LOCAL GOVERNMENT AND THE PROVISION OF LOW-COST HOUSING IN SOUTH AFRICA

Jabulisiwe N. Ntombela & Nokukhanya N. Jili

ABSTRACT

The provision of housing in South Africa is a highly contested social issue which has filtered into the new democracy major challenges for policy makers. The colonial and apartheid spatial planning solidified racial and socio-economic segregation in the non-white settlements throughout South Africa. Such unfavourable spatial inequalities are still felt today. Measures of rectification put in place under the new democracy took cognisance of the human rights and social needs they are entitled to as citizens in the restoration of human dignity to the previously disadvantaged while also advocating for equality. Therefore, this article presents an overview of the role of local government in the provision of low-cost housing. Desktop analysis was used to analyse the role of local government in the provision of low cost housing in South Africa. The results of this paper shows that approximately more than 49.2 % of the adult population are living below the upper hand-bound poverty line in South Africa as many people depend on government for almost every need including housing. It is therefore becoming a continuous struggle for government to provide adequate housing to the indigent due to inadequate amount of resources, while the rapid growth in population exacerbates challenges concerning service delivery. This article concludes by indicating that in order to set feasible, reasonable and viable targets, municipalities need to have a good overview of the housing demand. This does not only include the number of houses that are needed, but also the types of houses, their locations, access to basic services and so forth, hence the essential social needs evaluation to be conducted to promote the enhancement of quality of standard of living and the constitutional rights of all the residents.

Keywords: Housing/ Low-cost Housing, Municipalities, Apartheid, RDP, Service Delivery.

INTRODUCTION

The dawn of democracy instituted a new social order as well as a new Constitution that recognises and respects all rights assigned to citizens. Section 26 of the Constitution of South Africa of 1996 subsection one (1) states that everyone has the right to have access to adequate housing and subsection two (2) further asserts that the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right.

Towards the realisation of this right and other basic human rights enshrined on the constitution, the Reconstruction & Development Programme (RDP) was created and aimed at addressing inequalities of apartheid through measures of poverty alleviation and eradication of inequality within South African societies. The main ideology of the RDP was based on meeting basic needs and stimulating economic growth, these principles formed the building blocks of the RDP and contribute to the start of the paradigm shift from a political approach to a people driven approach.
In accordance with the people driven approach, the government had to take reasonable measures in ensuring that the spatial inequalities created by the apartheid era are ameliorated and conducive enough for citizens living in the new democratic South Africa. Therefore, a unitary but decentralised state with three spheres of government (National, Provincial & Local) was created.

As defined by Ellero (2015) Low-cost housing is accommodation that is affordable for poor people while Patnaikuni (2012) states that low cost housing is a project that provides affordable houses to poor people and low income earners (Mkhwanazi, 2019). For the purpose of this article, low cost housing refers to government housing distributed to persons who earn below R3500 a month and more emphasis will be concentrated towards the role that local government plays in the realisation of section 26 subsection 1 and 2 of the constitution of South Africa.

HOUSING CHALLENGES IN THE CONTEMPORARY SOUTH AFRICA

Housing in South Africa is one of the areas where the task of providing it is overwhelming. The magnitude of the housing issue and the deficiencies of delivery in South Africa are conveyed by the demand for affordable housing and by the number of people residing in slums and informal housing conditions.

According to the Fuller Center for Housing (2014), the South African housing market is characterised by a severe housing shortage, affordability issues, fragmented housing policy and administrative systems, lack of capacity, non-payment of housing loans and service payment boycotts, lack of end user finance, insufficient land, and inappropriate standards.

The study of Ndenze (2013), using existing data, suggest that South Africa would need at least R800 billion and a 'miracle' to clear its housing backlog of 2.1 million houses between 2013 and 2020. Some of the reported 3 000 service delivery protests in the country over the years have been blamed on the unfulfilled promises of the Reconstruction and Development Programme (RDP) housing backlogs, which increased from 1.5 million housing units in 1996 to 1.8 million units in 2001 and then to 2.1 million in February 2013 (Olajede et al; 2019).

In 1997 the National Housing Department estimated that the number of families without adequate housing was 2.2 million. Due to population growth this figure increases by about 204 000 every year mainly due to rapid informal urbanisation hence the severe housing shortage. High levels of unemployment and relatively low average wage levels lead to a significant number of South Africans not being able to independently provide for their own housing needs. These households are expounding as those with no income, and those earning up to R3 500 per month. In 1996 it was estimated that of all the families living in South Africa, 80% fell into this category.

It was further estimated that in fact more than 50% of families earned between R0 and R1 500 per month (Fuller Housing Centre Report; 2014) hence they cannot afford to buy or to build a house. Mkhwanazi (2019) puts forward the existence of different political deliberations affiliated in the provision of low cost housing in South Africa which includes amongst many others, the issue of the waiting list. This has been witnessed through many service delivery protests nation-wide where beneficiaries of low cost housing convey their dissatisfaction with regards to the allocation policy. Many beneficiaries claim that local political leaders allocate their “comrades” and friends and families first into these houses rather than adhering to the developed allocation policy and such action has created further tension among communities.
By the early 1990’s the Housing Sector was fragmented, incoherently funded and lacked role definition and elucidated roles of accountability. There were fifteen departments that dealt with housing, namely, General Affairs Department, Own Affairs Departments, the Homeland Authorities and more than 60 national and regional state corporate institutions. These bodies were implementing twenty different subsidy systems. In addition, South Africa’s apartheid history had left the government with many inappropriate laws and procedures that needed to be repealed or amended as the years progressed while taking cognisance of technological and environmental advancements in order for the laws to be consistent with the ever evolving dynamics of socio-economies.

The 1980’s were characterised by bond, rental and service payment boycotts initiated by the civic movement and communities, aimed at sabotaging the apartheid government. As a result of this many households were unwilling to and unable to continue paying for their bonds, rents and services after the 1994 first democratic elections till date. For a number of reasons including the non-payment of housing loans, service payment boycotts etc., many lenders are not willing to borrow low-income families. Subsequently, many low-income families are unable to access housing loans, even if they could afford to. This problem is made worse by phenomenon where banks refuse a loan to someone because they live in an area deemed to be a poor financial risk and a lack of willingness to save by Households. With a view to decrease these housing challenges, the government came up with several intervention strategies in the form of national housing programmes, including various forms of financial interventions (e.g. incremental, rural, social/rental), as well as technical provisions and generic provisions.

Demarcation of Municipalities

According to the Municipal Demarcation Board, during the year 1995/96, 1,262 local government bodies across the country were amalgamated into 843 local authorities (now known as municipalities in terms of legislation enacted after the promulgation of the 1996 Constitution). The Constitution, adopted in 1996, required National legislation to establish criteria for determining when an area should have a single category A municipality or when it should have municipalities of both category B and category C; and to establish criteria and procedures for the determination of municipal boundaries by an independent authority. This resulted in the enactment of the Local Government: Municipal Demarcation Act, 1998, and the Local Government: Municipal Structures Act, 1998.

The introduction of the Local Government: Municipal Demarcation Act No 27 in 1998 marked an important milestone in the history of constitutional democracy in South Africa. It was a piece of legislation that gave birth to an independent constitutional body, the Municipal Demarcation Board, which was established and mandated to demarcate municipal boundaries of the entire territory of the Republic (Municipal Demarcation Board: 2019).

The Demarcation of Municipalities allow the provision of democratic and accountable local government to exist, basic services will be distributed in an equitable and sustainable manner which will lead to enhanced quality of life both socially and economically. All this cannot be achieved efficiently and effectively through the National and Provincial sphere as the scope of needs required by people are broad to understand, to plan for and ultimately making the execution process impossible hence the formation of Local Government that which is also decentralised in a sense of the establishment of Municipalities throughout the country in order for the ascertainment of sustainable delivery of services. These municipalities have
legislative authority to govern within its jurisdiction in a manner they see fit subject to the adherence of the overarching legislation prescribed. Hence purpose of this article is to understand the role that local government plays within its jurisdiction in the provision of low cost housing.

**Budget Allocation**

According to Selebalo and Webster (2017) The National Department of Human Settlements which is tasked with housing delivery has 4 programmes it finances from its budget namely, 1. The Administration, 2. The Human Settlements Policy, Strategy and Planning, 3. Programme Delivery Support and 4. Housing Development Finance. For the purpose of this article, Programme 4 will be eluded on as it is the considered to be the key programme in that it funds the delivery of all housing and human settlements programmes.

The Human Settlements 2019 budget (Vote 38) states that, the department’s budget is set to increase at an average annual rate of 4.4 per cent, from R32.2 billion in 2018/19 to R36.7 billion in 2021/22. Transfers and subsidies to grants and entities are the department’s largest cost drivers, accounting for 97.3 per cent (R102.8 billion) of its total budget over the MTEF period. Major transfers and subsidies over the medium term include: the human settlements development grant to provinces, which funds the low-income housing programme, amounting to R50.1 billion; the urban settlements development grant to metropolitan municipalities, which is a supplementary capital grant that supports infrastructure provision for broader urban development, amounting to R31.1 billion; and transfers to entities, amounting to R4.3 billion

Selebalo and Webster (2017). This expenditure is in the Housing Development Finance programme and is expected to increase at an average annual rate of 4.3 per cent, from R31.5 billion in 2018/19 to R35.7 billion in 2021/22. Through these transfers and subsidies, the department aims to support the delivery of 261 917 subsidy housing units and 27 500 self-build subsidies; and issue 891 401 title deeds, of which 412 340 form part of the historical backlog and 479 061 are for new developments.
Figure 1 above indicate that from 2013/14, there has been a real terms decrease in allocations towards this programme, despite the fact the under-expenditure has remained at below 2% through the years. The most significant allocation cut took place in the 2016/17 financial year.

The Human Settlements Development Grant (HSDG) is given to provinces and metropolitan municipalities and is primarily responsible for providing funding for the construction of housing and human settlements, in line with the constitutional right to adequate housing. This is the largest grant value allocated under Programme 4 in the review period. The Urban Settlements Development Grant (USDG) on the other hand is currently transferred to 8 accredited metropolitan municipalities to supplement their capital expenditure in support of national human settlements development programmes, in particular, the upgrading of informal settlements and the acquisition of land in urban areas for pro-poor housing development. The HSDG is a conditional grant allocated to the DHS and then transferred to provinces according to a set formula that takes into account the housing needs and resources of the respective provinces. This is by far the largest grant value allocated to Programme 4 during the period under review, receiving a real amount of R20 billion or 61% of the total HSDF budget in 2015/16. The HSDG is also a vital source of revenue for municipalities not receiving the USDG, which continue to rely heavily on these funds for the delivery of sustainable human settlements (Department of Housing; 2013:11).
RESEARCH FINDINGS AND DISCUSSION

This article is underpinned by Section 9 (1) of the Housing Act no. 97 of 1997 which states that:

“Every municipality must, as part of the municipality’s process of integrated development planning, take all reasonable and necessary steps within the framework of National and Provincial housing legislation and policy to-

(a) Ensure that—

(i) The inhabitants of its area of jurisdiction have access to adequate housing on a progressive basis;”

Towards the realisation of this mandate, government has conglomerate housing opportunities available to the public that caters for the poorest of the poor up to those with low-incomes yet cannot afford adequate housing. Such programmes consist the likes of the Social Housing, Subsidies, government Housing (famously known as RDP Houses) and so forth. According to Human Settlements (2019), providing integrated human settlements additionally involves expanding access to and delivering adequate housing and housing services in excellent habitable environments, providing affordable rental housing and state-subsidised units, delivering title deeds, and providing temporary shelter for housing-related emergencies, among other interventions (Human Settlements, 2019).

Local Government in this functional mandate, is to ascertain that the general public are accorded access to information of the various housing opportunities that are at their disposal. Housing Act (1997) further provides that the municipalities must ensure the following:

(ii) “Conditions not conducive to the health and safety of the inhabitants of its area of jurisdiction are prevented or removed and”

(iii) “Services in respect of water, sanitation, electricity, roads, storm water drainage and transport are provided in a manner which is economical; efficient”

Granting the public adequate shelter denotes more than bricks and mortar or simply having a roof over one’s head. It further looks at the aspect of geographical jurisdiction of the house in terms of placement whether the environment enables a sense of privacy with secure tenure as well as with access to basic infrastructure with accessible location with regards to work and other basic amenities. These are some of the factors that local government needs to continuously take cognisance of when planning for a housing project.

Housing projects in some municipalities such as KwaDukuza Municipality is currently facing complications due to the lack of adherence of the above mentioned mandate, where houses were built before the installation of bulk services. Such action conveys a lack of proper planning and comprehension of the legislative framework surrounding the implementation of human settlements from the side of the Municipality as they play a role of developers in all envisaged housing projects. This has led to unnecessary expenditure being undertaken in building temporary pit toilets that will be used by the beneficiaries/occupants while awaiting for the bulk services installation to be completed.

Several fundamental components of the role of local government in housing development are worth highlighting. The first one is the constitutional right to housing. South African public policy with respect to housing is predicated upon an entrenched bill of rights, thereby linking political and economic rights. The second element is the overall character of
housing performance, particularly in financial terms. While considerable housing delivery has occurred since 1994, housing expenditure as a proportion of national expenditure has declined. Thirdly, local government has become an increasingly important actor in housing and infrastructure development. But as participants in national housing policy, local authorities throughout the country are faced with a range of constraints that threaten the newly created fabric of cooperative government (Pottie; 2004).

For instance, local government is currently under immense pressure from national government programmes, as well as political pressure from citizens and interest groups, to meet development needs in the context of increasing capital expenditure demands, requirements for fiscal sustainability, and greater public accountability. Moreover, both the national government’s housing policy and some of the means proposed for local government to meet demands for service provision rely on market-based solutions such as public–private partnerships (PPPs). Local government has thus begun to adopt an enabling or facilitating role for the market as it seeks to balance competing demands (Pottie, 2004). Representing the essence of service delivery, a productive and efficient local government is the most pivotal component of understanding the goals and objectives of the Constitution, especially in connection to the acknowledgements of socio-economic rights. However, apart from institutional capacity and limited resources that pose a challenge towards effective cooperative governance, challenges appear to stem from the actual structure of the governance system itself.

Ellero (2015) states that corruption poses a major obstacle to housing the poor and addressing the critical shortage in South Africa. Corruption occurs in a variety of different ways and is a problem in all three spheres of government (Cross, 2006). The by-product has been poor workmanship endemic in multiple projects across the country. Due to this, housing delivery has become highly politicized with tension, violence, protests and mistrust in the system (SERI, 2013). SERI (2013) also found that while corruption levels are high, it is often perceived to be much higher than it is. This is due to the confusion and clumsiness in the system. This lack of transparency is causing major frustration in the low cost housing process (Corruption Watch, 2013e). Municipalities are liable for executing policies created at provincial and national levels that may not reflect their own logical needs. However, municipalities remain the essential bearers of obligation in the delivery of housing, reflecting a disjuncture between court decisions and the real capacity of municipalities to abide by them. While it is recognized that not all Municipalities have the ability to satisfactorily execute their duties within their jurisdiction, this ought not to be utilized as an explanation for preventing capable Municipalities from accomplishing tasks of housing delivery. As of now, Municipalities seem, by all accounts, to be unjustifiably bearing the consequences of inadequate service delivery without having direct access to the vital funding and other resources required to rectify the circumstances of service backlog in particular, housing.

In addition, not only were certain municipalities marginalised and excluded during the apartheid era, they are continuously being excluded through ineffective capacity development and lack of provision of requisite resources required to attend to the needs of South Africa’s poorest segment of its population. It is often these municipalities that are not able to meet legislative obligations or comply with court judgments because they do not have access to the necessary resources to do so. The cycle of destitution and inequality is thus reinforced. In its submissions, CoGTA clarified that municipalities lack the fundamental leadership authority required to viably manage their capacities. One of the key responsibilities of municipalities is to ensure that their developmental outputs reflect the needs and diversity of the people residing within their jurisdiction. However, noting the various challenges currently being experienced,
this can only be done if more stringent measures are put in place to hold local government leaders to account should they not perform their duties effectively (South African Human Rights Commission, 2015).

Municipalities are regularly expected to carry out tasks and functions that are not specified or not allocated in the Constitution. Housing is an ideal case of this. Municipalities often do not have the resources required to undertake this responsibility. In other words, municipalities become the implementing agency for the roll-out of housing projects, and these housing programmes then become an unfunded mandate that creates additional burdens and challenges on the already strained resources of a municipality. Many low-cost homes are of poor quality and many are rapidly deteriorating (Goebel, 2007). Estimates show that billions are required to rectify past mistakes. Thus while 3 million low cost houses have been built, they are not up to standard. Many of these houses have to be either rebuilt or repaired. According to Sexwale, 10 percent of his annual budget was lost to rebuilding shoddy workmanship across South Africa (Corruption Watch, 2013c). The approach towards the distribution of government low-cost housing is quantised rather than assuring quality outputs as measures put in place are to eradicate the housing backlog. Another conception relating to the poor quality of houses is corruption. Revenue assigned towards the construction of sustainable low-cost houses is expropriated and embezzled, leaving inadequate revenue to be utilised. Thus creating a never ending cycle of reserving the very limited funds to be used towards the implementation of the rectification programme.

THE FOURTH INDUSTRIAL REVOLUTION (4IR) AND LOW-COST HOUSING

According to the CSIR (2019), the Department of Science and Technology (DST), in partnership with Parliament, has produced an exhibition demonstrating South Africa's readiness to embrace the 4IR. The country's response is informed by socio-economic imperatives. It was also noted that the national system of innovation has been active in developing a range of technologies designed to address real-life South African problems. For instance, DST entities, including the CSIR, are showcasing research and development in robotics, additive manufacturing, big data, artificial intelligence, e-agriculture and other areas relevant to the new digital age. The objective is to ensure that the country is in the centre of development and that South Africa should demonstrate how science, technology and innovation could contribute to solving the problems the country is facing, for example, solutions to help deal with problems such as climate change and new sanitation technologies that could enable South Africa to save water and improve the health of communities in remote areas.

As it is, anyone who is not ready or willing to embrace technological innovations in housing and service delivery is 4IR-averse. To start with, we need to ensure that homes being built today are future-proofed and 4IR-ready. The government should explore the extent to which 4IR-readiness should be reflected in planning requirements for homes. This is because the uptake of 4IR and its associated benefits can be enhanced through housing policy. Stakeholders in the human settlement sector should work with house builders to ensure that houses built over the coming years are 4IR-ready, and explore the extent to which the planning regime should encourage or mandate the rollout of 4IR-ready design in new homes. Also, the government, through relevant bodies and agencies, should work hand in hand with social landlords and explore the extent to which 4IR can provide better financial outcomes for the relatively low income individuals living in social housing (Olajede et al; 2019).
The 4IR suggests that having connected thermostats coupled with sensors on windows and housing exteriors will make it possible to place automatic controls over temperature to help save energy while asserting safety and security (Corfe, 2018). There are wide variety of innovations and advancements that come with the 4IR but looking at the current state of South Africa from its socio-economic perspective in accordance with the governments mandate to provide adequate housing to low income households, it can be concluded that it is unable to withstand the requirements that comes with being 4IR compliant. Contemporary approaches towards housing development still observes private investors obtaining inclination for developmental rights on prime land situated close to urban centres, while the homes of the indigents remain largely on the outskirts. This approach perpetuates apartheid city spatial arrangements which meant inaccessibility for the poor majority to the employment market and other social amenities. As livelihoods require poor households to seek better located places to live, they often occupy precarious land. Thus it also confines poor people to the dangers of living on land not suitable for occupation. Poverty and inequality is thus reinforce.

Figure 2: Summarized functions of local government in the provision of Low-Cost Housing
CONCLUSION

The aim of this article was to discuss the role of local government in the provision of low cost housing, where it reveals that municipalities are responsible for setting housing delivery goals. Moreover, the secondary data collected in this article indicates that in order to set feasible, reasonable and viable targets, municipalities need to have a good overview of the housing demand. This does not only include the number of houses that are needed, but also the types of houses, their locations, access to basic services and so forth, hence the essential social needs evaluation to be conducted. Coordination is crucially vital in the provision of housing as it ascertains timeous delivery as well as adhering to the approved budget. Therefore, well-structured and effective coordination amongst the internal structure of the municipality needs to be in place. As municipalities are thriving to become vibrant cities with economic hubs, housing delivery has shifted its mandate from just providing houses to creating sustainable human settlements which includes close access to amenities, parks and creations, basic services, creation of a safe and secure environment to live in and many more. The implementation of these tasks cannot be done by one department or section alone, but needs the cooperation of all relevant departments that are involved in the delivery of sustainable human settlements. Before the implementation of housing projects and execution of socio-economic tasks, Municipalities need to ensure sound public participation. Therefore, it is often necessary to use a variety of methods for communication and consultation. Irrespective of whether housing is legally and technically a municipal function, it is important that the Constitutional rights of all the residents to adequate housing is upheld.

RECOMMENDATIONS

This article recommends that the low-cost housing allocation policy be continuously reviewed for each and every housing project as projects differ from community to community. What may have worked for community A may not work for community B as needs will always differ. The elderly, the disabled and child headed homes need to take first preference in terms of allocation. Municipalities must make a considerable investment and offer knowledge advancement to its Ward Councillors, so that they may become more knowledgeable on the policies and by-laws governing the municipality and on regulations guiding the delivery of service needs. They further need to be trained and developed on how to strengthen communication between the municipality and the people they serve. Their main role is to relay municipal information to the people and vice versa, in order to obtain a good working relationship. With proper communication channels established between the communities and the municipalities, the communities will be knowledgeable and up to date with any developmental projects taking place including the progress and shortcomings of those projects. In that way violent protests of non-participation can be avoided.

REFERENCES


Ubisi, S.V. (2019). The impact of migration on providing adequate housing in South Africa.

ABOUT THE AUTHORS

JABULISIWE N. NTOMBELA
University of Zululand, Department of Public Administration
ntombelaj176@gmail.com

NOKUKHANYA N. JILI
University of Zululand, Department of Public Administration,
JiliN@unizulu.ac.za