

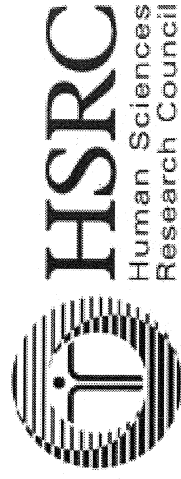
TOWARDS SLUM-FREE CITIES: M D G IMPACTS ON SOUTH AFRICA'S POLICIES, STRATEGIES AND ACTIVITIES SO FAR

SRC RESEARCH OUTPUTS

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Udesh Pillay

Social science that makes a difference



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TOWARD SLUM-FREE CITIES: INTRODUCTION

- Project funded by DST
 - Project duration 9 months
 - Involves inputs from a range of actors
- Assesses impacts of policies, strategies and programmes at all levels addressing MDG Target 11 and SA government target of slum-free cities by 2014

GUIDING QUESTIONS

- What are the core policies, strategies and activities being implemented to reach MDG Target II?
- What are the policy intervention measures?
- What are the impacts of the interventions?
- What are the beneficiaries' and stakeholders' opinions and perceptions with regard to the interventions?
- Can the measures cope with the changing socio-economic environment?

STUDY APPROACH

- Evidence-based study in four metropolitan areas
- Review of secondary data and information
- Discussions with representatives of non-governmental institutions
 - * Household interviews
 - * Individual discussions with administrators, implementors and community leaders
 - * Focus groups

MEETING THE MDG HOUSING TARGET: HOW FAR ALONG?

The urban slum population worldwide is doubling every 25 years

- Overcrowding and deprivation of basic services
- Extreme pressure on local and national governments

The international failure to cope with housing need for the poor suggests:

- Ineffective governance
- Inappropriate regulations
- Exclusionary economic development concepts
- Discriminatory financial arrangements

PAST AND RECENT APPROACHES

- Sites and service + slum upgrading were World Bank's leading strategy in the 70s
 - Abandoned in the 1980s – unsustainable resource demands, too high standards, poor cost recovery, top-down, and disregard of community potentials
- Habitat Agenda of 1996 went for involvement of private sector and communities
 - Acknowledged resource constraints on the state
 - Prioritized new financing arrangements, gender equity, international cooperation and institutionalised monitoring processes

Cities Alliance in 1999 prioritized role of state as facilitator

KEY INTERNATIONAL APPROACHES

Very few countries have in place clearly defined policies, strategies and implementation at national level

- **City-based upgrading projects** are main approach for reaching MDG Goal 6 Target 11 so far – but international experience suggests:
 - ✓ Collaborative initiatives to raise housing **delivery capacities and skills**
 - ✓ **Partnership with the poor** – active roles, active ownership and resources mobilization
 - ✓ Need for **political will** – special zones, tax exemptions, quotas of low income houses, minimal standards and user-friendly regulations

SOUTH AFRICA'S HOUSING DRIVE

- Powerful commitment to low income delivery and eradication of slums – aligns with MDGs
- Focus on the R0 - R3,500 groups
- 1.8 million houses 1994-2005
 - High **capital subsidy** from central government
 - **Provincial Governments** as key players with the legal mandate
 - Highly centralised decision making powers, sense of **municipalities** often marginalized
 - Striving for partnership with **private sector** – preliminary agreement with banks reached
 - But formal housing delivery may have been going **down since 2003/4**

CHALLENGES TO DELIVERY

- **Current delivery depends heavily on private sector developers, contractors**
- **Lengthy approval processes** – at least six months to get approval to commencement of projects
- **Capacity to produce** between 16,000 – 20,000 units per year in the four metropolitan areas
- **Banks** inclined to invest in R3,500 – R7000 housing market, **not for hard core poor**
- **Backlog** appears to be increasing – gap is widening and slums are proliferating at 2-4 % yearly

OBSTACLES OBSTRUCTING

DELIVERY

- Per unit cost has increased with inflation and building costs
- Housing delivery declined since 1998 due to withdrawal of large scale contractors, insufficient funding and inadequate delivery capacities
- Problems associated with poor access to land compounds the problem
 - Housing backlog rising continuously – in each of the four metros between 160,000 and 200,000 units
 - Cumulative housing backlog almost 1 million units in the 4 metros

MAJOR CAUSES OF HOUSING DEFICITS

- Insufficient financial resources are a major constraint even with strong government spend
- Metros have allocated 25-30% of their annual budget – in 2005/06 Durban was granted R180 million vs R800 million budget
- Housing units completed/under construction average 69% of approved subsidies
 - Weak delivery capacity + change of delivery strategy
- About 13.5% of households in slums in 1994 vs 16- 25% in 2006

VOICES AND CONCERNS OF KEY STAKEHOLDERS

- “Government initiative is commendable and government is indispensable...”
- “The capacities of the poor matter...”
- “Land access for the poor is a critical issue...”
- “Standards too high and codes stringent...”
- “We have to support the poor to house themselves and improve their housing”
- “Move away from developer-driven approach”

ISSUES MENTIONED BY STAKEHOLDERS

- Rising levels of dependency
- No in-depth engagement of civil society in delivery
- Need to support informal rental
- Housing code is too rigid
- Review of land legislation needed
- Housing for the poor is about livelihoods not about houses
- Educate instead of restricting sales of houses
- Reconsider offering building stands with basic services
- Slums will persist due to widening socio-economic inequalities

“Unless the poor are supported to contribute to their housing improvement, it will be difficult to achieve the slum-free cities target by 2014”

IMPACTS OF THE IMPLEMENTED PROGRAMMES

POSITIVE IMPACTS

Housing and employment opportunities for the most needy enhanced

- *Capacity of small contractors and local communities enhanced*
- *New partnership with private sector evolved*
- *Quality of life of the urban poor improved*
- *Low levels of slums and informal settlements sustained*
- *Self-critique by the government is positive*

IMPACTS OF THE IMPLEMENTED PROGRAMMES

NEGATIVE IMPACTS?

- *Limited socio-spatial integration*
- *Discontents with the rate of delivery and compromise of house quality*
- *Increased liability/inability to pay service charges*
- *Distress sales*
- *Not enough success using subsidy houses to alleviate poverty or as loan collateral*

CONCLUSIONS AND RECOMMENDATIONS

Findings include:

- Proliferation of slums and informal settlements has continued unabated despite numerous initiatives taken
- Current cumulative housing backlog up to 2.0 million units
- Rising number of impoverished households, rural-urban migration and fragmentation of households – growing challenges
- Increasing socio-spatial disparity in many cities

ISSUES FOR POLICY DEVELOPMENT?

- Low income households potentially prepared to invest in their shelter
- Informal sector has potential, now makes unquantified contribution
- Inadequate technical capacities at various levels of low income housing delivery
- Conflicting policy implementation and fragmented delivery programmes

IDENTIFYING OBSTACLES

- **Over-emphasis of project-linked delivery at the cost of under-estimating other options**
- **Low beneficiaries participation**
- **Highly centralised decision-making & local governments marginalised in housing delivery**
- **Low awareness among most stakeholders about MDGs and government targets**
- **Municipalities increasingly under pressure to deliver**
- **Very slow accreditation process**

RECOMMENDATIONS – STRENGTHENING CURRENT STRATEGIES AND ACTIVITIES

- Coherent policy implementation to iron out inconsistencies in policy implementation
- Make land available/accessible to the poor to restrain proliferation of slums and informal settlements
 - Requires bold steps and decisions to make **buildable land not only houses** available to the poor
- Upgrade reception areas into permanent settlements with secure tenure and basic services

SPECIFIC OPTIONS FOR CONSIDERATION

- Institutionalize beneficiaries and stakeholders participation
- Review financial mobilisation and disbursement modalities – finances can be insufficient and allocation/approval of projects cumbersome
- Look at communal or group tenure options for reduced transaction costs and enhanced security
- Review milestones for accreditation of municipalities to speed up this process

FURTHER OPTIONS

- Enhance roles of ward institutions - train ward committees to play active role
- Review delivery programmes and consolidate successful/good practices
- Promote rental housing for low income groups
- Recognize informal rental
- Offer a range of housing options to allow bringing in lower cost offerings
- Relax stringent central control stiffening housing delivery
- Empower municipalities to take over some housing delivery
- Review targets commensurate with resource capacities

POPULATION SHIFTS: WHERE IS HELP NEEDED MOST?

- New projections show the metro populations may be about to start falling – Migration and urbanization streams may be shifting to the 2ndry cities and small towns
If so, a window of opportunity is opening for eliminating metro shacks by 2014 –
The metros will be able to cope
But the fast-growing rural cities and towns often have little delivery capacity
To house new migrants, they will probably need much more assistance from national DOH
National housing delivery may wish to take another look at South Africa's smaller rural centres

TARGETING POVERTY: WHO WILL NEED HELP?

Research shows poverty has spread since 1994, though it's less deep now
Growth is accelerating, but unemployment is still high at 26%
The new jobs require skills, will not help the unskilled
Planned skills delivery will target youth and take time

Who will be left behind, and most in need of housing provision as anti-poverty?

Older youth and adults now unemployed may not receive skills in time to find a job before they are too old

This left-behind grouping may never find housing or escape poverty without government priority attention