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SECTOR STUDY

A GENERAL SURVEY OF SHELTER ACTIVITIES BY
NON-GOVERNMENTAL ORGANIZATIONS (NGOs) IN SOUTH AFRICA

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SECTOR STUDY

A GENERAL SURVEY OF SHELTER ACTIVITIES BY

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SCOPE OF WORK

The contract called for: (1) a report giving baseline data on relevant shelter and shelter related activities currently underway or planned by non-governmental organizations in South Africa; and (2) a brief assessment of the NGO's shelter program within the context of the South African situation and USAID's housing policies and priorities.

BACKGROUND

In November 1989, USAID/SA commissioned an assessment of an Urban Foundation proposal to establish a loan guarantee fund, encouraging formal financial institutions to lend to a larger sector of the South African population. The resultant Trail Report recommended that USAID/SA should not participate in the loan guarantee fund in isolation, as it did not cater for some 55% of the population.

The Trail Report highlighted a crisis situation in the cities of SA, noting that over 60% of the population was urbanized, with an estimated 7 million people living in squatter settlements around the major urban areas, and further recommended that a study be undertaken to assess the viability of, and possible approach to, USAID/SA becoming involved in the lower income segment of shelter provision in South Africa.

This has become more urgent during 1990 and 1991, with violence having erupted in many informal urban areas in SA, exacerbated in many instances by the conditions under which people are living.

METHODOLOGY

The Study was undertaken from July 1990 to January 1991. In view of budget and time constraints, the Study focused on the three main urban concentrations, namely the Pretoria-Witwatersrand-Vaal area of the Transvaal (PWV), the Durban Functional Region of Natal (including Pinetown, Pietermaritzburg and adjacent areas and known as the DFR) and the Western Cape Region. These areas have the densest population settlements in SA and are representative of the range of political opinion. (Map #1)

A researcher with extensive knowledge and understanding of shelter issues was selected in each area and contracted to gather baseline data over a 5 month period from September 1990 to January 1991.

Workshops were held with the researchers in Cape Town in September and November 1990 to review methodology and progress. I personally conducted numerous interviews during visits to Cape Town during September, November and January; to Durban during December and January; and to the PWV during July, September, December and January.

Interviews were held with more than 80 people (see Appendix). Discussions were also held with the staff of USAID/SA, the US Embassy and RHUDO/ESA. The Consuls General in Johannesburg, Durban and Cape Town were consulted.

The researchers and I visited numerous housing areas, both formal and informal, in all regions, including tribal authorities in KwaZulu.

I wish to acknowledge the cooperation and advice of the people who assisted me, both informally and under contract, with this Sector Study. Many of them provided me with confidential information and honest opinions, for which I am most grateful. Particular recognition must go to Pauline Morris, Helen Zille and Alan Mountain, without whose primary research this Study would have been incomplete.

TERMINOLOGY

In South Africa, people are classified by the South African Government (SAG) into four categories - Black, White, Colored and Indian (Asian). In this Report, reference is made to the above classifications only for clarity regarding the current situation and SAG attitudes and policy.

'Homelands' is used in this Report to denote the ten areas set aside in terms of the Land Acts for Black occupation, whether they have been declared 'independent' or not. The future status

of the homelands is unclear and will be the subject of political negotiations. (Map #1)

SHELTER AND URBAN DEVELOPMENT

Shelter is an integral part of the whole urban development process. In this Report, therefore, attention has been given to shelter and urban development holistically.

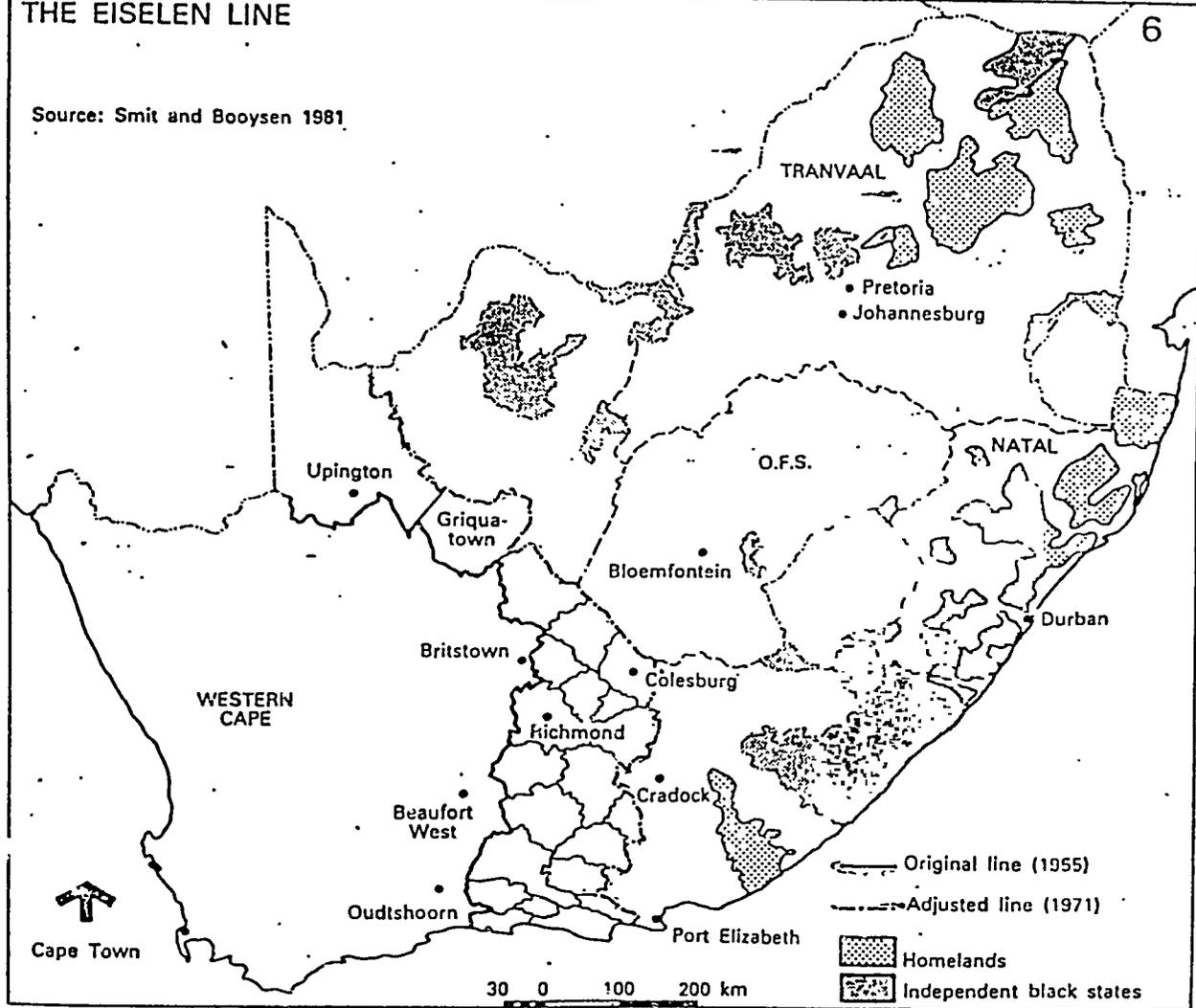
PERSPECTIVE

In order to fully understand the complexities of the circumstances surrounding shelter issues in SA, and to assess the viability of NGOs operating in the sector, it is necessary to have an historical overview of SAG policy and attitudes, as well as a grasp of the present constraints on shelter delivery in the country.

This Report therefore focuses extensively on the history of land and housing, the present situation and the constraints, and prevailing attitudes towards shelter delivery, to give an understanding of the environment in which NGOs function.

THE EISELEN LINE

Source: Smit and Booysen 1981



map of

SECTION ONE

1. HISTORICAL BACKGROUND

BEFORE 1948

During this period acquisition of land by Black people was controlled primarily by the 1913 and 1936 Land Acts, which defined the homeland areas. In the urban areas, the local authorities provided land for settlement by Blacks, primarily but not exclusively in segregated sections, and homeownership was permitted. People housed themselves where they could and informal settlements proliferated, particularly during the years 1939 - 1945, when there was considerable industrial expansion in the towns and cities of SA. Although legislation to control the influx of Black people into urban areas existed, this was not strictly enforced.

1948 to 1968

In 1948 the National Party came into power, committed to the policy of apartheid. Black people became regarded as 'temporary sojourners' in urban areas with no political, social or other rights outside the homelands. To support this policy a number of processes were introduced:-

- The intensified segregation of the races (Group Areas Act 1950), leading to large scale resettlement of Black, Colored and Indian households from inner city suburbs (e.g. District Six in Cape Town, Sophiatown in Johannesburg) to outlying townships. Households were settled in ethnic (tribal) zones;
- The mass production of 4 roomed basic brick or concrete houses (known as 'matchbox' houses by the people) in numbers of up to 60 per day in order to establish these segregated residential areas. It is during this period that large townships such as Soweto were built;
- The more effective control of movement into the urban areas through the tightening up of influx control;
- The introduction of policies aimed at reducing the financial burden of Blacks in the urban areas on the SAG; and
- In 1955 the Western Cape was defined as a 'Colored Preference Area', requiring that the influx of Blacks into the area cease and the rights of those already there be terminated. This 'Colored Preference Area' was defined by means of the Eiselen Line. (Map E2)

1968 - 1976

In 1968 further measures were introduced to make the townships as uncomfortable as possible and coerce people into resettling in the homelands. These measures included:-

- instructions to local authorities to cease building family housing in favor of single-sex hostels for migratory workers;
- removal of security of tenure on land for urban dwellers;
- reduction in subsidies for community facilities such as schools, parks, etc. Some of the town and city councils, however, continued to provide community facilities and housing from their own funds;
- In 1972 legislation was introduced to remove the administration of Black areas from local authorities, in order to centralize control in the consolidation of the apartheid policy. The Black Affairs Administration Boards, which were subsequently formed to administer Black urban areas, were required to be financially self-sufficient, placing an added burden on the Black citizens. The creation of this skewed local government system has led to much of the urban breakdown seen in SA today; and
- Where possible, homeland borders were amended to include the Black residential areas of cities such as Durban, creating an even more cumbersome jigsaw of metropolitan administrations.

1976 - 1986

During this decade widespread rioting occurred in most urban areas and reflected the extent of Black peoples' resentment and frustration with their living environments including overcrowding due to the critical housing shortages. This rioting resulted in two key developments - the private sector organized itself and took a position regarding the conditions under which Black people were living, through the creation of the Urban Foundation, American Chamber of Commerce, etc., and the SAG was compelled to reassess and adjust some of the strict policies introduced during the previous phase.

These adjustments in policy relating to land and shelter included:-

- the acceptance of a permanent Black urban population;
- the re-introduction of leasehold rights (the 99-year

leasehold legislation 1978);

- the unfreezing of developments in certain Black townships (eg Alexandra, in Sandton);
- the 1979 Riekert Commission advocated the participation of the private sector (including employers) in the provision of housing; and
- the sale of government houses to occupants.

Despite these policy adjustments, the private sector was not able to provide anywhere near the required number of units (at affordable prices). The government housing sale, too, moved slowly. Some commentators at the time expressed concern that, although privatization had positive aspects, the SAG should have a key role in the provision of land and low cost housing.

Also during this phase, the SAG created community councils in the Black urban areas, which were widely regarded as tools of the SAG and consequently boycotted. In Soweto and other areas, voter turnout was 3% to 6%.

Elections were held for a Tricameral Parliament, bringing Colored and Indian people into government through the House of Representatives and the House of Delegates. Responsibility for housing, health, education and other services became an 'Own Affair' for each group, proliferating the bureaucracy and further fragmenting policy.

During this period, the designation of the Western Cape as a 'Colored Preference Area' was removed and Black people were permitted to have tenure rights there.

In 1985 legislation was passed establishing Regional Services Councils to perform certain functions, such as bulk services on a regional basis and the collection of levies on business turnovers and payrolls. These have been used to upgrade services in a number of Black townships.

1986 to Date

In April 1986 the SAG published a White Paper on Urbanization containing its policy on the management of the social, economic and physical problems which could follow rapid urbanization. The Paper recommended:

- recognition of the inevitability of urbanization;
- freedom of movement to and within urban areas for 'South African' citizens (ie excluding citizens of the 'independent' homelands Transkei, Bophuthatswana, Venda and Ciskei);
(Map 1)

- the maintenance of separate racial residential areas;
- population relocation where necessary for "the development or improvement of conditions after negotiation with the groups concerned"; and
- a more balanced distribution of people and economic activity and a regionally differentiated approach to urbanization.

Objectives of this policy included:

- the removal of some discriminatory measures;
- the effective accommodation of urban growth;
- the prevention of social problems resulting from urbanization;
- an effective land policy to accommodate current backlogs; and
- the promotion of local authorities.

Other proposals relating to housing included:

- legislation providing for home ownership for all communities to be introduced in 1986;
- realistic technical standards;
- cheaper and more effective building methods; and,
- that the provision of housing was the responsibility of the individual, the employer, the private sector and, only in exceptional cases, government.

In June 1986 the Abolition of Influx Control Act was passed, permitting the free entry of all citizens into urban areas throughout the country. The Act also amended squatting legislation by empowering the relevant Minister to designate land for controlled squatting, but introduced much more stringent fines and other conditions for the removal of illegal squatters.

The White Paper and abolition of influx control were welcomed across a broad spectrum, although the retention of the Group Areas Act, emphasis on regional development, as well as more stringent conditions to prevent squatting were raised as significant constraints to their implementation. It has been pointed out, too, that despite sound objectives, such as the timely provision of land, the SAG has not implemented such policies to accommodate shelter backlogs or influx of persons into the metropolitan regions.

In 1989 legislation was enacted allowing for 'Free Settlement

Areas', in terms of which local authorities could apply for sections of their towns or cities to be integrated. As this did not replace the Group Areas Act, but rather created a fifth group area, it was largely rejected by the Black communities.

In February 1990 the SAG unbanned all political parties and groups and began releasing political prisoners. Several exiles have since returned to the country.

The SAG is currently revising and updating its urbanization, housing and financial subsidy policies, and the Group Areas Act and the Land Acts are to be removed from the Statutes during 1991.

SECTION TWO

2.1 PRESENT DEMOGRAPHIC AND URBANIZATION TRENDS

The legacy of planning for urbanization and development on a racial basis has left SA demographers with often misleading census classifications. Divisions between 'homeland' and 'South African' areas within the same urban region perpetuate the traditional gaps between socio-political reality and official policy and make it difficult to develop a true demographic picture of SA.

The last census was conducted in 1980. From a population of 29.1 million in 1980 and 33.1 million in 1985, South Africa's current population is estimated at 36 million (Urban Foundation 1990). If present trends continue, by the year 2000 the population will be 47.6 million.

In 1985, 20.7 million or 63% of the total South African population was urbanized. By 2010 the number of urbanized people will more than double to 43,7 million (73% of the total population).

The table below illustrates the geographic breakdown of the Black population in 1985.

BLACK POPULATION DISTRIBUTION, 1985

SA Metropolitan	-	21%	(5,2m)
Homeland Metropolitan	-	14%	(3,5m)
SA Urban	-	7%	(1,6m)
Homeland Urban	-	3%	(0,8m)
Homeland Dense Settlements	-	8%	(1,9m)
		----	-----
Subtotal: 'Urban'	-	53%	(13,0m)
		----	-----
SA Rural	-	14%	(3,4m)
Homeland Rural	-	33%	(8,0m)
		----	-----
Subtotal: 'Rural'	-	47%	(11,4m)
		----	-----
TOTAL	-	100%	(24,5M)
(rounding)			

Sources: World Bank (1988), Urban Foundation (1990)

According to 1990 estimates, approximately 57% of SA's Black population is urbanized, with higher percentages in the other race groups. We can therefore estimate that close to 70% of SA's total population is presently in urban areas.

According to available studies of urbanization in SA:-

- Asian, Colored and White urbanization (while continuing) is not a significant component of the overall urban increase. The challenge lies in accommodating an increase in Black urbanization from about 53% (13 million) in 1985 to 69% (33 million) in 2010 - some 20 million new urban people in 25 years.
- there is a formal housing shortage in urban areas of some 850 000 units (excluding homelands);
- more than 7 million urban people live in informal housing circumstances - that is in free standing or backyard shacks, outbuildings, garages, etc. Of these, some 2,5 million live in the inner PWV area and 1,7 million in greater Durban;
- between 25% and 40% of the total economically active urban Black population are formally unemployed;
about 70% of urban Black people do not have direct access to electricity or running water.

2.2 REGION SPECIFIC STATISTICS

There is a broad consensus that the housing crisis cannot be measured simplistically in terms of a quantifiable shortage of dwelling units. Apart from providing shelter, an adequate dwelling should facilitate access to economic opportunities and the full range of services and resources for which people migrate to cities.

Experts increasingly caution against defining the housing crisis in terms of a shortage of units because this can lead to inappropriate policy, planning and aid interventions.

Bearing the above admonitions in mind, it is nevertheless useful to recognize the quantifiable regional metropolitan areas' shortages.

2.2.1 PWV

The Transvaal Provincial Administration estimates that more than a million squatters exist in the Witwatersrand. Of these, 209 848 had an income of less than R650 a month per family (1990 figures). An estimated 210 000 sites are needed to house this population. Currently only 30 000 sites are available and these will be fully utilized within the next six months. To

accommodate the total of 210 000 sites some 10 500 hectares of land are required (Paul Waanders, Chief Town and Regional Planner, TPA. Sunday Star 13th January 1991). To give an indication of the extent of land needs, note that Soweto is 500 hectares.

Urban Foundation research on the PWV shows that an average 10 to 11 people live on a single residential stand with 6 people per house. The average number of people in a backyard shack or outbuilding is 3 to 4. It is not uncommon for 2 or more families to share a hostel room designed for 2 single persons (Urban Foundation 1990 No 9).

Although no data are readily available, interviews and press reports indicate that many of the flats being rented in Hillbrow are overcrowded and poorly maintained. There is evidence of the emergence of social problems related in part, at least, to deteriorating living conditions.

2.2.2 DURBAN FUNCTIONAL REGION (DFR)

ESTIMATES OF THE DFR POPULATION (ROUNDED) AND PROJECTIONS TO 2000

Group	1989	% of Total	2000	% of Total
White	381 000	11,3	474 000	8,3
Indian	324 000	18,5	776 000	13,7
Colored	69 000	2,0	86 000	1,5
Black	2 301 000	68,2	4 350 000	76,5

In 1985, the Urban Foundation estimated that 43% of dwellings in Durban were in informal settlements, 25% in formal Black townships and 32% in Group Areas for Whites, Coloreds and Asians.

A variety of estimates of potential demand suggest that there is a current housing shortage of between 160 000 and 320 000 units in the DFR - closer to 320 000 if one assumes that "informal" housing is unacceptable. The additional housing required will be between 380 000 and 460 000 units.

2.2.3 WESTERN CAPE

After the Western Cape was designated a Colored Preference Area in 1955 no housing development or planning was done for the Black people there, with the result that they were forced to resort to illegal shacks. Poverty and lack of employment in the Transkei and Ciskei homelands brought large numbers into the Western Cape to seek jobs and squatter areas such as Crossroads and Khayalitsha developed.

Although absolute numbers vary, there is broad agreement on the

magnitude of the housing shortage in Western Cape and the fact that it is growing.

According to figures used by the Cape Town Council, approximately 400 000 new dwellings must be delivered in metropolitan Cape Town by the year 2000 to meet the projected housing need (among all races). This requires an annual rate of supply of about 40 000 new dwelling units (1990 Structure Plan for Cape Town: Housing and Settlement Issues, Cape Town City Council).

Projected Housing Need in Cape Town (1985 - 2000) (Excluding backlog figures)

	Whites	Coloreds	Blacks	Total
W Thomas' projection	58 333	80 000	187 500	325 833
R Stroud's projection	47 199	78 744	136 166	261 139

(Thomas' figures from 'The Western Cape Labour Force and Employment Structure' 1986, qu. in 1990 CCC Structure Plan for Cape Town: Housing and Settlement Issues.)

(Stroud's figures from Metropolitan Transport Planning Branch projections, qu. in 1990 CCC Structure Plan for Cape Town: Housing and Settlement Issues.)

A significant part of the present brick-and-mortar housing stock for Blacks is the 25 000 official hostel bed spaces with an occupancy of about 4 - 5 people per bed and about 20 families per toilet. (CCC 1990 Structure Plan for Cape Town, Housing and Settlement Issues:7)

SECTION THREE

3. MAJOR CONSTRAINTS ON THE DELIVERY OF ADEQUATE SHELTER IN SA

The major constraints identified in the areas researched are:

- access to affordable, well located, serviced land;
- access to affordable finance, particularly for lower income groups;
- racially based legislation and bureaucratic structures;
- lack of a comprehensive national housing policy;
- a crisis of expectations regarding housing in post apartheid SA;
- proliferation of informal settlements;
- the complex socio-political environment; and
- the lack of institutional capacity and appropriately trained personnel.

In assessing these constraints a number of interrelated factors should be kept in mind:

- most of the constraints have emerged out of the legacy of apartheid and they must be seen within the context of the historical overview given at the outset. In addition even when apartheid structures are removed (the Land Acts, Group Areas Act, etc.) the problems inherited will not automatically disappear and affirmative action, as well as measures to ensure that segregation is not applied in another guise, will need to be addressed;
- land and shelter issues should not be seen in isolation. Broad economic restructuring, economic growth, resource redistribution and employment creation should be taken into account;
- land and shelter are not only complex but highly emotive issues. Given the legacy of apartheid, processes aimed at land distribution and shelter provision will understandably be seen as key issues relating to the political and

socio-economic empowerment of communities; and

- although land and accommodation shortages are experienced in rural and peri-urban areas, the greatest current and future pressures exist in metropolitan areas.

It is widely accepted that the socio-economic, political and economic future of the country will be determined in the major metropolises.

3.1 CONSTRAINT - ACCESS TO AFFORDABLE SERVICED LAND

The historical background has given the context for this issue which was identified in all regions as the most fundamental constraint to housing development for low income communities. This was confirmed by all those interviewed in this survey. The Group Areas Act is still on the statute books, although, from official statements, it will be removed during 1991. The abolition of this and other legislation such as the Land Acts of 1913 and 1936 will undoubtedly allow for greater choice of accommodation (but mostly for the middle and upper income groups) and will help to streamline land acquisition and delivery procedures, but will not give substantial relief to the lower income groups seeking accommodation close to their places of work.

Legislation with the specific intent to racially segregate land has resulted in:-

- extensive and unwieldy bureaucratic processes;
- ad hoc crisis planning and lack of a comprehensive land and housing policy;
- land speculation;
- low density urban sprawl and people housed long distances from employment opportunities;
- overcrowding;
- proliferation of shack settlements;
- exorbitant rentals (consumer exploitation);
- corruption;
- violence (most commentators have indicated that a contributing factor to the violence experienced during 1990 and 1991 is poor living conditions and shortage of accommodation. In some cases hostel dwellers have invaded

informal settlements (eg Tokoza hostel dwellers attacking the nearby informal settlement of Zonk'esizwe). Some of those interviewed stated that the reason for this was to obtain sites for their own occupation;

In the DFR, all those interviewed felt strongly that the violence in Natal could largely be attributed to struggles between squatters and people in formal townships. Squatters invade areas with services and housing in order to obtain water, land, building materials and schools for their children, and fighting ensues. Warlords then exploit these struggles between the 'haves' and the 'have nots' for their own political ends.)

Other manifestations of this constraint include:-

- housing finance institutions will only lend on fixed property with security of tenure. The shortage of land restricts the number of families with access to formal financial assistance.
- in the PWV region there are additional physical constraints relating to dolomitic ground, planned mining activities and mineral rights and a natural ground water reservoir (to the south of the Central Witwatersrand).
- the Natal region, particularly the DFR, is characterized by a heavily undulating topography, with the result that many areas are unsuitable for housing and the servicing of sites is expensive.
- in the Natal region the tribal system of land tenure which stretches deeply into the DFR does not satisfy the collateral requirements of private sector financial institutions. A further complication is the fact that the tribal system is intimately tied into the political structure of KwaZulu.
- the unavailability of suitable land has contributed to the withdrawal of the majority of large private sector builders from Black areas.

3.2 CONSTRAINT - ACCESS TO AFFORDABLE FINANCE

A shortage of affordable housing finance, within the context of escalating poverty, is another universally identified constraint in the shelter delivery process.

It is only since the introduction of security of tenure for Black people in urban areas during the 1970s that those households have had access to conventional private sector mortgages.

In view of the wide ranging implications of this constraint, it is useful to analyze existing sources of finance for housing in some detail.

Currently limited loan finance mechanisms are to be found both in the private and public sectors.

3.2.1 Private sector finance is available through:-

* Mortgage lenders and banks, which are the largest private sector purveyors of secured (or mortgaged) loans through

- standard 80 - 90% mortgages (at market interest rates with a redemption period of usually 20 years)
- special 100% mortgages with employer guaranteed deposits (the employers in question often requiring the borrower to cede an asset, in the form of pension or provident fund withdrawal benefits, or any other fixed asset, as collateral equal to a deposit sum.)
- employer subsidized mortgages (which is a rare option given that most company housing packages only guarantee the deposit).
- small loans guaranteed 100% by the borrowers' employers (these amounts are relatively small and would almost certainly not exceed R10 000) and would be invested in the alteration and upgrading of existing dwelling units..

* Employers: the preference amongst employers is not to get directly involved in home loan assistance. In select cases the better paid employees in lower and middle management positions are given loans by their companies. Banks are known to offer low interest loans to many of their employees.

Other ways in which companies sometimes assist their employees is through:

- company towns (e.g. De Beers Diamond mines);
- company-owned houses for rental;
- company hostels; and
- mining compounds.

Company assistance is often a double edged sword, sometimes implying a greater degree of control over a less mobile workforce thus making housing assistance a contested issue on industrial relations bargaining agendas.

* Pension and provident funds: Housing finance institutions

are devising new ways of utilizing these sources of finance for housing.

3.2.2 New Private Sector Finance Initiatives

Certain initiatives have been developed by the private sector in an attempt to provide access to conventional finance sources for a larger proportion of households. A separate pilot scheme has been established to mobilize unconventional sources (the Group Credit Company).

*** The Loan Guarantee Fund**

This initiative has been examined in detail in the Trail Report (1989). It is aimed at encouraging financial institutions to lend downmarket by facilitating the provision of home loans in the range of R35 000 to R12 500, thereby giving a further 33% of households access to mortgage finance. Required amendments to certain legislation (Usury Act, the Reinsurance of Material Damages and Losses Act and the creation of the Deposit-taking Institutions Act), have been undertaken by the SAG. However, this scheme has been slow to get off the ground and is unlikely to have a major impact in the short term in the market for which it was intended.

*** Old Mutual/Urban Foundation Proposal**

This initiative directly uses pension and provident fund money. It allows members of funds to borrow their pension withdrawal benefits to finance housing. The amount they borrow cannot exceed their benefits in the fund and, if they fail to repay these loans, the debt is deducted from their pension payout when they leave the job or retire. Fund members can borrow to pay for a deposit on a house or to top up monthly mortgage repayment. According to Matthew Nell of the Urban Foundation, a pilot study by the Old Mutual suggests that this initiative would increase the proportion of pension fund members who can afford a house from 57% to 97% on a R20 000 house.

*** The NedPerm Proposal**

This proposal links mortgage payments to the buyer's salary. Purchasers pay a percentage of salary rather than prevailing interest rates, thus, as salary increases with service and promotion, the mortgage payments increase accordingly. NedPerm indicates this type of mortgage instrument will be ideal for investors not requiring a quick return, such as pension or provident funds.

Comment on private sector finance

Any initiatives by the private sector to expand the finance options to a wider range of households must be welcomed. These options, however, are available at best only to some 40% of the Black population as they cater only for those in formal employment.

Despite these new initiatives, access to finance for households has been severely constrained during the last two years through escalations in the interest rates, from 12.5% in 1988 to 20.75% in 1990.

Mortgage repayment boycotts in the PWV and Western Cape during 1990 discouraged housing finance institutions from expanding their lending in Black areas. Reasons for the boycotts include unaffordable repayments due to rapidly increased interest rates, dissatisfaction with size and quality of houses constructed, strike action against employers, and political action.

Housing finance institutions perceive a higher risk in lending to Black households because repossession in the case of default is difficult to prosecute in highly politicized areas.

The inheritance of the socialistic approach applied to housing for Black urban communities during the 1950s and 1960s is a lack of exposure to, and understanding of, private enterprise financing mechanisms. The education required by first time Black borrowers is a further disincentive to housing finance institutions to lend to those communities.

Retrenchments (from current financial reports increasingly likely during 1991/2) will reduce the percentage of households able to utilize these sources.

The new initiatives might encourage participants to purchase houses beyond their real long term means.

* The Group Credit Company

This initiative is discussed fully in Annexure I - Inventory of NGOs. It is modelled on similar facilities in India, Sri Lanka, the Phillipines and USA, among others, and aims to bring finance to people who do not have access to the formal lending institutions. The Group Credit Company uses the traditional savings clubs or 'stokvels' as a model and lends small sums of R500 to R5 000 for short periods to community groups without collateral, relying on peer pressure for repayment of the loans. This loan facility has been

operating in the Western Cape since late 1989 and has made loans worth R1.5 million to 824 individuals in 50 savings clubs at 32% interest. The repayment rate is 100% to date.

Comment

This is an interesting new development which targets the group most in need. It is, however, still at the pilot stage. At present the Group Credit Company is operating only in the Western Cape.

3.2.3 Public Sector Finance

The shortage of government funds for housing is illustrated by the fact that during the 1989/1990 financial year, the Cape Province received only R49 million of the R392 million needed for housing and infrastructure in Black residential areas during that year (Cape Times, 5 April 1989).

Public sector finance is available through

* SA Housing Trust (SAHT)

Set up by the SAG, but now dependent for its finances on the private capital market, the SAHT operates as a development corporation and provides relatively cheap loan finance (i.e. at 15% interest) for borrowers buying housing costing between R15 000 and R25 000. Deposits are as low as 5%.

* National Housing Commission (NHC)

The various programs of the NHC include serviced sites and material loans, development loans to local authorities and welfare housing. Material loans are available in cash or kind, up to a maximum of R18 000 for people classified as White, Indian and Colored, and up to R7 000 for Blacks.

The amount of money available in practice from the NHC is limited and is channeled through the housing budgets of the 'Own Affairs' administrations.

In Natal, funds have been made available through the House of Representatives for upgrading Austerville and for self-help housing in smaller centers such as Kokstad and Ladysmith, but the shortage of land for Colored housing is an obstacle. The House of Delegates (HOD) has initiated only isolated housing developments in the Indian community, due to administrative and policy problems. The majority of developments have been traditional rental schemes built under contract to the HOD.

The NHC does not fund housing within the homelard areas,

which presents a particular problem in Natal, where the majority of Black residential areas fall within the borders of KwaZulu. Within KwaZulu, finance is provided by the KwaZulu Finance and Investment Corporation.

* The Homeland Governments

Each of the homelands has its own ministry of housing which is responsible for making finance available for housing in its area.

In the DFR, almost all the Black urban townships fall into KwaZulu and depend on the homeland for administration and finance. Very limited finance is available from time to time from the KwaZulu Finance and Development Corporation (KFC), and its impact on housing supply in the Black urban sector in Natal is negligible.

* First Time Home Buyers' subsidy:

In this program the SAG adds 3% to the interest offered by mortgage lenders on funds saved for housing, on a maximum sum of R20 000. The added interest is tax free.

* Government Assisted Home Ownership Program:

This subsidy, administered by mortgage lenders, is available for first time home owners purchasing a dwelling. One third of the interest rate on a mortgage is subsidized and the subsidy is paid in decreasing amounts over 7 years. This subsidy is racially skewed, as it applies to Whites purchasing any dwelling, but only to newly constructed dwellings in the case of Black, Colored and Asian purchasers.

Comment on public sector finance

Existing subsidies benefit those who can afford to purchase a home and do not affect the very poor.

The subsidies stimulate demand, but do not impact on the constraints on supply.

Interest rate subsidies represent an open ended commitment to future demand for funds. Funds allocated for subsidies for Black home buyers in the 1990 budget were expended by June 1990.

It is important to note that the existing subsidies are inequitable and disadvantage the Black population group. They are also time consuming and expensive to administer.

The existing subsidy package provided by the SAG is under review. (see 4.1)

3.2.4 Finance for Upgrading

* Regional Services Councils (RSC)

The RSCs collect levies from employers in metropolitan areas, based on number of employees and turnover, and allocate sums for the upgrading of services such as water, electricity and sewerage disposal in those areas, on a cost recoverable basis.

* Independent Development Trust (IDT)

A sum of R2 billion was allocated by the SAG to the Independent Development Trust in 1989 and this could potentially be a source of funding for the upgrading of infrastructure throughout the country.

In January 1991 the Trust announced that it would release R600 million over the next 2 years to provide 750 000 poor people with their own land and shelter.

* Local and Provincial Authority budgets.

These budgets provide for limited quantities of serviced land in metropolitan areas. Recent developments include Ivory Park near Pretoria and Orange Farm outside Johannesburg.

Comment on finance for upgrading

Certain individuals interviewed during the Study verbalized reservations about the Independent Development Trust as its agenda has not yet been announced. Some people interviewed believed that this was not an additional allocation for housing development, but money diverted from the local and provincial authority budgets.

3.2.5 Finance for the building industry

Access to reasonably priced bridging loans was cited by small Black builders as a major constraint to their entry to the housing market.

3.3 CONSTRAINT - RACIALLY BASED LEGISLATION AND BUREAUCRACY

There are 14 departments of housing in SA, structured on racial and ethnic lines, each with its own bureaucracy, its own set of standards, rules and procedures and each with its own agenda.

There is consensus across the spectrum of those interviewed in all regions that these multiple, racially constructed government housing bureaucracies are a major constraint in the housing delivery process.

However this is a particular problem in Natal, with the KwaZulu government and the House of Delegates playing a prominent role in the urban areas. The inordinately complicated, long-winded and inappropriate land application/approval procedures have become a major factor in the withdrawal of private sector housing developers from the Black areas. In mid 1989, 41 developers were active in the DFR, but by December 1990 this number had shrunk to 8. Enterprise Magazine (Vol 39 Dec 1990) notes that in order to "get a piece of land proclaimed for development, over 30 government departments have to get involved".

The proliferation of racial local authorities has complicated bureaucracy - for example, there are 64 local authorities in the Cape metropolitan area.

3.4 CONSTRAINT - LACK OF A COMPREHENSIVE NATIONAL HOUSING POLICY

With no comprehensive national housing policy, existing racial policies are inconsistently applied and responses to the shelter needs of the country often take the form of ad hoc crisis planning.

These crisis responses are primarily reactions to squatters on land designated for White occupation. An example of this is the Transvaal Provincial Administration's reaction to the illegal settlement of people in Midrand (Snake Park and Second Avenue squatters) and in Sandton (Kwa Green squatters). These households were hastily resettled on the only piece of land legally available to them at the time - Ivory Park, adjacent to Tembisa. This had been earmarked for upper income housing and the costs of resettling poor people there have been extremely high.

Another consequence of the lack of a coordinated national housing policy is the acceptance of variable standards for infrastructure and housing. This is most obvious when housing projects for different racial groups are developed in close proximity. In

all cases, Whites are best off, Coloreds and Indians about the same and Black people are the worst off.

The SAG is currently taking steps towards developing a national housing policy. (see 4.1)

In addition to the above, political parties and community representatives need to develop their own clearly formulated policies regarding shelter and urban development, particularly in view of the negotiation process and the high expectations for housing in post apartheid SA, encountered during this Study.

The African National Congress (ANC) has begun to develop a strategy for housing and urban issues. A major step in this direction was the Consultative Conference on Local Government held in October 1990. (see 4.2)

3.5 CONSTRAINT - CRISIS OF EXPECTATIONS REGARDING HOUSING IN POST APARTHEID SA

Given the history of neglect and forced removal of households with freehold tenure living in inner suburbs, as well as the inevitable political posturing of various groups in the current climate of transition and adjustment, it is not surprising that the expectations regarding land and the standard of housing to be provided by a future government of SA are being raised. The role of government in the shelter and land readjustment process is being strongly debated.

The predominant concept of an adequate house is a three bedroomed formal dwelling on a sizeable plot of ground. There is considerable resistance among some communities to the concept of medium or high density development, which is equated with the depressed social conditions of existing council apartments, particularly in the Western Cape. There is even greater resistance in some quarters to the idea of informal settlement schemes, such as site and service.

Expectations are highest in the Western Cape. In the DFR the shelter crisis has reached such proportions that most people interviewed welcomed any form of relief, including upgrading of squatter settlements and site and service schemes. In the PWV area, resistance to upgrade and site and service proposals is encountered in certain quarters, particularly highly politicized groups such as the Civic Association of Southern Transvaal (CAST). Other communities welcome the provision of any sort of shelter and security of tenure.

Land is a particularly sensitive subject, with many groups calling for nationalization and redistribution on a free, communal basis.

Large scale misunderstanding and ignorance of basic free enterprise and economic concepts was encountered in all regions, among people who have grown up in the confined and socially engineered Black, Colored and Indian townships. Widespread ignorance and misunderstanding of how towns and cities function, administratively and fiscally, was also encountered.

3.6 CONSTRAINT - PROLIFERATION OF UNPLANNED SQUATTER SETTLEMENTS

Overcrowding in formal townships and movement into urban areas since the removal of influx control legislation in 1986 has resulted in large scale invasions of vacant land and the establishment of unplanned, unserviced squatter settlements in all regions.

As a result of this so-called 'squatter invasion', further complications have been added to the housing problem. These are:

- There is no security of tenure in informal settlement areas and access to finance is precluded. Residents are not prepared to invest their capital in buildings which they cannot own. Furthermore, the housing process is slowed down by the lengthy litigation that often occurs in trying to establish landownership and local authority responsibility;
- Because people are already resident on the land the provision of services is complicated and rendered more costly and time consuming than on virgin land. Similarly, town planning and service levels can, at best, only be a compromise.
- In the Durban and Pietermaritzburg metropolitan areas the cities have been effectively hemmed in by a dense rim of squatter developments thus requiring future housing development to be largely squatter upgrading. Likewise within the formal townships vacant land, some already serviced and awaiting the construction of houses, has been occupied by squatters.

3.7 CONSTRAINT - THE COMPLEX SOCIO-POLITICAL ENVIRONMENT

The political environment and attitudes towards shelter and urban issues are more fully explored in Section 5. It is, however, necessary to note here that the divergent and conflicting ideologies regarding shelter and urban issues make it difficult to implement projects unilaterally or speedily.

As stated at the outset of the Study, shelter is an integral part of the urban environment, and the present physical, fiscal, representational and management crises in the towns and cities of SA have long ranging implications for the provision of adequate housing for their citizens.

Racial separation of suburbs within towns and cities, combined with the administrative and financial separation of Black townships from the rest of those towns and cities in 1972, have resulted in fragmented, financially unbalanced and unmanageable urban areas in SA.

With the widescale rejection of the government-created community councils and local authorities in Black townships, spontaneous community based organizations (CBOs) and civic organizations (civics) have emerged around the country. After the formation of the United Democratic Front (UDF) in 1983, most civics and CBOs affiliated to it, making them politically partisan.

Since the unbanning of political parties in 1990, the civics and CBOs are attempting to distance themselves from party politics and to represent residents on a non-partisan basis, but this independent stance is difficult to maintain in practise, as leaders of the civics are likely to be identified with one or other political party.

During the second half of 1990 the African National Congress (ANC) embarked on a mass action campaign to force the dissolution of the community councils and local authorities and, in the absence of any other form of local representation, the civics and CBOs are becoming increasingly important.

Differing opinions on the representativeness of these organizations were encountered during this Study. Some of these opinions are:-

- they are consolidating well and building up grassroots support;
- they are often self-appointed and not accountable to the community as a whole. The Civic Association of Southern Transvaal (CAST) was the subject of criticism in this regard;
- some African National Congress (ANC) and United Democratic Front (UDF) supporters maintain that certain civics are being coopted by the SA Communist Party,

- civics and CBOs were created as protest organizations and are not yet sufficiently development oriented to make a constructive contribution to their environments; and
- there is a crucial need for training of people within the civics and CBOs in all aspects of viable urban development and management.

3.8 CONSTRAINT - LACK OF INSTITUTIONAL CAPACITY AND APPROPRIATELY TRAINED PERSONNEL

The exclusion of Black, Indian and Colored people from management and decision making processes in urban areas, as well as the discouragement of private initiative for 3 decades, has resulted in a dearth of skills and experience in management, negotiation and technical aspects of shelter and urban development.

Even in the public sector, officials with knowledge and experience have been dispersed among the various 'Own Affairs' departments of the tricameral system and the homeland governments.

In the private sector, a number of service organizations that emerged as protest and support groups during the apartheid era are currently adapting to play a more development-oriented role. Other groups are being created to provide technical and skills support to communities in their efforts to create viable living areas. Examples of service organizations are Planact in the Transvaal, Development Action Group in the Western Cape, Built Environment Support Group in Natal and national initiatives like Legal Resources Centre and Actstop, to name a few. Detailed information on these organizations can be found in Appendix I - Inventory of NGOs.

The service organizations have all expressed a need for training and information exchange to enable them to expand their services. Once the Group Areas Act is removed from the Statutes, the need for technical and negotiating support for disadvantaged communities will be much greater, to enable those communities to integrate into the metropolitan environment.

In a keynote address given to the ANC Consultative Conference on Local Government held in October 1990, Mr. Walter Sisulu, Chairperson of the Internal Leadership Core and member of the National Executive Committee of the ANC, said, "the invaluable experience we have gained in the course of the struggle must be complemented with appropriate training". (Centre for Development Studies, 1990)

Other points made at the Conference relating to training are:-

- skills related to democratic control and accountability should precede technical skills training;
- most existing institutions such as universities and technical colleges are not attuned to providing for these training needs and could not provide all training anyway; and
- provision should be made for the establishment of an institute or unit for 'Popular Administration and Training', aimed at supporting and strengthening the civics and CBOs on a national scale.

In the business sector, existing and aspirant small building contractors require both skills and management training. This is not only important for shelter provision, but also for overall economic empowerment.

Among many groups, especially in Natal, there is a growing acceptance that a large component of shelter delivery will be in the form of assisted self-help programs. Existing training in the building industry is oriented to formal technology.

Urbanizing communities require education in the processes and responsibilities of homeownership.

Most importantly, as stated in 3.5, there is large scale misunderstanding and ignorance of basic free enterprise concepts among people who have grown up in the segregated Black, Colored and Indian townships. There is a great need in SA to develop understanding of how towns and cities function, administratively and fiscally.

Every NGO interviewed for the purposes of this Study stressed a need for training and/or information exchange in the strengthening of their activities.

SECTION FOUR

4. ATTITUDES TOWARDS SHELTER AND URBAN DEVELOPMENT

There is broad consensus across SA's political spectrum that the country's current housing situation constitutes a national crisis and that concerted intervention by a range of actors is required to address it.

Beyond this however, there is little agreement. Indeed, housing is rapidly becoming an arena of ideological contest. It is essential for any agency proposing to enter this terrain to be aware of the ideological fault lines that run through it. It would be a major mistake to assume a uni-paradigmatic approach to housing policy in SA.

As civics, CBOs and political parties have signalled their entry into the housing policy debate, it is important for any agency contemplating possible intervention in the housing arena to be aware of the responses its efforts are likely to elicit from various constituencies.

Accordingly, an attempt is made below to give a broad outline of the various prevailing attitudes towards shelter and urban issues.

4.1 Government Approach

Future government policy (particularly on urban land and housing finance) will be crucial in determining the viability of any other strategies and proposals formulated.

As stated in 3.3, the SAG approach to shelter is not contained in any single document. Instead, Circular Minute no 1 of 1983 and the White Paper on Urbanization of 1986 can be seen to constitute current policy. A further idea of SAG thinking can also be gleaned from existing subsidy schemes, outlined in 3.2.3, and public statements by government spokespersons.

Rapid urbanization during the past 4 years and the resultant homelessness, overcrowding and violence have forced the government to focus more urgently on the development of a shelter strategy. The SA Housing Advisory Council (SAHAC) has been formed as a working group, comprising representatives of the public and private sectors, with the objective to investigate the housing backlog and to advise the Council of Housing Ministers.

SAHAC is focusing on a strategy to make home loan finance available to a wider range of families, through:-

- the Loan Guarantee Fund;
- restructuring subsidy programs;
- involving pension funds, provident funds and other large investors in lending for housing; and
- creating new responses to the needs of the lower end of the market (squatter upgrading, etc.)

The Committee for the Optimal Provision of Subsidies for Housing (the Pretorius Committee) was appointed during 1990, comprising members of the Department of Finance and the Development Bank of SA, to restructure the subsidy programs. Their proposals are:-

- a capital subsidy of R6 000 on the selling price of a serviced site purchased by a first time owner and where the land is being sold for the first time;
- modification of the first time home buyers' subsidy to provide up to R6 000 per dwelling unit, irrespective of the value of that unit;
- a punitive tax on unused land zoned for housing; and
- that the remaining government stock of rental housing in Black townships be given to the existing tenants.

The proposals of the Pretorius Committee are in the discussion stage and have yet to be implemented. They have, however, elicited the following preliminary comment from housing finance technicians and community groups:-

- the proposals are better geared to stimulate supply of land and shelter than existing subsidy schemes;
- the subsidies would be more equitable and less racially skewed than those currently operating and would be simpler to administer;

however

- these proposals have been developed without consultation with the communities most affected;
- the housing finance institutions which would have to implement the subsidies were not included in the discussion of these proposals; and
- some urban planners consider that these proposals do not adequately address inner city renewal.

The Minister of Planning and Provincial Affairs has recently been given the newly-created portfolio of National Housing and has commissioned a new White Paper on shelter and urban development. He has also appointed twelve people to advise him on the formulation of a national housing policy. All twelve advisors are White.

4.2 Non-Government Sector Approaches

At the risk of over-simplification, it is possible to identify four broad positions in the NGO policy debate. Only one of these positions has been formulated in a comprehensive set of proposals (Housing for All: Proposals for a National Urban Housing Policy, Urban Foundation, 1990). This is outlined as Position One. The UF's position is well-developed, and has gone further than the others in assessing the practical and financial implications of its proposals.

The major differences among the positions center on specific policy proposals, particularly the respective roles of government and private sector, the weighting of formal and informal housing in a national housing policy, and house rental versus ownership.

The necessity for training and for a small loans facility for the informal sector is accepted by all four positions.

In summary these four positions are:

4.2.1 Position One

This is best represented by the Urban Foundation's policy proposals which are broadly perceived as reflecting the views of the business sector as a whole (although this is not universally the case).

This position is that government's major function is to establish and maintain a clear policy and regulatory framework for housing, set targets for housing delivery, and mobilize maximum private sector involvement to meet these targets. This implies:

- that government agencies should not operate under more favorable conditions than private sector agencies;
- the cost recovery principle in housing delivery;
- substantial changes to the existing subsidy system.

These proposals require that informal housing be accepted as an integral part of national housing policy, through site and service schemes and upgrading. The objective is to transform informal settlements into formal suburbs through a combination of government, private sector and community participation.

This position also perceives ownership to be key, requiring that government policy aim to make land and home ownership affordable as far down the income scale as possible. People should not be forced to rent accommodation but should have this option (in the private sector) if they choose it. The government should only provide rental accommodation for those who are genuinely unable to help themselves, such as the elderly and the indigent.

The necessity of a small loans facility (at affordable interest rates) is recognised across the board.

4.2.2 Position Two

Position 2 is largely defined by its rejection of substantial elements of Position 1, but has itself not yet been formalized in a separate, coherent policy package.

It rejects the notion of a limited role for government in direct formal housing delivery, particularly for affordable rental accommodation for the poor. The major objection to the 'privatization of housing' as proposed by the Urban Foundation, is that it is seen to allow the present government to escape the responsibility of redressing the housing crisis generated by its apartheid policies. There is also the fear that the SAG is privatizing housing in an attempt to remove it from the negotiation process, and to perpetuate segregation through socio-economic barriers.

Position 2 is spearheaded by CBOs and key service organizations. It is rooted in a fundamental scepticism about the business sector's economic and political agenda, exacerbated by the SAG's apparent growing support for the Urban Foundation's recommendations for housing delivery.

The demand for government-provided rental accommodation has also gained momentum as a result of the experiences of many first-time buyers who have faced increased interest rates, repossessions and the financial burden of maintaining houses of sometimes inferior quality built by private developers.

In addition, one of the major expectations of Black South Africans is that a post apartheid government will deliver formal housing.

In the Western Cape, USAID's ideological interests are generally considered to coincide with those of the SA business sector.

Cape Town based CBOs generally reject the notion that government cannot afford the mass housing required immediately. This position was recently underscored by the ANC's National Consultative Conference on Local Government and Planning (October

1990). The summary document of this Conference notes that 'the South African economy can generate the R5-billion annually that is needed to build 200 000 houses per year over the next ten years to resolve the housing crisis' (P: 33).

CBOs recognize the necessity of upgrading and site and services schemes, including self-help projects, but believe that these should be developed alongside massive government-sponsored formal building programs.

They particularly strongly reject the principle of full cost recovery by government in housing provision.

Another area of growing political resistance is that government is seen to be adopting new policies unilaterally on a wide range of fronts (including housing and urban issues) at a time when it is supposedly committed to negotiating such policy. This is seen as an attempt to remove these issues from the negotiating process and entrench policies favorable to the private sector and Whites in general during a period of transition.

Groups that accept Position 2 as a point of departure include the African National Congress (ANC), the United Democratic Front (UDF), the trade unions, the Western Cape Civic Association (WCCA), the Cape Areas Housing Action Committee (CAHAC), the Western Cape United Squatters Association (WECUSA), The Western Cape Hostel Dwellers Association (WCHDA), the Federation of Cape Civic Associations (FCCA) and the Development Action Group (DAG). DAG, an influential Western Cape service organization that provides technical, planning and urban development assistance to communities, intends to formulate a comprehensive set of housing policy proposals as an alternative to that of the Urban Foundation once it has completed a series of workshops and consultations with its client CBOs. DAG is also consulting its client CBOs on appropriate policy towards donor agencies and is formulating criteria for such funding.

Proponents of Position 2 have had a strong impact on housing issues in Cape Town, although in a fundamentally different way from proponents of Position 1 (who have initiated a range of finance and housing delivery schemes noted above). Civic organizations, on the other hand, proceeding from the ideological starting point of Position 2, have undertaken numerous high profile housing campaigns directed against the government and local authorities over the past decade. These campaigns have fundamentally shaped the demands and expectations of people on the ground, and played a significant role in turning housing into a potent political mobilizer. Most recently, the threat of a 'squatter' land occupation in District Six was partially conceived as a strategy to force the SAG into action on inner city housing re-development. The central demand of the CBOs involved in the campaign is that the SAG should expropriate District Six land, write its value down completely, and allocate significant subsidies for low cost accommodation.

Although particularly strongly held in the Western Cape, the attitudes of Position 2 are also to be found to some extent in the PWV area, particularly among the trade unions. The Civic Association of Southern Transvaal (CAST) has been advising squatters not to accept sites for incremental building, but to wait for government to provide them with formal houses ("not from a shack to a shack").

In Natal and the DFR, the homelessness problem has reached such proportions that people are ready to accept any form of relief and site and service or self build projects are more likely to be welcomed (eg Bester's Camp upgrade project). The stragg stance of Position 2 is not as entrenched in Natal as elsewhere in the country.

However, the widespread support for Position 2 in other areas has implications for any high profile private sector intervention in the shelter arena. Such interventions in the Western Cape run the risk of generating considerable controversy if they are perceived to be relieving government of its responsibility.

Some key points of Position 2 are endorsed by the Cape Town City Council's housing committee, who argue that government is responsible for providing rental accommodation for low-income families (Housing Committee Meeting 9 April 1990). The Housing Committee Chairperson, Mrs Eulalie Stott, advocates special taxes (increased turnover taxes on business and a housing tax on all home owners,) to enable the government to build rental accommodation for low-income families without having to borrow money to do so.

The CCC also notes, with considerable anger, that since the establishment of the Independent Development Trust (IDT), funds traditionally allocated to local authorities for the construction of rental housing have been slashed and that the IDT does not constitute 'new money' for housing, but is money that would formerly have gone to local authorities for formal construction programs. This money is now being channelled through a different delivery mechanism to implement a new, non-negotiated, informal housing policy.

In response, critics of Position 2 argue that, however desirable these proposals may be, they do not take sufficient account of the crucial issues of scale, affordability and replicability. These critics accept that the housing budget can be increased by a post apartheid government, but argue that no government will be able to finance mass formal housing, given the projected need in SA. They warn that this approach will result in relatively few people (usually the more influential and affluent) benefiting substantially from large government subsidies, while the mass of the poor (who lack leverage and influence) receive far less than their due. Under these circumstances, there is serious risk that housing could become part of patronage politics.

4.2.3 Position Three

This position proposes a multi-faceted housing delivery policy with strong emphasis on community initiated development, in which CBOs assert the interests and priorities of their communities in a bargaining process with local authorities. This is sometimes referred to as 'urban trade unionism'. This model presupposes strong, non-racial, democratic and managerially competent local government committed to public participation in development and planning.

This approach requires private sector and donor agencies to respond to and support 'community-initiated' housing projects.

Several housing initiatives developing in Cape Town at present could be placed within the parameters of Position 3, primarily:

- A project to upgrade and re-develop the single-sex migrant labour hostels in Cape Town into family units. This initiative, known as the Western Cape Hostels Housing Upgrade Program, is spearheaded by the Western Cape Hostel Dwellers Association.
- Negotiations over the planning and re-development of District Six, and moves to form a non-profit Section 21 Company to direct the re-development, involving community, local government and business sector participation.
- Proposed participatory informal settlement and upgrading projects in Tambo Square and Hout Bay. (The SAG has already allocated R5-million to expropriate suitable land for the Hout Bay informal settlement.)

These initiatives are usually rooted in community housing struggles against the Group Areas Act or the legacy of migrant labour.

They invariably require far-reaching negotiations between widely divergent interest groups, including the community, local and provincial authorities, and the business sector. This process has the potential of bridging the deep ideological divisions in the housing arena and can lead to cooperative efforts between various sectors in addressing aspects of the housing crisis. Another advantage of this approach is that it can apply equally well to a wide variety of housing delivery processes such as upgrading programs, formal inner-city housing redevelopment projects, or hostel upgrading.

One of the main criticisms of this approach is that it can only respond adequately to the priorities and demands of organized constituencies. The unorganized (often the majority of people in a community) are unable to assert their needs and interests in

an organizationally based bargaining process. In addition, CBOs are often dominated by particular political tendencies.

These problems do not apply where stakeholders are easily identifiable (such as Western Cape Hostel Dwellers Association in the Hostel Housing Upgrading Programme); nor in a relatively small community (such as Hout Bay, Tambo Square, Lawaaikamp or Ritchie).

4.2.4 Position Four

A fourth position, which builds and extends on the others, is currently being formulated, canvassed and lobbied in influential circles. It rejects the limited concept of housing as shelter provision within fixed budgetary constraints and instead conceives of housing as a potential way of kickstarting economic development and job creation in SA, of generating inward industrialization, and triggering a series of economic multiplier effects.

This position argues that the notion of urban restructuring should lie at the heart of housing policy. This means increasing formal urban housing densities, upgrading individual units and public environments, and reintegrating the poor into functional mixed-use areas to facilitate access to urban opportunities. It warns that an exclusive policy focus on informal housing and 'serviced site' subsidies for the poor will result in urban sprawl, destroying essential agricultural land on the urban periphery, and pushing the poor further and further away from the economic hub of the cities into dysfunctional 'urban deserts' (David Dewar, UPRU, University of Cape Town).

SECTION FIVE

5. RECOMMENDATIONS

5.1 The research done for this Study reinforces the findings of the Trail Report (1989), that urgent intervention is required in the provision of basic shelter and services to the Black urban communities of SA. However, since the unbanning of political parties in February 1990, the housing crisis in SA has assumed the status of a national debate. Urban areas have become the focus of violence, mass action, political mobilization and, in the cases of Soweto and Alexandra, the cutting edge of the negotiation process.

In the past, housing has been used as an important tool in enforcing influx control, segregation and access to employment. It is a highly-charged emotional issue and, with newly-unbanned political parties jostling for position, an arena of political contest.

Any USAID intervention in the shelter field should, therefore, be undertaken with sensitivity and extensive consultation with the communities concerned. Ideally, these interventions should be in response to requests from the community and should empower the community to exercise freedom of choice.

5.2 This Sector Study, owing to time and budget constraints, has focused on three main metropolitan areas of SA. Its findings must, therefore, be regarded as preliminary. I accordingly recommend that the geographical gaps be filled by research in the Eastern Cape (Port Elizabeth and East London) and the Orange Free State (Bloemfontein), in order to obtain a comprehensive overview of shelter issues in SA. This is important in view of the regional differences encountered in this Study.

5.3 For the reasons given in (5.2) above, the various approaches and political attitudes to shelter issues discussed in this Study must be regarded as preliminary. They were formulated from interviews in the most politicized area, the Western Cape. These approaches and attitudes should be further researched through discussion groups in all areas of SA. This exercise in itself could be a valuable contribution to the shelter debate in the country.

5.4 Given the findings of this preliminary Study, it is possible to identify four main subject areas for further research, with a view to optimum USAID/SA intervention in the shelter sector. An action plan should now be developed within those areas.

5.4.1 Development of human and institutional capacity, through training and information exchange

This was a need highlighted by all NGOs and individuals interviewed for this Study. Interventions undertaken in this area will impact on all NGOs and all constraints discussed in Section 3, without involving USAID/SA directly in potentially controversial land-based projects.

USAID/SA is uniquely positioned to provide training and information exchange, through the Office of Housing and Urban Programs with its existing expertise in shelter issues, and through access to institutes, university urban departments and training facilities in the US. This expertise should be particularly valuable in the development of viable local government in SA.

5.4.2 Development of innovative new approaches to housing finance

Once again, this was a need expressed by all interviewees for this Study. Support should be given to individuals and groups seeking to bring finance to the approximately 55% - 60% of SA's Black population with no access to formal housing finance institutions. This support could be provided through direct finance for capital funds, technical assistance or information exchange, as in 5.4.1.

5.4.3 Assistance to disadvantaged communities and consumer protection

Assistance should be provided to communities disadvantaged by apartheid, to reintegrate into the towns and cities and develop viable communities. This should be done through assistance to service groups, such as the Legal Resources Center. Small Black builders should be assisted to compete in the open market.

5.4.4 Symbolic onslaughts on apartheid and fragmented cities

Attention should be given to projects which are symbolic onslaughts on apartheid and which contribute to the redevelopment of inner cities, such as the rebuilding of District Six in Cape Town and the conversion of hostels in all metropolitan areas into family accommodation.

5.5 I further recommend that USAID/SA consider the establishment of a Housing and Urban Development Resource Center, which could be administered through a trust fund or other suitable mechanism. This Resource Center could facilitate training courses, visits and information exchange in building skills, negotiating skills, general management, and local government. The Resource Center could also be a funding mechanism for specific pilot projects.

This approach will fulfil the objectives of USAID/SA strategy in:- empowering people to seek the demise of apartheid; building Black individual, institutional, professional and leadership capabilities; promoting Black economic power; supporting democratic procedures; fostering dialogue and free flow of information; formulating plans for governance in a non-racial democracy; and building bridges between the US and victims of apartheid. It will, further, fulfil many of the objectives of the USAID Shelter Strategy.

JANUARY 31, 1991

Housing a link in chain of political negotiations

By ESMARE VAN DER MERWE
Political Reporter

The growing bargaining power of black community groups and trade unions in the field of adequate and affordable housing could contribute significantly to an overall climate of negotiation.

So says Paul Hendler in a newly released book, "Paths to Power", published by the SA Institute of Race Relations.

The country's housing problems are spawning important consultations and negotiations between trade unions, employer bodies, community groups and, ultimately, the Government.

Bargaining power over housing and related issues could set an important precedent for future national negotiations.

The book, available from the Institute for R10, is the third in a series on urban housing.

All three studies show how the economic and political problems arising out of the shortage of black housing are forcing a wide cross-section of groups to address housing and related issues.

Fierce hostility

In the process, despite fierce hostility between some of these groups, they are realising it is in all of their interests to jointly find workable solutions.

Mr Hendler notes that private developers, notwithstanding their reluctance to enter the political arena, might increasingly mediate solutions to urban conflicts to achieve a stable social climate more conducive to their activities.

The Government cannot address the housing crisis without the co-operation of private enterprise. Neither the Government nor private business can plan priorities without the agreement of credible township groups.

On the other hand, black groups have found they cannot address their constituents' housing needs through the policies of protest and confrontation alone.

They are also finding that piecemeal victories, gained through bargaining procedures, have wider advantages for them. Each success has led to greater grassroots support and thus greater all-round strength, including at the bargaining table.

Mr Hendler notes that business has become increasingly involved with providing township housing, be it as an employee benefit or as a profit-making enterprise.

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JUST IN: THE 2001
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INSIDE: FINE HOMES



Black councils IN THE FIRING LINE

MIGHT IS RIGHT

More than 110 people have been killed in East Rand township violence in the past two weeks. Such slaughter is not random. Political rivalries undoubtedly make things worse but the root causes are more simple.

Essentially, we are watching a series of battles in a bitter, desperate struggle for land and security. Nearly all the violence in recent weeks and months has taken place near hostels and squatter camps. The pattern has been repeated in township after township across the Reef.

Hostel residents, squatters and the homeless all lack security of tenure and are desperate to establish themselves. Those in established townships, who are materially better off, feel threatened. Security is sought — and emotions inflamed — in tribal, political and geographic affiliations.

A glance at how many of these people live soon explains why they become desperate. Even hostel dwellers, on the face of it better housed than many squatters, live in appalling conditions.

The Thokoza hostel, eye of the storm this week, is disgusting. Men live in squalor; rain pours in through corrugated iron so rusted it resembles lace. There is no electricity and only cold water. Bare concrete floors are pitted with huge holes; walls are caked with dirt. Each block of about 120 men is served by a small urinal and six unscreened toilet bowls. The shower room has broken windows, no doors and a trickle of cold water. Privacy is non-existent.

There are about 20 000 residents at the huge Thokoza hostel complex.

About 8 000 people are living at the Phola Park squatter camp near Alberton. It's a rickety settlement of shacks erected around deeply rutted tracks. Unemployment is estimated at 60%; hard-faced, armed young men walk about. However, many shack dwellers have tried to establish small gardens; the insides of many shanties have well-swept sand floors and neatly laid-out bed linen and perhaps a table with cooking utensils.

Phola Park, however, has been flooded with refugees (600 this week alone) from Zonkesizwe, a sprawling but relatively new squatter community of about 12 000 near Heidelberg.

The conflict in Zonkesizwe began two weeks ago, during a residents' meeting allegedly attacked by Zulu hostel dwellers. Zonkesizwe residents claim tensions began rising when mainly Zulu hostel dwellers began moving in to their area. Some had been displaced after the destruction of Reef hostels in August and September; others were victims of lay-offs at factories and had lost their accommodation. These former hostel dwellers seemed intent not only on acquiring

space for shanties in Zonkesizwe, but on establishing political control.

What is to be done?

Accelerating urbanisation means that emergency land and basic services must be provided. Government must move rapidly to buy up or make available land for informal settlements.

A recent project by P G Bison, investigating conditions at hostels — some occupied by its workers, showed that since the August and September violence 90% of workers would prefer married to single accommodation. But the hostel dwellers asked for less lavish quarters than employers imagined: most rejected plans for four-room dwellings and opted for two-room houses; because many also have homes in rural areas.

The Steyn Report on the township violence of 1976 and 1977 noted that people who have a stake in a community do not destroy those communities. Thirteen years later it appears the message is still not getting through to government. ■

LEADING ARTICLES

Central Witwatersrand Chamber, a talking shop with representatives from the municipalities of Greater Soweto and Johannesburg, which many believe could be the first step towards metropolitan government for the region.

Such a system could simply mean shifting the burden of financing the black townships on to white local authorities — which rate-payers would no doubt resist. Nonetheless, it is a part-solution of sorts.

The situation elsewhere is much bleaker. In some cases agreements have been struck only to be broken. In others, payments have been made but have been insufficient to cover the bill.

This has led to what amounts in a few cases to charity: Middelburg Steel and the mines on the West and East Rand have offered to pay township arrears accounts to keep services flowing. Eskom, too, has negotiated special relief packages.

"The situation," says Olaus van Zyl, MEC in charge of local government and RSCs within the TPA, "is very confused."

It's clear, unfortunately, that any payment accords struck with black townships are likely to be temporary. The real question is whether any new system of local government will have sufficient support and co-operation to get services running smoothly again — which means running the rates system with equanimity.

At this stage government has had little option but to emphasise that services will be reinstated only once they are paid for. With the onset of winter, the mood in the townships is likely to worsen.

So why can't Cast see the dangers?

UDF national general secretary Popo Molefe denies the MDM is being irresponsible in wanting to force councillors out of office when government has already committed itself to redrawing the structure of local government. He says that without the pressure of mass protest, government tends to drag its feet on these issues and does not take the aspirations of the democratic movement seriously enough. "We are not going to trade off mass mobilisation for negotiation," he insists.

Cast assistant general secretary Cas Coovadia takes a similar view. He says the mass action campaign will go on — but adds that Cast has no objection to entering into negotiations with government and other bodies about the interim structures that will replace the black councils once they're gone. "All we need to run the townships is an administrative structure, which could be a government-appointed administrator or some form of interim administration set up by the local civic associations and the white local authority."

Yet these matters are already being addressed — and mass mobilisation goes on. There is, for example, the report of Planning & Provincial Affairs Deputy Director-General Chris Thornhill.

It grew out of the work formerly done by Koos Stassen of Unisa, who chaired a Committee on Uniform Legislation for Local Government in SA, and outlines four basic options for nonracial local government. These range from separate local authorities to a simple majority model.

For example: there could be a nonracial local authority governing a defined urban area, which would in turn devolve power down to neighbourhood committees. These would be represented on a joint local authority and share in a revenue base that comprised property and business taxes as well as full or shared RSC levies. Where functions overlapped, the funds could be voted in the municipal budget and then allocated to the committee budgets.

A simple majority model proposes that the local government area would be divided into nonracial wards with councillors elected directly by residents.

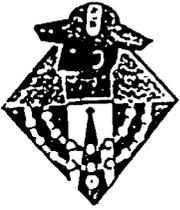
The point is that not only has government accepted for some time that the traditional black councils are outmoded, it is prepared to debate the merits of new systems. Why then does the campaign of mass action continue — particularly since its potential for violence and deprivation has now so amply been demonstrated?

Last weekend Nelson Mandela — addressing a crowd of mourners at the funeral of an activist killed in a demonstration — said: "In a country where the majority don't have the vote, live under oppressive conditions and are killed daily, the government cannot expect the ANC to call off its mass campaign."

This does not answer the question. The mass action campaign does not sincerely seem intended to create the conditions for democracy at local level. It smacks more of the ANC propelling itself into sole authority at community level — whatever the consequences. ■

MAKING A WASTELAND

MASS ACTION IN THE TOWNSHIPS HAS A STRANGE LACK OF CONTEXT



The campaign to destroy the remnants of black local government is turning into the greatest strategic folly since calls for "liberation before education" burnt away the life prospects of hundreds of

thousands of schoolchildren in the Eighties. While the campaign for mass mobilisation is being defended in the name of democracy, the building blocks of democracy itself, the ebb and flow of services in local communities, are being smashed.

It is not difficult to predict that when the leadership — most especially within the ANC — decides that the time has come to call off the heat, it will be too late for many elements of civilised life to be restored.

Once refuse removal, rents collection, transport, water and electricity services have been disrupted, they cannot easily be turned on again with a political switch. Like the ability to read or count, they are real things in the real world.

At the end of a period of civic disruption the ANC might notionally "control" various patchworks of streets, but it will not necessarily find that this political gain will clear the garbage, kill the rats or make people realise the need to pay rent.

It is, therefore, difficult not to see so-called mass mobilisation — so-called because discipline is lacking — as anything but a gravely short-sighted power play which coincidentally has the effect of delaying negotiations on a new democratic constitution.

Long before the latest phase of mass action it was common cause that the entire apartheid-imposed edifice of black community councils, coloured and Indian liaison and management committees and own affairs

jurisdictions was moribund. Other structures had come into being or were being proposed; the issue was very much up for negotiation.

The Mass Democratic Movement (MDM), indeed, had fostered the emergence of such bodies as Cast — the Civic Associations of the Southern Transvaal — which were in a position to accept more responsibilities as well as power in black local government. Obviously, township authorities suffered from the taint of having been descended from the old Urban Bantu Councils with their advisory roles, dog taxes and beerhall revenues. But to make their continued existence the political issue of the day, when in effect

a second National Convention beckons, was a strange and unexpected move.

The upshot has been to throw petrol on to the flames of township violence, threatening the essential fabric of society. The "civics" — the alternative councils — have no real way of taking control of developments at present.

That is why the rubbish is piling up in the streets again, lawlessness prevails and no houses are being built.

Government officials attempting to deal with this mounting instability face a genuine dilemma. They acknowledge the need for more representative local government but argue that what remains of the status quo should be retained until there is something workable with which to replace it. But in this they are like headmasters arguing that the school should not be burnt down, to promote educational ideals. They place themselves in danger.

Nihilism — whatever Cast's stated aims — is therefore prevailing. Of the 82 black local authorities in the Transvaal, 28 don't have a quorum because some councillors have resigned. The Transvaal Provincial Administration (TPA), while haplessly urging councillors to remain at their posts, is appointing "administrators" to run townships by proxy where no quorum can be obtained. At present only 54 black townships in the Transvaal are running their own affairs — meaning that the others are ungovernable and have, at best, deteriorating services. The trend is being felt across the country.

Since Cast embarked on its campaign in the Transvaal, between 60-70 councillors have had their houses, businesses or cars damaged or destroyed by forces opposed to their participation in local government. At least four have been killed. Rent and service charge boycotts have been in effect in most

Transvaal townships since the early Eighties and, it might have been thought that with constitutional reform looming they should have been abandoned.

Yet they continue, and with government agencies owed something like R1bn in arrear payments, blackouts and scenes of mounting rubbish look increasingly like foreshadowing the future.

As eastern Europe has learnt, nothing comes free. Nonetheless, probably because of the political climate, government has attempted to save residents from the worst of their folly. Earlier this year it authorised the Transvaal Regional Services Council (RSC) to make available R130m to help black local authorities meet payments for bulk services from April to August. This money would normally have been spent on capital projects, such as improving township infrastructure, and is lost forever. Cast seems unaware of this.

By September, facing persistent rent and service charge boycotts, government had had enough. It instructed the suppliers of bulk services to start shutting down supplies to townships which failed to pay up. The measure heightened tensions in the townships and led to increased violence and intimidation.

It was meant to send an important signal — that users of municipal services have an obligation to pay for them, regardless of any political inequities within the wider society. It also had an important effect in getting civic associations, black community councillors, the TPA and providers of bulk services talking to each other — something they had previously not done. The most important upshot was the Greater Soweto Accord struck in August.

In terms of the accord, Soweto residents, and those of Dobsonville and Diepmeadow, agreed to pay an interim tariff related to service charges in September; and to pay their metered accounts (though with a ceiling) through January, after which residents were to have paid the full metered accounts. The TPA agreed to write off R516m of Soweto's arrears — a bill that will eventually have to be picked up by the taxpayer. And the province hopes to recover R120m through the establishment of the Soweto People's Trust into which residents will now make additional contributions.

The accord at least represented some form of payment plan. It covered about 40% of local government's total arrears bill in the Transvaal. It also gave birth to the



Garbage mounts up in Soweto ... political sharp end

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SECTOR STUDY

A GENERAL SURVEY OF SHELTER ACTIVITIES BY NON-GOVERNMENTAL
ORGANIZATIONS (NGOs) IN SOUTH AFRICA

APPENDIX 1 - NGOs INTERVIEWED

DURBAN FUNCTIONAL REGION

Private companies

These private companies, mainly building contractors and property developers, were interviewed to obtain an idea of the approaches and problems of private builders. This was done only in the DFR.

THE NATIONAL INVESTMENT CORPORATION (PTY) LTD

Mr Willy Thomas : Managing Director Phone 3011003

This is a White run, but largely Black owned housing company which is presently building about 60 houses per month. They operate throughout Natal/KwaZulu, but their major operations at present are in the KwaDabeka, Umlazi and Pietermaritzburg areas.

SECURE HOMES (PTY) LTD.

Mr Peter Goodson : Managing Director Phone 562-8484

This company has been in operation for a little under 3 years. It builds about 200 houses per annum, but due to bureaucratic delays in Ulundi the financial viability of the company is presently under great strain and the company may have to cease operations.

HARMONY HOMES (PTY) LTD

Mr Mike O'Donovan : Managing Director Phone 764-1386

This is a small company with one development in Edendale (Pietermaritzburg) and Chesterville (Durban), the latter is an up-market development. Together about 300 houses are under construction.

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TIME HOUSING (PTY) LTD

Mr Tim Mitchell : Managing Director; Phone 701-3781

This company has developed a number of middle and high income housing projects in KwaMashu and KwaDabeka. They have also implemented various employer-assisted housing projects. Recently they have become very involved in a squatter removal problem, following an invasion by squatters on to land they were developing in KwaDabeka. It is uncertain whether this company will remain in the Black housing market once their present commitments have been fulfilled.

RABIE PROPERTY DEVELOPERS (PTY) LTD/CONDEV NORTH (PTY) LTD.

Mr. Bob Pike : Director

Phone 301-0421

Both companies belong to Murray and Roberts and they are responsible for land acquisition and housing development in the Natal/KwaZulu region. At present they are attempting to develop about 6 000 houses in the south of Umlazi, in an area bordering the Cele tribal reserve. Due to difficulties in regard to land ownership and lack of support from Ullundi, combined with a general sense of insecurity in the area makes the development of these houses doubtful.

Community Groups - Durban Functional Region

SUNFLOWER CONCEPT

Mr Smith : Project Manager

Phone 902-9222

This is a division of Murray and Roberts (Natal) Pty Ltd. The purpose of the company is to provide training for unskilled people who can then use their newly acquired skills to build (mainly) community facilities. This is done through funding provided by the government in terms of the Unemployed Training Scheme funded by the Department of Manpower. Allied to this is a job creation program in which many of the community facilities are utilised to promote education, skills and entrepreneurship - such as cottage industries. This aspect of their work is also funded by the Department of Manpower. In addition the company has undertaken a limited amount of employer assisted housing projects.

Comment: This is an excellent project, as it impacts both on shelter and employment generation. However, in terms of current constraints, USAID/SA cannot assist this project as it receives funding from the SAG.

INNOVA

Mr. Roy Heath : Chief Executive Officer; Phone 309-5570

This is an Urban Foundation 'utility' company (a non profit property development company), which at present has 14 projects under construction. House prices range from starter homes costing R12 000 at Klaarwater and St Wendolins (Durban) to R65 000 at Phoenix and Inanda Glebe.

COMHOUSING

Mr Jan Jordaan : CEO

Mr Tony Jones : Project Manager (Coastal)

This is a utility company that was started by strong National Party supporters in Natal (Senator Klopper, Johan Strauss, Martin van Zyl, Leon van Rensburg). Initially its major thrust was to provide homes for young White couples, but more recently it has extended its activities into providing low income housing for all racial groups.

INFORMAL SETTLEMENTS DIVISION : URBAN FOUNDATION

Mr Rob Taylor : G.M. Informal Settlements Div
Mr Basil van Horen : Project Manager

The ISD has embarked upon an in-situ informal settlement upgrading project at Bester's Camp which is situated on the borders of KwaMashu and Inanda. It is located partly in Durban and partly in KwaZulu. Some of the land is owned by private companies and individuals. 3 100 shacks house approximately 20 000 people, with no services or community facilities in the area. The Urban Foundation intends to provide basic services and to foster the development of a cohesive community, in order to negotiate with all the authorities and landowners for security of tenure. The project is being jointly funded by the Durban City Council and the Independent Development Trust.

Comment: This project could be a useful demonstration in squatter upgrade, in an area where it is desperately needed, ie in the Durban Functional Region which has the highest number of squatters in the country. This Region also appears to have the highest socio-political acceptance of the concept of site-and-service and self-help housing. The Urban Foundation appears to have a more positive image and be more acceptable to many of the people in the DFR than in the other areas surveyed.

In view of the complex administrative and land ownership situation in Bester's Camp, it could be some time before security of tenure is obtained, but it could prove an interesting pilot project. My impression is that adequate funding is available through the Durban City Council and the IDT, but the UF requires additional assistance with the establishment of an advice center for residents and the development of a group lending facility.

The following Community Based Organizations are assisted by the Built Environment Support Group at the University of Natal and can be contacted through them.

BAMBANANI UNIT S COMMITTEE (BESG)

Unit S is a Neighbour Unit situated in Edendale where the Azalea Utility Company (taken over by Innova/Urban Foundation) have built some 700 Houses out of a total of 3000 units. A wide range of problems has arisen, most of which relate to a general lack of education and preparation of the home owners. Expectations were not met and so dissatisfaction was wide spread. The Bambanani Unit S Committee was created to articulate this dissatisfaction on behalf of the community.

CLAIRWOOD RATEPAYERS & RESIDENTS ASSOCIATION (BESG)

This Association was formed over 35 years ago to fight the Durban City Council's proposal to declare Clairwood an industrial area and to re-house the residents elsewhere. In 1988 the final decision was taken not to proceed with the rezoning of the area. The CRRA is now playing a role in monitoring the new structure plan being prepared for the area.

EMATSHAHENI RESIDENTS COMMITTEE (BESG)

Ematshaheni is an informal settlement area in the Edendale area. The committee was formed to contest their proposed removal to make way for an upper income housing scheme. The committee was successful in getting the plans for their removal rescinded, but they are still striving to consolidate their legal access to the land.

ISOLOMUZI COMMITTEE OF FIFTEEN : ST WENDOLINS (BESG)

St Wendolins is situated between Chatsworth and Mariannhill and was zoned for incorporation as an Indian area into Chatsworth. Some 1400 people live in the area in informal houses. The Isolomuzi Committee was formed to fight the area's incorporation into Chatsworth and to bring about an improvement in the services to the area as well as to upgrade the houses. The Urban Foundation assisted the community in 1987/8, an advice center was established and Innova are now developing a starter house program in the area.

KLAARWATER RESIDENTS ASSOCIATION (BESG)

This Association was formed to express the community's dissatisfaction with the starter houses which Comhousing had built at Klaarwater.

KWAMASHU SECTION L HOUSING COMMITTEE (BESG)

This committee was formed to promote the upgrading and extension of starter houses that were built some 30 years ago to house people removed from the informal settlements that had developed at Cato Manor. They are being assisted by BESG to formulate development proposals and upgrading designs.

THE LUGANDA INTERIM COMMITTEE (BESG)

This committee was formed to fight the removal of 310 Black households to make way for middle income Indian residential development, to be developed by Comhousing. Intense resistance by the community has led to the suspension of demolitions and a search for alternatives.

MALAKAZI WORKING COMMITTEE (BESG)

Malakazi is an Indian informal settlement area where tenants have lived on privately owned land for generations. Recently one of the landowners commenced a housing development without agreeing to compensate his tenants for the removal of their houses. After intensive negotiations, in which the people were assisted by BESG, the House of Delegates has agreed to find the people subsidized housing on adjacent land.

NAZARETH RESIDENT'S COMMITTEE (BESG)

The Nazareth community has been resident on Mariannahill Mission land for generations. There are no services and overcrowding is serious. The community has approached the Mayor of Pinetown for assistance in upgrading the area.

PIESANGS RIVER AREA COMMITTEE (BESG)

The Piesangs river area comprises five pieces of privately owned land in the Greater Inanda area where all services are lacking. The PRAC has been formed to promote the development of the area, but due to organizational difficulties little progress has been made to date.

RICHMOND FARM RESIDENTS COMMITTEE (BESG)

Richmond Farm is an informal settlement area situated on the border of KwaMashu that dates back to the early seventies. In recent years the area has become densely populated and as a result there is an escalating need to upgrade the area. The RFRCC has been created by the community, which has identified the need to secure tenure for the people to be its first major task.

SOWETO DEVELOPMENT COMMITTEE (BESG)

This is a densely populated area situated within the Greater Inanda Area. The Committee has set about trying to mobilize the community to upgrade the area. There is an added stimulus for this to be done as there is a fear that they may have to make way for a high up-market development. The feeling is that should the area be upgraded there would be less incentive to impose a new housing development and dislocate the existing community..

The following CBOs are not affiliated to BESG:-

DURBAN CENTRAL RESIDENTS' ASSOCIATION

Chairman : Sayed Iqbal Mohamed
Phone : 304-6451 .

The DCRA was formed to fight against the eviction of people living in the Albert Park, Grey Street and surrounding areas, who were living there illegally in terms of the Group Areas Act. However, with the steady disappearance of this Act the role of DCRA has diminished and so has its support and relevance.

UMLAZI IMIJONDOLO COMMITTEE

With the shortage of housing in Umlazi, residents have moved on to vacant sites. These sites lack basic services and facilities, and the Umlazi Imijondolo Committee was formed to articulate their needs.

QADI MANAGEMENT COMMITTEE

Chairman : Rev A. Sibisi
P.O.Box 43119
Inanda 4310

The Qadi occupy a large tract of land (about 4 700 hectares) situated within the Greater Inanda area. Part of the area is densely populated with informal settlements, while the northern and western areas are semi-rural. The western boundary of the Qadi area has been earmarked by the RSA/KwaZulu Development

Project (RKDP) as a major contributor to the provision of sites in terms of the quota set. The QMC appointed four specialist advisors to assist them in their negotiations with the RKDP. The QMC has a mandate from the community to act on its behalf and an elaborate process of communication is carefully maintained so that the community is constantly kept in touch with developments. Through its advisors the QMC has insisted that the RKDP revise its planning in the area to incorporate economic development and job creation opportunities within the Qadi area. An interesting test case of "planning with the people" is currently taking place.

The QMC is funded by the community and the specialist advisors are funded jointly by the British Government (ODA) and the Urban Foundation. A situation has now been reached where there is a critical need for the creation of a specialised Qadi Advisory Office which can undertake a more active role in directing the urbanization process not only of Qadi area, but also the whole of the Greater Inanda area.

Comment: As stated in the body of the Report, CBOs are not yet sufficiently development or management oriented to benefit from direct funding. Any assistance to the CBOs should be directed through the service organizations (in this case BESG). The Qadi Management Committee is an interesting pilot project, as it could demonstrate that planning for urbanization must involve the residents of the area to be developed and could force the SAG and KwaZulu authorities to negotiate with the community. USAID/SA could investigate the project further, with a view to assisting the Qadi Management Committee with its negotiation endeavors, through the advisory team. (see Appendix III)

Service Organizations - Durban Functional Region

THE BUILT ENVIRONMENT SUPPORT GROUP (BESG)

Coordinator : Clive Foster Phone 816-2267

BESG was founded in 1982 in the Faculty of Architecture and Allied Disciplines at the University of Natal. Its aims are:

- (a) The development and strengthening of the capacity of communities to undertake development projects, manage or control the activities of external agencies active in their areas and/or to resist actions or policies that threaten their well-being.
- (b) To contribute towards the elimination of apartheid policies and practices (and any others that threaten the well-being of the poor) through (a) above and the development, promotion and implementation of viable alternatives.
- (c) To support initiatives that lead to improvements in the living conditions of the poor, as long as such initiatives do not conflict with the first two aims above.

BESG is involved in providing various services to all the CBOs detailed above. It is funded by the Ford Foundation and HIVOS.

University Departments - Durban Functional Region

UNIVERSITY OF NATAL APPROPRIATE TECHNOLOGY UNIT (UNATU)

Contact : Mr. Rodney Harber Phone 81-5293

UNATU is concerned with developing affordable housing structures using appropriate technologies. It has made some very important, if somewhat revolutionary, breakthroughs in achieving really low cost, but very adequate, housing structures. UNATU is poorly funded and is unable to promote its work as widely as it should be.

Comment: This is an NGO which should be investigated for possible funding by USAID/SA, once the restriction on funding university departments is lifted.

WESTERN CAPE REGION

Private Companies/Urban Foundation

Cape Utility Homes
50 Old Mill Road
Ndabeni
7405

Telephone: (021) 531-2082

Person Interviewed: Chief Executive Officer, Nigel de la Rosa.

Organisational Structure:
Non-profit Company; Board of Directors and management

Sources of Income: Development Funding; borrowing on commercial markets (paying 24% for money).

Annual Turnover: R11,5-million (1990).

Housing Delivery Arm of UF Western Cape; Service large areas of land, then use financial institutions to provide mortgage finance; government subsidy system utilised (see appendix 1 of main paper.) Primarily assisted self-help schemes and starter housing.

People put their names on a waiting list and are invited to a seminar: CUH examines affordability etc. and works out an appropriate materials package, and runs training sessions to help people construct their own dwellings. CUH assist people throughout the process and helps people to complete by their target date. Projects utilize economies of scale, and discounted materials (on a package of R10 000, CUH can ensure a discount on building materials of around R2 500).

Major constraints: Affordability; escalating cost of materials, and high cost of serviced land (Cost of servicing land can be up to R16 000 per plot). Also greater difficulty in getting over the concept of assisted self-build to clients, particularly in relation to the implications of home ownership.

In the past, CUH has not been particularly effective in reaching their potential client group, nor has CUH made a major impact on the housing situation in the Western Cape, but CUH is seriously trying to change this.

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Development Action Group
P.O.Box 15873
Vlaeberg
Cape Town 8000
Tel: (021) 417 6940

Organizational Structure: Office staff of four planners and one administrator; Voluntary organization membership: estimated 150.

Sources of Income: Various funding sources, including, Oxfam; SCAT;

Financial Structure: Elected Treasurer and sub-committee.

Annual budget: About R500 000 and growing

DAG has strong credibility amongst a range of organizations and community groups. It operates strictly in response to requests for assistance from community groups. It is in the process of consulting its client organizations with a view to formulating a clear approach to housing in the Western Cape, as well as appropriate responses to donors (there is a considerable donor interest in funding development issues in South Africa at present.)

DAG's work, over a range of projects, involved land suitability assessments and advice on upgrade and/or development issues such as housing and services. DAG has also been requested to assess rent upgrade and housing extension proposals on hostels. DAG provides technical support for communities' demand for better services, houses etc. DAG is often involved in drawing sketch plans for community buildings, assisting with funding proposals and assessing the developer-built housing in a number of areas to evaluate communities' demands for their houses to be repaired. It is increasingly involved in 'consumer protection'. DAG also provides technical assistance to its clients during negotiations with local authorities and undertakes various research projects.

Comment: DAG has major reservations about USAID, because USAID is perceived to come from a very strong set of interests associated with Position 1 outlined in the main paper. DAG is particularly alert to the 'agendas' of various funders and is discussing this issue with its client organizations with a view to drawing up funding guidelines.

However, I suggest that communication be maintained with DAG as they are relevant, they are doing good developmental work in the region and their stance may change. Asking their cooperation in providing training for urban development would be a useful way of keeping the channels open and creating a relationship between USAID/SA and DAG.

GROUP CREDIT COMPANY

301 Buitenkloof Centre, Kloof St. Cape Town.
Telephone: (021) 22-2840.
Manager: Christine Glover.

Organizational Structure: Section 21 Copmany (Non-profit), Board of Directors, Manager, supervisors, loan officers.

Sources of Income: Financial Institutions, Development Bank of Southern Africa, the Independent Development Trust.

Financial Structure:

Loan finance guaranteed by development organizations.
Annual budget: R4,5-million.

Comment: This initiative is one of the most exciting to be developed in SA recently. At this stage, however, USAID/SA could not assist this initiative, as the project has received financial input from the Development Bank of SA.

This concept, of bringing finance to those most in need (the 55% - 60% without access to formal funding) should be actively pursued by USAID/SA through other channels, such as the Stokvels Association of SA. There appears to be no shortage of funds in SA, but a mechanism needs to be found to channel those funds effectively into the provision of shelter. Through its experience and access to similar initiatives worldwide, USAID may be able to provide useful input into this exercise.

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HEADSTART DEVELOPMENTS

1 Long St., Cape Town
P.O.Box 6006, Cape Town 8012
Telephone: 461-8983/6.

Person Interviewed: Mr Keith Bryer, Project Manager.

Organizational Structure: Board Directors.

Technical arm: Project Manager, two senior consultants (urban planners and architects), four urban planners and architects, director of community consultation.

Sources of Income: Private Sector, led by BPSA followed by JCI, ISM, Pick 'n Pay etc. (19 altogether, although full details not supplied by Mr Bryer.) My impression is that many of the other companies are waiting to see whether the potential political problems around the re-development of District Six can be resolved before fully committing themselves.

Annual Budget: R1-million a year, spread back over five years.

Activities: Developing housing options, specifically for moderate income housing in the inner city with a view to a post-apartheid society. Accessing models throughout the world and testing them in a South African context, Developing innovative formal housing, low rise, high density (maximum four storeys).

Constraints: low average income of the population; affordability is the major constraint; rising building costs, about 1,5% per month, with incomes not rising at the same rate; bureaucratic inertia.

Headstart is undertaking several urban renewal projects; Marian Institute, Blackpool Sports Complex, NECTEC (multi-purpose community hall).

Comment: This project should be carefully watched by USAID/SA, as the time may come when the project has overcome its constraints and intervention will be beneficial. This is an important project in the symbolic onslaught against apartheid and in the revitalization and reintegration of the inner city of Cape Town.

Masiphathisane Development Centre
Portland Road
Phillipi Industrial Sites
7781

Tel: (021) 31-6101

Person Interviewed: Manager, Gavin Wyngaard.

Annual Budget: Operating costs of the centre and the programs,
and staff salaries = R600 000 per annum.

Turnover: average R20 000 per month.

Masiphathisane, an Urban Foundation Initiative, is well-situated in the apex of several 'informal' housing areas on the Cape Flats. Masiphathisane is involved in selling wholesale building materials (corrugated iron, wood etc.) for people who wish to build an informal dwelling, or wish to upgrade their dwellings. Masiphathisane has a permanent display of informal dwellings built with these materials at its premises, and have field workers facilitating the upgrading process within the community. Masiphathisane also runs a job creation project, offering premises at low monthly rentals, collective facilities such as typing, telephone, electricity etc., legal advice and management advice.

Comment: Advice Centers such as this are providing a valuable service to communities and USAID/SA should investigate ways of replicating them around the country, with or without the assistance of the Urban Foundation.

Community Groups - Western Cape Region

Western Cape Housing Upgrade Program
C/O Western Cape Hostel Dwellers' Trust
6 Sharp Cottage
Lower Campus
University of Cape Town
Private Bag
Rondebosch 7700

Western Cape Hostel Dwellers Association
P.O.Box 39
Langa
7455

Telephone: (021) 650-3601

Persons Interviewed: Sue Liebermann, Welcome Zenzile

Funding: Misereor (Foreign German/Catholic funding)

Structure: A Trust has established the Western Cape Hostels Housing Development Company (Non-profit, Section 21) to carry out the housing program. They are looking for the appropriate person to direct the project and have already appointed field workers.

Annual Budget: not specified.

Planning to launch a major programme for the hostels in Cape Town, transforming them into a variety of units (total about 15 000), in various affordability categories (ranging from R12 000) primarily for family accommodation. They aim to offer a range of tenancy options and plan to address the affordability constraint by generating employment on the project and keeping costs down by harnessing 'sweat equity'. Major requirement, 'soft loan' or grant to kick off the project to make it replicable and affordable. Will operate on the 'roll over' principle.

PWV REGION - Private Companies

Name of Organisation: SUNFLOWER CONCEPT

Address: P O Box 26076

Telephone: (031) 902-9222

Person interviewed: Ritchie Blackburn: Transvaal Manager
(Tembisa Project)

Funding:

Labour costs (R7 a day per person i.e. R35 a week) has been financed by the Department of Manpower

Activities:

- Sunflower Concepts is a subsidy of Murray and Roberts. It combines the construction of community buildings with job creation and training schemes in the building trade.
- the project in Tembisa (where a community building is being constructed) employs about 14 50 people of whom approximately one third are trainees.

Requirements

No specific requests were made, although it was stated that they were hoping to expand their operation in the Transvaal (Daveyton on the East Rand)

Comment: This project exists in the DFR as well. It cannot be assisted by USAID/SA under present conditions, as it receives support from the SAG.

The project does good work in skills training.

Name of Organization: WITWATERSRAND NETWORK FOR THE HOMELESS

Address: 103 18th Street Parkhurst, Johannesburg

Telephone: (011) 442-7125

Person Interviewed: Josie Adler

Organizational Structure

Informal alliance of church and other groups concerned with protecting the rights of homeless people.

Funding: Voluntary work.

Activities:

- works closely with Community Research and Information

Network and Urban Removals and Homelessness Group
(Black Sash);

- monitors and researches issues relating to homelessness;
- through various law firms, litigates to halt removals;
- coordinates support (technical, financial, legal) for homeless people.

Requirements

This organization is exploring the possibility of becoming more active in its development support capacity. One option being explored is the establishment of a development resource organization providing skills (legal, technical, developmental and organizational) to homeless people. Initial funding required for full-time organiser and also a trust fund to pay consultants for their services.

Comment: This is an excellent project which fulfils the objectives of the USAID/SA Strategy and the USAID Shelter Strategy. I recommend that USAID/SA consider support for this initiative.

Name of Organization: URBAN REMOVALS AND HOMELESSNESS GROUP
(BLACK SASH)

Address: P O Box 2827 Johannesburg

Telephone: (011) 834-8361

Person interviewed: Glenda Glover (field worker)

Organizational Structure

voluntary group of Black Sash members in the Transvaal region one part-time paid field worker

Funding: Black Sash Trust

Activities:

- primary work is responding to the needs of homeless people;
- raising public awareness on the issue of homelessness; and
- networking with other groups involved in dealing with homeless

Requirements

Black Sash Trust covers costs.

Name of organization: WILGESPROUIT URBAN COMMUNITY DIVISION

Address: P O Box 81, Roodepoort 1725

Telephone: (011) 768-1310 Fax (011) 764-1468

Person interviewed: Ismail Nkhabela (Director Programmes)

Organizational Structure: 10 full-time staff members
church based council members

Source of income

Major USAID grant, Canadian Embassy, Urban Foundation, Australian Government

Budget: Annual budget approximately R300 000

Activities:-(Shelter related)

- negotiate with authorities for threatened communities;
- incremental building training program - "Zenzele Housing". Aimed at upgrading basic structures (wire mesh/mud and concrete). Training manual and theoretical understanding included;
- Credit unions have been established - 6 in Soweto, 1 in Rietvallei (south of Kagiso), 3 in Orange Farm and 1 in Wilgespruit; and
- Work with other groups including Black Sash Network for the Homeless. LRC, Lawyers for Human Rights, church groups

Requirements

Resources to expand (favours decentralisation to church and other organizations); to concentrate on credit unions, builder training programs, organizational and on-the-ground training programs.

Name of Organisation: VULINDLELA UNITED COMMUNITY OF SOUTH AFRICA (VUCOSA)

Address: P O Box 61356 Marshalltown 2107

Telephone: (011) 337-4992

Person interviewed: Eric Ntshinquela

Organizational structure:

- Committee of 8 - Eric Ntshinquela, Alfred Yende, Patric Ngamlana, Clington Raliti, Edwin Kekana, Chalse Ndamase,

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Blessing Cebisa, Moses Mafa

- 2 administrative staff
- 4 field workers

Funding:

- contributions from individuals
- ad hoc grants
- starting to keep accounts
- starting to get membership going

Activities/Objectives

- to represent the homeless/shack dwellers with regard to the local authorities or to a higher level of government;
- to provide, if and when necessary, legal assistance to the homeless people;
- to assist the homeless/shack dwellers in obtaining sites and to help them to build affordable shelter;
- to provide necessary training when required;
- to look into and act upon the possibility of assisting pensioners, the unemployed and the poor;
- to encourage them to attend educational courses; and
- to assist with the placement for the unemployed.

Requirements:

Financial resources for running costs (staff, transport, office equipment).

Name of Organization: SOWETO DEVELOPERS' AND BUILDERS' FORUM

Address: 2223 Mncube Drive Dube Soweto, P O Box Orlando 1804

Telephone: (011) 982-2290 (936-3682)

Organisational Structure

Chairman A. Mokoena, Vice Chairman, B Leballo, Secretary, Keith Sipoya, Assistant Secretary, Dr van der Westghuizen, Treasurer S. Nxumalo. Six organisers (Planning, Land Availability, Human Resources Training, Servicing Development, Liason, Financial Houses).

Persons interviewed:

Moses Molefi (organiser financial houses) Keith Sipoya (Secretary), Sydney Nxumalo (Treasury), Chris Jiyane (PRO)

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Funding

- no outside funding
- membership fees (joining fee R150; membership fee R250)
- some support from Entrepreneurial Development Southern Africa (FESI)

Activities: (formed in February 1990)

- main objective to give effect to the ideal of black empowerment;
- major function to help train builders (some support from FESI);
- liaise with building societies to obtain credit, loans for members;
- promote the general welfare of members
- policy aim to do research; and
- to work with CBOs.

Requirements

- require funding to expand activities. Emphasised they wanted independent finance and full control/responsibility. Would insist on direct interaction with any sponsors.

Name of Organization: SOUTH AFRICAN BLACK TECHNICAL AND ALLIED
CARRIERS ORGANIZATION (SABTACO)

Address: P O Box 32848 Braamfontein 2017

Telephone: (011) 331-3623

Person interviewed: James Ngobeni (President)

Organizational structure:

- section 21 company, executive committee
- approximately 300 members
- no full-time staff - intention to employ a full-time co-ordinator, secretary and editor.

Annual Budget:

Not as yet finalised, but running costs estimated to be about R300 000

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per annum.

Activities:

This is a newly formed organization. Intentions are to:

- produce information pamphlets;
- actively participate in and hold conferences, workshops, seminars;
- conduct and address community needs;
- assist in resolving "squatter" problems. To identify their needs and address these;
- to promote membership participation (consultants and specialists) in the process of economic development;
- address constraints faced by Black builders and professionals.

Requirements:

- immediate need to support an international conference
- resources for expansion of activities.

Comment: I recommend that this initiative be further investigated for possible support from USAID/SA.

Name of Organization: PLANACT

Address: 7A Rocky street, Yeoville, Johannesburg

Telephone: (011) 648 9151

Persons interviewed: Jill Wellbeloved, Marc Feldman (co-ordinators of Urban Projects)

Organizational Structure:

Advisory Board - staff 19 full-time
Staff Collective

Funding: Mainly Kagiso Trust

Activities:

Service organization focusing on development issues. Working with over 30 civics throughout the Transvaal. Specific areas of operation:

- policy negotiation work, eg. Rent Report Soweto, Soweto Peoples' Delegation, Metropolitan Chamber;
- development projects, eg. the Far East Bank (Alexandra), Tamboville (Benoni-Wattville);

bb

- defensive campaigns, eg. responding to inferior privately developed housing. Litigation including negotiations on homeownership schemes.

Comment: At this stage they do not contemplate requesting funding from USAID. No consensus amongst collective but some members feel strongly about this. Main reason is a perception amongst clients that USAID is linked to the CIA.

I recommend that, as with DAG and BEGG, USAID/SA maintain communication with Planact, as they are doing excellent urban developmental work and have developed a relevance among most Black communities in the Transvaal. Planact has informally indicated a willingness to cooperate with training activities and information exchange and this may prove a useful channel for maintaining communication until their stance changes.

Name of Organization: NATIONAL AFRICAN FEDERATION FOR THE BUILDING INDUSTRY (AFFILIATED TO NAFCCO)

Address: Private Bag X81, Soshanguve 0152

Telephone: (01204) 3204

Persons interviewed: Solly Moutlana (General Manager NAFCCO),
Sheiks Makhado (Deputy Director Education and Training)

Organizational structure: Steering Committee (falls within NAFCCO structure)

Funding:

Funding for training program from Mobil Foundation. Other expenses come out of NAFCCO funds.

Activities

- support of small Black builders (technical and management training);
- research on laws and other constraints facing builders;
- establishment of the National Federation for the Building Industry, to be launched in February 1991. Objectives to look after the interests of small Black builders and entrepreneurs; create employment, expand technical and management training. To operate throughout the country.
- Working with other training organizations (FEST and Soweto Developers' and Builders' Forum)

Requirements:

Resources and funding for:

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- the establishment of a guarantee fund (credit facilities) for building materials bulk buying etc.
- establishment of a supplier network to negotiate prices.
- funds for training (facilities, salaries).

Name of Organization: FOUNDATION FOR ENTREPRENEURIAL SKILLS TRAINING (FEST); PART OF ENTREPRENEURIAL DEVELOPMENT SOUTHERN AFRICA

Address: P O Box 3318 Halfway House 1685

Telephone: (011) 315-3616

Person interviewed: Colin Griffin (Director)
Board of Directors: Three full-time staff members

Funding: BISFA (R128 000) IBM (US)R450 000, SA Perm R100 000, Small Business Development Corporation R10 000, Transkei Department of Manpower R20 000

Activities

- launched in 1989 (merger of BISFA and IBM training courses);
- believe that management skills must be coupled with technical skills;
- running a number of training programs (introductory, immediate and advanced);
- operate through franchise (program support)
- have about 24 groups (25 persons in each group);
- courses held after work, twice a week for 5 hours (introductory course 3 months, intermediate 5 months); and
- hold discussion/exchange meetings with other groups (Small Builder Action Forum).

Requirements:

Financial assistance to expand program

Name of Organization: HOUSING ADVICE PROJECT (PART OF LEGAL AID BUREAU)

Address: 5th floor, York House, Corner Rissik and Kerk Street,
Johannesburg

Telephone: 834-8561

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Person interviewed: Brian Levenson: Director

Organizational structure:

Executive Committee; Chairman Jack Unterhalter. Established Trust Deed Finance Committee. Staff: 3 attorneys, 1 social worker, 6 councillors, 3 administrative staff, 12 students from Wits.

Funding:

Legal profession
Chairman's Fund (De Beers and Anglo American)
SAHT
NedPerm

Budget requirement for Housing Advice Project about R250 000 pa

Activities:

- consumer service for housing and related matters.
- problems with housing contractors, credit brokers bond finance (clients don't understand conditions etc)
- contractors don't have fidelity certificates
- they respond to individuals who come into their office. Have seen 800 people since April 1990 when project was established.
- liaise with Planact, hold information seminars, programs on TV and radio. Produce consumer protection information (emphasised role of pre-emptive legal advice).

Requirements

Funding a major constraint - require resources for staff, offices and equipment.

Comment: This is a good project, but does not qualify for funding under present conditions, as it receives financial support from the SA Housing Trust

Name of Organization: LEGAL RESOURCES CENTRE

Address: P O Box 9495 Johannesburg 2000

Telephone: (011) 863-9831

Person interviewed: Geoff Budlender

Funding:

A number of donors:

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- Ford Foundation
- Ford Motor Corporation
- Friedrich Naumann Foundation
- Legal Assistance Trust
- Southern African Legal Services and Legal Services and Legal Education Project Incorporated
- US Office Development Affairs (R278 970)

Activities

- over the past year the focus of activities has shifted directly or indirectly towards issues relating to land and housing. Mostly defensive work (eg. reprieves for threatened communities such as Oukasie, Mathibestad, Koster etc); also countering Group Areas, squatting legislation etc;
- now moving away from defensive work towards development related issues. Work with and support a wide range of organizations (civics, Planact, Urban Foundation);
- new focus is enforcement of legislation addressing development issues once apartheid goes, addressing consumer abuse, working on Bill of Rights; and
- initiating upgrading of certain communities neglected or abused because of apartheid (eg. Oukasie), working with community.

Comment: I recommend that USAID/SA consider immediate support for LRC's initiatives in the shelter sector.

Name of Organization: COMMUNITY RESEARCH AND INFORMATION NETWORK (see also Witwatersrand Network for the Homeless and Urban Removals and Homelessness Group SASH)

Address: 103, 18th Street, Parkhurst Johannesburg

Telephone: (011) 442-7125

Person interviewed: Josie Adler/Glenda Glover

Organisation structure:

Urban Research Project of the Wilgespruit Urban Organization Division (OCOD) of the Wilgespruit Centre.

Funding: Wilgespruit Fellowship Centre

Activities:

- enquiring into urban issues relating to homelessness and urban settlement;
- sharing information with other organizations and homeless people;

- playing a catalytic role in fostering the ability of homeless people to identify their options and means of obtaining shelter; and
- interaction with a large number of organizations. (Black Sash, Network for Homeless, church organizations, LRC etc)

Requirements:

Resources to expand activities (staff, office equipment, transport).

Name of Organisation: AFRICAN BUILDERS' ASSOCIATION (AFFILIATED TO FABCOS)

Telephone: (012) 325-1670

Person interviewed: Joas Mogale (President)

Organization structure: National Committee, President, Vice President, Secretary, Vice Secretary, Treasurer, Marketing Director (Ken Dlamini)
Countrywide branches. Launched in December 1990. Claim that they represent 95% of builders.

Funding:

Anchor sponsor - Everite (FABCOS pools resources)
Membership fees R25 annually
Costs approximately R2500 a month

Activities:

- aim to promote self sufficiency of Black builders;
- co-ordinate and consolidate training programs and set standards;
- about to initiate training programs, upgrade and improve technical and managerial skills;
- improve building methods;
- mobilise the Black building industry to bargain effectively;
- establishment of information center; and
- working with private companies and organizations (CSIR, Portland Cement), timber companies).

Requirements:

- resources to establish an African Builder's Trust Fund to extend loans at nominal rates of interest.

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- funds for organizational development and institutional support.

Name of Organization: ACTSTOP

Address: P O Box 2652 Johannesburg 2000

Telephone: (011) 834-3471

Person interviewed: Mahomed Dangor

Organizational structure: 3 area committees (Central, Mayfair and Eastern Surburbs), 72 Flat Committees.

Funding: 2 Full time staff members and voluntary workers. Kagiso Trust R7 000, USAID approximately R25 000 (used about R11 000). Another grant pending (R+- 40 000 for legal fees and general support) Annual budget approximately R110 000.

Activities

- initially focused on Group Areas Act and evictions. Now adopting a more developmental, "civic organizational" approach;
- monitoring and support regarding exploitation, inadequate services and maintenance;
- education, preventive health, recreation programs;
- researching methods of countering inner city deterioration; and
- establishing committees to manage buildings with landlords. Negotiating forums to convey sense of responsibility amongst all parties concerned.

Requirements

Funds to:

- expand offices, employ more staff (particularly research staff) office equipment, vehicle, pay consultants, establish a Trust Fund to implement projects and development programs;
- expand activities to accommodate this focus (employment of extra staff in regions, as well as training of this staff);
- assist in upgrading of neglected communities.

APPENDIX II

SECTOR STUDY

A GENERAL SURVEY OF SHELTER ACTIVITIES BY
NON-GOVERNMENTAL ORGANIZATIONS (NGOs) IN SOUTH AFRICA

PEOPLE INTERVIEWED DURING THIS STUDY

Paul Andrew:	Architect, Trustee Western Cape Hostel Dwellers Trust (WCHDT).
Colin Appleton:	Independent Housing Consultant.
Graham Barr:	Director, BPSA and Headstart.
Mr Bruyns:	Bester Homes.
Basil Davidson:	Urban Planner; Local Government Coordinator, Western Cape ANC.
Nigel de la Rosa:	Chief Executive, Cape Utility Homes.
Prof. David Dewar:	Urban Problems Research Unit; Consultant Headstart; Trustee WCHDT.
Ms Zohra Ebrahim:	Publicity Secretary, WECUCO.
Ms Christine Glover:	Manager, Group Credit Company..
Ms Dorothy Gopie:	Cape Areas Housing Action Committee.
Ms Sue Lieberman:	Western Cape Hostels Housing Development Company.
Neil Ross:	Cape Town City Council Housing Committee.
Wilson Sidina:	Western Cape Civic Associations.
Ms Eulalie Stott:	Chairperson, Cape Town City Council Housing Committee.
Ms Kim van Deventer:	City Planners' Department.
Gavin Wyngaard:	Manager, Masiphathisane Development Centre.
Welcome Zenzile:	Western Cape Hostel Dwellers Association.
Mr Zimri:	South African Housing Trust.
George Antoni:	Civil Engineer, Antoni Land Projects
Bill Cobbett:	Planact.

Prof. Michael Sutcliffe: Natal Reg. Secretary, ANC.

Dr Oscar Dhlomo: Institute for Multi-Party Democracy,
previously General Secretary, Inkhata

Edmund Radebe: Legal Advisor, Qadi Tribal Authority.

Rev. Arthur Sibidi: Qadi Tribal Authority.

Jonathan Hobday: Deputy Editor, Sunday Tribune.

David Hatton: Public Affairs & Personnel, BPSA.

Ronald Jones: Timbrex Housing.

Dr Sam Motsuenyane: President, NAFCOG.

Harold Pakendorf: Political Commentator.

Prof. Willie Breytenbach: University of Stellenbosch.

Mr Tokyo Sexwale: ANC National Executive Committee

Dame Helen Suzman

Cyril Ramaphosa: Head, Soweto People's Delegation,
General Secretary, NUM.

Randi Erentzen: Center for Development Studies, University of
Western Cape

David Dalling: DP Member of Parliament

Richard Tomlinson: Urban Planner, Development Bank of SA.
Author of "Urbanisation in Post Apartheid SA".

Willy Thomas: Managing Director, The National Investment
Corporation (Pty) Ltd.

Peter Goodson: Managing Director, Secure Homes (Pty) Ltd.

Mike O'Donovan: Managing Director, Harmony Homes (Pty) Ltd.

Mr Smith: Project Manager, Sunflower Concepts

Sam van Coller: Chief Executive, Urban Foundation

Tony Gilson: Regional Director, Urban Foundation, Natal.

Rob Taylor: G.M., Informal Settlements Division:
Urban Foundation

Basil van Horen: Project Manager, Informal Settlements
Division: Urban Foundation.

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Ms Emily Brown: Urban Foundation, Cape Town

Matthew Nell: Manager: Housing Division
Urban Foundation

Ms. Jill Strelitz: Manager: Housing Policy Division
Urban Foundation

Sayed Iqbal Mohamed: Chairman, Durban Central Residents
Association.

Clive Foster: Coordinator, the Built Environment Support
Group

Rodney Harber: University of Natal Appropriate
Technology Unit (UNATU).

Richard Lister: Manager, Legal Resources Centre.

Jeffrey Racki: Principal Urban Planner
Urban Infrastructure Division, World Bank

Tim Hart: Executive Director, SA Association of Mortgage
Lenders

John Gafney: General Manager, Natal Building Society

Dr. N. Motlana: Soweto Civic Leader, Chairman Get Ahead
Foundation

Don MacRobert: MD, Get Ahead Foundation

Gibson Thula: Businessman, CEO Vela International
Director, National Finance Corporation

Harry Mashabela: Researcher, SA Institute of Race Relations
Author of "Mekhukhu"

John Rees: Methodist Housing Trust

Paul Hendler: Planact

Johan Kruger: Manager: Urban Planning,
Development Bank of SA

J. De Villiers Botha: Development Bank of SA

Vic Milne: Chief Strategic Planner, Transvaal Provincial
Administration (TPA)

Henry Riley: Deputy Chief Strategic Planner, TPA

Andrew Lukhele: President, National Stokvels Association of SA
Director, Group Credit Company

Jill Wellbeloved: Planact
Marc Feldman: Planact
Ismael Nkhabela: Wilgespruit Urban Community
Joas Mogale: President, African Builders' Association
General Secretary, FABCOS
Josie Adler: Witwatersrand Network for the Homeless
Glenda Glover: Urban Removals and Homeless Group, Black Sash
James Ngobení: SA Black Technical and Allied Careers
Organization
S. Houtlana: National African Federation for the Building
Industry (NAFCOC)
N. Makhado: NAFCOC
Keith Siphoya: Soweto Development and Builders' Forum
C. Griffin: Foundation for Entrepreneurial Skills
Training
Mahomed Dangor: General Secretary, ACTSTOP
Alan Habin: Program for Research in Planning, University
of the Witwatersrand
C. Tennant: Entrepreneurial Development
Eric Ntshiquela: Vulindlela United Community of SA
Geoff Budlender: Legal Resources Centre
B. Leveson: Housing Advice Project, Legal Aid Bureau
Michael Lippe: Regional Housing and Urban Development Office,
East & Southern Africa
Ron Johnson: Vice President: Social Science and
International Development
Research Triangle Institute
Hal Minis: Senior Development Planner
Research Triangle Institute
