a recipient government resembles in important respects the conventional arrangements made between sovereign governments for co-operative ventures. He also says (Cox 1969:128) in the same uncritical fashion that decisions on allocation of resources formally derive from collegial considerations by representatives of several governments.

According to Berins (Humphrey 1996:32), the domination by the market economy has caused governments to be pressurized to adjust to the new world economic order. Furthermore, and of greater significance for this report, Berins says that the world has changed and reconfigured the policy space within which governments make economic decisions. In her analysis of factors that

influenced policy-decisions in Mexico, Berins (Humphreys 1996:32) lists three important factors: firstly, the potential for flight of international capital; secondly, the strength and autonomy of domestic capital; and thirdly, the weakness of the labour movement. We might accept with relative ease the applicability of the first two factors. About the third factor, it may be argued that South Africa has a strong labour movement that may be in a position to significantly influence policy-decisions.

However, if we extrapolate from Berins' analysis, a counter-argument may be that South Africa's labour movement is weaker than what it is made out to be. Firstly, South Africa has a large labour surplus and an ever-shrinking job market. Secondly, labour by and large is part of the tri-partite alliance and is therefore politically subject to the control of the State. Thirdly, supply-side and more market-based economic models fragment the labour movement undermining the logic of strong centralized labour organizations. It may be said that organized labour is the one mass constituent that may have been able to provide a counterweight to the State's proposed neo-liberal policy orientation. However, labour in South Africa itself is becoming more and more fractured, undermining the cohesion that is required for it to effectively resist the proposed neo-liberal policy orientations of the State.

It will become evident though in our further elaboration of GEAR that the relationships between aid-giving agencies and recipient countries are far from collegial and generally their conditionalities are geared to promote the neo-liberal project.

4.3 GEAR, RDP AND HOUSING: CONTRADICTIONS

The housing strategy as set out in the White Paper is regarded as being consistent with the ethos and principles of the Reconstruction and Development Programme (RDP). The RDP, at least in it's original form (De Villiers 1994:9), is a macro-economic framework that was formulated on Keynesian principles. It proposed growth and development through reconstruction and redistribution. In this process, government was assigned the leading role of guiding a mixed economy through reconstruction and development.

According to Dexter (Vick 1994:30) the RDP represents a clear alternative to the neo-liberal agenda of the NP and sections of business and offers a viable means to repair the devastation wrought by apartheid and capitalism in SA. More specifically, it provides an opportunity to establish a new progressive hegemony that embraces the values and principles to which the mass democratic forces have committed themselves.

On housing, in particular, the RDP document projected the provision of affordable shelter for all by the year 2003. It furthermore proposed that housing be funded by government and business through a National Housing Bank and national home loan guarantee fund. Government would make sure that the poor got financed for housing.

Indications of a change in the air in respect of a macro-economic framework is to be found in the RDP White Paper released in 1994. It was clear that this document departed from both the content and tenor of the original document. What we have seen is a shift from the Keynesian

approach to macro-economic policy, to a policy rooted within the neo-liberal framework. This shift should really not come as a surprise though when we consider what Alec Erwin, a then (1994) principal actor in the tri-partite alliance, had this to say about the original RDP document:

> "As regards macro issues raised in relation to the RDP, there can be little doubt - and business has to its credit acted strongly to make us aware of this issue - that it's all very well to have these sorts of strategies, but they also have to be conducted in a macro environment that is favourable in respect of inflation, the balance of payments, the rate of return on capital invested and so on"
>
> (De Villiers 1994:3).

This shift vindicates what appears to be a premonition that Dexter had when he says

> "There is a real danger that the RDP might be restricted to being a social democratic project that seeks to reform, not transform capitalism ..."
>
> (Vick 1994:31).

Perhaps the ANC had to eventually consider the needs of business rather than that of its own mass constituency. It may be in the nature of realpolitik that this be done, election promises and the plight of the homeless notwithstanding.

4.4 GEAR AND HOUSING

What then are some of the important elements that make up the GEAR macro-economic strategy:

- Firstly, an acceleration of the fiscal reform process, including a tighter short term fiscal stance to counter inflation ... and a range of budgetary restructuring initiatives to sharpen

the redistribution of expenditure and contain costs

- Secondly, the implementation of the public sector asset restructuring programme
- Thirdly, a social agreement to facilitate wage and price moderation, underpin accelerated investment and employment and enhance public service delivery.

(GEAR 1996:4 - 5).

It is evident from the above that a high premium is placed on fiscal control so as to reduce the fiscal deficit. Fiscal discipline is a necessary exercise. However, when as the document says, the fiscal deficit has to be brought down to 3% of the Gross Domestic Product (GDP) by fiscal year (FY) 1999/2000, this has very serious implications for spending on public services. What this means is that there will naturally have to be a greater reliance on the private sector to deliver public goods. Since housing has been commodified to the extent that it has, it certainly could become fair game to be taken over by the private sector providers and this could severely disadvantage or even exclude the poor.

The supporters of the neo-liberal framework argue that it is only when the private sector is allowed to ply its business with minimal state interference that the economy can grow and consequently put people in positions where they can primarily look after their own needs. It is argued that

> "Governments and public-sector institutions are blundering dinosaurs compared to the fleet-footed market mammals of private enterprize",
>
> and furthermore, the

"... well-intentioned interventionism impaired the efficient functioning of (especially labour) markets, frustrated economic growth prospects, led to government budgets getting out of control and increased a country's inflationary tendencies" (Cleaver 1997:65).

Other important aspects of the argument are:

- Firstly, that if the provision of a public good is left to the private sector, it will do a better job than Government. The private sector will produce housing more efficiently and in this way costs will be reduced - which will make housing accessible to more people.
- Secondly, the current high cost for housing is so because of the shortage of housing - which means that landlords and home-owners are in positions to push up rents and prices.

The validity of these arguments are questionable. They overlook the fact that internationally there is a renewed focus on the role that productive expenditures on infrastructure and social services play in promoting not only in a country's economic well-being and growth, but also in encouraging private investment. Public expenditure can in fact lead to the crowding-in of private sector investment, laying the groundwork for sustainable growth.

4.5 BUSINESS AND HOUSING

Business in South Africa in particular does not appear to be sympathetic to the poor, its rhetoric notwithstanding. This is very apparent in its "Growth For All" (p.v & vi) economic strategy. In respect of government spending and revenues it says that the budget deficit is too high and that

this in part is due to government spending. Thus, it recommends that spending on education, health and *housing* should not be raised, but kept constant in real terms. It says that government capital spending does not necessarily boost growth, and therefore all proposed government projects should be evaluated on strict economic grounds and that a process of rapid privatization be followed which will help ease fiscal pressures.

In respect of the desirability of privatisation the Cape Chamber of Commerce and Industry (Annual Report 1998:3) says that it is concerned that the economy is becoming increasingly over-governed which makes it more and more difficult to do business in the country. The fact that privatization may lead to large scale job losses is seemingly unimportant to the Chamber. In an earlier report it states almost unashamedly,

> "Chamber welcomed Government's recent announcement that the Department of Public Works is to cut its staff by 5 000 and transfer half its functions to the private sector over the next five years"
> (Annual Report 1996: No page number).

In its 1998 Annual Report the Chamber speaks with the same lack of sensitivity when it says,

> "The price of efficiency in the provision of cost-effective services by the public sector and efficiency in achieving global competitiveness in the private sector, is loss of jobs in the short term"
> (Annual Report 1998:14).

Parenthetically, apart from pointing a finger at government, business has not demonstrated a real willingness to do something about the unemployment levels in the country. This is borne out by

the following two comments made by spokespersons of the South African Chamber of Business:

- Firstly, "The `score-card' on the delivery side shows two areas of inter-related weakness, namely crime and job creation ... In addition business believes that successful job creation will require a reassessment of all those measures that currently serve to impede this process" (SACOB, 5 February 1999).
- Secondly, "Rigidities introduced by certain aspects of the labour laws were still posing a threat to new employment" (SACOB, 8 March 1999).

What is perhaps more disconcerting is the fact that SACOB (Annual Report 1998:11-12) acknowledges that unemployment in South Africa has reached `critical proportions'. With reference to initiatives to create jobs it states that it supports these, but it states emphatically that it regards labour market regulation as the fundamental issue. If, as the statement says, unemployment in SA has reached critical proportions, one would expect greater enthusiasm for initiatives that may lead to the resolution of this problem. Furthermore, one could argue that the magnitude of the problem makes it the fundamental problem rather than labour market regulation. However, it is this kind of statement that gives us an insight into the apparent insensitivity of business to the plight of the unemployed, poor and homeless.

Finance Week, which in its editorials generally come out in support of big business, says in an editorial on privatization

> "The best thing, therefore, for Manuel is to concentrate on getting all his cabinet colleagues to understand what most of them still do not - that SA will only enjoy

sustained high economic growth when it properly embraces market-orientated policies ... And what he can do will always be in doubt as long as he is surrounded in Government by unreconstructed collectivists whose compelling political instinct is to towards the State and away from private enterprise ..."

(6 November 1998:9).

Rick de Satge (Cullinan 1996:21) says that the housing policy is market-driven and the solution that has been presented is free-hold home-ownership. Furthermore, he adds that the private sector has been able to capture institutions such as the National Housing Board. This latter statement might be open to rebuttal, but his assertion, that getting financial institutions such as banks in the arena of low cost housing does not necessarily serve the cause of the poor certainly has merit.

The idea of the privatization appears to have gained such popularity with business and its supporters that it should not come as a surprise if it were to recommend the privatisation of housing provision on all levels. Perhaps this hypothesis is vindicated in the Chambers comments in the financing on local government, i.e. that local government revenue sources must be reviewed, staff be cut, arrears be recovered, municipal services and functions be contracted out and *wherever possible privatization be undertaken*.

It can be argued that there is a symbiotic relationship between the promotion of home-ownership and the commodification or privatization of housing. This kind of relationship validates David Yudelman's (Berger & Godsell 1988:170) argument that in modern societies, the relations

between capital and state are essentially symbiotic. Such a relationship serves to satisfy the profit motive of private enterprise with little consideration for the position of the poor and the homeless.

According to Achtenberg and Marcuse (Bratt et al 1996:5-6), the quest for profits limits the production of housing because the privately controlled resources required for its production are allocated to housing only when it is profitable for developers, mortgage lenders and so on. For example, they say, that at the peak of economic booms when business is expanding, commercial banks traditionally cut back on housing loans in favour of more profitable short-term lending to government and corporate borrowers. What this means is firstly, that if the need for housing or the provision of housing to the poor is not profitable, delivery will suffer. Michael Danielson (1976:32) speaks to the same issue when he says that although the housing industry covers its self-interest in social rhetoric, its primary aim is not social, but economic.

Secondly, from the point of view of business, it may be said that when the economy experiences growth, the provision of social services and goods by Government increase. When the economy booms it becomes easier for business to be enlisted as partners in housing provision through mortgages and housing development projects. However, during lean periods such commitment can probably not be expected from business.

The question as to why business should invest in areas of least profitability is however, a pervasively important factor. Indeed, if it does, it is somewhat of a contradiction in terms. Considering the magnitude of the housing problem, the provision of housing cannot be left to the

uncertainties and fickleness of the market. What is needed is an unwavering commitment by the State to the resolution of the problem.

It must be remembered that governments all over the world have major shares in economic activity. Thus, the arena of economic activity is one shared by the public and private sectors. According to Musgrave & Musgrave (1989:5), government participation in economic activity is not only because of political or ideological considerations, but also because the market mechanism cannot perform all economic functions such as the provision of public goods. This represents, to some degree, market failure. It must be borne in mind that market failure is in fact one of the two original impulses that necessitated state involvement in housing.

Stewart Lansley (1979:21) is quite emphatic about the need for state intervention in the housing market. This he says is firstly because of market imperfections and secondly, even if imperfections are corrected, the market will not distribute the housing stock fairly. In respect of the latter he (1979:31) suggests that an important argument for government intervention arises from the need for government to compensate for poverty and inequality in the distribution of income. In a market situation the distribution of houses would be tailored to the ability to pay. This means that housing inequality will reflect income inequality. This could mean that the poor end up living in homes of the poorest quality and become marginalized completely. Should this happen it will stand in sharp contradiction to the government's commitment as contained in the Housing Accord. It states

> "Every family, no matter how poor, has the right with commensurate

responsibilities to a basic structure with water, electricity, and waste water disposal, which is both capable of protecting them from the elements and of being extended as resources become available" (Housing Accord 1994:9).

Housing can therefore be regarded as a public good.

One of the functions assigned to government is what Musgrave and Musgrave (1989:5) call `the allocation function'. This function is a necessary one in the provision of public goods. As noted above, the area of housing is such a critical matter that the inefficiencies of the market cannot be gambled with. However, when housing becomes so commodified, it does seem as if a gamble is being taken. Of course, in housing, commodification finds its most cogent expression in home-ownership.

4.6 HOME-OWNERSHIP - TO BE REVERED OR REVILED?

The promotion of home-ownership must be seen as part of the general thrust towards privatization in society. In my opinion, privatization sets up a vicious cycle out of which it is hard to get out of especially in respect of housing. It is a self-perpetuating cycle that operates in a simple way. If state provided housing becomes unavailable then the large majority of home-seekers, save squatting and overcrowding, have to commit themselves to housing bonds and loans that they can often not afford. Once the commitment is made, trying to get out of it for many may mean the loss of down payments and bond repayments all ready made. Thus, they choose to stay bonded often at great financial cost and even at the expense of a decent quality of life.

Lansley (Lansley 1979:136) says that that the favourable financial treatment of owner occupation has led to a higher rate of building of houses than would have been, without these financial allocations. But he says quite categorically that it has also increased the prices of housing. This is a result of the fact that private sector housing providers factor in subsidization when they determine the overall cost and, therefore, state subsidization has not necessarily made housing cheaper, but, in fact, may have contributed to its increased cost.

It is quite evident that in S.A. currently a high premium is placed on the desirability of home-ownership. The preference for home-ownership is captured in the following policy proposals:

- Firstly, the City of Cape Town in its Principles for the Management of Public Rental Stock, Home Ownership Purchasers and Hostels (1998:10) states that the City ought to investigate making all rental stock available for sale.
- Secondly, the City of Tygerberg proposes in its Housing Administration Policy in respect of rental stock that "... existing tenants whose income exceeds the aforementioned amount will be requested to purchase their letting units where applicable" (1998:1).

Jim Kemeny (Bratt et al 1986:272) speaks of a `mystical reverence' for home-ownership, which he says is reflected in a British Government White Paper on Housing. According to Kemeny, the White Paper says that home-ownership is the most rewarding form of house tenure. It is said to satisfy a deep and natural desire on the part of the householder to have independent control of the home that shelters him and his family.

The consequence of this reverence to home-ownership has been the discrimination against other forms of tenure, such as renting or leasing. This is a bias that appears to pervade the housing values of English-speaking countries and also currently in South Africa. According to Lansley (1979:34) home-ownership is becoming more and more entrenched through `subsidies to demand'. Such subsidies can take the form of a general subsidy to all households or more selective subsidies to particular by income or tenure. as we shall see later, in SA such subsidies are only available to those who have purchased their dwellings. He also states that the main disadvantage of demand subsidies is that in absence of wider controls and the inelastic supply of housing, subsidies will affect prices, before they affect output and will therefore be of main benefit to existing home-owners, landlords and land-owners. This kind of subsidization is supported by free-marketeers.

Interestingly and perhaps contradictorily, the City of Cape Town (1997:3) proposes that people in its catchment area should be assisted to access housing in different tenure forms including rental and even co-operative tenure arrangements. It also states that the subsidy scheme should be used to introduced `rent-to-buy' financing options.

Home-ownership as the preferred tenure option is also to be found increasingly in non-English speaking countries. For example, Richard Applebaum (Bratt et al 1986:548-549) refers to Sweden where the non-socialist government (1976 - 1982) favoured a return to the market allocation in housing. However, with the return of the socialists to power in 1982, there were pressures to return to the original ideals of the co-operative movement which subscribed to a `housing rights' programme.

However, there was resistance to such home-ownership for especially two reasons. Firstly, home-ownership had found increasing favour as a form of tenure. In the rental sector there was increased dissatisfaction with the housing management and bureaucracy who were perceived to be unresponsive to the needs of the tenants. This critique of a `housing rights' programme is not without merit and must therefore be taken seriously. However, the danger is that currently in South Africa it may be embraced as a policy principle which may cause the State's commitment to `housing the nation' to be watered down.

Interestingly however, according to Bratt (Bratt et al 1986:554), the State's commitment to the provision of public housing in Sweden was never seriously questioned despite the above-mentioned critique .

4.6.1 Home-ownership and the State Subsidy

We need to examine the level of the S.A. Government's commitment to alternative forms of tenure - especially rental tenure. This is a question that was raised earlier. In an attempt to answer the question, we will again turn to the White Paper on Housing.

The following subsidies are proposed:

- collective ownership subsidies aimed at facilitating the application of collective housing models through which individuals acting in co-operation with others on a collective basis, can access appropriate housing;
- social housing subsidies aimed at providing subsidies to institutions created to supply

affordable housing to the lower end market;

- rental subsidies, anticipated to be aimed the institutions created to provide affordable, subsidized rental accommodation to the lower end of the market.

(Government Gazette No. 16178 - White Paper 1994:31).

On the face of it, it does appear that alternative forms of tenure to home-ownership are provided for. However, they do not come without ambiguity. What, for example, will be the nature of the institutions that will be created to receive subsidies for rental and social housing subsidies? Why should such institutions be created? Would it not be administratively easier if government builds a stock of housing that is rented from it through existing organs such as provincial or local authorities?

The idea of social housing and its subsidization sounds novel and ought to be welcomed. However, the White Paper (1994:45) says that such innovative approaches may require significant engagement with international expertise and experience. The question is from where will such expertise and experience come? We have already alluded to the fact that in the English-speaking countries, the preferred form of tenure is home-ownership. Furthermore, the macro-economic context wherein the South African housing policy is formulated, is a neo-liberal framework - very much an English-speaking product. We can, therefore, argue that whatever the character of subsidization of social housing it will be in accordance with the precepts of the neo-liberal framework.

Perhaps the most clear indication of Government's lack of commitment to alternative forms of tenure, is its determination to ensure that the poor should have access to housing credit. In pursuance of this objective, the White Paper (1994:47) states clearly that housing credit for low-income people should become available according to scale in the shortest possible time frame. Also, it says that the conclusion has been reached that an important part of the solution in the short to medium term is the mobilization of the major banks (mortgage lenders) into the lower end of the market. This appears to refer to the promotion of home-ownership.

This issue is succinctly captured in the Occasional Paper (Van Deventer 1994:6) by the Development Action Group (DAG) which says that security of tenure is often conflated with private ownership. Parenthetically, with reference to the Western Cape, the DAG (1998/9:21) says quite emphatically that choice of tenure option, apart from some hostel re-development project is almost non-existent. This has led to a very limited range of choice with regard to tenure options. Furthermore, there is no evidence to suggest that accessing the State housing subsidy can be done for the purposes of rent/lease agreements. Instituting such a subsidy system will be no easy task, but is not impossible to implement. Interestingly, in the Annual Report (1997:11) of the Chief Executive of the National Housing Finance Corporation Ltd (NHFC), under the heading Expanding the Range of Choice for Consumers, it is noted that the tenure for home-seekers in the government subsidized market remain limited to owner occupation.

The Annual Report of the Department of Housing is clear about this when it states

> "... the Housing Subsidy Scheme does not provide assistance towards the

development of rental housing ..." (1998:15).

However, it does go on to say that this matter should be given priority attention. But, there is no elaboration in respect of time-frame or how it is to be done.

The exclusion of rented property from State subsidy benefits, according to an article in the F&T Weekly (31 July 1998:34), is at variance with the vision of the late Housing Minister, Mr Joe Slovo. Such subsidization was seen by the late Minister as a way of reducing the country's housing backlog. The fact that subsidization for rents has not been implemented can only be ascribed to the increased neo-liberal macro-economic tendencies in respect of public spending and this does slow down the provision of housing to the poor. It is obviously in the interests of business constituents such as property developers and building societies, that home-ownership and therefore, subsidization for such purposes, be promoted.

It is interesting to note that state subsidization of rental dwellings used to be a common practice in the past. There are many township developments in the Western Cape that are evidence of this. Such subsidization took on the form of direct provision of housing to the poor by public authorities such as the Cape Town City Council and Utilities Companies (not for gain) such as the then Citizen's Housing League. According to Lansley (1979:36) this approach to housing financing has the effect of expanding supply directly and does not suffer from the weakness of general demand subsidies which may increase prices rather than output. The main beneficiary of the subsidy is the household who lives in the house and pays less than the market price.

Peter Wilkinson (in SACHED 1981:61) has described this increased cost as the price that the market demands and categorized it as the `effective' demand. It is this effective demand that makes housing inaccessible to many and oblige such households to live in rack-rented dwellings or squat in illegal or informal settlements with negative consequences for themselves and society.

4.6.2 Democracy and the Market Economy: The 'Virtuous' Twins

The question that must be asked is, if the privatization of housing, through home-ownership, is filled with such risks, why do the government and business persist in subscribing to it? Perhaps the answer to this is not as complicated as what it seems. It may have to do with the present Government's commitment (and seemingly that of business) to democracy. Democracy is generally regarded as one of two central values of Western Society. The other one is the market economy. The collapse of the Soviet bloc in the late 1980s have lent much credence to the superiority of democracy and the market economy.

According to Jacques Attali (Naim 1997:54) it would appear that these two, democracy and the market economy, together form a virtuous circle. It seems like the one cannot be had without the other, and that they are mutually reinforcing. Attali says that the marriage between these two values suffers from three fundamental contradictions which must be acknowledged. These are:-

- Firstly, that the guiding principles of the market economy cannot be applied to much of Western Society *and presumably African.*
- Secondly, that these set of principles often contradict one another.
- Thirdly, they carry within them the seeds of their own destruction.

We, of course, are interested in the second contradiction, i.e. the fact that democracy and the market economy are conflictual. In the first instance, the market economy accepts and fosters strong inequalities between economic agents, whereas democracy is about the equal rights of all citizens. Thus, if some people, through the process of economic inequality are not able to meet their own basic economic needs, they are therefore less able to exercise their full political rights. Attali makes the example of unemployed workers who can vote but are otherwise alienated. We have earlier alluded to the potential consequences of such alienation which results from unemployment. Attali's example of unemployment is instructive and rings rather ominously when we consider the high level of unemployment in South Africa.

The link between unemployment and homelessness is indisputable. The question that may be asked is, what has it benefitted so many South Africans to have gained the vote, if thereafter they are trapped in material destitution.

With reference to the poverty in South Africa Spier says,

> "The poverty trap is near complete absence of choice: choice where to live, what to eat, what to do, how to protect oneself. There is utter despair based on the feeling that there is simply no way out" (1994:2).

For many thousands of South Africans, previously disenfranchised, the question is, now that they have the choice to vote and who they wish to vote for, whether it will make a difference to their housing and other material conditions. The answer many have to this question after six years is that the acquisition of the vote has changed nothing for them.

According to Attali (cited in aim 1997), a second inherent contradiction between the market economy and democracy, is the fact that the former encourages selfishness, while the latter depends on the coalition of citizens in political parties and a general appreciation of a shared fate. What this means is that a democracy relies on political parties for its survival and these political parties are the centres of compromise between individual points of view. Market economies, on the other hand, rely on competition. It is about winning and losing. The destitute and the homeless represent the face of the losers in the market economy. The principle of profit is a non-negotiable even at the expense of those without homes.

A third contradiction follows from the previous one. Attali (cited in Naim 1997) says that the market economy assumes that the aggregation of selfish behaviour by all economic agents is best for the group. Democracy, on the other hand, is premised on the belief that the best outcome for any given group will result from the acceptance by a minority of the decision of a majority. In South Africa it is no secret who the majority are. But it would appear that government has to pander to the dictates of what is clearly the numerical minority.

4.7 CONCLUSION

Housing provision by the State, as is the case for many other social services, has over the last few years been the object of cost-cutting and rationalization. This has been due to very real financial constraints imposed on the State. However, what is also quite clear is that those who are in the leadership positions in especially the ANC has given in to the pressures of international and domestic capital to embrace neo-liberal economic policies.

At the heart of such policies is the reduction of State expenditures and the privatization of goods and services. To some degree, this embrace appears to be because the market economy is associated with democracy. Its consequence has been that the idea of housing being a public good and a social right has been supplanted by the idea that housing is a commodity in respect of which its provision is less and less the responsibility of the State. This has serious implications for the homeless, in particular, and also for the recipients of other public goods and services in general.

In the next (and final) chapter, we look at important aspects pertaining to State policy formulation with some recommendations in this regard.

CHAPTER FIVE

5. CONCLUSION & RECOMMENDATIONS

5.1 CONCLUSION

This report has attempted to demonstrate that in terms of the (1994) election promises made by the ANC, state resources were to be allocated in a manner that made the future South African State appear welfarist. However, judging from official policy documents in respect of housing, the State has turned out to be no more welfarist than any other.

There is no question that unlike many others, the new state carries a greater burden to correct many of the disadvantages and inequalities suffered by the majority of South Africans under previous governments and the apartheid regime in particular. It would appear though that only a few of the expressed intentions of the ANC have found their way into policy. Thus, the ANC is seen by many as having reneged on its election promises, not only in housing, but generally. This raises questions about fairness and justice. In South Africa, what is fair or just in public policy takes on a particular significance. It must be remembered that the formally banned political organizations claimed that their political programmes and manifestos represented the aggregated views and interests of their constituencies - of whom the majority happened to be poor and homeless.

It might be said that at the time of election, it is common cause for most, if not all, political parties to make promises - promises that they do not or cannot live up to. Thus, the act of reneging is

not really new and if this happens, so what? Adopting such an attitude in the new South Africa would not only be viewed as callous but also courting political disaster.

In contemporary society, public policy is measured more and more in terms of whether it satisfies the criterium of social justice. David Miller (Burke 1981:151-152) suggests **three fundamental interpretations of social justice:**

* **Firstly, justice as the protection of rights.** This kind of justice, he refers to as conservative justice, since its purpose is to preserve the established order.
* **Secondly, justice as distribution according to desert.** This kind of justice hinges on individual attributes, such as effort, virtue, achievement, and so on.
* **Thirdly, justice as distribution according to need.** This kind of justice demands a degree of collective and altruistic behaviour.

It must be clear that how a society distributes its resources, will depend on the interpretation of social justice that prevails in that society. It would be foolish to expect that the citizens in a society will voluntarily and spontaneously embrace altruistic notions of social justice. The opposite is probably more true and therefore government must take the lead in determining the kind of interpretation of social justice that will prevail in a society. This is borne out by Reiss' (Masters and Smith 1987:148) assertion that in distributive justice literature, the most replicated finding is probably a self-deserving bias by individuals about their own deservingness. They perceive themselves to have put in more and therefore deserve to get out more. In SA such a bias can only entrench the existing disparities and inequities between the haves and the haves-not. The

danger is that the maintenance of disparities and inequities may appear to be intended. According to Reiss

> "Unintentional inequities do not lead to anger whereas intentional inequities do" (Masters and Smith 1987:140).

Needless to say such anger cannot be afforded by a young fledgling democracy.

Should government take the lead though in formulating altruistic social policies it may of course come under criticism from many quarters - since such social policies invariably have costs attached to them and may lead to higher taxation and be perceived as promoting greater state control. This is not necessarily the case. According to Hayek (1973:142), the formulation and implementation of altruistic social policies does not mean that the private citizen now becomes the object of administration since he is still free to use his knowledge for his purpose and not necessarily to serve the purposes of an organization.

Henderson (Macintyre 1985:94) states that poverty is not just a misfortune befalling those who could not take advantage of the labour market, but it is instead a feature of the market economy - it arises out of the organization of society. The inequalities of income and wealth reinforce and are reinforced by inequalities of educational provision, health standards and care, *housing conditions* and employment conditions. One can therefore argue that governments have an obligation to formulate social policies that are altruistic.

The ANC held out to the voters the promise of an ethos of concern for the collective and

engendered a sense of altruism that would prevail in post-apartheid South Africa i.e. `justice as distribution according to need'. But, judging from the perspective of housing provision to the poor, can we really say that this has happened?

It would be unrealistic to expect that only this interpretation of social justice will prevail in the `new' South Africa. It must be borne in mind that this `new' South Africa arose out of a negotiated settlement between different sets of players. These players represented different constituencies, who on political and economic continuums, ranged from `reactionaries' to `revolutionaries'.

Schmitter and O'Donnell (1986:37) refer to such negotiated settlements as pacts, which they describe as agreements between select sets of actors who seek to define rules governing the exercise of power on the basis of mutual guarantees for the `vital interests' of those entering into it. Thus, in South Africa such a pact precludes the interpretation of social justice only along the lines of pre-1994 ANC rhetoric. It is, therefore, not surprising that currently in South Africa David Miller's first interpretation of social justice prevails. Furthermore with the passage of time, albeit short, we have witnessed an increasing emphasis on his second interpretation of social justice.

The danger is that these two interpretations of social justice may predominate and that public policies will not adequately address the needs of those less fortunate - this seems to be the case in the proposed National Housing Policy.

5.2 RECOMMENDATIONS

5.2.1 NGOs and the Need for Discursive Analysis

It has often been said that South Africa, unlike many other countries in Africa and elsewhere, has a very strong and vibrant civil society. However, the pace of the political change in the country since the first democratic elections has rendered many of these civil society organs, if not altogether superfluous, doubtful about their roles in the `new' South Africa. For example, Gumede states that the South African Civic Organization (SANCO)

> "... has found it particularly difficult to come to grips with post-liberation politics" (Cullinan et al 1996:16).

For example, SANCO was excluded from the low-cost housing agreement which has come to be known as the `record of understanding' between Government and the major banks. This certainly represents a major nose-dive for an organization that occupied the centre-stage in respect of civic and housing issues in the late-1980s.

But it is this that alerts us to the nature of the problem which is that civil society organs have to re-orient themselves in order to maintain their efficacy. One area in which an organization like SANCO and other organizations similar to it can play a constructive role, is to monitor and examine official policy documents in respect of housing.

There are still too many that naively believe that government policy documents are texts that describe problems and consist of proposed solutions to these problems. This happens all too easily especially if that government portrays itself as a paragon of benevolence. Ball (1994:22)

says that policy is also discourse and invokes Foucault who regards discourse as inextricably linked to power. Policies are official discourses of the state and, therefore, become the principal instruments of its power. Policy documents, as discourse, determine or are the sites of struggle and caretakers in the context of these documents determine the extent of the struggle. Its language is couched in such a way that it puts the State in the position to limit or rule out alternative ways of thinking about social issues.

This awareness, of the link between discourse and power, demands a new approach to policy analysis. Codd (1988:243) speaks of textual deconstruction as such an approach which he contrasts to the traditional technical empiricist approach. The textual deconstruction approach is premised on two fundamental assumptions, viz. policies are used to legitimize state power and these policies are, also, tools to engineer consent. Thus, the language used in policy documents and the way in which language is used are the critical objects of textual deconstruction.

Language must be viewed as a reflection of social practice and is, of necessity, structured by the material conditions in which this practice takes place. Language, therefore, does not just name things. Language produces real social effects and is political. It does not only describe political things, but is the object of political power. Language can therefore be used to suppress social contradictions and maintain societal cleavages.

What does all of this mean? Quite simply even if we do not subscribe to the Marxist dictum that

"The executive of the modern State is but a committee for managing the common

affairs of the whole bourgeoisie" (Taylor 1967:82),

the current South African state has been pieced together through negotiations by players of all hues of which one is big business. In this report we have seen that business appears to have very little consideration for the plight of the homeless and the poor. Even if the South African state does not overtly act in the interest of this class, it is in the State's interest to maintain the capitalist mode of production. And, it is in doing so that it may through its policies, neglect or disadvantage the poor and the homeless. It is necessary for civil society organs to equip themselves adequately and to act as watchdogs over state policy documents.

5.2.2 Housing - The Need for Research.

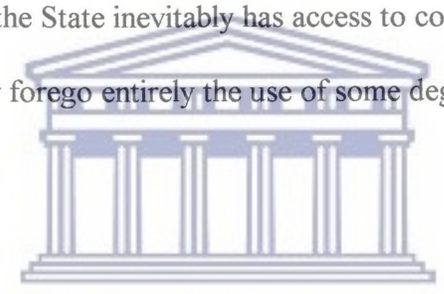
Perhaps qualitatively similar to the above, is the need for more thorough-going research about housing. It would appear that most of the research that has been done thus far, has focused mainly on the housing shortage and issues of housing size and dimensions, spatial issues and, also, the amount of housing available in relation to household numbers. Often such research has been undertaken or sponsored by the State or its organs.

This represents a very practical approach to housing and has certainly proven to be very valuable. As we have seen though, housing is also a site of class contradictions. If housing research continues to be narrow in its focus, it follows that broader social issues and their impact on housing policy will then not be subjected to rigorous investigation as is the case with other important social issues, such as health and education.

In this regard, Jim Kemeney (1992:XV) says that a central problem of much of housing studies is that it remains myopic and neglects broader issues. Housing studies are still too isolated from debate and theories in the other social sciences and should, in fact, form part of these debates and theories. Thus, thorough-going research will also have to include an examination of the State's role in the housing process.

Austin Ranney (1975:200) says that from the beginnings of the serious study of government, most analysts have believed that the most important fact to know about government is who really runs it and what the real power structure is. Furthermore, as Robert Dahl says

> "For whoever controls the State inevitably has access to coercion. And, those who control the State r`arely forego entirely the use of some degree of coercion" (Dahl 1963:69).



Therefore, if the State is so powerful and is in a position where it formulates the discourse that determines housing practice, it should surely follow that the State ought to be the object of greater research in its role in the housing process. But, as Kemeney (1992:37) says, theorizing around the role of the State remains minimal and unsatisfactory. This explains, to a large degree, why there is very little public debate about the role that the South African State ought to play in the direct provision of housing to the poor.

Another area that requires research is the nature of housing that is needed. It is all very well to calculate housing need which is converted into numbers, and to arrive at numbers that will

supposedly satisfy that need. However, the question to be asked is whether the State's assessment of the nature of the need really reflects the diversity of the need. Watson, Spiegel and Wilkinson (McCutcheon and Rogerson 1996:1) are adamant that at least for Africans in the Western Cape, Government has not brought diversity into its calculations. They argue that generally policy-makers - as distinct from theorists - are reluctant or slow to recognize diversity or take it seriously. This leads to the needs of people being homogenized in the State's discourse and that provision is not adequately made for the wide range of needs.

Research can also be undertaken in respect of the housing processes already undertaken by the people. This will help policy-makers understand how best to complement what people are already doing for themselves.

If, as is clearly the case, the State has appropriated the public space through its discourse, and it has in so doing determined the nature of the problem and the nature of the debate about the problem, then it follows that it has carté blanche on how the problem ought to be addressed. It, therefore becomes imperative for civil society organs to undertake thorough-going research, so that State's role in the housing process can be more fully understood, and if necessary, be challenged.

5.2.3 Decommodifying Housing

It has been suggested earlier in this report that the extent to which housing has been commodified is problematic. It has also been suggested that it would be a very difficult exercise to roll back

this trend. But it should be if there is political will especially at the national level it can be done.

It must be remembered that the right to adequate housing is a socio-economic right that is enshrined in the Constitution. Thus, it is a justiciable right. But, the right to adequate housing should not hinge on the justiciability of such a right, but should rather flow from two other important reasons:

* Firstly, that the bulk of the homeless find themselves in the position that they do because of the racial considerations of the apartheid state. What is needed at this stage is some form of redress that would level the playing fields. Such redress cannot happen if the racial considerations have now been replaced by considerations of profit and the interests of capital. Not that the new considerations would eliminate the racial overtones, since "Poverty in South Africa has a strong race dimension. Nearly 95% of South Africa's poor are African ..." (SALDRU 1995:3).

* Secondly, the struggle against apartheid was not just about enfranchisement, but also about the improvement of the material conditions of the masses. This has been one of the principal themes of this document. One of the key indicators of poverty in South Africa is the abject housing conditions under which people live. The commodification of housing does not make it easier for people to improve their housing conditions, but may in fact increasingly put housing out of their reach.

This implies that at least a certain portion of the housing stock in the country ought to be decommodified. Marcuse and Achtenburg (Bratt et al 1986:477-480) have in respect of decommodification of housing proposed, amongst others, the following:

* Expanding the amount of housing under public, collective, community or resident ownership that is operated solely for resident benefit and subject to resident control with re-sale for profit prohibited.
* Upgrade the housing supply and increase the social control over the production process.
* Increase public control of housing to obviate mortgages and bond repayments.
* Preserve and expand the supply of land under State control and ownership.
* Allocate available resources for housing on the basis of need.

The die-hard free-marketeers may regard such strategies in the decommodification process as attempts to advance socialist practices. This is not the case. As has been noted elsewhere, in Sweden private sector control over housing has in the last few years been on the increase, but that the State's responsibility for housing the poor has never been seriously questioned.

Therefore, it is in the interest of the poor and the homeless that the State, within its different tiers, expands the rental stock under its ownership and control. This stock ought not to be disposed of through sale and must be accompanied by permanency of tenure.

5.2.4 The Need for Effective Lobbying

We have seen how socially and politically powerful organs of civil society have been side-lined by

the speed and breadth of political change in the country. The ascendancy of private capital and the need to satisfy the motive for profit have also been stated with regularity. However, what may be overlooked by civil society organs and consumers is the concomitant emergence of powerful groups that lobby in favour of private property in housing. It is these groups that lobby persuasively that increasing State involvement in housing is essentially socialistic.

This means that part of the re-orientation that civil society organs and consumer groups have to undergo is to firstly, organize themselves around a coherent and structured programme. This will require that such groups develop their own independent programmes, though. About this, Gumede says about SANCO

> "... the real hardships experienced by people on the ground give SANCO an opportunity to shift from its apartheid-derived origins to confronting a new set of issues and problems"
>
> (Cullinan et al, September 1996:17).

What this means is that groups such as SANCO need to reassess their traditional alliances, especially the relationships with political parties, generally, and the relationship with the ANC, in particular. It is only when such autonomy is achieved that such groups can effectively lobby the interest of their constituencies.

The issues that demand lobbying go far beyond housing need and housing availability. They can range from issues and processes that are seemingly uncomplicated to those that are clearly more

complicated. Employers or employer associations can be lobbied to make subsidies available for tenants of rental dwellings, as is the case for ownership.

An apparently more complicated process is to secure community participation in the housing process. This is sorely lacking, despite the fact that official documents speak of a `people-driven' housing process. According to Bruce Boaden (Dewar 1993:107), this lack of community participation is especially in evidence in those housing projects for households earning less than R1000 per month. There, of course, are very real obstacles to low-income community participation such as the lack of skills and information within these communities, the often tediousness of community processes and the lack of democratic leadership in communities.

These obstacles notwithstanding, it is essential that communities and social groupings organize themselves around coherent programmes so that they can effectively influence the housing process.

ANNEXURE ONE

Table 2: Number of urban households in South Africa (1995)					
Dwelling type	White	Coloured	Asian	Black	Total
Eastern Cape					
Formal	122 343	67 282	4 291	271 716	465 633
Hostel	307	-	-	549	856
Informal- backyard shack	-	1 924	-	8 440	10 365
Informal-shack	-	2 560	-	53 214	55 774
Traditional	-	-	-	6 901	6 901
Sub-total	**122 650**	**71 766**	**4 291**	**340 821**	**539 528**
Free State					
Formal	125 187	15 034	-	212 574	352 796
Hostel	310	198	-	495	1 003
Informal- backyard shack	-	-	-	20 769	20 769
Informal-shack	-	246	-	29 848	30 094
Traditional	-	-	-	3 294	3 294
Sub-total	**125 497**	**15 479**	**-**	**266 980**	**407 956**
Gauteng					
Formal	703 554	62 426	39 734	846 146	1 651 859
Hostel	-	-	-	143 595	143 595
Informal- backyard shack	-	-	-	49 359	49 359
Informal-shack	-	-	-	95 110	95 110
Traditional	-	-	-	5 444	5 444
Sub-total	**703 554**	**62 426**	**39 734**	**1 139 654**	**1 945 368**
Kwazulu/Natal					
Formal	198 682	23 270	173 633	329 233	724 818
Hostel	323	-	302	22 344	22 969
Informal- backyard shack	-	-	-	6 676	6 676
Informal-shack	419	43	770	42 457	43 689
Traditional	-	-	290	12 556	12 846
Sub-total	**199 424**	**23 313**	**174 994**	**413 265**	**810 997**
Mpumalanga					
Formal	74 927	3 240	3 562	111 111	192 840
Hostel	-	-	-	-	-
Informal- backyard shack	-	-	-	7 413	7 413
Informal-shack	-	17	-	892	910
Traditional	-	238	-	14 570	14 807
Sub-total	**74 927**	**3 495**	**3 562**	**133 986**	**215 970**
North West					
Formal	90 143	8 325	2 710	182 066	283 244
Hostel	366	-	-	32 604	32 970
Informal- backyard shack	-	-	-	18 927	18 927
Informal-shack	-	46	-	15 780	15 826
Traditional	-	-	-	3 920	3 920
Sub-total	**90 510**	**8 372**	**2 710**	**253 297**	**354 888**
Northern Cape					
Formal	37 167	47 024	165	19 710	104 066
Hostel	-	186	-	1 275	1 462
Informal- backyard shack	-	285	-	414	699
Informal-shack	-	5 737	-	4 509	10 247
Traditional	-	227	-	189	416
Sub-total	**37 167**	**53 460**	**165**	**26 097**	**116 889**
Northern Province					
Formal	36 970	20 348	819	66 423	124 560
Hostel	270	-	-	15 199	15 470
Informal- backyard shack	-	-	-	4 733	4 733
Informal-shack	-	-	-	666	666
Traditional	-	-	-	945	945
Sub-total	**37 241**	**20 348**	**819**	**87 965**	**146 374**
Western Cape					
Formal	308 483	320 872	8 521	69 209	707 085
Hostel	269	952	-	22 817	24 037
Informal- backyard shack	-	1 503	-	5 054	6 557
Informal-shack	-	11 718	-	63 367	75 085
Traditional	-	-	-	-	-
Sub-total	**308 752**	**335 045**	**8 521**	**160 446**	**812 764**
TOTAL	**1 699 723**	**593 704**	**234 797**	**2 822 512**	**5 350 735**
Formal	**1 697 458**	**567 822**	**233 435**	**2 108 186**	**4 606 902**
Hostel	**1 846**	**1 336**	**302**	**238 878**	**242 362**
Informal- backyard shack	**-**	**3 713**	**-**	**121 786**	**125 499**
Informal-shack	**419**	**20 368**	**770**	**305 842**	**327 399**
Traditional	**-**	**465**	**290**	**47 819**	**48 574**
Source: October Houshold survey 1995, electronic database					

ANNEXURE TWO

Table 6: Acceptable and unacceptable housing in urban areas

Dwelling type - urban	White	Coloured	Asian	Black	Total
Eastern Cape					
Acceptable (formal)	122 343	67 282	4 291	271 716	465 633
Unacceptable (Hostel, Informal)	307	4 484	-	62 203	66 994
Unacceptable (Hostel, Informal, Traditional)	307	4 484	-	69 104	73 895
Sub-total	**122 650**	**71 766**	**4 291**	**340 821**	**539 528**
Free State					
Acceptable (formal)	125 187	15 034	-	212 574	352 796
Unacceptable (Hostel, Informal)	310	445	-	51 112	51 866
Unacceptable (Hostel, Informal, Traditional)	310	445	-	54 406	55 160
Sub-total	**125 497**	**15 479**	**-**	**266 980**	**407 956**
Gauteng					
Acceptable (formal)	703 554	62 426	39 734	846 146	1 651 859
Unacceptable (Hostel, Informal)	-	-	-	288 064	288 064
Unacceptable (Hostel, Informal, Traditional)	-	-	-	293 509	293 509
Sub-total	**703 554**	**62 426**	**39 734**	**1 139 654**	**1 945 368**
Kwazulu/Natal					
Acceptable (formal)	198 682	23 270	173 633	329 233	724 818
Unacceptable (Hostel, Informal)	742	43	1 072	71 477	73 333
Unacceptable (Hostel, Informal, Traditional)	742	43	1 362	84 033	86 179
Sub-total	**199 424**	**23 313**	**174 994**	**413 265**	**810 997**
Mpumalanga					
Acceptable (formal)	74 927	3 240	3 562	111 111	192 840
Unacceptable (Hostel, Informal)	-	17	-	8 306	8 323
Unacceptable (Hostel, Informal, Traditional)	-	255	-	22 875	23 130
Sub-total	**74 927**	**3 495**	**3 562**	**133 986**	**215 970**
North-West					
Acceptable (formal)	90 143	8 325	2 710	182 066	283 244
Unacceptable (Hostel, Informal)	366	46		67 311	67 724
Unacceptable (Hostel, Informal, Traditional)	366	46	-	71 231	71 644
Sub-total	**90 510**	**8 372**	**2 710**	**253 297**	**354 888**
Northern Cape					
Acceptable (formal)	37 167	47 024	165	19 710	104 066
Unacceptable (Hostel, Informal)	-	6 209	-	6 198	12 407
Unacceptable (Hostel, Informal, Traditional)	-	6 436	-	6 387	12 824
Sub-total	**37 167**	**53 460**	**165**	**26 097**	**116 889**
Northern Province					
Acceptable (formal)	36 970	20 348	819	66 423	124 560
Unacceptable (Hostel, Informal)	270	-	-	20 598	20 869
Unacceptable (Hostel, Informal, Traditional)	270	-	-	21 543	21 813
Sub-total	**37 241**	**20 348**	**819**	**87 965**	**146 374**
Western Cape					
Acceptable (formal)	308 483	320 872	8 521	69 209	707 085
Unacceptable (Hostel, Informal)	269	14 173	-	91 238	105 679
Unacceptable (Hostel, Informal, Traditional)	269	14 173	-	91 238	105 679
Sub-total	**308 752**	**335 045**	**8 521**	**160 446**	**812 764**
TOTAL	**1 699 723**	**593 704**	**234 797**	**2 822 512**	**5 350 735**
Acceptable (formal)	**1 697 458**	**567 822**	**233 435**	**2 108 186**	**4 606 902**
Unacceptable (Hostel, Informal)	**2 265**	**25 417**	**1 072**	**666 507**	**695 260**
Unacceptable (Hostel, Informal, Traditional)	**2 265**	**25 882**	**1 362**	**714 326**	**743 834**
		-	-	-	-

ANNEXURE THREE

Table 5: The estimated urban housing shortage in South Africa (1995)			
Urban population: 1995			
	White/Coloured/Asian	Black	Total
Eastern Cape	732 565	1 552 641	2 285 207
Free State	423 181	1 233 595	1 656 777
Gauteng	2 479 318	4 199 793	6 679 111
K.. .Zulu/Natal	1 416 437	1 958 433	3 374 869
Mpumalanga	272 253	796 215	1 068 468
North West	308 852	1 015 120	1 323 972
Northern Cape	378 000	134 816	512 816
Northern Province	212 479	424 004	636 483
Western Cape	2 617 505	628 774	3 246 279
Total	8 840 590	11 943 392	20 783 982
Urban households: 1995			
	White/Coloured/Asian	Black	Total
Eastern Cape	198 708	340 821	539 528
Free State	140 976	266 980	407 956
Gauteng	805 714	1 139 654	1 945 368
KwaZulu/Natal	397 732	413 265	810 997
Mpumalanga	81 984	133 986	215 970
North West	101 591	253 297	354 888
Northern Cape	90 792	26 097	116 889
Northern Province	58 408	87 965	146 374
Western Cape	652 318	160 446	812 764
Total	2 528 224	2 822 512	5 350 735
Estimated formal housing stock in South Africa's urban areas (1995)			
	White/Coloured/Asian	Black	Total
Eastern Cape	181 270	120 343	301 613
Free State	170 531	153 965	324 496
Gauteng	970 395	347 390	1 317 785
KwaZulu/Natal	452 880	39 107	491 986
Mpumalanga	77 025	79 768	156 793
North West	85 276	38 136	123 412
Northern Cape	75 949	24 750	100 700
Northern Province	36 479	12 714	49 193
Western Cape	584 521	40 094	624 614
Total	2 629 346	861 246	3 490 592
Urban housing shortage: 1995			
Shortage 1996	White/Coloured/Asian	Black	Total
Eastern Cape	17 438	220 477	237 915
Free State	0	113 014	113 014
Gauteng	0	792 264	792 264
KwaZulu/Natal	0	374 159	374 159
Mpumalanga	4 959	54 218	59 177
North West	16 315	215 161	231 475
Northern Cape	14 843	1 347	16 190
Northern Transvaal	21 929	75 251	97 181
Western Cape	67 798	120 352	188 150
Total	143 281	1 966 245	2 109 526

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H. **<u>Interviews with the following State officials:</u>**

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- Ms C. Lamour, Provincial Deputy Director of Housing in the Western Cape (17 March 1998)
- Mr L. Tsenoli, a Member of the Parliamentary Portfolio Committee on Housing (23 April 1998).