

STATUS OF INFORMAL SETTLEMENTS TARGETED FOR UPGRADING: Implications for policy and impact evaluation

South Africa is characterised by various forms of inequality, which are magnified in informal settlements. In a population of over 51 million, income inequalities by race continues to persist. Income inequality results in other forms of exclusion, the most glaring being access to adequate housing which explains the overrepresentation of Africans and Coloureds in informal settlements. *Catherine Ndinda, Charles Hongoro, Demetre Labadarios, Tholang Mokhele, Ernest Khalema, Gina Weir Smith, Konosoang Sobane* reflect on the implications for policy and impact evaluation through the upgrading of informal settlements programme.

Informal settlement in Caledon Western Cape.

Credit: HSRC Communication and Stakeholder Relations

Introduction

Informal settlements represent spaces of marginality, inequality and deprivation in the urban landscape. Informal settlements are characterised by illegal occupation of land, and lack of basic services such as water, sanitation, and electricity (Department of Human Settlements [DHS], 2009). Given that the residents live on land occupied illegally, the improvements made to the dwellings are minimal to ensure protection from the elements of the weather, and from crime. The poor living conditions are the

cause of poor health outcomes that are often compounded by lack of affordable nutritious food, poor access to health facilities and other social amenities, and general overcrowding in the dwellings and settlements as a whole. The existence of informal settlements alongside affluent planned settlements represents what has been referred to as the “urban divide” (UN Habitat, 2010:6). The UN Habitat (2014) report identifies the growth of slums and informal settlements, poverty and inequality, among the challenges that Southern African cities are confronted with.

Since the transition to democracy in 1994, the South African government has consistently sought to address the challenge of inadequate housing whose most glaring manifestation is the existence of informal settlements. By 1994, 13.5% of all households lived in “squatter settlements” (Department of Housing, 1994: section 3.1.3d). In 1994, it was estimated that new households accommodated themselves in informal settlements at a rate of 150,000 per annum (National Department of Housing [NDOH], 1994). In the

Reconstruction and Development Programme, adequate housing was identified among the top priorities of the post-apartheid government (ANC, 1994). Informal settlements were also prioritised for upgrading (DOH, 1994) through the inclusion of the consolidation subsidies in the housing subsidy scheme (HSS). In the Breaking New Ground (BNG) strategy, the country explicitly identified informal settlements as a growing challenge and proposed to tackle these through the creation of the upgrading of informal settlements programme (UISP) (DHS, 2009).

Objectives of the Upgrading of Informal Settlements Programme

The objective of the UISP is to ensure health and safety, security of tenure, and community empowerment. At the inception of the UISP, the underlying assumption was that the baseline status of informal settlements could be derived from census or periodical data collected by Statistics South Africa (StatsSA). However, such an assumption negates the fact that census or other general surveys do not provide detailed indicators related to either informal settlements, or adequate housing in general. The complexity in determining the magnitude of settlements and the population therein is compounded by the way these emerge, and local government response to informality.

In 2014, the Department of Human Settlements and Department of Monitoring and Evaluation commissioned a Baseline Assessment for future impact evaluation of informal settlements targeted for upgrading, to establish the baseline status of selected informal settlements (Ndinda et al, 2016). The scope of the baseline evaluation was limited to settlements targeted for upgrading, implying that they were already included in the medium term

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municipal budgets (2014-2019). The indicators for the baseline evaluation were based on twelve (12) dimensions of measurement developed from the UISP objectives. This paper reports on key findings from the baseline study on informal settlements which employed mixed methods which consisted of questionnaires administered to households in selected municipalities across the nine (9) provinces. Qualitative data was also collected using focus group discussions, and key informant interviews. The findings in this paper are based on the weighted data collected (in July to September 2015) in 75 informal settlements with a total of 2 380 households. The household data was computed and analysed to generate descriptive statistics and frequencies related to indicators in each of the twelve dimensions developed for the study.

Findings

Demographic profile

South Africa is characterised by various forms of inequality, but these are magnified in informal settlements. In a population of over 51 million, income inequalities by race is persistent (StatsSA, 2011). Income inequality results in other forms of exclusion, the most glaring being in access to adequate housing which explains the overrepresentation of Africans and Coloureds in informal settlements. Although the proportion of households living in informal settlements declined from 16.4% in 2001 to 13.6% in 2011 (Census, 2011), the findings of the baseline study on informal settlements targeted for upgrading

indicate that these are home to a large proportion of the population: that is young Africans in their economically active stages of life.

The population distribution based on the weighted data (2380 households) indicates that residents of informal settlements were predominantly (87.6%) African (n = 7 246), with few Coloureds (12.2%) (n = 1 007), and a very insignificant proportion of Whites (0.1%), Others (0.1%), and Indians/Asians (less than 10 per ethnic group). In terms of citizenship, 95.2% of household members were South Africans, 4.3% were “other Africans”, and 0.5% were “other” (not African). The inhabitants are predominantly female (53.1%). The settlements with the largest female population were in LP (57.9%); EC (56.2%); and NC (55.9%). Most households were male-headed (54.7%). In five out of the nine provinces, the households were male-headed. The provinces with the largest proportion of female-headed households were Free State (61.0%), Northern Cape (56.2%), and KwaZulu-Natal (54.7%). Majority of informal dwellers (69.4%) were below 35 years, and if those between 35-44 years are included, the proportion rises to 83%. The average household size in the settlements was 3.75 members, which is higher than the national average of 3.4 members per household. The highest household sizes were in Kwa-Zulu-Natal (4.53), and Northern Cape (4.03). Free State recorded the lowest household size of 3.35. Most residents (46.8%) had lived in their settlement for more than eleven years, few (28.6%) had lived there for less than six years, and fewer (24.6%) between 5-10 years.

Employment rates and income opportunities

The baseline findings on unemployment, levels of income, and few business opportunities are consistent with previous studies which suggest that informal settlements are characterised by high levels of unemployment, varied and inconsistent sources of income, and high levels of deprivation (Tipple, 2004; Kigochie, 2001; Majale, 2008). In the baseline study, household members (15 to 64 years) who worked for a wage, salary, commission or any payment in kind (including paid domestic work) during the calendar week preceding the survey, amounted to 1 317 (Ndinda et al, 2016). The gender break-down indicated that 62.8% of the unemployed informal dwellers were females, while the rest were males. The rates of unemployment were highest in the Northern Cape (83.6%) (Ndinda et al 2016). The Western Cape had the lowest rates of unemployment at 45.9%. On average, 68.8% of household members in the informal settlements targeted for upgrading were unemployed (Ndinda et al, 2016).

Unlike in other contexts where small businesses were reported as a major source of income (Tipple, 2004), most informal dwellers reported their main source of income as salaries/ wages, followed by social grants. Nationally, an average of 8.2% of household members reported participation in business. The three main sources of income identified by households were salaries/ wages (52.3%); social grants (26%), and businesses (6.4%). Although salaries / wages are listed as main sources of

income, most household heads (47.5%) earn less than R2000 per month and a large proportion have no income (8.5%). Social grants in informal settlements are so critical to the survival of informal dwellers that without these, a third (32.6%) of the population would be destitute. The high rates of unemployment and low rates of participation in informal businesses suggests that meeting basic needs such as food is a struggle, and this compromises the nutritional needs of household members.

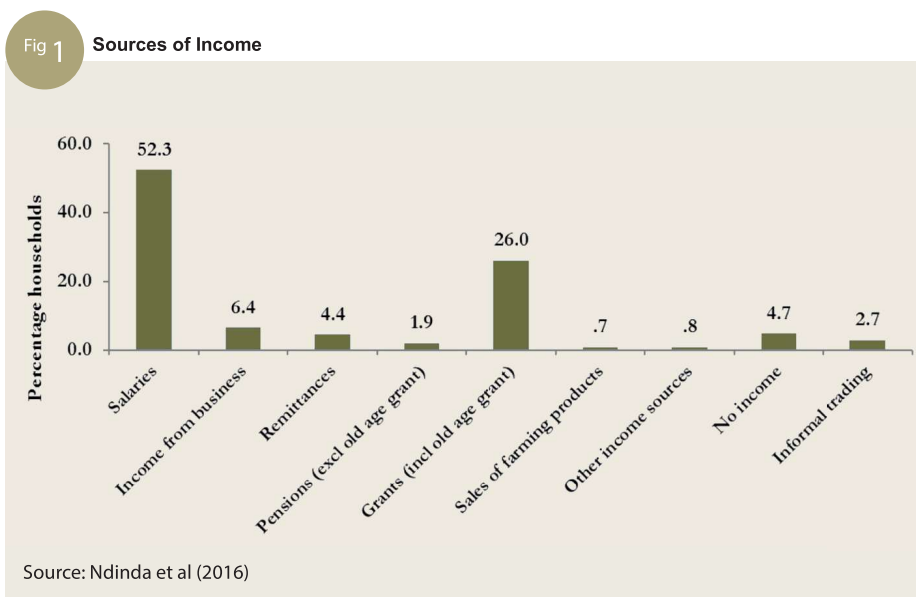


Table 1: Employment/Unemployment Rates by Province

Province	Employed		Unemployed		Total
	%	95% CI	%	95% CI	
Eastern Cape	31.4	[23.6-40.5]	68.3	[59.4-76.0]	639
Free State	29.9	[21.6-39.8]	69.3	[59.9-77.4]	503
Gauteng	28.2	[26.3-30.1]	71.5	[69.6-73.3]	1788
KwaZulu-Natal	28.4	[26.3-30.5]	71.6	[69.5-73.7]	460
Limpopo	31.7	[30.5-33.0]	68.3	[67.0-69.5]	173
Mpumalanga	27.3	[25.9-28.7]	72.1	[71.5-72.8]	94
North West	30.1	[25.0-35.6]	69.9	[64.4-75.0]	382
Northern Cape	16.1	[9.3-26.6]	83.6	[73.3-90.5]	310
Western Cape	54.1	[49.2-58.9]	45.9	[41.1-50.7]	401
Total	30.9	[28.1-33.8]	68.8	[66.0-71.5]	4750

Source: Ndinda, C., Hongoro, C., Labadarios, D *et al.* (2016). Report on a baseline assessment for future impact evaluation of informal settlements. Pretoria: Human Science Research Council

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Recommendations

Impact Assessment of the UISP

The findings discussed in this brief provide a glimpse into the status of informal settlements, and suggest that the detailed indicators based on the twelve dimensions of measurement of the UISP provide a basis upon which effectiveness and impact assessments can be designed. We recommend the utilisation of the UISP indicators to collect data on the effectiveness and impact evaluation of upgraded informal settlements. With the large number (n=75) of informal settlements, where baseline evaluation data is available, we recommend that the DHS employs

the experimental design in assessing the impact of the UISP as there are sufficient cases to set up intervention and control cases (informal settlements), in order to determine the impact of upgrading informal settlements.

Policy on the emergence growth and upgrading of informal settlements

The magnitude of informal settlements and the levels of deprivation therein suggest that the DHS needs to formulate a policy that addresses the emergence, growth and upgrading of informal settlements. Linked to policy is the need for Treasury to increase

funding for the UISP and to municipalities in particular, to help tackle the challenge of informality and improve the quality of life of the inhabitants.

Employment and income opportunities

The high levels of unemployment particularly among women suggest that programmes designed to tackle unemployment and improve income opportunities need to be gendered, if unemployment and dependence on social grants are to be reduced. Programmes for income generation also need to be spatially targeted to women and youth in informal settlements.



Informal settlement in Grabouw, Western Cape.

Credit: HSRC Communication and Stakeholder Relations

