



Understanding the FEDUP group savings scheme model for self-help housing. A case study of Namibia Stop 8 housing project in Inanda, KwaZulu Natal.

by

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DECLARATION

I Nolwazi Mandosi Robertious Qumbisa declare that:

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DEDICATION

Kwazi and Thandiwe Qumbisa

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ACRONYMS

ASCA	Accumulated Savings and Credit Association
BNG	Breaking New Ground
CCMT	Community Construction Management Team
CLO	Community Liaison Officer
CORC	Community Organisation Resource Centre
EPHP	Enhanced People's Housing Process
FEDUP	Federation of the Urban and Poor
GB	Grameen Bank
HPFP	Homeless People's Federation Philippines
ISG	Informal Savings Groups
ISN	Informal Settlement Network
NHAG	Namibia Housing Action Group
NSDF	National Slum Dwellers Federation
NGO	Non-Governmental Organisation
PHP	People's Housing Process
PINK	Phoenix Inanda Ntuzuma KwaMashu
RDP	Reconstruction and Development Programme
ROSCA	Rotating Savings and Credit Association
SAHPF	South African Homeless People's Federation
SASDA	South African Slum Dwellers Alliance
SDI	Shack/Slum Dwellers International
SEWA	Self-Employed Women's Association
UNCHS	United Nations Centre for Human Settlements
WB	World Bank

ABSTRACT

The post-apartheid South African government is faced with a severe housing backlog due to the apartheid regime which created inequalities through segregation policies. Consequently, due to a number of factors the current government has been struggling to address the high housing demand. The Federation of the Urban Poor (FEDUP) group savings scheme model for self-help housing appears to be complementing the government's efforts in the provision of housing. The model operates under the Enhanced People's Housing Process (EPHP) policy, previously known as the People's Housing Process (PHP), which was adopted by the government after engagements with Non-Governmental Organisations (NGO's) which included FEDUP and uTshani Fund, to encourage more community participation for housing development. The aim of this study is to understand the FEDUP group savings scheme model for self-help housing. The research was conducted using the qualitative approach for data collection, analysis and presentation. The study used the case study of Namibia Stop 8 housing project to understand the model and assess its potential for replicability elsewhere.

The findings of the study indicate that group savings schemes are able to deliver good quality housing products, encourage more community involvement during housing projects, including participation in decision-making. The success of the model relies mainly on good cooperation between the key stakeholders of the project. The findings have suggested that the FEDUP group savings scheme model can be replicated elsewhere. These findings, in relation to the enabling approach, autonomous approach and social capital theory suggest that the culture of poverty theory can be negated through the use of the model as communities are given the opportunity to contribute to the delivery of their own homes with support from organisations such as FEDUP, thereby breaking the poverty cycle. Using group savings schemes, communities can work together to better their living conditions and improve their housing conditions. The conclusion of the study is that the FEDUP group savings scheme model as means of self-help housing assists to enhance the current unsustainable government system of low-cost housing provision, through community participation in the housing development process and production of an arguably better housing product.

CHAPTER 1: INTRODUCTION

1.1. Introduction

In the post-apartheid South African housing policy era, there has been a shift in policy regarding mechanisms of delivering housing from 1994 namely the Housing White Paper, which was formulated in 1994 and was utilised until 2003, and the Breaking New Ground policy plan, which was established in 2004. Notwithstanding said shifts, the post-apartheid policy supports self-help housing where the government seeks to play the role of a supporter and not a provider of housing. From the rolling out of the Reconstruction Development Programme (RDP) housing to the provision of Breaking New Ground (BNG) housing, an enabling environment for the delivery of more sustainable human settlements is now possible through the housing programmes such as the Enhanced People's Housing Process (EPHP) in the BNG policy, which supports incremental housing improvements using the notion of self-help housing.

This study highlights that with the increasing housing backlog, the South African government is failing to meet the housing demand due to the lack of capacity, and therefore people need to collaborate with the government to attain housing. If the government moves away from the provider paradigm, where it provides people with free housing and encourages more self-help housing initiatives, then communities can use community strategies such as group savings schemes for their housing. This chapter gives an overview of the study by outlining the background of housing policy in South Africa and its role in the delivery of housing. The chapter also outlines the research question, subsidiary questions and objectives that the study aims to achieve.

1.2. Research background and problem statement

The Constitution of the Republic of South Africa 1996 Section 26 stipulates that everyone has the right to have access to adequate housing. The government has developed policy and legislation to ensure that everyone can access adequate housing. The South African post-apartheid government has been able to deliver more than 3 million houses to poor and low-income households since 1994 (Business essentials, 2017). However, South Africa still has a shortage of over two million housing units and more than 40% of this backlog includes people that are living in slum conditions (Statistics South Africa, 2011). This depicts that the government has failed to curb the challenge of the ever-increasing housing backlog. Some of

the major causes of such failure emanate from a lack of well-located land, housing delivery inefficiencies as well as high demand for housing.

Because of the high levels of unemployment in South Africa, according to the Financial and Fiscal Commission (FFC), 2013, up to 60% of households may be considered for fully subsidised state housing. Unemployment levels have therefore led to a greater burden and dependence on the government to provide housing opportunities in South Africa. At the same time, it would appear that the government is no longer convinced of its role to provide housing to every South African due to its position when it comes to its role of delivering housing and other related services and the lack of capacity to do so. During her first budget speech after returning to the Human Settlements portfolio in 2014, the Minister of Human Settlements Lindiwe Sisulu (cited in City press, 2016) further elaborated on the on-going burden that the government is facing when it comes to the delivery of housing by stating the following:

“What makes an 18-year-old think the state owes them a house? It is a culture of entitlement, we cannot continue with a dependency culture. Black civilians younger than 40, lost nothing to colonialism and apartheid so they should not act like they are entitled to free things from the government” (City press, 2016).

The Minister’s statements together with housing analysts affirm that governments cannot afford to be the providers of housing and using the provider paradigm for housing delivery is not a sustainable solution (Adebayo, 2011, 2013; Landman and Napier, 2009). Moreover, the previous Minister of Finance, Pravin Gordhan further indicates that South Africans need to move away from depending on the government by saying the following in his 2011 budget speech:

“Government must teach its people to fish; not to be suppliers of fish. The latter is not sustainable. The government pond will never be able to supply more fish in twenty years than it is doing now to the ever-increasing masses of people in this country. Let’s work to reduce dependency” (previous Minister of Finance Pravin Gordhan, citing Mandisa Motha-Ngumla in his March 2011 budget speech).

This study adopts a position in concurrence with the above quotes from Lindiwe Sisulu and Pravin Gordhan on not wanting to create dependency, which causes people to expect the government to give them free houses. While state housing or rather free housing is entitled on

the basis that it is for the poorest of the poor, it cannot go on forever. This is mainly because the state cannot combat the housing backlog, thus free housing is not sustainable due to the ever-increasing number of low-income and poor households. The current housing delivery practices are aimed at addressing the needs of the urban poor yet the government lacks the capacity and it cannot draw on the resources located in the traditional housing and property markets (Engineering News, 2010). Consequently, there is a need to research on and develop alternative strategies to combat the housing backlog such as the implementation of self-help housing through the use of group savings schemes as means to deliver housing to the low-income and poor households.

This study explores the model of self-help housing that uses group savings schemes as an alternate model to the conventional self-help housing model in South Africa. Protagonists of self-help housing including Charles Abrams, Jacob Crane, and John Turner amongst others, popularised the notion of self-help housing. Turner viewed self-help as housing whereby the onus of housing production is left to the owners, with governments participating as enablers and not providers (Marais *et al*, 2008; Turner, 1976). In addition, Turner in the 1970s stated that housing is not just a shelter but it is a process and an activity (Turner, 1976). The World Bank (WB) then took the merits of the self-help housing set of ideas, mainly dweller control and sweat equity popularised by Turner and others, and closely associated their approach with neo-liberal policies (Marais *et al*, 2008). Self-help housing in this study is an approach which the South African government could undertake in conjunction with the Federation of the Urban and Poor (FEDUP) group savings schemes and similar self-help models.

The South African government cannot provide housing to everyone, therefore methods need to be devised where people can provide housing for themselves, through the implementation of the self-help housing approach. This can be done through local and innovative initiatives, with institutional support such as the use of group savings schemes (Khumalo, 2013; Landman and Napier, 2009; Sibiya, 2002).

In South Africa, Non-Governmental Organisations (NGO's) such as FEDUP have taken the initiative to encourage hundreds of communities to start savings schemes, develop their own knowledge and capacities with respect to saving, build their own homes as well as acquire land (FEDUP profile, 2012). Through the Federation's housing finance facility, the uTshani fund, FEDUP has been able to assist people to acquire housing using the EPHP, which is a process whereby beneficiaries are actively involved in the decision making over the housing process

and contributing towards the building of their own homes (Western Cape Government, 2016; Tissington, 2011). The EPHP programme has a dedicated subsidy from the government, which covers the top structure but excludes the cost of internal municipal engineering services. These internal municipal engineering services receive financing from alternative sources (Tissington, 2011).

In respect of the case study for this research, the South African government has provided infrastructure subsidies in Namibia Stop 8 project, a community that has piloted a model of group saving schemes for self-help housing in Inanda, Kwa Zulu Natal. In this project, FEDUP received a portion of 90 hectares of a green field site to construct 96 housing units using the EPHP housing delivery programme (FEDUP profile, 2012). This study seeks to understand FEDUP's group-savings scheme model in this project, how it operates, the model's suitability to the households that are involved, the pros and cons of this model and its potential for replicability elsewhere in the country.

1.3. Justification of study

Communities internationally have used microfinance in the form of group savings schemes for many years. Such schemes have been used for community support strategies such as purchase of groceries, funerals and even for education. However, the use of group savings schemes for the delivery of housing should be further explored in South Africa. This leaves a gap for research, which this study seeks to explore and exemplify, using the Namibia Stop 8 housing project. Although self-help housing has been used in South Africa through the EPHP policy, research into the delivery of housing through the use group savings schemes to initiate self-help housing is another gap that this study aims to fill.

1.4. Research aim and objectives

1.4.1. Aim of the study

The main aim of this study is to understand the FEDUP group savings scheme model for the delivery of housing in Namibia Stop 8 and to assess whether this model can be replicated elsewhere in South Africa.

1.4.2. Research objectives

The broad objective of this study is to understand the FEDUP group savings schemes model that has been used to implement self-help housing. This is unpacked in the following objectives:

1. To review the extent to which group savings schemes have been used for financing housing in South Africa and internationally;
2. To investigate why the households of the Namibia Stop 8 housing project have elected to use the FEDUP group savings schemes model for self-help housing to achieve their housing goals;
3. To understand how the FEDUP group savings scheme model for self-help housing works and the roles played by FEDUP, uTshani Fund, the municipality and the community during the Namibia stop 8 housing project;
4. To assess the strengths and weaknesses of using the FEDUP group savings scheme model for self-help housing project in Namibia Stop 8 housing; and
5. To assess the potential for replicability of the Namibia Stop 8 housing project for self-help housing in South Africa.

1.4.3. Research question

Given the severe housing backlog faced by the South African government, the study addresses the following research question:

How does the FEDUP group-savings scheme model of delivering housing work and to what extent can it be replicated elsewhere in South Africa?

1.4.4. Subsidiary questions

1. How have group savings schemes been used to finance housing in South Africa and internationally?
2. Why have the households of the Namibia Stop 8 housing project chosen to use the FEDUP group savings schemes model for self-help housing to achieve their housing goals?

3. How does the FEDUP and uTshani Fund group savings scheme model for housing work and what were the roles played by FEDUP, uTshani Fund, the municipality and the community during the Namibia stop 8 housing project?
4. What are the strengths and weaknesses of using the FEDUP group savings scheme model for self-help housing projects in South Africa?
5. Can the Namibia Stop 8 housing project be replicated elsewhere in South Africa?

1.4.5. Hypothesis

Group savings schemes as means of self-help housing enhances the current unsustainable government system of low-cost housing provision through community participation in the housing development process and production of an arguably better housing product.

1.5. Definition of key concepts and terms

1.5.1. Federation of the Urban Poor (FEDUP)

FEDUP is a women-led (but not limited to women only) nationwide federation which does daily savings, enumeration of communities, forms partnerships with the government, community-led housing development, land acquisition and informal settlement upgrading (FEDUP profile, 2012; Sibiya, 2002). Bolnick (1996) describes FEDUP as a social housing movement for the urban poor. Furthermore, in FEDUP the urban poor are mobilised through savings and they work around self-reliance. Therefore, FEDUP educates communities on how to save from small amounts of money, gathers information in respect of the operations of a group savings scheme and then uses these accumulated savings to negotiate with the government to secure subsidies and to build bigger houses than the standard government assisted housing (Bradlow *et al*, 2011; Bolnick, 1996). FEDUP practices the principles of self-help housing by using the EPHP programme for the delivery of housing to the poor. Additionally, FEDUP promotes self-help with an emphasis on the equal importance of intellectual, financial and physical input into housing (COHRE, 2008 cited in Sibiya, 2002). A more detailed background of FEDUP is provided in the conceptual framework of this study.

1.5.2. Microfinance

Group savings schemes operate using small amounts of savings for different purposes, mainly housing for this study. Thus, it is important to understand microfinance, as these small savings are part of the concept of microfinance. Microfinance is the financial assistance such as loans provided to people who start or expand a simple income-generating activity, thus facilitating their eventual escape from poverty (Bateman, 2010). Ferguson (1999) argues that microfinance involves small loans, which have a potential to rotate and operate through NGOs, which are specialised to work with low and middle income households. In this sense, group savings schemes are a form of microfinance since they assist people to start saving from small amounts of money for establishing different activities such as housing development. The money generated in a group savings scheme forms part of microfinance because these savings may be said to be micro or small. The loans that are derived through microfinance are given incrementally which, similarly to savings from the group savings schemes, are disbursed incrementally, thus creating a link between the two concepts (Ferguson, 1999). For this study, microfinance therefore needs to be explained before understanding what group savings schemes are.

1.5.3. Group savings schemes

The term generally refers to a group of people with a common interest who enter an agreement to contribute a fixed amount of money that is pooled at intervals, which could be weekly or monthly. For housing development purposes, every member then receives a lump sum at an agreed time to buy durable or fixed property (Sibiya, 2002; Harper, 2003; Daphins and Ferguson, 2004). In the context of this study, the savings were pooled together and used to provide self-help housing opportunities to the members of the group savings scheme in the Namibia Stop 8 housing project which is further explained in the conceptual framework. Therefore, in this study group saving schemes will be to understand the group savings model used by FEDUP to deliver self-help housing using subsidies and savings in order to accumulate more funds for housing.

1.5.4. Self-help housing

The concept of self-help housing involves practices in which people meet their housing needs mainly through their own efforts such as using resources like their own labour and finance, which may be done incrementally or instantly by a group or individuals (Turner and Fitcher, 1972). Self-help housing may also be understood as government providing only land for construction, bulk infrastructure services, and capacity development then the beneficiaries to

construct their own houses (Harris, 2003; Jenkins *et al*, 2006; Ramovah, 2012). It is a different concept from self-built housing, which involves constructing one's housing unit from scratch (Pattison *et al*, 2011). During implementation, self-help housing projects can be in the form of site-and-service schemes, starter housing and settlement upgrading schemes (Adebayo, 2008). For this study, self-help housing involves groups of people coming together to produce their own housing by contributing physically, financially as well as in the management of the projects where the users make key decisions about their housing.

1.6. Structure of dissertation

Chapter 1 provides a synopsis of the research problem, which is to understand the FEDUP group savings schemes model for self-help housing. The background of the research is outlined in this chapter as well as the objectives, subsidiary questions, hypothesis, key definitions and the chapter outline.

Chapter 2 outlines the research methodology describing how the case study was selected, how data was collected and the data analysis process.

Chapter 3 illustrates the theoretical framework which consists of theories and approaches used in this study. The theories and approaches used for the study are the culture of poverty theory, the liberal and neoliberal theory, the enabling approach and the social capital theory. This chapter also consists of the conceptual framework where the key concepts and terms are explained in depth. Precedent studies are also included in this chapter in order to understand national and international experiences of group savings schemes for self-help housing.

Chapter 4 outlines the historical and geographical background of Inanda and the Namibia Stop 8 housing project in particular. Generally, this chapter provides the background information as well as the operations of FEDUP at Namibia Stop 8, using the EPHP approach.

Chapter 5 demonstrates data gathered from the case study. The responses and results from the questionnaires, interviews, focus groups and observations are analysed and presented in this chapter according to the different themes formulated to direct the data at answering the research questions.

Chapter 6 constitutes of the summary of the research findings, which are summed up by revisiting the research question and hypothesis, and suggests recommendations which are informed by the findings, and lessons that are learnt from the study.

1.7. Chapter Summary

Chapter one outlines the research background of this study by highlighting the current challenges faced by the government in meeting the current housing backlog. Moreover, a synopsis of how self-help housing operates and where it began and the use of the FEDUP group savings schemes for housing are also outlined. This chapter also presents the justification of this study and further provides the research aim, objectives, subsidiary questions as well as the hypothesis. The key terms and concepts are also briefly explained in this chapter and the structure of this dissertation is outlined.

CHAPTER 2: RESEARCH METHODOLOGY

2.1. Introduction

The research methodology that is used to understand how the FEDUP group savings scheme model used for the delivery of self-help housing operates is presented in this chapter. The purpose of this research methodology is to indicate the steps taken to gather the information required to meet the objectives of the study and answer the research question and the subsidiary questions. This chapter further outlines how the case study was selected, and the data collected and analysed.

2.2. Selection of case study

The Namibia Stop 8 housing project is an Enhanced Peoples Housing Process (EPHP) project which was implemented by the following key stakeholders FEDUP, uTshani fund and eThekweni municipality. After secondary research was conducted on group savings schemes and how they can be used to incrementally finance housing for the low-income households, the case study was selected. Its selection was purposive, because the Namibia Stop 8 housing project met the savings /self-help housing model criterion that the researcher had an interest in understanding because the researcher had an inkling based on the literature review, that it may be a viable housing approach that could be replicated more widely, given the need to shift away from direct government provision of free housing in South Africa.

2.3. Data collection

2.3.1. Primary data

Primary data is original data collected for a specific research goal (Kumar, 2008). In this study, primary data was used because collecting data first hand helped to understand clearly the FEDUP group savings scheme model for the delivery of self-help housing. Four steps were undertaken in order to collect primary data, which included straight observation of the case study area, face-to-face interviews, a household survey and focus group discussion, explained below.

2.3.1.1. Straight observation

According to Kitchin and Tate (2000), observation is an inductive method of data collection done by watching events as they unfold while interpreting what is happening and why, as well as noting and recording or taking pictures in a social setting. Moreover, straight observation refers to observation whereby the researcher is visibly detached from a situation. The

researcher thus makes no effort to undertake a specific role within the observed area but rather is an unobtrusive observer by remaining in the background.

There are two sorts of observation namely, straight observation and participant observation and they can be divided into overt and covert types (Kitchin and Tate, 2000). Covert observations involve the researcher not informing members of the group the reason for his/her presence, thus keeping their true intentions secret. Overt observations refer to the researcher being open about his/her intentions in the field and making sure that all participants of the community are aware of what is happening (Bandura, 1961; Kitchin and Tate, 2000).

For this study, overt observation was used because it allowed the researcher to be honest with the participants about the planned observation and its purpose, thereby avoiding problematic ethical issues such as deception or lack of informed consent. The researcher visited the Namibia Stop 8 housing project location and took pictures, observing the actions of the community members and understanding their level of participation which was guided by a checklist based upon field notes, in an attempt to gain more insight into the project. This checklist also included as an item, observing other government assisted housing within the surrounding areas of Inanda and comparing this with the owner built homes in Namibia Stop 8, the living conditions of the residents living in Namibia Stop 8, the nature of the housing units in terms of the technical aspects, and the quality and size of the building structures. The researcher also looked out for other peculiarities happening in Namibia Stop 8 that were not observable in other areas that could be attributed to the nature of the self-help housing model that has been adopted in Namibia Stop 8. Recording the findings from the straight observation was done through prompt note taking during observation, documenting detailed descriptions of what was observed and a sense of why it was important.

2.3.1.2. Interviews

According to Gillham (2000), an interview is a conversation between two people, where one person, the interviewer is seeking responses from the other person, who is the interviewee. Leedy (1986) as cited by Salane (2000) explains that interviews allow the researcher to acquire the information that is required relating to the research objectives. Face to face interviews enable the researcher to probe responses and make follow-up questions on the responses given. Semi-structured interviews, face to face interviews were conducted by the researcher.

Two key informants were purposively selected for the semi-structured interviews, namely, a representative from FEDUP who informed the researcher on the group savings scheme model

used in the Namibia Stop 8 housing project, and a project manager from the eThekweni municipality who packaged the project. The interview with the FEDUP representative sought to understand the history of the organisation in housing development, operations of the organisation and how it applies the use of group savings scheme during the Namibia Stop 8 housing project. The interview with the project manager sought to assess the role played by the government during the implementation process of FEDUP group savings scheme housing projects.

The information solicited from the key informants assisted the researcher in understanding how group savings schemes have been used in Namibia Stop 8 to finance self-help housing projects as well as to understand the extent to which this model can be replicated elsewhere. The interviews with key informants were recorded and transcribed, and then the data was also categorised into themes derived from the research objectives and questions.

2.3.1.3. Household survey

A questionnaire was used to conduct a household survey of the beneficiary households from the selected case study. The beneficiaries were identified as households that had benefited from the Namibia Stop 8 housing project. Oppenheim (1992) states that a questionnaire is a method used to collect and record information about a particular issue of interest. Generally, a questionnaire consists of a list of questions which also contains instructions as to how to answer the questions and space for answers or administrative details (Kumar, 2008). For this study, a sample of 20 households, which is approximately 20% of the 96 households in Namibia Stop 8 was surveyed.

The sample size of 20 households was deemed sufficient to give an overall picture of group savings scheme's members experiences, given that every member of the Namibia Stop 8 housing project is a member of the FEDUP group savings scheme, meaning that they all have the common characteristic of being members of the savings schemes and had had their housing delivered via the FEDUP group savings scheme model. Thus, it was argued that if the researcher went beyond the 20 households, the answers would tend to be repetitive.

The questionnaires constituted of both closed and open-ended questions. The questions covered issues relating to the relationship between self-help housing and the group savings schemes. This includes benefits of being a member of the group savings scheme, affordability and the quality of houses built, reasons for joining the group savings schemes and how they got

introduced to the FEDUP group savings scheme model. The responses were then coded after they had been collected from the participants.

2.3.1.4. Focus group discussion

A Focus group can be defined as a group of individuals who interact by having a common interest or characteristics, which can be brought together by a mediator/ researcher who would use the group and its interaction as a strategy to gain information about a specific or focused issue (Butler, 2002). One of the advantages of conducting interviews through focus group discussions is that while some of the respondents may speak about an issue, others can remember something related to the matter being discussed and add more value to the discussion (Butler, 2002; Oppenheim, 1992).

For this study, a focus group of 10 household members of FEDUP were utilised for the discussion. The participants for the focus group discussion assisted the researcher in filling in gaps in the data and clarifying data obtained during the household surveys. The focus group discussion only took place after the household survey data had been coded and analysed, so that the gaps that manifested from the survey data could then be addressed and filled during the focus group discussion. The respondents for the group discussions were purposively selected to exclude the households who were respondents in the questionnaire surveys, to remove any potential contradictions as well as repetition of information provided.

2.3.2. Recruitment strategy of the participants

For the key informants from FEDUP and eThekweni municipality, the interviews were scheduled well in advance and the questions were sent prior to the interview so that the participants could prepare for the interview. Closer to the set dates for the interviews, the participants were reminded telephonically.

For the household surveys and focus group discussions, arrangements were made with the FEDUP community leadership and the ward councilor to introduce the researcher to the community in order for her to inform the community, the FEDUP community leadership and councilor about the study and to encourage the community members to participate in the research. For the household surveys, random sampling was utilised to recruit households to complete the questionnaires so that every member had a fair chance to be chosen. The researcher conducted the surveys by walking door to door and conducting the survey according to the willingness of the community members. The researcher carried out this method until 20 households completed the survey. The questionnaires were filled out by the researcher in order

to capture the relevant information accurately as well as take notes where necessary, particularly where open ended questions were posed. The researcher liaised with the FEDUP community leadership in order to find a suitable date and venue for the focus group discussion.

2.3.3. Secondary data

According to Langford (2012), secondary data is data that specifies a second-hand account about people, events, topics, or places that are based on what some other writer has experienced. Secondary data sources were inclusive of books, journal articles, academic papers and relevant dissertations about incremental financing methods such as group savings schemes, self-help housing.

Secondary data in this research involved reviewing literature related to the use of group savings schemes for self-help housing, South African housing policy generally and specifically the EPHP, self-help housing, microfinance, FEDUP operations and the theories and approaches used for this study. These theories and approaches used in this study are the Culture of Poverty theory, the Autonomous approach, the Liberal and Neoliberal theories, the Enabling approach as well as the Social Capital approach.

2.4. Data analysis

There are different methods of classifying data from respondents such as transcribing of recordings from the focus group discussions and interviews, categorising data into themes, validating evidence, and analysing qualitative data quantitatively, summarising of data and having questions for reflection (Kitchin and Tate, 2000). For this study, the data was assessed through interpretation in relation to the literature for its authenticity, credibility, and the overall validity and it was analysed using thematic analysis whereby the collected data was categorised according to various themes. These themes were inclusive of the use of group savings schemes for the provision of incremental housing, strengths and weaknesses of using group savings schemes for housing, roles played by the beneficiaries, municipality, and FEDUP within such projects.

The aim of using thematic analysis was to understand the FEDUP group savings scheme model for self-help housing related to the research sub-questions and the study objectives. The findings from all sources aided the study to develop recommendations on why and how the government can adopt the FEDUP group savings scheme model for self-help housing or similar self-help housing models into the housing delivery process.

2.5. Chapter summary

Chapter two starts off with highlighting how the case study was selected and then outlines the data collection methods that were utilised for this study. Primary data collection methods included the use of straight observation, interviews with key informants, household surveys and a focus group discussion. The chapter further explains the strategy that was utilised in recruiting the participants and then secondary data collection methods are explained. The chapter ends with outlining the data analysis process that was used for this study.

CHAPTER 3: LITERATURE REVIEW

3.1. Introduction

According to the National Housing Code (2009), housing development in South Africa is the government's mandate as per the constitution. Considering this, the government's duty is to progressively work towards ensuring that all South Africans have means to access housing, security of tenure, basic services, facilities, materials and infrastructure. Therefore, the government needs to apply measures of an administrative, legislative, educational, financial and social nature in order to achieve its housing responsibilities (Department of Human Settlements, 2009).

This study seeks to provide an alternative strategy to assist the government to combat the housing backlog. Although the government has the above-mentioned obligations, without the necessary capacity, the housing backlog will continue to increase. This chapter provides a framework of the concepts and theories that have informed the study. The concepts include FEDUP, microfinance, group savings schemes and self-help housing. The theories are inclusive of the culture of poverty theory, liberalism, the neoliberal theory, and the enabling approach as well as the social capital theory. Moreover, the chapter outlines international and national experience in respect of the use of group savings schemes in the delivery of self-help and incremental housing, as well as the challenges experienced.

3.2. Theoretical framework

3.2.1. The Culture of Poverty theory

Oscar Lewis championed the Culture of poverty theory in 1959 after he conducted a study on five Mexican families to understand their behavior and how they adapted to poverty (Lewis, 1959). Lewis formed a conceptual model of interrelated traits where poverty was an important factor (Coward *et al*, 1973). He defined the poverty culture as a way of living which is passed down from one generation to another (Lewis, 1959). Moreover, Lewis discovered that poor people were living in a social environment where they were trapped with characteristics of unemployment, absence of savings, apathy, fatalism, dependency, and delinquent behavior, mistrust of government, intense feelings of helplessness, marginality, and a lack of aspiration (Coward *et al*, 1973; Lewis, 1964).

Furthermore, he argued that while these characteristics or traits do not represent a culture of poverty if they are taken individually, however their pattern and their combination is the

culture. The traits outlined vary accordingly, depending on each family's independent needs. Consequently, the culture of poverty is a reaction of the poor to their marginal position within a class-stratified, highly individuated, and capitalistic society and that having lower aspirations in life helps with the reduction of frustration (Gajdosikienė, 2004).

The culture of poverty theory therefore suggests that poverty is persistent, stable and passed from one generation to another through family ties (Coward *et al*, 1973). Poor people living in poverty are assumed to be resistant to change so that even if the conditions that made them poor change, they remain poor as they are attracted to poverty (Lewis, 1959, 1964). In addition, the poor are economically irrelevant because they do not contribute to the economy due to their minimal wages, therefore they cannot save nor purchase enough to contribute to the economy. This then also contributes to why they remain poor.

To remedy the culture of poverty traits and the appalling living conditions under which the poor live, a centralised public sector approach is used. The centralised public sector approach, also known as the heteronomous approach, then links to the government's choice to provide adequate housing for the poor who will not provide it for themselves, and the success of this policy is measured by the mass housing provided, to replace the poor's inadequate housing (Adebayo, 2008).

3.2.1.1. Critique and myths of the culture of poverty

A study by Gorski (2008) indicates that a number of researchers such as Abell & Lyon (1979); Ortiz & Briggs (2003) and Rodman (1977) analysed and reported on the culture of poverty and drew a variety of conclusions. They argued, for example that the culture of poverty does not exist. Furthermore, the variances in behaviors and values between the poor are just as different between the middle and higher income people. The argument further went on to suggest that the culture of poverty concept was fabricated from a mere collection of stereotypes which were false but somehow ended up as unquestioned facts which managed to creep into mainstream thinking (Gorski, 2008).

Some of these stereotypes that are misconceptions include the assertion that poor people have a weak work ethic since they are unmotivated. However, in reality, wealthier people are not more motivated or do not have a better work ethic than poor people (Iversen & Farber, 1996; Wilson, 1997 as cited in Gorski, 2008). For example, a study from the National Center for Children in Poverty (2004) points out that although the poor are frequently categorised as lazy,

83 percent of children within low-income families have one employed parent minimally while 60 percent have one parent that works full-time and year-round.

Moreover, the Economic Policy Institute (2002) cited in Gorski (2008) notes that poor working adults spend more hours working each week than their wealthier colleagues. The Namibia Stop 8 housing project and other projects where FEDUP is involved, exemplify that this myth is not true. The beneficiaries of the Namibia Stop 8 housing project took the opportunity presented by FEDUP to start daily savings for housing and they were able to build their own houses, thus denying the poor's characterisation as lazy. Therefore, given the right motive, poor people can work just as much and sometimes even more than the wealthy as the poor do not have the luxury to outsource services, therefore, they work hard in order to achieve their goals with work that needs to be completed (Gorski, 2008).

Along with these myths about the existence of a culture of poverty are other critiques of Lewis' work. Although Lewis emphasised that the culture of poverty is adaptive as a way to help the poor to survive in their difficult circumstances, he was criticised for mostly demonstrating it negatively (Gajdosikienė, 2004). Lewis did however, attempt to display the patronising aspects of the culture of poverty by suggesting that having lower aspirations in life helps with the reduction of frustration. Furthermore, Gajdosikienė noted that the culture of poverty is a superficial culture because it blamed the poor for their condition (Gajdosikienė, 2004).

In addition, Valentine (1968) suggested that the culture of poverty theory was associated with the lower-class people, which meant that according to his understanding of Lewis' work, the poor were viewed as part of the lower class in society thus the negative connotation it had. Leacock (1971) argued that the poor are poor because they lack the ability to break out of the poverty culture and stated that the values of the theory were based on a reflection of the middle-class values (Gajdosikienė, 2004).

The self-help housing approach through the EPHP programme practiced by the FEDUP group saving schemes model provides insight that has been overlooked by the Culture of Poverty theory. For example, the participatory method of the FEDUP group savings scheme model allows the beneficiaries to break the culture of poverty.

3.2.2. The Autonomous approach

The Autonomous or decentralised approach is a negation of the culture of poverty. The decentralised autonomous approach suggests that if the poor are given the opportunity, they

can break out the cycle of poverty. In addition, Drakakis-Smith (1981) states that the poor can solve their poor living and housing situations notwithstanding their negative portrayal in the culture of poverty theory. The autonomous approach is also known as the self-help approach which is further elaborated on in the conceptual framework.

Unlike the centralised public sector approach, the decentralised autonomous approach considers the value of a house and how useful it is to the user. In light of such, the decentralised approach argues that the highest value of the house can only be determined by the beneficiaries as they are the best suited to assess their housing needs, which is why they should be involved in the provision of their housing (Turner and Fichter, 1972). The aspect of autonomy is emphasised as beneficiaries have freedom to make key decisions about their housing (Turner, 1976).

When beneficiaries have the autonomy to make key decisions in the provision of their housing, the state then becomes a supporter of housing, shifting away from the provider paradigm of the centralised public sector approach to the supporter paradigm of the decentralised autonomous approach (Turner, 1976). Autonomy signifies a freedom of action constrained by government power of affordability and it may also be indicated as the responsibility to satisfy one's needs. In the supporter paradigm, the state acts as a supporter of the community by availing resources such as land, tenure security or basic services and leaves the community to make key decisions about their housing through the application of the self-help method of housing delivery (Turner and Fichter, 1972).

The autonomous decentralised approach calls for beneficiaries to be active participants during the housing process instead of being passive beneficiaries. This means that beneficiaries need to be able to do more for themselves, which is exemplified in this study through the use of group savings schemes for self-help housing in order to create a platform for beneficiaries to participate in the housing development process. For the purpose of this study, the autonomous approach is understood as the poor to use group savings schemes to build their homes, they can break out of the cycle of poverty. According to Turner (1987), one of the fundamental principles of autonomy is participation in development and general fulfilment of life depends on personal responsibility and local control, a sense of self-management or having the freedom to act independently. Similarly, Gibson (1979) cited in Turner (1987) states that an individual is always the best expert of his or her situation, therefore given the support from the state, an individual would be able to change their situation for the better.

In self-help housing projects such as the Namibia stop 8 project, housing is delivered through an interactive approach whereby the government avails resources and housing inputs such as land, security of tenure, subsidies, and technical assistance and supports households to provide decent housing for the homeless. This gives the beneficiaries an opportunity to participate in the housing development process through the use of group savings schemes. The beneficiaries also have the freedom or autonomy to make key decisions in the building of their houses. These principles underpin the FEDUP group savings scheme case study used in this study.

3.2.3. Liberalism and the Neoliberal theory

Liberalism first became a political movement during the Enlightenment period which is a Eurocentric word that refers to the revolt in philosophy and theory that transpired during the 17th and 18th centuries in Western Europe (Peet and Hartwick, 2009). Enlightenment referred to the belief that human reason could be used to combat ignorance in making a better world. Liberalism emanated from the classical political economy theory, which espoused the freedom from government intervention in the market as it critiqued the governments' inability to create an equitable society. This meant that the government's role had to be reduced and deregulated so that the market could regulate the economic sector, including housing (Peet and Hartwick, 2009).

Adam Smith popularised a set of ideas based on liberalism when he introduced the concept of the perfect market as 'the invisible hand' and argued that if the market is left on its own with minimal state intervention, the markets would manage to regulate themselves efficiently in a form of free markets (Skinner, 1988). Individuals acted out of self-interest, therefore, regulating the price levels of goods and services that were bought and sold in the market. As a result, this brought the market back to its state of equilibrium (Peet and Hartwick, 2009; Skinner, 1988).

A reincarnation of liberalism is the neoliberal theory, which emerged in the early 1970s from neoclassical thought, which stated that government intervention should be removed from economic activities (Peet and Hartwick, 2009; Zanetta, 2001). Neoliberalism focuses on freeing the markets and economic growth that is based on a set of economic policies (Peet and Hartwick, 2009). These policies include fiscal discipline, shifting away from public spending such as subsidies which are a financial assistance to individuals so that they can pay less than the market value price. Other policies include the broadening of tax rates, ensuring that interest

rates are market priced, privatisation of state companies so they can maximise their profits (Skinner, 1988).

In the context of housing, Neoliberalism seeks to transfer the role of the public sector to the private sector to be in control of the housing delivery process. In this way, individuals interact with the market for their housing provision through effecting their demand in the housing market (Peet and Hartwick, 2009). The approach emerged in an attempt to replace the unaffordable and ineffective construction of permanent public housing by governments, as it was highly dependent on subsidies (Zanetta, 2001). Neoliberalism has been advocated for by the World Bank, believing housing needed to fit within the political economy of this approach whereby the governments' roles should be a facilitator or enabler and not a provider (Zanetta, 2001; World Bank, 1993).

The World Bank (1993) argued that governments should intervene to overcome market failure in ways that avoid aggravating market disruption, by using a series of enabling instruments that serve to get the housing development institutions right. The World Bank then introduced loans to housing financial institutions for housing development in order to replace government subsidies as an attempt to make housing delivery more affordable for the government so that housing was no longer a burden on the state's fiscal resources (World Bank, 1993). Neoliberalism suggests that there should be minimal government intervention through the provision of measurable subsidies in the delivery of housing, allowing the people to shift from being dependent on the government to contributing to towards the resolution of their housing problem (Pugh, 1991).

For the purpose of this study, some level of freedom from government intervention is relevant considering the self-help housing approach facilitated through the FEDUP group savings schemes model which reduces the burden of the state's fiscal resources by using the savings as an addition to subsidies from the group saving schemes. The neoliberal approach aims to allow the private sector to be in control of the housing delivery process rather than the public sector. The group savings schemes model utilised in Namibia illustrates the feasibility of the neoliberal approach. Through savings and participation in the housing development process, the poor are able to minimise the involvement of the state. In this way people are free to build houses in a way that meets their varying needs without being dictated by the government standardised formats of houses.

3.2.4. The Enabling approach

According to Agunbiade *et al.* (2012) over the years, it has been increasingly difficult for housing supply to keep pace with housing demand, and housing conditions continue to deteriorate in light of the rapid urban growth population in the fast-growing cities around the world. Therefore, a realistic strategy needed to be put in place in order to meet the housing challenge, as a result of which the enabling approach was introduced. The Enabling approach is rooted in the neoliberal approach whereby the market functions in such a way that the housing needs of the low-income are also met in the market.

The enabling approach aims to enable the housing market to work efficiently so that the poor can benefit from it. The World Bank suggested seven working instruments that enable the housing sector to function well regardless of the circumstances that the poor find themselves in. By making use of these instruments, poverty can be reduced. Furthermore, this approach suggests that the government should adopt an enabling role of managing the housing sector as a whole (World Bank, 1993).

The relationship of the market to housing is linked with the seven market enablement instruments which constitute of both the demand and supply side instruments. The demand-side instruments focus on enabling consumers to participate and to effect their latent demand for housing (World Bank, 1993.) The first instrument focuses on the development of property rights and security of tenure whereby people can invest in their houses. This instrument proposes that programmes of land registration and regularisation of insecure tenure should be undertaken. These programmes should be used with infrastructure improvement in slum and squatter settlements, and should seek to recover costs for housing development (Agunbiade *et al.*, 2012). The second instrument is the development of mortgage or credit end user finance such as developing loan packages. This requires that financial policies allow financial institutions to borrow and lend loans at positive real interest rates and on equal terms with other institutions and encourage competition in mortgage lending institutions as a way to improve efficiency. Moreover, more innovative measures should be encouraged so that more poor people can access housing finance (World Bank, 1993).

The third instrument deals with rationalising subsidies, whereby governments should consider subsidies as a last option. This suggests that government should begin by exploring other mechanisms to improve access to housing such as improving access to market-rate housing finance, removing barriers to the production of rental housing, or improving housing supply

markets in order to reduce prices (Zanetta, 2001). However, if the measures listed fail, the World Bank does call for limited subsidies which should however be transparent, measurable, and well-targeted and they should not distort the housing market (World Bank, 1993).

On the supply side there are three instruments starting with the provision of infrastructure for residential land development, whereby agencies responsible for provision of residential infrastructure should pay more attention on opening up urban land for residential development rather than focus on narrow physical objectives. According to this instrument, communities must be encouraged to participate in the planning and development of infrastructure as this will promote accountability and efficient implementation (Pugh, 1991). The fifth instrument proposes the regulation of land and housing supply. This instrument recommends the establishment of regulations that benefits rather than penalise the poor, where alternative and affordable standards that do not compromise environmental, health, and safety concerns should be considered during the housing delivery process (World Bank, 1993).

The sixth instrument focuses on organising the building industry, whereby governments should seek to create high competition in the building industry. This could be done though removing regulatory barriers to entry, facilitating equal access of small firms to markets, removing constraints to the development and the use of local building materials and construction methods which are also affordable. The supply-side instruments seek to favour the housing development institutions through providing affordable and efficient mechanisms for housing provision (World Bank, 1993; Zanetta, 2001).

The last instrument manages the advancement of the institutional structure for dealing with the housing sector. The World Bank recommends that the established institutional structure ought to permit the government to deal with the housing sector in a way that will give adequate housing to the poor despite the fact that there are restricted resources. This should be possible through making an instrument to monitor the performance of the housing sector and facilitate all public agencies affecting the performance of the housing sector. This instrument assumes an essential integrative part in guaranteeing that every one of the six instruments for both demand and supply side are connected and can be executed in the housing delivery process (Pugh, 1991; World Bank 1993; Zanetta, 2001).

The enabling approach suggests that the government shifts away from building complete housing units for its people, and instead that the government provides basic services and core housing with the expectation that the beneficiaries will extend these core housing units

(UNCHS-Habitat, 1995 cited in Ngcongco, 2002). Furthermore, this approach allows the poor to play a role in their own housing provision, which reduces the government's burden in the provision of housing (Skinner and Rodell, 1983). In the context of this study, the poor play a role in the provision of their housing by using the FEDUP group savings scheme model. This model allows them to collectively save and contribute financially and physically through sweat equity, to their housing. The enablement indicated through the participation of beneficiaries during the process of planning and building of housing projects allows beneficiaries to contribute to the process. The demand side instruments are relevant for the purpose of this study as they portray the situation prevailing in Namibia Stop 8 housing project whereby the beneficiaries are enabled to participate in the housing market. Through the use of the FEDUP group savings scheme model, and access to government housing subsidies and secure tenure, beneficiaries are able to physically and financially participate in the housing market.

3.2.5. Social Capital theory

According to Hanifan (1916), the term social capital can be characterised as a cooperative attitude, social communication, association and sensitivity among people and also families who constitute a social unit. Social capital can likewise be seen as potential or even real assets connected to a network of standardised connections or the enrolment of individuals inside a gathering (Bourdieu, 1986). The social capital theory looks at the connections, understandings and the common values inside a community or society, which empower gatherings and people to believe each other and cooperate. This theory additionally proposes that a community with high associational activities can receive more open engagement that has more participation and commonality to tackle aggregate issues inside the group. Furthermore, social capital focusses on the social connections, which wind up with productive advantages, and it is about how individuals cooperate with each other (Andriani, 2013; Dekker and Uslaner, 2001 referred to in Claridge, 2014). The main coiners of the social capital theory are said to be Tocqueville , J.S. Process, Toennies, Durkheim, Weber, Locke, Rousseau and Simmel (Putnam, 1995).

The most common features of social capital are structural and cognitive bonding and bridging. Bonding refers to the collaboration between equal individuals, people with a sense of common identity such as family, close friends and people who share a culture or ethnicity (Claridge, 2004). Bridging focuses on the interaction between communities such as the bridge between colleagues and associates within a community with a shared sense of identity. Structural and cognitive social capital include beneficial collective action that is guided by rules and procedures with shared norms, values, attitudes and beliefs (Dolfsma and Dannreuther, 2003;

Narayan2002; Narayan and Pritchett, 1999; Krishna and Uphoff 2002; Uphoff, 1999 cited in Claridge, 2004).

In relation to this study, the social capital theory suggests that if a community has shared values, it can accomplish much more in groups. The group savings schemes that are used in communities such as Namibia Stop 8 indicate characteristics of shared values. The values of saving within a group allows the members to trust each other enough to work together and as argued by the social capital theory, a community can solve collective problems in this case inadequate housing, through more public engagement, cooperation and mutuality.

The FEDUP group savings schemes model also allows for social intercourse, fellowship, goodwill and sympathy (Hanifan, 1916) among families as well as individuals, which form a social unit as suggested by the social capital theory. Families and individuals that save together for the purpose of housing become a social unit as they all have common values as members of the scheme.

3.3. Conceptual framework

The Federation of the Urban Poor, microfinance, self-help housing and group savings schemes are the fundamental concepts and terms that have informed this study and they are discussed below.

3.3.1. Federation of the Urban Poor (FEDUP)

In 1991, a conference was held in Broederstroom, in the North-West Province after the poor people had organised themselves to come together and address the challenges that were affecting their lives. These challenges were inclusive of poverty, homelessness and landlessness. The conference brought together shack dwellers from all over the country as well as activists from Africa and Asia. This gathering was called the ‘First People’s Dialogue on Land and Shelter’ of people from poor communities and informal settlements (Bolnick, 1996; FEDUP profile, 2012; Sibiyi, 2002).

From this conference, strong relations were established such as the relationship between the South African representatives and the National Slum Dwellers Federation (NSDF) of India. The South African representatives then went to India to learn about the mass movement of poor communities who had come together to solve their own issues in solidarity through the use of group savings schemes. The South African representatives came back and started South African Slum Dwellers Alliance (SASDA) and ‘Umfelandawonye Wabantu Basemjondolo’,

South African Homeless People's Federation (SAHPF) in English, which led to the formation of what is now known as the Federation of the Urban Poor (FEDUP) (FEDUP profile, 2012; Khumalo, 2013; Sibiyi, 2002).

The SAHPF is understood through its characteristics, such as having members that are all from informal settlements and are involved in savings that are managed at grassroots levels by the people themselves. The majority of the members are women although men are not excluded. In addition, members have a common struggle to accessing land, security of tenure and affordable housing and also have characteristics of self-reliance and independence. Members are the decision-makers during the project cycle as they follow a decentralised approach to housing delivery and they are responsible for their own development activities (Bolnick, 1996).

The relationship between the NSDF and the SAHPF led to the use of savings as a method to mobilise and organise the urban poor. Housing group savings schemes were developed when the poor started to group themselves for saving purposes. The main goal of the SAHPF was to combat poverty by using communal savings as a model. This meant that development needed to harness the already present capabilities in poor communities in order to have more sustainable and cost effective development. Another principle was finding methods to direct development resources to poor communities because poor communities lack access to adequate building materials and affordable housing finance. Lastly, people driven development attempts needed to be flexible in order to encourage a bottom up approach to development (Bolnick, 1996; SAHPF *et al*, undated paper cited in Sibiyi, 2002).

Savings are used by FEDUP as a tool to mobilise the poor, and as leverage to attract more resources from government institutions. FEDUP, through the group savings schemes also enables the urban poor to participate in the building of their own houses (FEDUP profile, 2012; Sibiyi, 2002).

FEDUP is a community partner of the South African Alliance and for its operation it requires the cooperation of the other community support groups which include the Informal Settlement Network (ISN), Community Organisation Resource Centre (CORC) and the bridge finance facility uTshani fund (Bradlow *et al*, 2011). FEDUP works with these other community organisations which commits to collective responsibility in delivering good quality houses for the poor through varying roles that each organisation plays in the housing development process. These organisations may be formed through unique characteristics but share a common objective in serving the housing needs for the poor (Bolnick, 1996).

The ISN is a collection of settlement or community-level organisations of the urban poor. These organisations or networks engage with leadership structures at community-level and they include examples such as street or block committees and civic organisations and they all mobilise communities around issue based, community-led development planning. CORC was set up with the intention to consolidate community based organisations in order to facilitate the engagements of networks of community based organisations on a community wide basis (Bradlow *et al*, 2011; FEDUP profile, 2012).

uTshani fund is a section 21 company which was created for the specific purpose of managing FEDUP's development finance. Its mandate is to facilitate the growth and protect the assets mainly the housing subsidies which include land, housing, and infrastructure (Mathoho, 2010). Moreover, the uTshani fund can be defined as a credit mechanism managed and controlled by the poor themselves and the fund's operating principles are that subsidies should be directly transferred to the group savings schemes on a collective basis. This means that the government should send the subsidies to uTshani fund who will then distribute them to the group savings schemes accordingly (FEDUP profile, 2012).

These alliance partners have pioneered people-centered development initiatives. The FEDUP model stipulates that communities should save small amounts of money, gather information in respect of the household demographics and then use the savings to negotiate with the government in order to have a better chance of securing entitlements such as direct access to housing subsidies, security of tenure and land. In addition, FEDUP mobilises people's resources which demonstrates the capacity of community members to build quality housing for themselves which has a comparative advantage over the private sector (Bradlow *et al*, 2011). In the case study for research, these alliance partners form part of the institutional support operating in the Namibia Stop 8 housing project. This allows the government to play a supporter role in the provision of self-help housing, through complimenting the work that has been started by the group savings schemes in raising funds.

3.3.2. Microfinance

The history of micro financing can be traced back to the middle of the 1800s when a theorist known as Lysander Spooner wrote about the benefits of small credit to entrepreneurs and farmers as a way of getting them out of poverty (Ferguson, 1999). More recently, micro financing has its roots from the 1970s when organisations such as the Grameen Bank of Bangladesh with the microfinance pioneer Mohammad Yunus, were starting and shaping the

modern industry of micro financing. Yunus's vision stated that rapid and affordable poverty reduction would be achievable through the use of microfinance (Bateman, 2010). In South Africa, such organisations include the uTshani fund, which is a credit mechanism managed and run by the poor people themselves as mentioned earlier (Rust, 2011).

An important element of microfinance is housing microfinance which is financial services that allow the poor as well as the low-income groups to finance their habitat needs using mechanisms which have been adapted from the microfinance revolution (Daphnis and Ferguson, 2004; Centre for Micro Finance, 2007). In other words, housing microfinance consists of small incremental loans to the poor, low, and middle-income households, without collateral, specifically intended for housing-related endeavours, including new constructions, repairs, improvements or upgrading of existing structures, purchase of land and investment in infrastructure (Centre for Micro Finance, 2007; Daphnis and Ferguson, 2004).

Housing microfinance is constantly evolving as an important tool in the endeavour to meet the housing needs of poor people around the world and is becoming a standard product for many Microfinance Institutions (MFIs) in Eastern Europe, the Middle East, Asia and Latin America (Daphnis and Ferguson, 2004). In this study, group savings schemes are seen to be a form of microfinance. The role of group savings schemes as microfinance and the various forms are further explained below.

3.3.3. Group savings schemes

The term generally refers to a group of people with a common interest who enter into an agreement in order to contribute a fixed amount of money that is pooled at intervals, which could be weekly or monthly. Every member then receives a lump sum at an agreed time in order to buy durables or fixed property (Sibiya, 2002; Harper, 2003; Daphins and Ferguson, 2004). These gatherings are held in communal spaces, and the host usually takes the sum of the contributions. In the South African context, Irving (2005) further explains group saving schemes as informal savings or 'stokvel' groups that are organised around structured gatherings of small groups of people that save, then rotate the common pool amongst the members of the group (Mathoho, 2010; Schulze, 1996 cited in Irving, 2005).

The rotating fund would have been set up for a specific purpose, in South Africa for example, the fund is used for funerals, grocery purchase, weddings, community entertainment as well as housing development among other uses (American Heritage, 2011; Invested development, 2012; Mathoho, 2010). In the context of the Namibia Stop 8 housing project, group savings

schemes have been established by a group of low-income households with a common interest to collectively start saving for the purpose of meeting their housing needs.

Rotating Savings and Credit Associations (ROSCAs) and the Accumulated Savings and Credit Associations (ASCAs) are the two most common examples of informal savings or group savings schemes which are a form of non-formal financial markets. ROSCAs can be referred to as associations with participants that agree to pay contributions regularly into a fund which is then given to the participants in whole or in small segments in rotation (Harper, 2003; Sibiya, 2002).

A member receives the monthly sum based on the rotation that has been predetermined so that each member or participant gets a fair chance to receive the pay-out. As a general rule of a ROSCA, every member has to contribute and continue to do so until all members have received their share. Rotating savings and credit associations are found under different names among the poor, middle as well as high-income groups (Sibiya, 2002).

With regards to ASCAs, the group members are also required to make regular contributions but members do not only mobilise savings, but also obtain interest on their contributions through informal lending and investments in a bank account. The role of ASCAs is to serve as credit and banking facilities for members. ASCAs may also be referred to as investment clubs where members bank the collected savings until they are enough to purchase assets such as land (Burman and Lembete, 1995; Schulze, 1996 cited in Irving, 2005). Loans are made to the members of the group and trusted third parties. Thereafter group funds are paid back to the original members of the fund after a certain period, mostly between six months to a year. Examples of such organisations include the Grameen Bank in Bangladesh as well as the Accion International (ACCION) in Latin America. These organisations have managed to mobilise savings among the poor and to provide insight on savings schemes around the world (Bouman, 1995).

All of the above-mentioned forms of group savings schemes including ROSCAs, ASCAs, and savings for funerals, education, entertainment and so forth are described as informal savings groups (ISGs). The size of these ISGs is determined by the logistics of managing the group as well as the number of potential savers. For the purpose of this study, the term of ISGs is mentioned as group savings schemes are also ISGs which constitute a group of people that come together for the purpose of collectively saving with the aim of contributing to the improvement of their housing (Irving, 2005; Harper, 2003).

3.3.4. Self-help housing

Self-help housing was practiced long before the concept emerged in housing literature in the late 1960s and before it was advocated by John Turner together with William Mangin, based on Turner's experience in the 'barriadas' or squatter settlements in Peru, which Turner then wrote about. The concept of self-help housing was in fact first popularised by the likes of Charles Abrams and Jacob L. Crane (Harris, 2003; Jenkins *et al*, 2006). Crane advocated for theory and practice of self-help housing during the pre-second World War period. He worked at the Housing and Home Finance Agency (HHFA) in Washington D.C. which led him to coin the term "aided self-help" in 1945. In addition, Crane promoted self-help housing worldwide and influenced the government to use self-help housing as an important element of development policy during the 1950s (Ward, 2012).

From the work done by Crane during the 1950s, Turner grasped Crane's ideas and changed the way people thought about low-income housing during the 1960s and early 1970s with his work on housing projects in Latin America, which led to ideas in self-help housing strategies. Furthermore, Turner's ideas emerged from the failures of public housing provision in developing countries. He argued that the housing problem was a result of the top down approach to housing delivery, which was characterised by bureaucratic and technical challenges (Harris, 2003; Turner, 1967).

From his experience in the barriadas in Peru, he learned that urban squatters within developing countries are able to address their own housing needs as they and not the government are the best judges of their circumstances. Turner coined concepts such as sweat equity, dweller control, 'housing as a verb', incremental housing and progressive development around the notion of self-help housing which changed the way people think about low-income housing (Turner, 1967).

Although governments saw squatter settlements as disorganised and inadequate over time, families were able to improve them using their own finances thus the development of Turners' concept of progressive development, which is development that occurs gradually, which was a contrast of public housing which was delivered instantly by the government. Moreover, Turner stated that squatter settlements should be viewed more as solutions rather than problems in the sense that the poor were able to build their own houses thus meeting their own housing needs (Turner, 1967; Ward, 2012).

The main multilateral agencies that played a significant role in the self-help housing approach were the World Bank (WB) and the United Nations Centre for Human Settlements (UNCHS) (Pugh, 1991). Thus, the implementation of the WB's low-income housing policies came from Turner's initial ideas. The WB introduced economic ethics to Turner's ideas, which resulted in the emphasis of the key concepts such as affordability, cost recovery, and replicability within the WB housing policies that were based on self-help housing (World Bank, 1993). The World Bank then introduced housing loans as an alternative to the provision of government subsidies (Pugh, 1991). Such housing loans were introduced as an attempt to make housing delivery more affordable to the government so that low-income households could also participate in the economy and the market to allow for more economic growth (Alan, 2000 cited in Ntema, 2010; World Bank, 1993; Zanetta, 2001).

3.3.4.1 Understanding Turner's principles on self-help housing

In relation to this study, the self-help housing principles are examined in order to understand how the FEDUP group savings schemes functions and how the model relates to self-help housing. The FEDUP group savings schemes model that has been applied in the Namibia Stop 8 housing project exemplifies self-help housing principles, which are dweller control, housing as a verb, sweat equity, incremental housing, progressive development and limited government intervention. Essentially, the concepts explain the general methods through which the group savings schemes for housing development operate.

The first principle, *dweller control* states that end users of housing have to make key decisions about their housing environment so that they could be in control (Turner, 1967). The application of this principle replaces the top-down approach where governments dictate decisions in the housing delivery process, which allows for a bottom up approach where the people take charge in solving their own housing problems. Dweller control can also be referred to as processes whereby the planning, designing and construction of houses is left entirely to be managed and controlled by the homeowners themselves. Similarly, through dweller control, poor families develop capabilities, have control, and become agents of change of their own development. Dweller control also sets a platform for incremental policy arrangement, which allows for a gradual housing delivery process permitting beneficiaries to control the delivery process (Baquero, 2013; Payne, 1984; Turner, 1976).

Turner argued that self-help housing meant that *housing should be thought of as a verb* and squatter settlements be regarded as solutions instead of problems whereby poor people are able to meet their own housing needs (Harris, 2003). The concept 'housing as a verb' means that the unit should not only be viewed in terms of its physical characteristics as a noun but in terms of the how it is used by the occupants which means that the house is used by the beneficiaries as more than just a structure but an asset. In addition, this concept of housing as a verb meant that the value of a house is not determined by the material used but rather by the function it serves to its user (Turner, 1976).

The next concept coined by Turner is *sweat equity*. This is a practice in the housing process whereby the recipients contribute their labour to the building of their housing units because of either their incapability to afford to hire builders or because they want to save money in the construction process. Turner preferred owner-built homes with no control from authorities, as he believed that the best results of a home were achieved when the user is in full control of the design, construction as well as management of their own homes (Harris, 2003; Turner, 1976).

Incremental housing is the ad hoc development of housing that happens gradually. From Turner's point of view, incremental housing means that housing should be viewed as a process because housing takes place over time, with due consideration of the income of the household, the life cycle of the inhabitants and the needs of those who occupy the house. Incremental housing completion is the households' responsibility provided that there is an enabling environment to do so (Marais *et al*, 2008; Goethert, 2014).

In South Africa, *Incremental housing* can be regarded as a response to the constitutional housing right obligating the state to achieve progressive realisation of adequate housing. In this way, the state provides housing on incremental basis through projects such as the Namibia Stop 8 housing project depending on the financial resources available (Tissington, 2011). Thus, incremental housing aims to address the need for housing in a way that allows more people to access housing opportunities, starting with the right to tenure with rudimentary services and then eventually acquiring a house through a self-building process (Western Cape government, 2006).

Similarly, Goethert (2014) adds that incremental housing has been modeled on how people live and can be viewed as a proactive strategy. A proactive strategy refers to various means that are used regularly in an attempt to decrease the likelihood of occurrence of a challenging behavior, in a way to prevent particular conditions (Champlin, 1991). In the context of the study, the

incremental means of housing development are used proactively to decrease the escalating housing challenges through extending the responsibility of housing development to the people. The poor are involved in the decision-making, managing and controlling of the housing development process which involves being active during the construction of their houses. The incremental transformation of housing may also be referred to as the housing consolidation process.

In terms of *progressive development*, Turner's proposals were an extension of Charles Abrams self-help housing ideas and Turner promoted progressive housing provision over time stressing self-help housing mainly in terms of labour or self-build, and later as self-management. Turner believed that if people are given the "freedom to build", then housing would be upgraded over time ensuring that the physical characteristics of the house would most likely improve. An enabling environment considers squatter settlements differently, not as a form of social disorder but as achievements of unaided self-help effort, which reflected dweller control and autonomy, with limited government intervention (Harris, 2003; Jenkins *et al*, 2006; Marais *et al*, 2008).

With regards to the notion of *limited government intervention*, Turner argued for a different role for governments in their position of delivering state-assisted housing, which shifted away from direct provision of housing to supporting households towards accessing land with secure tenure, infrastructure, technical assistance and small loans. The governments' role should become a supporter in the provision of housing so that the entire process of constructing the houses should be left to the beneficiaries to manage and control (Payne, 1984; Turner, 1976).

In respect of this study, limiting government intervention allows models such as the FEDUP group savings schemes to operate as it gives space for beneficiaries of such projects to manage, be active and control the construction process of their houses. Moreover, the concept of progressive development is aligned with the model of using group saving schemes for housing because the savings are accumulated over time before they can be used for housing and even after the handover of the housing units, the savings can still be used for improvements.

3.3.4.2 Self-help housing strategies

Self-help housing uses different means for housing projects implementation. These typologies are inclusive of assisted or aided, institutionalised and laissez-faire self-help housing. *Assisted self-help* or aided self-help housing involves households getting advice, support or training from an external agency to build their own houses. Here, the government's role is to therefore support households by aiding low-cost land, security of tenure as well as basic services such

as water, sewerage and electricity while households collectively or individually conduct initiatives to house themselves (Landman and Napier, 2009; Turner, 1976).

An example of assisted self-help housing is site-and- services schemes whereby households are able to make basic decisions such as those about how they want the houses to look. In site-and-service schemes, the government normally builds core housing for households with the expectation that they will be extended over time. The government can also provide land and water only or core housing and utilities if the project is not expensive. When the household owners extend, and improve their houses this is when they become investors of their property. The government benefits in site-and-services schemes as it is can save more funds from the public budget which are dedicated to public housing (Landman and Napier, 2009; Payne, 1984).

The case of Namibia Stop 8 housing project reflects characteristics of assisted self-help housing where FEDUP as an external agency assists the poor to build their houses. The government plays a supporting role by supplementing the work done by FEDUP through injecting additional funds to the schemes in the form of subsidies to the group savings scheme. The beneficiaries in this project became primary investors towards housing development as per the assisted self-help housing definition.

The second self-help housing form is the *institutionalised* principle. In this typology, housing projects are implemented through community-based housing institutions such as cooperatives or self-help groups. Such cooperatives are formal and legal groups of people that assist their members by negotiating with the government on their behalf for acquiring land as well as negotiating with the private sector for land. The cooperatives may also apply and receive mortgage loans and credit from formal sector institutions and the government as well as organise contractors where deemed necessary to assist with building the housing units. Also, these housing cooperatives through helping people to save are able to increase participation from households as well as to assist households to use their savings for housing purposes and to build decent housing for themselves (Keivani & Werna, 2001; Khurana 2001 cited in Ntema, 2011; Marais *et al*, 2008). In the South African context, institutionalised self-help housing projects or housing cooperatives were introduced with the establishment of the People's Housing Process (PHP).

The PHP was adopted by the Minister of Housing in 1998 as a low-income housing delivery approach and it was a programme under the National Housing Policy. This PHP approach was introduced in order to increase beneficiary participation by getting beneficiaries to participate in construction and savings. The main aim of the programme was to allow people to be in charge of the housing delivery process by building their homes themselves. PHP opened a space for community participation during the housing delivery process which is why it was a community driven process (Ogunfeditimi, *et al*, undated cited in Masiteng, 2013; Tissington, 2011).

The NGOs which included FEDUP, Utshani Fund and others had robust and lengthy discussions with the National Department of Housing, which resulted to the formulation of the Enhanced People's Housing Process after they objected a narrow definition of the PHP. The PHP has since been advanced to the Enhanced People's Housing Process (EPHP) with amendments, which were included in the Breaking New Ground housing policy that came into effect in 2004. The enhancement of the PHP involved more flexibility in the principles of people-centered development such as allowing beneficiaries to make key decisions such as the location and layouts of housing projects. The scope of the PHP was broadened with more focus on the outcomes of the housing process as a whole instead of only focusing on how the housing product is delivered (Tissington, 2011).

In broadening the scope, EPHP provides for an improved process in which beneficiaries actively participate in decision-making over the housing process and housing product. The envisaged outcome was to empower beneficiaries, create partnerships, mobilise and retain social capital, build housing citizenship, promote local economic development and foster stable communities. Furthermore, the fundamental objective was to build houses that met the needs of individual households, involved women and youth more directly, and created sustainable and inclusive human settlements, which respond to the needs of the community (Tissington, 2011).

In respect of this study, institutionalised self-help housing projects have been implemented by institutions such as FEDUP, which assists its members by teaching them about group savings and how they can use their savings for housing purposes, which reflects partnerships and social capital as envisaged by the EPHP. Moreover, FEDUP is able to negotiate with the government and private companies on behalf of households for land and they assist their members in skills training so that households can construct their own homes. Replicability of these housing

projects can therefore be assessed through their successful implementation. Replicability is assessed according to whether or not a project or anything can be duplicated or re-applied to test the results in a different area. For any housing project to be replicable, households should be able to finance or build their own house or be able to pay for the services provided. In this way, funds are saved and are injected back into the project and are put into a revolving fund so that the scale of the project increases (Cohen, 1983). Moreover, if a project is able to provide low-cost technical solutions as well as low cost transport, infrastructure and social services, which can facilitate the construction and improvement of housing projects and a community, can afford to improve over time and if a project can be self-sustained then it has the possibility to be replicated elsewhere. Replicability is also dependent on political commitment to developing the institutional capacity to design as well as to deliver the project at the scale required (UNCHS/Habitat, 1991). Thus, replicability is best ensured when other developers want to undertake similar types of projects. In the context of this study, the Namibia Stop 8 housing project should reflect the principles of the replicability norms so it can be replicated elsewhere which shall be determined by the research findings.

3.3.4.3 A critique of Self-help housing

In respect of this study, one of the objectives includes assessing the strengths and weaknesses of using the FEDUP group savings schemes model for self-help housing. The critique of self-help housing aids indirectly in understanding the potential weaknesses of such a model. Furthermore, this critique also looks at the potential replicability of the Namibia Stop 8 FEDUP group savings scheme because researchers and policy makers need to understand self-help housing critique before attempting to understand the FEDUP group savings schemes model for self-help housing.

Amongst other researchers including Burgees, Van der Linden, Harris, Stein and Marxist theorists critiqued self-help housing. Burgess (1985) argues that self-help housing overlooked the interests of politicians, administrators as well as financiers and their influence over squatter settlements financially and politically meaning that Turner depoliticised both the housing problem and the state. In addition, Turner criticised self-help housing for allowing the government to escape from providing housing to the low-income and urban poor. Furthermore, he suggested that self-help housing is a form of capitalism by making the poor produce their own homes (Burgess, 1985).

Moreover, in his critique, Burgess (1985) argued that housing is generally not only a process that focuses on the use value of a house but also on exchange value. This means that housing has different uses for the end user and it can be exchanged as a commodity. This then implies that in a capitalist form the housing problem needs to be looked at from the status of a house as a commodity. Burgess (1985) suggested that self-help housing projects needed to be analysed by how they can relate to the commodity process and interests which are associated with it instead of only on the basis of the use value it possess (Stein, 1991; Van der Linden, 1986).

Secondly, Burgess (1985) argued that within the capitalist mode of production, the state acts as a tool of class domination by securing reproduction of the capitalist mode of production and maintaining social class formation. This means that low income households were categorised as lower class due to their self-help housing initiatives which affects the commodity value of their housing. Thirdly, Burgess (1985) argued that subsidised self-help housing projects were criticised because they involved the unpaid labour of the homeowners and were criticised for the removal of the profits. Burgess' argument relates to the Namibia Stop 8 housing project since the FEDUP group savings scheme model for self-help housing project used the method of unpaid labour. However, unpaid labour only had minimal effect when it came to the reduction of the total cost of the house and was therefore not enough to make housing affordable to most low-income groups. Moreover, due to the increasing property interest rates, the state charged the beneficiaries the costs of developing on the land as a commodity for housing in order to cover the price of the land as a result this made self-help housing unaffordable for the low-income households (Burgess, 1985; Stein, 1991).

Marxist theorists critiqued self-help housing as being a double exploitation model as beneficiaries had to go and work at their daily jobs and then they were also expected to return and build their own homes (Burgess, 1985; Harris, 2003). Self-help housing projects in the form of site and services schemes were planned to make housing delivery affordable to both the government and beneficiaries; however, repayments were beyond the means of the households during the 1980's (Payne, 1984). This essentially affected the goal of cost recovery in low-income housing. Governments also struggled to perform basic administrative functions that were related to self -help housing (Ntema, 2011; Harris, 2003).

Similar to the case of public housing, site and services schemes proved to be too costly on both the target populations as well as for the governments in developing countries (Zanetta, 2001;

Harris, 2003; Yengo, 2008). In urban areas, these schemes became unrealistic as a result of the government acquiring expensive land from private owner (Yengo, 2008). With regards to the cost recovery challenges, the low income and the poor people ended up not being the only beneficiaries and the middle-income people ultimately became the beneficiaries (Ntema, 2011).

Sites-and-services housing projects that have been implemented by the World Bank lack “dweller-control” which is considered the most unique contribution of Turner (Harris, 2003). The projects are based on a more top-down approach in which the community only participates in self-construction activities (Marais, 2008 cited in Baquero, 2013).

These critiques are included in this framework in order to understand that self-help housing has had its pros and cons throughout the years, thus necessary to make recommendations where gaps exist. In the midst of these critiques, literature has indicated self-housing to be responsive to the housing needs mainly for the poor generally, but also specifically through the use of group savings schemes model.

3.4. Local and International experience

3.4.1. The South African experience in respect of group savings schemes for self-help housing

Self-help housing has been part of the South African housing policy for over a century under the colonial and apartheid governments (Parnell and Hart, 1999). South Africa’s current housing policy is primarily based on the understanding that housing is a basic need. The post-apartheid government inherited appalling housing conditions with a huge housing backlog. As a strategy to combat this housing backlog, housing subsidies were introduced. However, they only provided starter housing referred to as RDP houses under the 1994 Housing White Paper. The Reconstruction and Development Programme (RDP) was articulated as the African National Congress (ANC's) manifesto for the 1994 election campaign. The official mandate of the RDP was for policy formulation before it was utilised for housing development thus it did not focus on addressing the individual household needs but rather on the mass production of housing (Huchzermeyer, 2001). The programme aimed to address socio-economic problems such as poverty and inadequate services which were created by the past apartheid government. However, RDP housing is only 35m² and it is merely a starter house, which beneficiaries have to later extend using their own funds in order to get their desired housing units.

However, during the housing policy shifts in South Africa during the early 1990s NGOs had already started finding solutions for the provision of housing for the low-income households. In 1991, the South African Homeless People's Federation (SAHPF) introduced the use of group savings schemes for housing as a model to assist the poor to better their living conditions. To exemplify the work of SAHPF is the Piesang River housing project in Inanda, Durban. The SAHPF's mandate was to make end-user finance available to the poor. SAHPF's main role, together with uTshani Fund was to help inspire women in the Piesang River community to mobilise their savings so that they could add-onto the RDP housing subsidy in order to have a better top structure (Khumalo, 2013).

The Piesang River community was therefore the first community in Inanda that used the group savings scheme model for self-help housing (Sibiya, 2002). uTshani fund helped women to establish savings schemes and provided them with housing loans which had low interest rates. Group savings scheme members were given a maximum of R10 000 per member of the scheme with a fixed interest rate of 1% every month (Sibiya, 2002; Khumalo, 2013).

The previous Minister of Housing, Joe Slovo contributed R10 million to the Piesang River housing project. UTshani fund also made loans to assist members in building their homes and they could make repayments later. However, beneficiaries were unable to repay these loans to uTshani fund. After noticing this challenge, the government in 1997 decided to repay the loans on behalf of beneficiaries who had qualified for a subsidy (Sibiya, 2002).

With regards to savings, women in Piesang River saved affordable amounts of money weekly according to the amount that was agreed upon within the scheme. In a study of women's participation in planning and construction of their houses by Khumalo (2013) findings indicated that every woman received whatever they had saved to add to their subsidies. Moreover, the women were involved in the entire building process of their homes and they helped during the construction of their homes physically. As a result, women were able to have control of the project and they contributed in the decision-making process.

Challenges that were faced during the project included access to land. This was mainly because land is expensive and the women's savings were not enough to purchase land. As a result, most of the houses were built on invaded land since the project was an in-situ upgrade. The women also faced a challenge of low trust in SAHPF as most of the community members were still too dependent on the government and thus had no confidence in SAHPF. The relationship between the government and SAHPF was poor because the government did not understand SAPHF and

how they operate (Khumalo, 2013). After the implementation of this project, SAHPF was later enhanced to the Federation of the Urban Poor (FEDUP). The Piesang River housing project was able to demonstrate how group savings schemes can be utilised for the purpose of housing because from this project, other communities also adopted the model, including the Namibia Stop 8 housing project.

3.4.1.1. Thinasonke Extension 4 Pledge Project in South Africa

Thinasonke Extension 4 Pledge Project is a Greenfield project within the Ekurhuleni Metropolitan municipality, designed to develop low-cost subsidised housing through the support of FEDUP in terms of an agreement with the government. This project was defined under a MOU that was signed between SDI, FEDUP and the National Department of Housing (NDoH) in May 2006 whereby government pledged to support FEDUP group savings scheme projects. The support from the government was through the allocation of 1000 subsidies in each province and the Gauteng province pledged to give R50 million. The Thinasonke Ext.4 project is therefore a beneficiary project under the R50 million pledge from Gauteng province (Planact, 2010).

This project began from two group savings schemes that were started by the backyard dwellers of Tokoza Township and the savings clubs formed by the dwellers operated like stokvels. For these backyard dwellers, the savings schemes were formed in order to assist them to housing as they did not own houses. In Thinasonke Extension 4 Pledge Project, the members of the group savings schemes contributed whatever amount they had into the savings scheme (Mathoho, 2010).

From there, they could borrow from the account and repay it on a monthly basis. The members of the savings scheme agreed to join FEDUP so that they could benefit from low-cost houses through government subsidies which were negotiated for by FEDUP (Planact, 2010). As part of the role played by FEDUP, it was able to secure the land for the project and due to the land being too expensive for the amount accumulated from the savings, they negotiated a deal with uTshani fund and uTshani purchased the land on behalf of FEDUP (Mathoho, 2010). Moreover, FEDUP was able to negotiate with the provincial and local governments to install the bulk services for the project. FEDUP was able to facilitate the housing development process using the PHP which is now known as EPHP programme (Mathoho, 2010).

The project stakeholders consisted of the beneficiaries, the Development Committee of the project which worked as an advisory body for the operations of the savings fund, all of the

residents that consisted of savings group members who were also members of the FEDUP (Planact, 2010; Mathoho, 2010). Other stakeholders were FEDUP, provincial and local governments, and the Urban Dynamics Gauteng (UDG), which is an urban planning consultancy that was selected to do the planning process for the Thinasonke project (Mathoho, 2010). Through a joint venture of the project stakeholders, the project was successful according to the beneficiaries in its goal to deliver housing through the use of the FEDUP group savings schemes model. Moreover, the project was able to apply the use of government subsidies and the FEDUP group savings scheme model for the delivery of self-help housing.

Like any other project, the Thinasonke project also had challenges. Among these challenges was approving the deed of sale based on allowing FEDUP to implement the project as it envisaged with the beneficiaries. This meant that the municipality had to have a title deed over the land in order for it to install bulk infrastructure. As a result, conflict arose because FEDUP had to lead the negotiations between FEDUP and the municipality which meant that the beneficiaries could not participate thus breaking the principle of a community centered project (Mathoho, 2010).

Another challenge was getting the subsidies approved because the beneficiary list took a long time to be completed. The main reason for this was that some of the members of the group savings scheme did not qualify for subsidies and the number of beneficiaries was more than the number of available sites resulting in delays in the project. The solution here from FEDUP was to approach the government and seek approval for formal backyard rentals. This meant that some of the sites would have to be shared allowing more than one house on a site (Planact, 2010).

Conflict among the key stakeholders of the project also posed as a challenge and contributed to the delays of the project. For instance, the government changed some of the procedures and implementation strategies of the project without informing all of the stakeholders. This also led to a conflict among the provincial and local government and this resulted in a lack of interest and participation from the beneficiaries and FEDUP. FEDUP worked with community and the local government to create more communication platforms such as regular meetings in order to help resolve this challenge (Mathoho, 2010; Planact, 2010).

3.4.2. International experience: Precedents of group savings schemes for self-help housing

3.4.2.1. Community savings in The Republic of Namibia

The history of savings in The Republic of Namibia started in 1987 when people started to organise themselves into groups to address their poor living conditions by using their own collective organisations. The collective organisations were led by single mothers in Windhoek and the first group that came together to organise themselves into groups to save for housing collectively was Saamstan which means ‘standing together’. This group also established Namibia’s first credit union. In 1992, other collective organisations followed Saamstan’s example and by this time there were eight communities that formed group savings schemes to address their housing needs. A voluntary association was then formed of all the housing groups and it was called Namibia Housing Action Group (NHAG) (Mbanga *et al*, 2014; d’Cruz *et al*, 2014).

The group savings schemes had different savings models which were inclusive of saving for daily needs, securing loans for building houses, and accessing land and basic services. From the sharing of ideas and knowledge among the housing group saving schemes, the development of a locally owned and community led saving model was created and it became a tool for a people’s movement. Using their savings helped them to avoid risks of not being able to pay back loans especially for those with low and unstable incomes (Mitlin, 2008). The savings and credit models grew as the number of groups in Namibia increased. The knowledge about daily savings arose when the members from FEDUP South Africa went to teach Namibians in 1995 about using savings for housing (Mbanga *et al*, 2014).

The Namibians learned that communities can manage and monitor their own savings and be accountable to each other by sharing knowledge regularly and opening their own accounts. They also learned new ways of recording their savings that would be managed by the community members. After an evaluation of the activities that were done by the Namibian group savings schemes they decided to become a movement formed by the poor people called the Shack Dwellers Federation of Namibia (SDFN). By 1998 there was a total of 141 saving groups which divided themselves into networks in order to allow more people to participate in the work of the federation (Mbanga *et al*, 2014; d’Cruz *et al*, 2014)

By June 2012, Namibia had 643 saving groups and had delivered 19, 579 houses with all households which were beneficiaries remaining active members of the group savings schemes. The federation was also active in 13 regions in urban areas (Mbanga *et al*, 2014). The lessons

from this country's saving groups is that they were able to promote community solidarity and mutual support. Communities are also able to make key decisions during the housing development process of their homes from the bottom up approach and broke away from hierarchical leadership and decision making practices. In addition, the community driven approach is able to improve the lives of the poor and it has secured affordable land and shelter and improved the living conditions of the poor and low income people by building confidence to speak and to act on ideas (Mbanga *et al*, 2014). Communities are now able to access resources such as land which they would not have been able to do so as individuals. The major strength and lesson in this precedent study is that a community-based participatory approach can influence the national government to accept the federation and to work with members of the group savings schemes to provide funds and access land (Mitlin, 2008; Mbanga *et al*, 2014).

The project did however come across challenges such as interpersonal conflicts and communication among the group saving scheme members. These conflicts were caused by members that had received their homes but had not completed the repayments of their loans. The solution for this challenge was having constant engagements between different saving groups to support each other in resolving conflicts. Patience among the group saving scheme members posed as a challenge too. Members became impatient due to the slow process of land acquisition and members started to lack in their saving (Mbanga *et al*, 2014).

FEDUP came up with loans for small businesses which would keep the members busy and also to improve their income which allowed them to start saving again. The project also faced challenges on the payments of services and municipal water. In these types of projects one water account is used for all the households. However, some of the group members do not pay thus the entire group has to suffer without water. As a solution, individual water meters were installed which had one water account and it is monitored by each household according to the consumption. As a result, the water was charged according to the amount used by a household and not as a group (Mbanga *et al*, 2014).

3.4.2.2. The role of group/community savings in the Philippines

In the Philippines group saving schemes are used as a tool to encourage the urban poor communities to uplift themselves and change their living conditions. There is a national federation of more than 200 urban poor communities in 14 cities and 16 municipalities known as the Homeless People's Federation of Philippines (HPFP). This federation was created as an attempt to address key challenges namely, land tenure issues and homelessness. The group or

community savings were used as an organising tool for disaster intervention, high risk areas, post relocation activities, reconstructions processes and voluntary resettlement (Fadriago and Ruego, 2014).

HPFP's main development areas were focused on security of tenure, adequate housing, freedom from poverty and protection of dignity and the rights of community members. In 1998, HPFP was launched as a social movement using savings as a community driven intervention strategy (Fadriago and Ruego, 2014). Later, group savings schemes developed into a self-help network of poor communities which used savings to address their housing needs. Group savings programmes were also used to help people to move away from 'hand-out' assistance from the government and other private institutions such as churches (Fadriago and Ruego, 2014).

The group savings schemes in the Philippines did however face challenges such as finding safe and tenured relocation sites for the development of their new homes. As a result, members from seven different settlements and saving schemes formed an association that was registered with the Housing and Land Use Regulatory Board (HLURB). In order to address these challenges, the saving groups were developed, known as KABALAKA Homeowners Association. As the association expanded with more group savings schemes that were formed, challenges emerged with setting up systems, policies and procedures for the new savings communities. These challenges included savings and loan repayment performance, which varied in different communities. Saving communities had irregular savings and sometimes they failed to meet due accounts. In addition, the newly organised group savings schemes had limited capacity to manage their savings and to enforce internal policies and guidelines. Some community leaders failed to sustain their involvement in savings mobilisation activities as a loss of interest which led to the federation allocating allowances or wages to encourage them to continue working in the saving schemes (Fadriago and Ruego, 2014).

FEDUP and the Namibia Stop 8 housing project therefore relates to the setting of saving communities in the Philippines and in Namibia as both case studies focused on how the urban poor can uplift themselves and solve their own housing needs. The case studies also indicated challenges that were faced which could also be used to draw lessons for other projects which use the FEDUP group savings scheme model for self-help housing. With the institutional support from the federations, the urban poor can mobilise themselves into group savings schemes and work together to get access to adequate housing, land and security of tenure.

3.4.2.3. The Grameen Bank (GB)

The GB has become the most popular form of incremental finance for assisting group savings globally. Professor Mohammed Yunus founded the Grameen Bank in 1976 in Bangladesh, as a rural bank in order to provide credit to the rural poor so that they could improve their economic situation (Lankowitz and Ellis, 1999 cited in Masondo, 2006). The bank has an ability to mobilise savings as group savings schemes while working together with the poor. The savings are used as a tool to prepare the people to manage credit and the savings are used to start small enterprises and eventually the poor used the savings for housing (Daphins and Ferguson, 2004; Harper, 2003).

The GB's objectives include making financial services available to the poor by bringing the services to the poor, with an emphasis on women and the poorest in order to assist them in fighting poverty and to stay financially sound. In addition, the GB seeks to strengthen the mechanisms of the group savings schemes through affordable means of sourcing finances for various activities such as housing development. The GB also provided mutual support by providing an organisational structure that the poor can understand and increase their social, political and economic strength. Other institutions were then formulated as a result of inspiration from the principles of the Grameen Bank such as the Self-Employed Women's Association and the Mahila Milan Federation in India (Mainsah *et al*, 2004).

The GB argued that the poor are perceived as 'unbankable' by the formal banks (Mainsah *et al*, 2004). Through the group savings the members are able to informally bank their savings and thus they can change the perception of being 'unbankable'. When given the opportunity and education the poor can also mobilise their resources such as savings for the purpose of housing. Similarly, the FEDUP group savings schemes model allows its members to improve their housing conditions.

3.4.2.4. Self-Employed Women's Association (SEWA) in India

SEWA was registered as a formal organisation in 1972 in India which provides small loans and assists in the establishment of savings schemes for housing improvements, facilitates close relationships between non-governmental institutions, state and communities to encourage savings (Centre for Micro Finance, 2007). SEWA assists women to take on initiatives such as saving by providing services such as saving workshops which will assist them in achieving their goals so that they do not have to be dependent on subsidies and grants (SEWA, 2009).

Moreover, low-income households utilise institutions such as the SEWA's efforts in Gujarat and the National Slum Dwellers Federation (NSDF) in Mumbai. NSDF was established during the mid-1970s and is a national organisation which consists of community groups and leaders who reside in informal settlements across India (SPARC, 2014).

SEWA and NSDF assist low-income households to participate in self-help housing initiatives. This allows for gradual housing improvements as the poor avail themselves for more opportunities to access finance through community group savings and in some cases credit unions (Centre for Micro Finance, 2007).

Overall, the literature review exemplifies how different countries have used incremental finance in the form of group savings as a method funding for either housing construction or for the improvements of their homes. The study seeks to therefore understand the use of FEDUP's model in group savings in the Namibia Stop 8 housing project for the delivery of self-help housing to low-income households.

3.5. Chapter Summary

The aim of this chapter was to explore the key theories and approaches that are important for understanding the FEDUP group savings schemes model for self-help housing. The theories and approaches that have been explained include the culture of poverty theory; autonomous approach, liberalism and the neoliberal theory, social capital theory was also explained as well as the enabling approach.

The chapter further explained the key concepts and terms informing this study. These concepts included the understanding of what FEDUP, micro-finance is since group savings schemes are a component of micro-finance. Furthermore, in the literature review, self-help housing was defined together with its different factors and influences in order to clarify how the FEDUP group savings schemes model can be seen as a self-help housing approach when it comes to the delivery of housing through the EPHP.

Local and international case studies have also been depicted in this chapter. It is evident that in the countries reviewed, group savings schemes are used mostly for housing improvements which demonstrates that they can be utilised for the purpose of housing development. There have been successful projects that demonstrate the power of communities working together for the betterment of their own housing situation.

CHAPTER 4: THE STUDY AREA

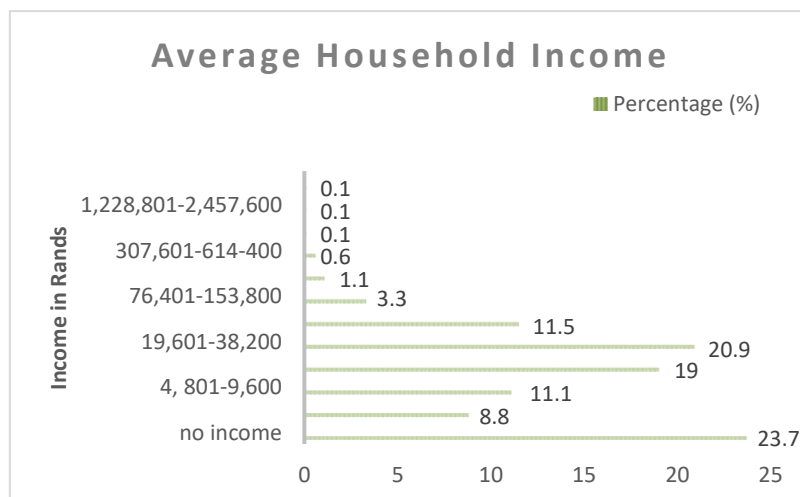
4.1. Introduction

This chapter gives a detailed description of the study area. It begins by outlining an overview of the greater study area of Inanda, which is the township in which the study area is located. The socio-economic status of Inanda has a direct effect on the issues taking place in the case study, hence it is important to understand the broader context of Inanda. The chapter discusses the living conditions of residents in the study area prior to development. The social and economic facilities in the area are also discussed in respect of impacts they have on people's daily lives. Maps are used to illustrate locality of the study area, the surrounding housing projects and proximity of social and economic facilities.

4.2. General overview of Inanda Township

Inanda Township has a population that is estimated at approximately 158, 619 people and the majority of the residents residing in Inanda are black/African people, making 99.5% of the total population. The average size per household in Inanda is 5 people and the formal dwellings make a total of 58.7% (Statistics South Africa, 2011). The majority of the residents of Inanda do not have income as 23, 7 % of the community members are unemployed as depicted in figure 4.1 below. The gender distribution at Inanda consists of 51.7% females and 48.3% males (Statistics South Africa, 2011).

Figure 4.1 Average household income in Inanda

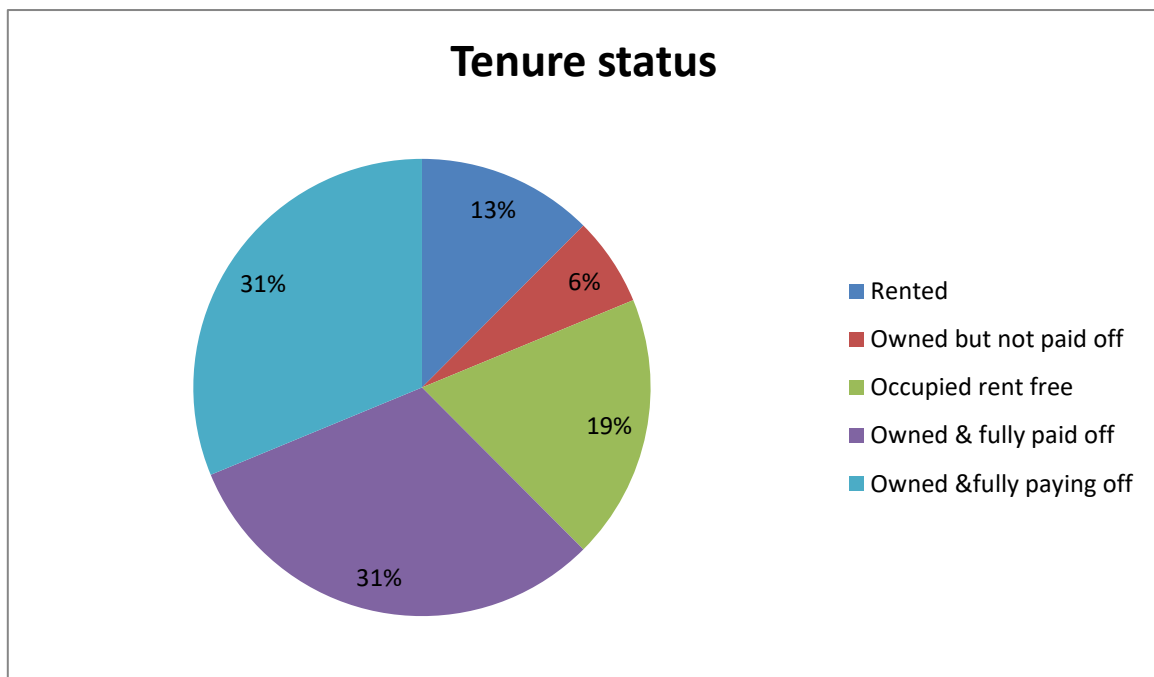


Source: Stats SA (2011)

4.2.1. Housing background in Inanda

In the 1960s, African people were relocated to Inanda from rural areas under the previous apartheid laws. This then resulted in the development of large informal settlements and dense shanty towns developed over the years (Durban Tourism, 2012). Another contributing factor to the development of the informal settlements was the close proximity of the Industrial Hub where the majority of industrial factories are located. By the early 2000's the norm for housing delivery was through the development of informal settlements. In 2005, a feasibility study was conducted after the area was included into the five-year Housing Plan of the eThekweni municipality (Durban Tourism, 2012). Figure 4.2 below indicates that the majority of the people living in Inanda have full ownership of property as per the last South African census results.

Figure 4.2 Tenure options in Inanda



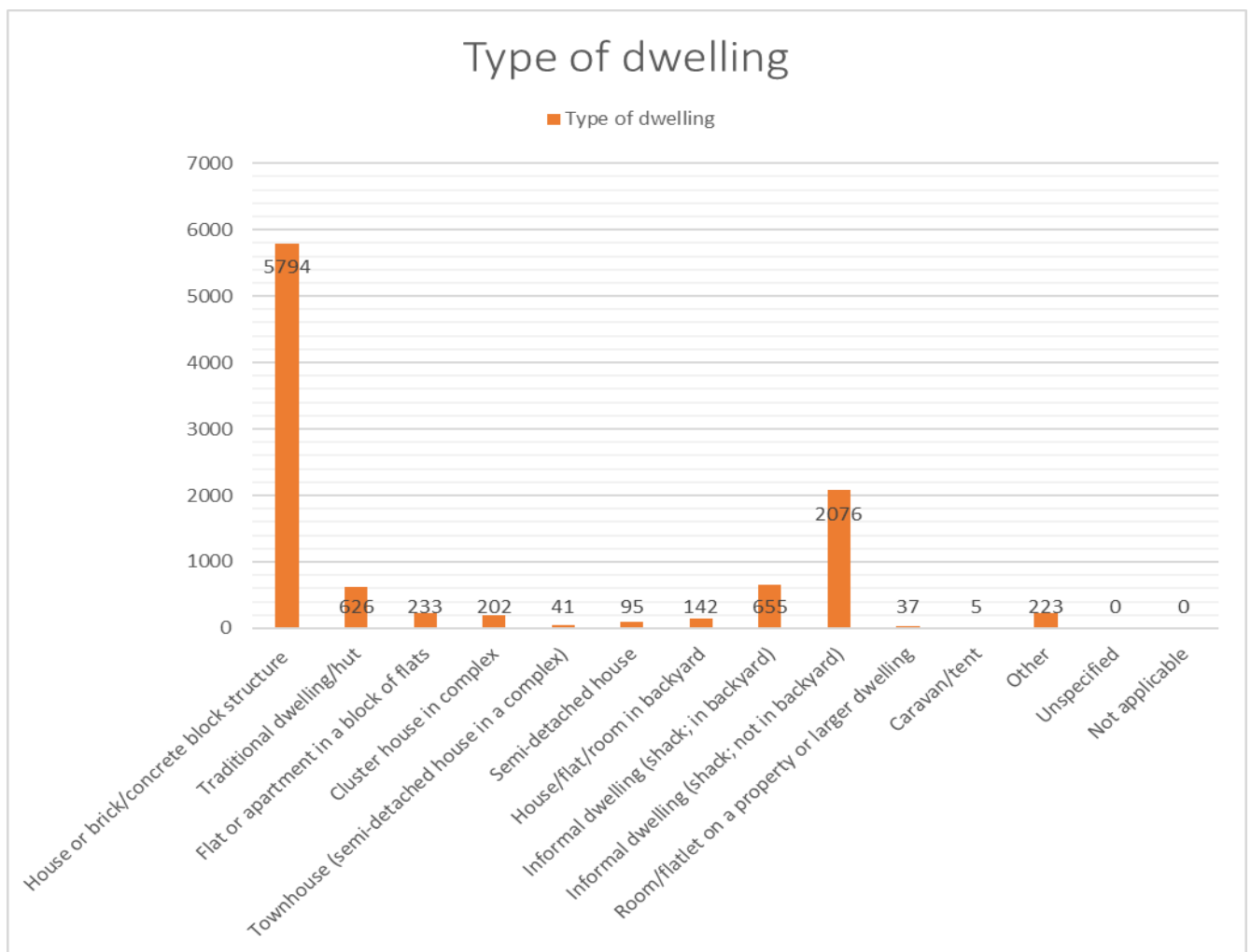
Source: Statistics South Africa (2011)

The majority of the housing in Inanda is located within the urban areas, while some of the settlements are located on tribal land. Looking at the housing conditions in general in Inanda, there are still high levels of informal settlements where people are living in inadequate housing conditions. These structures are made with corrugated iron sheets, mud, plastics with poor sanitation and no services. This results from the levels of unemployment, thus the need for communities to attempt to solve these housing challenges as demonstrated in the Namibia Stop

8 housing project. In order to understand the housing background of the Namibia Stop 8 housing project, one also has to understand the housing typologies that are found in Namibia Stop 8 so as to understand why the beneficiaries of the project elected to use the typology used for the houses in Namibia Stop 8.

The majority of housing typologies are brick and concrete, constituting 5794 structures as illustrated on the graph in figure 4.3 below. The second highest type of dwellings is 2076 informal dwellings as illustrated in figure 4.3. The number of informal dwellings illustrates the gradual progress made in eradicating informal settlements and the gap that remains.

Figure 4.3 Types of dwellings within Ward 56



Source: Statistics South Africa (2016)

4.3. Location and background of Namibia Stop 8 in Inanda

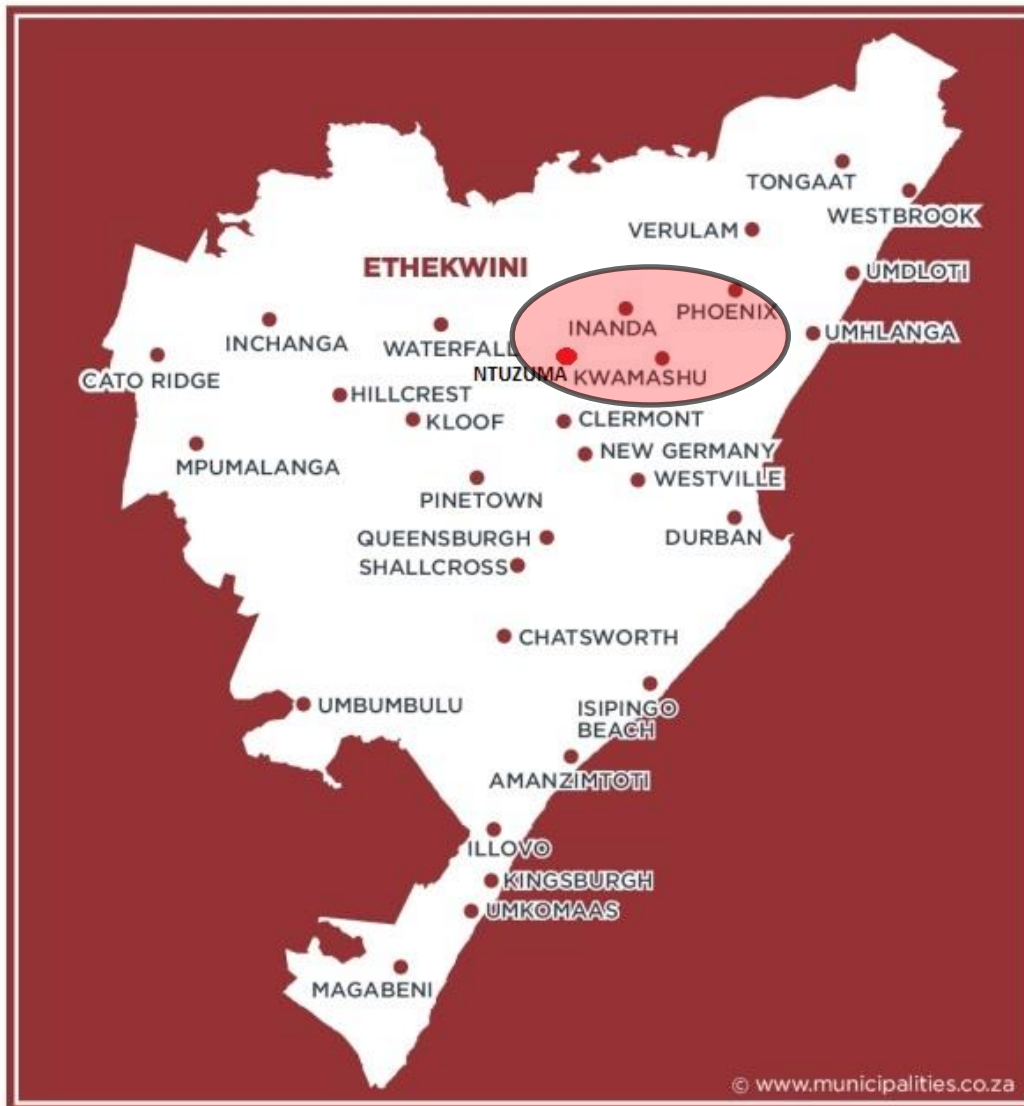
The Namibia Stop 8 housing project is located in Inanda Township within the eThekweni Municipality, in the northern outskirts of Durban in KwaZulu-Natal. This area falls under ward

108 which has been recently demarcated from ward 56 by the Municipal Demarcations Board. For this reason, statistics used for the study area are from the old ward 56 since the project was developed before the new demarcations. Inanda forms part of the presidential poverty node¹ known as Phoenix, Inanda, Ntuzuma and KwaMashu (PINK) and is a predominantly residential area situated 30 km north-west of Durban city centre as shown in Map 4.1 on page 51. The PINK area has been identified as a critical development node as part of the Urban Renewal Programme envisioned to facilitate and align urban development and rapid delivery of services (Pettersson, 2016). Namibia Stop 8 housing project is surrounded by various other government housing projects such as Amatikwe Area 1A and 5B, Amatikwe phase 2 & 3, Congo Phase 1 and 2, Langalibalele Phase 1 and 2, Mqhawe Housing Project, as shown in Map 4.2 on page 52. Some of these projects have been completed, while others are still to be implemented (eThekwini GIS, 2017).

The land where the Namibia Stop 8 housing project is located was a farm that was privately owned by Haffejee hence it is referred to as Haffejee's land in Map 4.2. The land was bought by eThekwini Municipality for housing development purposes. The beneficiaries of the housing project previously resided in the informal settlements of two different areas, namely Namibia and Stop 8 in Inanda hence the project is called Namibia Stop 8 housing project. The study therefore focuses on the Phase 1 of the project, which was developed as a Greenfield project and was completed in 2010 (FEDUP profile, 2012).

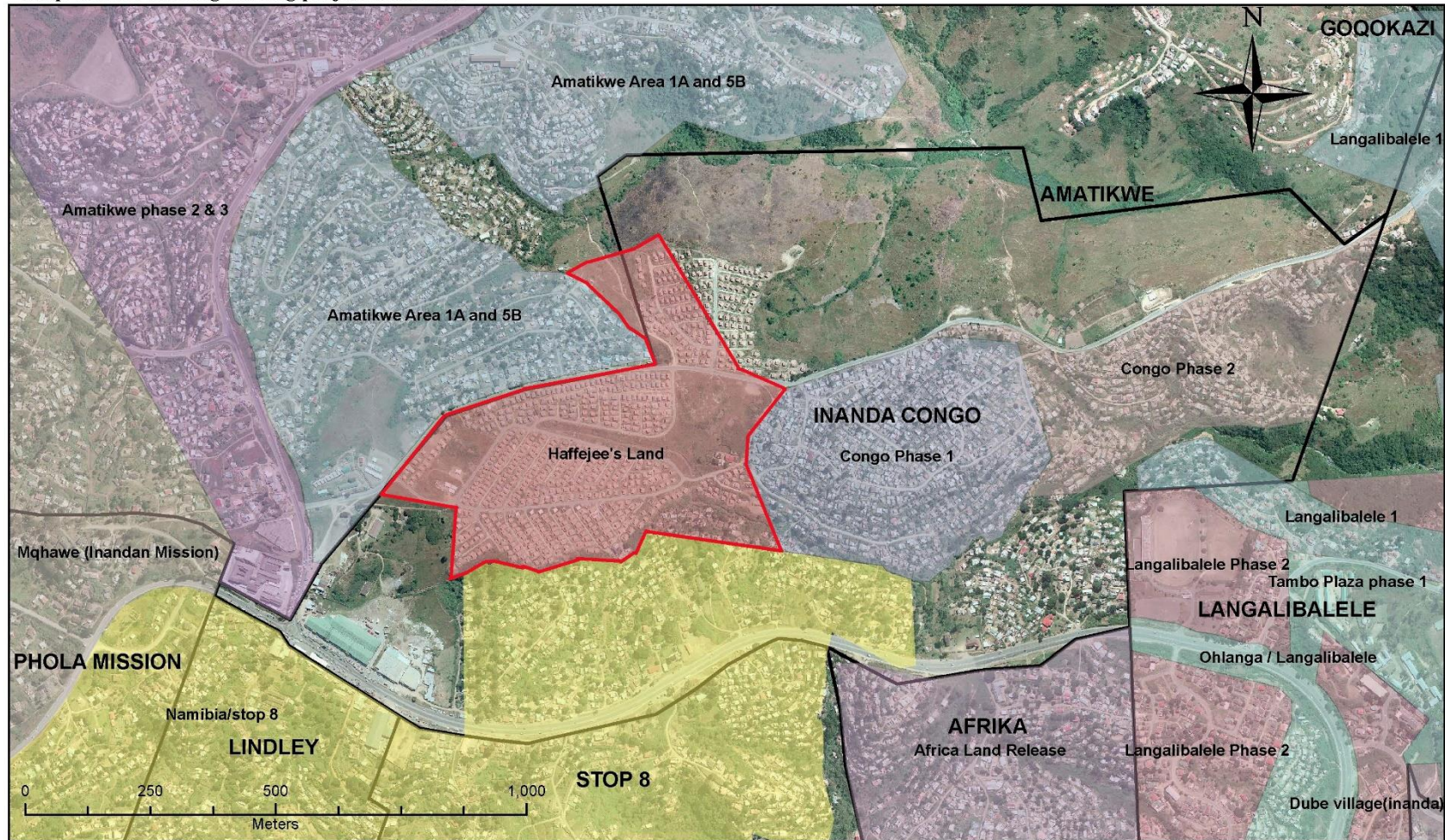
¹ According to the Department of Provincial and Local government (2007) a presidential poverty node is an area that is underdeveloped and contributes the least to the GDP. It is characterised by the poorest of the urban and rural poor thus direct action is necessary so that decision makers can focus in the development of these areas in order to overcome the poor living conditions.

Map 4.1 P.I.N.K areas and surroundings



Source: KZN municipality (2016)

Map 4.2 Surrounding housing projects and areas



Legend			EThekweni Municipality	Housing Plans Map (Inanda and surrounding areas)	Scale: 1: 10 000	Prepared by: N.M.R. Qumbisa 212504829 Date: 30/11/2016
5yr housing plan	 Congo Phase 1	 Langalibalele Phase 2				
Project names	 Congo Phase 2	 Mqhawe (Inandan Mission)				
 Africa Land Release	 Dube village(inanda)	 Namibia/stop 8				
 Amatikwe Area 1A and 5B	 Haffejee's Land	 Ohlanga / Langalibalele				
 Amatikwe phase 2 & 3	 Langalibalele 1	 suburbs				

Source: (eThekweni Municipality GIS, 2016)

4.4. Living conditions before development

Prior to the development of Namibia Stop 8 housing project, respondents stated that they were living under poor housing conditions. They lived in shacks and mud houses- refer to plates 5.2 and 5.3(page 65) for examples of previous housing typologies. These shacks had no electricity connections, people used candles, and paraffin stoves for lighting, and daily domestic activities like cooking exposed the shacks to uncontrollable fires. Where there was electricity, it was allocated by illegal connection which was an even higher risk to households. The beneficiaries had no security of tenure since part of the land where their shacks were built belonged to the municipality and was reserved for bulk infrastructure development.

In addition, based on the researcher's observations, made during data collection as part of the research method, the shacks had no water connections and sanitation services resulting in the potential spread of diseases due to high levels of poor hygiene. The shacks were very small, mostly single rooms which was difficult for families with a large number of household members. Due to the small size of space they could not perform any other home-based activities that could help them generate income. The safety levels were very low due to the high crime rates. The absence of roads could not allow police patrols and the chasing of criminals in order to deal with crime levels. However, these poor living conditions had a major effect on mobilising and uniting the residents to establish a savings scheme in order to address their housing conditions.

4.5. Social and economic facilities

There are various social and economic facilities demonstrated on Map 4.1 (page 51) located around the study area and residents were satisfied about their close proximity. For educational facilities, there is one pre and primary school of which residents felt satisfied with its proximity because children can walk to school without incurring any transportation costs. Residents also stated that there are other primary and high schools in close vicinity to the study area. There is also Elangeni TVET College for higher education and training and Ohlange library located close to the college. Residents were satisfied with the distance to these facilities because where they cannot afford transport, they are still at a walkable distance.

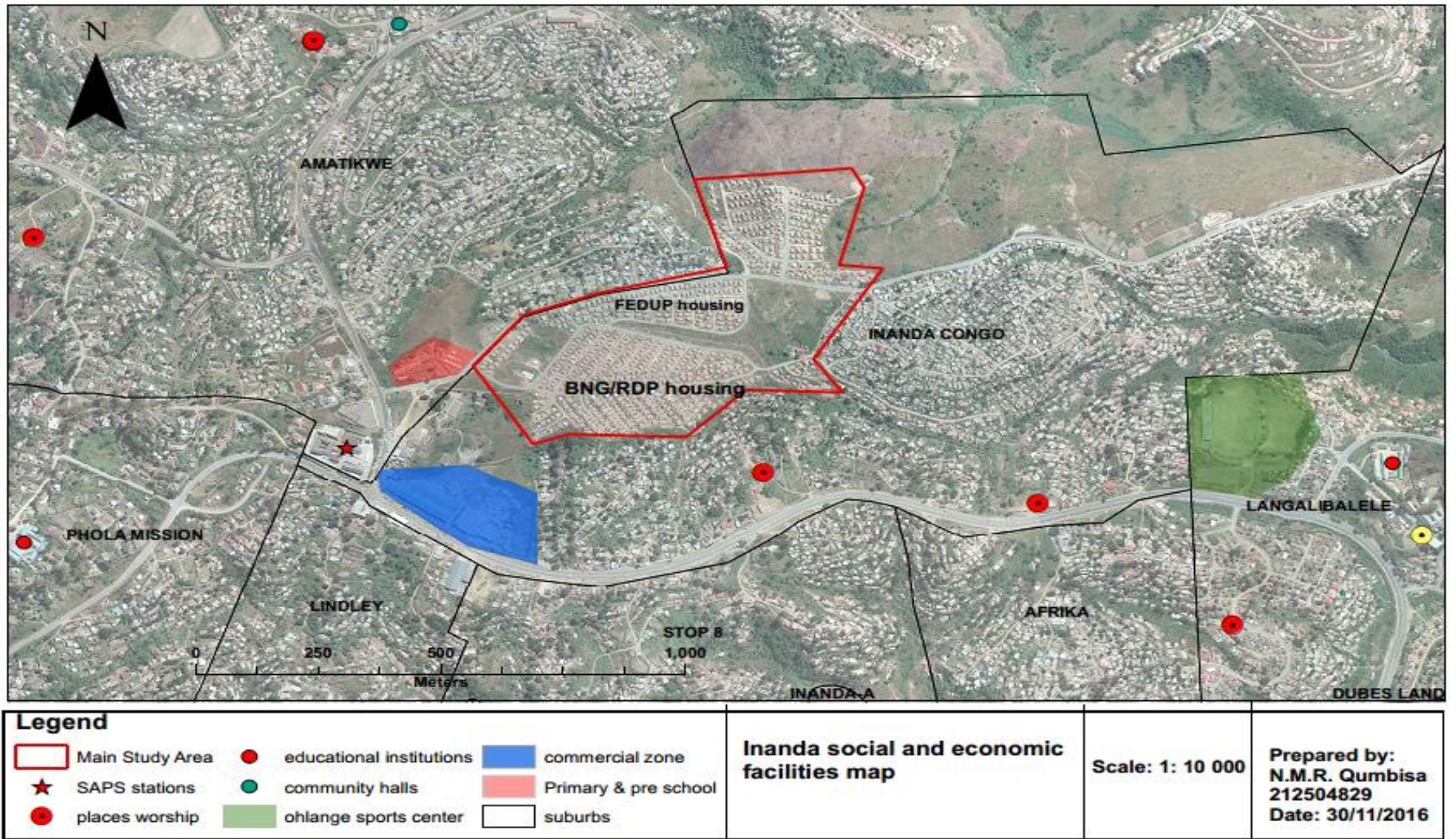
There is diversity of religions, with the presence of different worship centres. Inanda is home to the Nazareth Baptist Church, practising African norms and values also referred to as the Shembe Church. The other dominating worship centres are Christian churches. These worship centres play

a critical role to organize residents and maintain stability in the area. Other areas that promote social integration are the Sbu's comfort lounge and the Ohlange Sports Centre. The Inanda Police Station is in close proximity to the area and plays a significant role to maintain calm and safety in the area. Moreover the area is in close proximity to cemeteries which helps residents for easy burial of their deceased family members.

The health facilities servicing this area are the Inanda C Community Health Centre for primary health care and the Mahatma Gandhi Hospital for severe health problems. The residents were satisfied with the proximity of these health facilities because they are at an affordable transportation costs. The Ngoqokazi Community Hall, which is the biggest hall in the area plays a pivotal role to hold community gatherings and other private functions such as wedding ceremonies and funeral services.

Commercial zones are also located in close proximity to the study area such as the Mtshebheni Mall which is about a 5 minute drive and it is located at a walkable distance according to the residents. Furthermore, the residents indicated that both Bridge city shopping centre, Dube Village Mall and the Phoenix Industrial Park which are on average 15 minutes away from the study area are able to meet their basic economic needs. These commercial nodes assist the residents as a source of employment opportunities and the purchase of goods. The short traveling times suggest the affordability of transport to places of employment, health facilities, places of worship and the educational facilities. The major transport options that residents have are public taxis and buses. Map 4.3 on page 55 illustrates the location and proximity of these social and commercial services and facilities. Based the researcher's observation exercise constituting part of the research methodology, eThekwini GIS (2017) and the residents' perceptions, there is a good proximity of social services to the study area which has a positive impact on the well-being of residents. All the above-mentioned facilities are important in understanding where the study area is located and how the beneficiaries in Namibia Stop 8 can utilise them to improve their living conditions.

Map 4.3 Social and economic facilities in Inanda in relation to the study area.



Source: eThekweni municipality GIS (2017)

4.6. Chapter Summary

The chapter has presented a general overview of Inanda and a detailed background of Namibia Stop 8 Housing project. The historical background of Inanda Township has been discussed essentially because it is the greater study area. This means that in order to understand the setting in Namibia Stop 8 regarding its history and background, it is important to understand Inanda Township since Namibia Stop 8 is located within it. The dominant poor housing conditions illustrate the need for housing delivery mechanisms such as the FEDUP group savings scheme model for self-help housing, in order to combat the poor housing conditions. The social ties created through various social facilities assist in bringing social stability in the area. Generally, the overview presented illustrates a need for more attention in the improvement of the people's housing condition, which the FEDUP group saving scheme has attempted to deal with.

CHAPTER 5: RESEARCH FINDINGS, DATA ANALYSIS AND INTERPRETATION

5.1. Introduction

This chapter presents, analyses and interprets the data that was collected from the key informants, which included the FEDUP leadership and the eThekweni municipality. Research findings also emanated from the household survey, a focus group discussion as well as interviews. Data was analysed mostly in themes, which included the roles played by key stakeholders, understanding the housing implementation process, strengths and weaknesses of the project and model and the potential replicability of the project. Graphs and images were also used for data presentation.

5.2. Background of the Namibia Stop 8 housing project

The case study for this research was based on phase 1 of the Namibia stop 8 housing project where 96 housing units were constructed by FEDUP group savings scheme beneficiaries on a portion of 90 hectares of land. The 96 housing units are demonstrated on Map 5.1 on page 58. Based on the findings of this study, respondents indicate that the major role players in the implementation of the project were the eThekweni Municipality, FEDUP, uTshani Fund and the members of the group savings scheme. Their roles are explained under the role players section. Due to a shortage of land which resulted to overpopulation and a spread of fires in Namibia and Stop 8, the beneficiaries had to be relocated to Namibia Stop 8, which is a new area. Thus, the Namibia Stop 8 project is a Greenfield development.

Respondents from the household survey and focus group discussion indicated that the Namibia Stop 8 housing project is one of the first projects to receive government subsidies under the Minister of Housing, Lindiwe Sisulu's pledge to give 1000 housing subsidies in every province. As it emanated from the findings, the municipality conducted a feasibility study and identified 790 people that were residing on land that was reserved for bulk infrastructure and were eligible for government assisted housing. Out of the 790 beneficiaries who qualified for housing subsidies, 250 were members of FEDUP and 96 out of the 250 were allocated plots in Phase 1 of the Namibia Stop 8 housing project. This phase of the project was developed as a Greenfield project because the land they were residing on was inadequate for housing development and it as reserved for bulk infrastructure development. The remaining 154 of the 250 FEDUP members were placed under

phase 2 of the project which is expected to start construction sometime in 2017. The 96 housing units have been completed and the beneficiaries have been living in them for more than five years.

Map 5.1 FEDUP housing units in Namibia Stop 8



Source: eThekweni GIS (2017)

5.3. Roles played by major stakeholders in the project

This section tackles the roles played by major stakeholders with a view of understanding how these roles contributed on the outcomes later referred to in the Namibia Stop 8 housing project, and in getting insight into how the FEDUP group savings scheme model for self-help housing operates

in relation to the research question, which is the extent to which the FEDUP's group-savings scheme model of delivering housing can be replicated elsewhere in South Africa.

5.3.1. eThekweni municipality

From the empirical research, both municipal officials and participants of the household surveys indicated that the municipality conducted its own feasibility study before the commencement of the project. From this study, the municipality established a criterion for the people who were eligible to qualify for the subsidy, with the focus being on those who earned an income below R3500.00 a month. Furthermore, the municipality's role included conducting inspections of the housing units in the Namibia Stop 8 housing project upon completion, which was done together with the Department of Human Settlements. Although the municipality was initially reluctant to support and join the project, it eventually handed over the land for the project to continue after being convinced by FEDUP. Out of the 96 completed housing units, seven were not approved by the municipality and had to be re-done. During the inspections of the housing units conducted by the municipality, respondents stated that the municipality was not in support of the design of the houses for this project as it was different from government-assisted housing, for example the beams on the housing units. Thus, the municipality used this as a platform to criticise the building competence of the community builders as it had minimal confidence in the community builder's building skills.

The municipal official indicated that during the implementation stage of the project, the municipality worked together with the Community Liaison Officer (CLO) whose task it was to communicate about the entire housing development process with the beneficiaries and FEDUP. The municipality also delivered bulk infrastructure and services, which included water, electricity, roads, sewers and solid waste collecting vehicles. The municipal official further stated that the land used to develop phase 1 of the project belongs to the municipality. Delays in accessing the land was part of the challenges the beneficiaries were faced with. The Municipality also built complete foundations which were smaller than what the federation intended to build. This was due to the municipality not cooperating with FEDUP in respect to the size of the housing units with the beneficiaries with many disagreements in the housing development process.

5.3.2. The role of FEDUP

FEDUP played a number of roles during the planning and implementation phases of the Namibia Stop 8 housing project. During the planning phase of the project, FEDUP proposed an enumeration of the people in order to determine the total population size of the community to compile a beneficiary list for the housing. The community members together with FEDUP officials used a door-to-door approach of counting people and households known as an enumeration process. However, the municipality had no confidence in this enumeration process and opted to conduct its own feasibility study. This is because the municipality did not understand the enumeration process conducted by FEDUP nor did it understand how the organisation operated.

Other roles of FEDUP were to bring the community together to start saving, and to develop skills on how to save and manage their funds. FEDUP also conducted workshops whereby the community members were educated on the importance of saving and how savings can be used for housing as well as to apply the cultures of SDI and FEDUP. Respondents stated that this culture included motivational songs to keep the schemes together and to make sure they did not lose the momentum to save. In this project, FEDUP relied on uTshani to carry out the financial management responsibilities. These included the writing of reports on the materials needed for housing development on site. In this case, an uTshani representative situated in the Durban local office would send these reports to the national office in Cape Town for approval before the material was purchased. The other role-played by uTshani Fund was the distribution of funds from the savings and subsidies and signing of invoices from suppliers when they delivered the building materials on site. Furthermore, uTshani Fund used its own engineer who essentially looked at the basic structure of the house and conducted inspections of the housing units, over and above the inspections done by the municipality, for the purpose of accountability for funds used.

5.3.3. Role of group savings scheme members

The community members who are part of the savings schemes were involved from the planning to completion stages of the housing project. One of the major roles played by the community was to participate during enumeration process in which members were counted. This allowed the community to take charge of the project through a process of gathering household social demographics. The purpose of this process was to find out how many people lived in the community and how many people were in need of houses. After the built environment

professionals from FEDUP had trained the community on basic building and drawing skills, the community worked together with the municipality to do a layout of the settlement in order to make sure that the beneficiaries were satisfied with the settlement.

The group savings scheme was established in order to improve the housing conditions for each member of the scheme. Moreover, the savings were used to supplement the subsidy, which resulted in the 50 m² housing units being built. The members of the group saving schemes were encouraged to participate in the construction phase of their houses. Members were tasked with activities such as contributions to the layout design of the settlement, choosing house plans and the actual building of the houses since they did not have private contractors as generally occurs in other government-assisted projects. This also assisted in attaining the 50m² houses as they reduced the construction cost by eliminating professionals in the project.

During the focus group discussion, it was stated by the participants that in order for the project to be successfully implemented, and for proper communication between the community and the municipality, the community was tasked with electing a Steering Committee, which led the Community Construction Management Team (CCMT). The main role of the Steering Committee was to be the line of communication between the community, the CCMT and FEDUP. In Namibia Stop 8 housing project, the group savings scheme was administered by electing four of the members to be office bearers that would form part of a small committee that administers the group by creating a reporting function in order to remove the chaos of everybody trying to manage the group. These administrators consist of four members viz. the manager, a book keeper, a technical officer and the store keeper also known as the security.

The manager oversaw the roles of the CCMT members and ensured that the project was implemented according to development rules and procedures of FEDUP and within the project's life cycle and period. The bookkeeper played the role of a secretary such as taking notes during meetings, monitored the purchasing of materials, time sheets of workers, when they reported in and left work, wrote progress reports for every house that was built and sent the reports to uTshani.

The store keeper's role was to guard the equipment and materials that were delivered. In the focus group discussion, the store keeper mentioned that his role involved determining how much material would be distributed and monitored, and that all the tools were returned to the store room

after they were used. He also monitored workers and their attendance at the site in order to ensure that the members of group saving scheme were participating in the building of their homes and those who could not had someone working on their behalf such as disabled people. Moreover, the store keeper also ensured that there was no theft of building material. The other member of CCMT was the technical officer whose role included making quotations on the materials needed for each house and placing the orders with uTshani. In addition, the Technical officer was responsible for paying the workers after the completion of every house.

The group savings scheme members contributed to the housing project with their own savings, constituting the amount they had to accumulate as a group. With these savings and hiring of community members instead of contractors to work on the project, enough money was saved for the housing project to be cost-effective. The builders who worked on the project were paid small incentives funded by the group saving scheme since they were building their own houses. The amount used to pay the community workers came from uTshani and was assigned to the CCMT for that purpose. This amount was discussed with the builder in the presence of the bookkeeper, and a mutual agreement was reached on how much was to be used on labour for each house. No additional costs were allowed even if the builder's team changed or increased in numbers. The workers were however only paid after the houses were completed and approved after inspections to ensure that the quality of the houses was maintained in all housing units. Each owner of the house was also part of the members building the house.

For every house that was approved, the CCMT received R1000.00 as a group, which they would then divide amongst the four of them, hence, they would each get R250.00 each as payment per house. Unfortunately, the money that was supposed to be paid to CCMT members was never a fixed amount nor was it clear when they would get it. Sometimes they had to wait for a few months after the house was completed to get paid due to the lack of funds to pay them. The money was called 'umthoba nhliziyo', directly translated to 'something to mend the heart', as a small token of appreciation rather than a salary. The introduction of the CCMT encouraged the beneficiaries to have a sense of ownership and satisfaction with what they had achieved. Moreover, they felt they had overall control of the project as the members of the CCMT came from the community and they formed part of the decision making process.

5.3.3.1. Operation of the group saving scheme in Namibia stop 8

It transpired from the household survey and the focus group discussion that beneficiaries started saving in 1996 in the group saving scheme and it was called Vulindlela. Construction of Phase 1 of the project started in 2008 and the phase was completed in 2010. The Vulindlela members in Namibia Stop 8 started saving R2.00 a day and FEDUP introduced the Vulindlela savings scheme to the community. This amount gradually increased to between R10-R50 a day. Every member of the savings scheme has a logbook (refer to plate 5.1 below) in which they record their savings daily and FEDUP leaders monitor them in order to ensure that members are constantly saving. On Sunday of every week, the group members met at any one of the members' houses to collect money and recorded the savings in the logbook in order for every member to know how much they were saving and how much the group was saving all together. This was done for transparency purposes and to encourage members to keep saving.

Plate 5.1 Example of FEDUP logbook

F.E.D.U.P
FEDERATION OF URBAN POOR

Name: *Mkhulonyelwa Ntuli*

Address: *Stop 8*

Group: *Vulindlela SAVING SCHEME*

DATE		DAILY SAVINGS		WITHDRAWALS	SAVINGS BALANCE	SIGNATURE MEMBER	SIGNATURE COLLECTOR
DAY	DATE	R	C				
SUN	02-10-011	R10	00		R10-00		T. KHANSASE
SUN	16-10-011	R10	00		R20-00		T. KHANSASE
SUN	01-02-013	R10	00		R30-00		T. KHANSASE
SUN	02-02-014	R20	00		R50-00		T. KHANSASE
SUN	03-11-014	R10	00		R60-00		T. KHANSASE
SUN	04-02-015	R10	00		R70-00		T. KHANSASE
SUN	22-02-015	R5	00		R75-00		T. KHANSASE
Week 1 Sub-totals					R95-00		T. KHANSASE
SUN	27-03-015	R10	00		R105-00		T. KHANSASE
SUN	12-04-015	R10	00		R115-00		T. KHANSASE
SUN	11-05-015	R10	00		R125-00		T. KHANSASE
SUN	03-06-015	R10	00		R135-00		T. KHANSASE
SUN	10-05-015	R10	00		R145-00		T. KHANSASE
SUN	02-06-015	R20	00		R165-00		T. KHANSASE
SUN	29-11-015	R10	00		R175-00		T. KHANSASE
Week 2 Sub-totals					R175-00		T. KHANSASE
SUN	12-01-016	R10	00		R175-00		T. KHANSASE
SUN	07-01-016	R20	00		R195-00		T. KHANSASE
SUN	16-10-016	R20	00		R215-00		T. KHANSASE
SUN	12-02-017	R10	00		R225-00		T. KHANSASE
Week 3 Sub-totals							
Week 4 Sub-totals							
Week 5 Sub-totals							
Individual Contributor to bank charges						This amount is the opening balance of next month	
Summary of Savings				& Withdrawals			
Week 1							
Week 2							
Week 3							
Week 4							
Week 5							
Total Month (before bank fees)							

Source: Fieldwork (2016)

Members of the group savings scheme had to pay a joining fee of R750.00, which went towards administration fees of the organisation. This joining fee was saved into an account known as the Urban Poor Fund, opened and monitored by uTshani. Respondents who participated in the household survey indicated that this fund was created in order to ensure that the members of the savings schemes would be able to save even if uTshani and FEDUP stopped assisting them. In addition, this fund was used to pre-finance the project, meaning to have money saved before the commencement of the project.

Regarding construction and allocation of houses, the waiting period for beneficiaries differed due to different joining periods. This meant that the members that joined the scheme earlier were allocated their housing first. Even after the beneficiaries moved into their homes, they carried on saving and then used these savings to improve their houses, making such additions as burglar guard gates, designed ceiling boards, laundry basins outside (refer to plates 5.4, 5.5 and 5.6, page 65 and 66) and painting of walls as well as other none housing related needs such as groceries.

Plates 5.2 and 5.3 on page 65 illustrate the typical housing conditions in which the beneficiaries of the Namibia Stop 8 housing project resided in before they received their FEDUP housing units. These plates were taken from the envisaged phase 2 of the Namibia Stop 8 housing project which has not commenced. However beneficiaries of phase 1 lived in similar housing conditions as mentioned earlier. According to the household surveys, beneficiaries expected the joining fee to be returned to them after the units were completed.

However, FEDUP leadership indicated that the joining fee had to be paid in order to start off the saving scheme and therefore it was used together with the savings for housing development and it could not be reimbursed. This suggests that there was miscommunication between the members of the group saving scheme and FEDUP. Members of the savings scheme stated that they regarded this as dishonesty from FEDUP. This indicates that the FEDUP group savings scheme for self-help housing model at Namibia Stop 8 housing project lacked adequate communication with the beneficiaries.

Plate 5.2 Mud house before relocation



Source: Fieldwork (2016)

Plate 5.3 Typical shack before relocation



Source: Fieldwork (2016)

Plate 5.4 Housing improvements after completion of housing units



Source: Fieldwork (2016)

Plate 5.5 Interior of FEDUP houses with improvements funded by savings.



Source: Fieldwork (2016)

Plate 5.6. Housing interior partition and new ceiling put in from savings.



Source: Fieldwork (2016)

5.4. Housing implementation process

The municipality conducted the pre-planning and land audit of the project although members of FEDUP in Namibia Stop 8 had also conducted community profiling and enumeration. The beneficiaries designed their desired housing plan during the pre-planning stage of the project. From there, the community elected the CCMT and the steering committee. The FEDUP leadership stated during an interview that they have qualified professionals working for them such as quantity

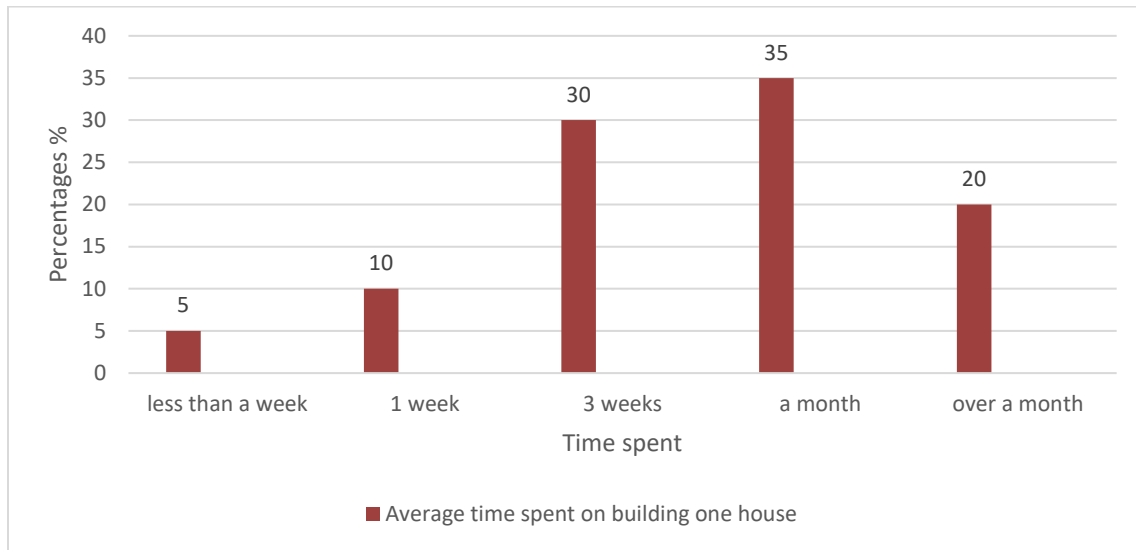
surveyors, architects, town planners, land surveyors and engineers who formed part of the professional team working on the project. The professional team conducted training workshops whereby members of the community were trained on how to build as per the national norms and standards so that when they built their houses, the product would be of good quality that can be approved by the municipal inspectors. Even though these training workshops were conducted, there were some loopholes because some of the housing units developed cracks, which led to the earlier mentioned beneficiary dissatisfaction.

After the training was done, the building process started from the slabs until the housing units were completed. The municipality had its own project manager who worked together with the community and FEDUP to ensure that all regulations were adhered to and the project unfolded as planned. Every member of the savings scheme in Namibia Stop 8 had to contribute physically in the building of the housing units. Respondents stated that in cases whereby the beneficiary was too old or disabled, they had to hire someone to help build on their behalf. During the construction of the houses, the members of the savings scheme assisted each other by mutually building the houses. Therefore, everyone contributed in the building of his or her neighbors' home. They also used some of the savings for refreshments during the building stage of the housing units for all the workers.

Figure 5.1 on page 68 illustrates the average time, which beneficiaries spent on the building of their homes. Findings from the focus group discussion and the household surveys indicated that they spent on average a month to build and complete one house. There was a vast difference in the average time spent on building one house due to the self-help approach. During the construction process of the project, the builders were often changed due to a number of reasons such as a lack of interest from the beneficiaries, hence why there is a vast difference in the amount of time spent on building each house. In terms of the level of satisfaction with the final product, of the 30 participants, 21 of them or 70%, reported that they were satisfied with the final housing product as they stated that these were the houses that they wanted. This was compared to houses and conditions they lived under in informal settlements. Being involved in the building of their own houses created a sense of pride and ownership. Out of 20 beneficiaries who participated in the household survey, only 5 participants making up 25% out of the total participants were not satisfied with the houses as the plans used were not of their choice, because the plan that was used was the

one that the majority of the beneficiaries opted for. Moreover, some houses started to crack and households blamed the self-help approach, and the space reserved for each house was not enough for extensions such as adding car garages or tents for cultural activities

Figure 5.1 Average time spent building each house.



Source: Author (2016)

5.5. Housing conditions

As noted from the straight observation and the focus group discussion, findings indicated that the FEDUP housing units are a better quality compared to the previous RDP and the current BNG low-cost standard housing, refer to plate 5.7 on page 69 for examples of the FEDUP housing units. Moreover, they are bigger compared to the BNG low-cost standard housing structures due to the contributions from the savings of the savings group. Participants from the focus group discussion indicated that the FEDUP housing at Namibia Stop 8 are 50m² in size and the site is 200m² with 4 rooms, compared to the 40m² BNG government assisted housing units. In addition, the participants of the focus group discussion commented that the housing units are plastered inside and outside and the roofs have quality black roof tiles with Asbestos rake edging and fascia boards, meranti doors, the windows have window seals and are bigger compared to BNG and previous RDP houses. The houses are painted with proper paint and not water wash, which can easily come off. These points therefore reflect the better quality and aesthetically pleasing housing units as per the research findings emanating from the focus group discussion with the beneficiaries. The

beneficiary households therefore consider the FEDUP housing to be of a superior quality compared to the RDP/BNG housing. They are positive about their houses as they were involved in their construction instead of being passive recipients as it is in the RDP/BNG government assisted housing. As a result, beneficiaries are positive about the final product of their housing which is again based on their level of pride and ownership of the project.

However, there were some minor elements of dissatisfaction. For example, some of the beneficiaries stated that they were not satisfied with the space in between the houses. Due to a shortage of land in Namibia Stop 8, the space in-between every house is very small (refer to plate 5.8 on page 70 for an illustration of the minimal space between the housing units) therefore, they do not know where the pegs of their sites are. Thus, the beneficiaries stated that it becomes a challenge when they want to put up tents for cultural ceremonies, park cars or even when they require space to extend their housing units. Another challenge was that to date, beneficiaries have not received title deeds for their properties. This means that beneficiaries cannot use their properties as collateral for borrowing without titles to present. There may also be neighbour conflict if someone inadvertently encroaches builds on another's boundry.

Plate 5.7 A, B, C. Examples of FEDUP housing units in Namibia Stop 8.



Source: Fieldwork (2016)

Plate 5.8. A and B: Illustration of minimal space between housing units



Source: Fieldwork (2016)

5.5.1. Financial aspects of the project

A memorandum of understanding, which is a working agreement, was signed between FEDUP, eThekweni Municipality and uTshani. In this agreement, the municipality committed to finance the project before the Provincial Department of Human Settlements approved the subsidies. The cost of a complete housing unit from the foundation to the roof was R68 104.37 which is the price for the 50m² structure built in this project, including labour and contingencies. Municipal slabs that were 40m² had to be extended to 50m², which was the standard size of the FEDUP houses, and these units cost R56 104.37 because they already had slabs which were built by the municipality. The houses were financed through the national housing subsidy system, and when the Municipality received the subsidy funds, it transferred the funds to uTshani because it manages FEDUP's finances. Furthermore, upfront funding whereby money is paid as a lump-sum was agreed upon with the Municipality. As a result the municipality had to pay the subsidy fund to uTshani before the project commenced.

During the focus group discussion, CCMT members stated that the main financial contributor to the project was the government subsidy, which was held by uTshani, which kept all of the funding pertaining to the project. The subsidy was given to uTshani to manage for the community because

government needed someone to hold accountable in case the money was mismanaged, and someone to account for how the funds were used.

Each house was allocated a R56 104.37 subsidy, which was supplemented with savings from the group savings schemes. This amount was also used to purchase building material per house. The CCMT members wrote reports on each house built in order to keep track of the material used and they would then send this report to uTshani. uTshani then ordered material from suppliers and the CCMT would sign off the invoices. Beneficiaries emphasised that teamwork, making sure that all key stakeholders of the project worked together and constant communication and engagement was very important for the project to progress. In this way, the beneficiaries worked on the site building their homes, the CCMT managed the project's progress and uTshani dealt with the financial aspects of the project. While the members of the group saving scheme organised their own savings, FEDUP leadership however regularly supervised them which entailed regular visits during meetings in order to make sure that people continued to save as they were taught. The CCMT had their own bank account assigned to them by uTshani to pay the community workers who were building the houses.

As a result, the FEDUP group savings scheme model for self-help housing in Namibia Stop 8 used the CCMT to assist FEDUP in making sure that the beneficiaries worked together with the project stakeholders during the entire project development process. The CCMT, uTshani and FEDUP were therefore able to hold the project together by ensuring that beneficiaries continued to save and that they participated during the building process of the housing units.

5.6. Strengths and weaknesses of the project and the model

This section assesses the strengths and weaknesses of the project in relation to the FEDUP group savings scheme model for self-help housing in order to answer one of the subsidiary questions in chapter one.

5.6.1. Strengths of the model and project

With FEDUP's use of the group savings scheme model for self-help housing in Namibia Stop 8 housing project, the project won the Govan Mbeki Human Settlements Awards for successfully implementing the EPHP programme. The Govan Mbeki Human Settlements awards are hosted by the National Department of Human Settlements to honour contractors, municipalities, developers

and other participants within the Human Settlements sector for different categories. These categories are based on criteria such as quality, bringing together stakeholders, improving the quality of life for beneficiaries and promoting best practice. Within the category of best EPHP two FEDUP projects won, of which Namibia Stop 8 housing project was one (Western Cape Government, 2016). This demonstrates that the model has been implemented well enough to a level of national government satisfaction and notice, hence the award it received. The researcher deduced from this experience that group saving schemes can therefore be used for housing and the FEDUP group savings scheme model for self-help housing can be used to implement EPHP housing projects.

The EPHP programme, using FEDUP group savings scheme model, opened up an opportunity for the community to be part of the process of building their own houses, as well as decision-making. This was one of the major strengths of the project as people were involved from planning until the close out phase of the project. As a result, this ensured satisfaction of beneficiaries with the final housing product they received. This is remarkable, despite the 9 out of 30 surveyed households and interviewed respondents, who were not fully satisfied. The model created a sense of responsibility for beneficiaries to take charge of their own houses, after they are completed.

In addition, beneficiaries stated that one of the successful aspects of the project was that all the houses were completed in time and every beneficiary who was selected for allocation received a house. There were no reported irregularities where beneficiaries were allocated a wrong house or the right owners not found. This is a strength of the model as it substantiates that with its use, all of the involved key stakeholders worked together to ensure that all members of the group savings scheme were allocated the correct house.

Beneficiaries stated that they were also able to acquire basic skills and knowledge in the housing development process. They had an opportunity to contribute to the design of the housing units. During the implementation phase of the project, the beneficiaries were physically involved in the building of their homes, therefore they gained building skills such as brick laying and mixing cement. Beneficiaries also indicated that working together as a community and building each other's homes also helped in acquiring good communication skills. These skills that were attained by the beneficiaries embody self-help housing terms such as sweat equity and dweller control.

From the knowledge that the members of Vulindela group savings scheme acquired, later they could start their own savings scheme. Respondents of the focus group discussion stated that they formed a savings group called the 'Sihlakaniphile' group saving scheme in 2011 after the project was handed over to the beneficiaries. The said group operates using the same saving principles as those taught by FEDUP. They are also saving towards personal uses of their savings such as housing maintenance, purchasing of groceries and school fees and their money is released every December, which is the maturity date for savings. Furthermore, the members of 'Sihlakaniphile' are running a 'stokvel' to help themselves by adding to their sources of income and to better their living conditions. Through these practices, beneficiaries stated that they have become financially educated and have developed saving habits towards household needs and personal goals. Moreover, respondents have learned how to co-operate and tolerate one another and have created new social ties within the community.

5.6.2. Weaknesses of the model and project

During the implementation phase of the model, there were quite a few challenges between the community and the municipality. The first challenge arose when the municipality hesitated to pay an Establishment and Facilitation grant as it stated that there had to be proof that all of the enlisted beneficiaries qualified for the subsidy. This resulted from negligence from both the CCMT and FEDUP leadership, who should have made sure that the municipality received the beneficiary list prior to the commencement of the project but did not. This resulted in the project being delayed and taking longer than was envisaged.

Secondly, there were conflicts between the municipal inspectors and the CCMT. The beneficiaries claimed that the municipal inspectors deliberately did not approve seven houses that were already completed because they were not happy with the FEDUP houses as they were bigger compared to the standard low-income RDP houses. They inferred there was some ill will on the part of the municipality as a result of the FEDUP group savings scheme model for self-help housing being better than the one the municipality itself predominately delivered. Importantly, the refusal to approve the houses meant more funds were required for rebuilding of the houses. This was a result of mistrust from the municipality, as it did not have full confidence in the model and how it was envisaged to operate. The municipality also built 40m² slabs on the sites that were reserved for FEDUP 50m² houses. This posed a challenge because these slabs had to be extended which led to

delays in the timeline and completion of the project. This reflects negatively on the model during the implementation the Namibia Stop 8 housing project because to the extent that on a municipal level, officials appear to have made it difficult for the project to be implemented timeously and according to the FEDUP design principles.

Another challenge as stated by beneficiaries was vandalism of houses by community members who were not part of the group savings scheme. The storekeeper stated that the theft levels were high, resulting in the need to hire security guards on site. At a later stage, it was speculated that in fact it was the security guards that worked with the thieves to steal material. The beneficiaries then had to watch over their sites and provide their own security in order for the houses to be completed. This solution helped and there was less crime in terms of building material being stolen, which improved the model in terms of the CCMT and the beneficiaries coming up with their own solutions to challenges such as the above-mentioned issue of crime.

Also, the CCMT members stated that the municipal officials were skeptical of beneficiaries being at the centre of the housing development process. As a result, there was a lack of cooperation amongst some of the stakeholders involved in the housing development process. In addition to other weaknesses of the project was the challenge with issuing of title deeds. The beneficiaries have been living in their houses for more than five years, but have still not received title deeds to date. Respondents from the community also stated that they now had challenges with plumbing as they had experienced leakages from pipes and cracks on the walls and floors.

In the Namibia Stop 8 housing project, the land that was available for a Greenfield project was too small, according to the beneficiaries. As a result, the plot sizes are small due to the 50m² houses therefore beneficiaries are unable to extend their houses or build back rooms if they wish to conduct other activities from home, like income generation activities, refer to plate 5.9 on page 75 for an example of a house that was extended too close to the road. This is a weakness of the model because it means that the beneficiaries cannot extend their homes as they may desire.

Plate 5.9 House extended too close to road because of the limited plot size



Source: Fieldwork (2016)

5.7. Replicability of the FEDUP group saving scheme model

This section aims to answer one of the research subsidiary questions, which asked whether or not the Namibia Stop 8 housing project can be replicated elsewhere in South Africa. From the research findings, it can be argued that this project can be replicated elsewhere in the country based on the replicability criteria outlined in the conceptual framework. Cohen (1983) states that in order for a project to be replicable it needs to increase the scale of activity by making means for more people to be trained encouraging more participation amongst community members as well as encouraging more innovative methods to finance housing projects.

In addition, for any housing project to be replicable, households should be able to finance or build their own house or be able to pay for the services provided. In this way, funds are saved and are injected back into the project and are put into a revolving fund so that the scale of the project increases (Cohen, 1983). Moreover, if a project is able to provide low-cost technical solutions as well as low cost transport, infrastructure and social services, which can facilitate the construction and improvement of housing projects and a community can afford to improve over time and if a project can be self-sustained then it has the possibility to be replicated elsewhere. Replicability is also dependant on political commitment and the institutional capacity to design as well as to deliver the project at the scale required (UNCHS/Habitat, 1991).

The first above-mentioned principle of replicability seeks to ensure that households are able to finance or build their own homes and households should be able to pay for the services that they receive. In the Namibia Stop 8 housing project, beneficiaries were able to contribute with their savings to financing their homes and beneficiaries also contributed physically by building their own homes. As a result, the scale of the project was increased hence the project was divided into two phases. Based on the successful implementation of this replicability principle with the FEDUP group savings scheme model, the project can be replicated elsewhere.

Secondly, a project is deemed replicable if it has solutions such as low-cost technical solutions as well as low cost transport, infrastructure and social services which can facilitate the construction and improvement of housing projects, if a community can afford to improve over time and if a project can be self-sustained, then it has the possibility to be replicated elsewhere. Within the Namibia Stop 8 housing project, the model was able to create social cohesion amongst the beneficiaries and stakeholder understanding amongst the key stakeholders of the project, which facilitated the construction of the project. With savings and the skills, which the beneficiaries acquired from the model, beneficiaries continued to save even after the project was completed. Households were able to use their savings to improve their homes, for example installing extra finishes such as burglar guard gates. As a result, the project has the potential to be self-reliant, and lessons learnt in this prospect can be applied elsewhere.

The potential for replicability of the FEDUP group savings scheme model for self-help housing may also be achieved through effective project management. This means that in order for the project to be replicated elsewhere, it would have to have an effective team with a good project manager that will ensure that the project is completed on time with the expected quality. The project would also have to be cost controlled so that when the project is completed, there is moderate cost recovery.

Another aspect to consider when looking at the potential for the FEDUP group savings scheme model to be replicated is land. Projects tend to be restricted to settlements where public land is available or where land acquisition is easy or cheap. This may hinder the project's replicability potential due to a lack of land for in-situ upgrading projects. Acquiring land for Greenfield projects might pose as a challenge. This would then go back to the role of the municipality, as an enabler for the FEDUP group savings scheme model, it should facilitate such projects by assisting with

the land acquisition, particularly serviced and affordable land so that such projects may be replicated.

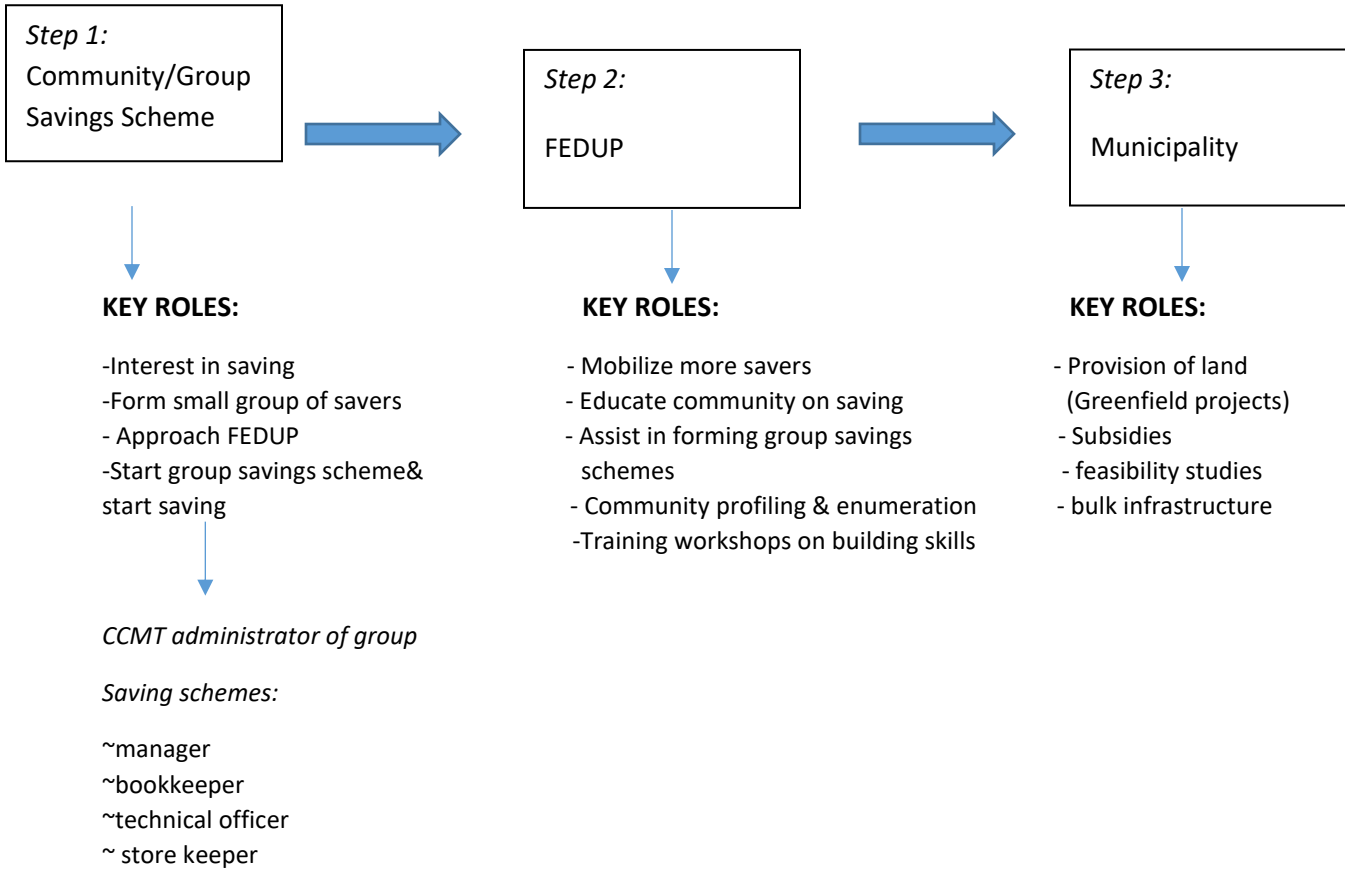
The success of the FEDUP model and its potential for replicability is based on the partnerships established upfront. More partnerships between public and private sector agencies need to be encouraged. The FEDUP group savings scheme model allows for partnerships such as the key stakeholders involved in the Namibia Stop 8 housing project. These partnerships will also contribute in the replicability of housing projects which use the FEDUP group savings scheme model for the delivery of housing.

The Namibia Stop 8 housing project worked with different key stakeholders mainly the municipality, FEDUP and uTshani fund as well as the beneficiaries. Through the stakeholder engagements during the implementation of the project, the project was able get attention from the national government. Although there were conflicts between these stakeholders, they were resolved and the project was completed to the satisfaction of the beneficiaries. This resulted from the project's institutional capacity, thus the model could be able to be replicated elsewhere at a scale that is required. The Namibia Stop 8 housing project is therefore deemed to be replicable elsewhere in the country based on how it meets the replicability criteria.

Figure 5.2. below demonstrates how the FEDUP group savings schemes model works and the different roles and relationships between the key stakeholders. If the model is used in such a way that all involved parties are able to understand and play their roles, then the Namibia Stop 8 housing project can be replicated more widely. Moreover, projects should utilize the model in conjunction with the replicability criteria which will help ensure that such projects are a success and can assist other similar projects in ensuring that the fundamental principles and objectives of EPHP policy are met.

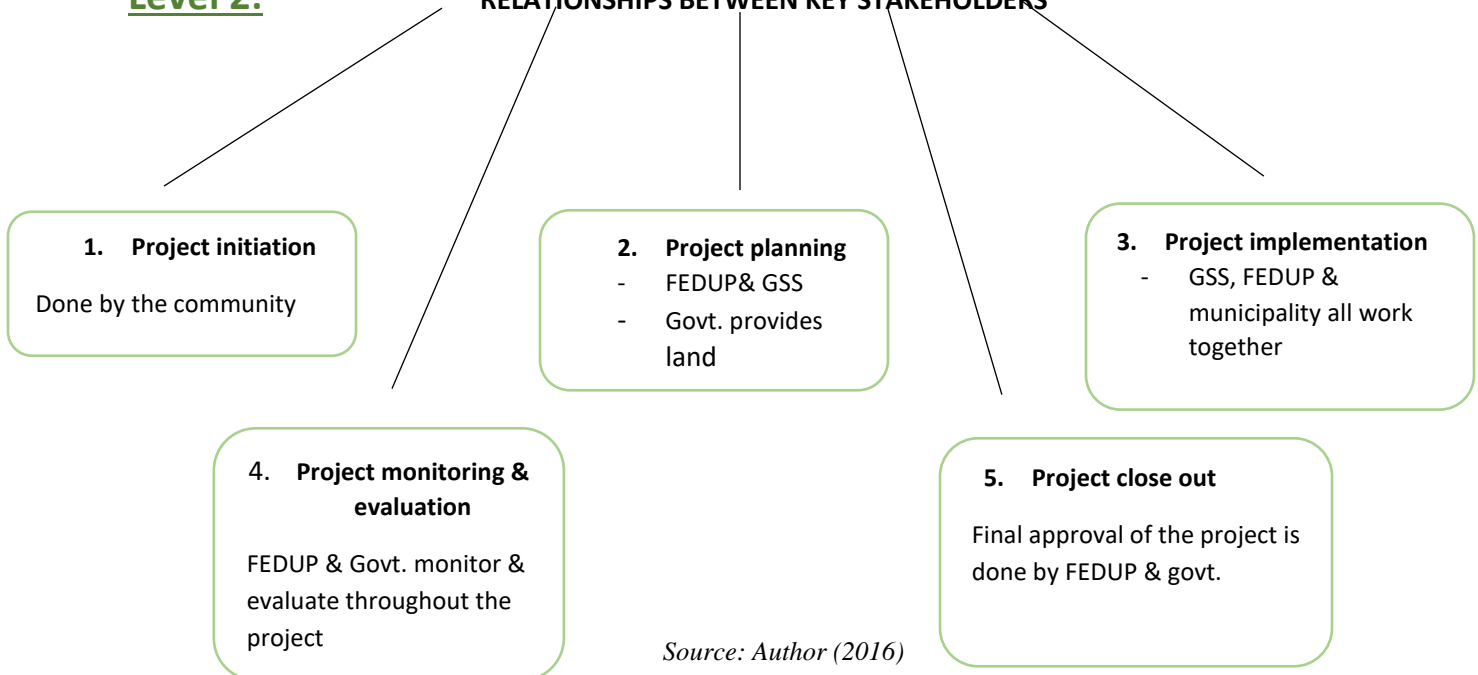
Figure 5.2 FEDUP group savings scheme model for self-help housing

Level 1:



Level 2:

RELATIONSHIPS BETWEEN KEY STAKEHOLDERS



Source: Author (2016)

Figure 5.2 on page 78 illustrates the FEDUP group savings scheme model which is demonstrated in two levels. The first level indicates the steps taken by key stakeholders and their roles within the model. The second level explains the relationships between these various key stakeholders. The above roles of the key stakeholders in the project are listed as they occurred during the implementation of the FEDUP group savings scheme model for self-help housing in the Namibia Stop 8 housing project. The relationships are placed under each stage of the project so as to show who did what and when during the Namibia Stop 8 housing project.

5.7.1. Actions that the municipality can take as an enabler of the model

There are a number of specific actions that the municipality can take as an enabler of the FEDUP group saving scheme model. The municipality can work with FEDUP and certify that from the inception of the project, the planning of the settlements is done according to the municipal regulations. This will ensure that no settlements are planned on municipal underground infrastructure or environmentally sensitive areas. The municipality can also assist with the use of the model by providing more land for FEDUP group savings scheme model for self-help housing. The municipality can do this by acquiring land from different land owners such as traditional authorities and private owners. As an enabler, the municipality can then work with FEDUP in the re-planning of a community so that it can meet both the municipal and FEDUP regulations which means there needs to be an agreement put in place.

There should also be a Memorandum of Understanding between FEDUP and the municipality. As a result, both parties will be able to work together in unity with one vision to enable the provision of housing through the use of the FEDUP group savings scheme model for self-help housing. Moreover, the municipality can enable the use of the model by making provision of bulk infrastructure, technical support and training as well as funds for upgrading where necessary. When it comes to the delivery of human settlements, it goes beyond the provision of houses, therefore it is the municipality's responsibility to provide the essential services. These services are inclusive of water, electricity and roads which the municipality needs to provide in order to be an enabler of the FEDUP group savings scheme model.

This will result in more housing projects being delivered through the use of the FEDUP group savings scheme model, because there will be more support from the municipality.

Another important action that the municipality has to take as an enabler of the FEDUP group savings scheme model is the process of conducting feasibility studies before any project can be implemented. Evidently, in the Namibia Stop 8 housing project, there was conflict between the municipality and FEDUP based on who conducts the feasibility studies and when.

Although FEDUP conducts its own enumeration and community profiling process, the municipality should however conduct its own feasibility study because it covers different aspects such as the land surveying and geotechnical properties of land. FEDUP cannot cover such studies because they are expensive and technical in nature, thus it should allow the municipality to conduct its feasibility studies and use it as a basis to determine whether a project can be implemented or not. Although the group savers and FEDUP are at the forefront of projects implemented using the FEDUP group savings scheme model, the municipality is still a key stakeholder so municipalities need to also coordinate the delivery of housing in communities and ensure that the housing projects are delivered at the right time, at the agreed price and to the specified quality.

5.9. Chapter summary

The chapter presented the FEDUP group savings schemes model for self-help housing as well as the integrated effort and responsibilities of various stakeholders during the implementation of the Namibia Stop 8 housing project. Moreover, the chapter presented a breakdown of the FEDUP group savings scheme model including the housing implementation process as well as the strengths and weaknesses of the model and assessed the extent to which this model can be replicated elsewhere in the country. The findings also revealed the shortcomings that occurred during the implementation of the project. From these shortfalls, recommendations are outlined in the next chapter.

CHAPTER 6: SUMMARY OF FINDINGS, RECOMMENDATIONS AND CONCLUSIONS

6.1. Introduction

The study set out to understand the FEDUP group savings schemes model for self-help housing, using the Namibia Stop 8 housing project in Inanda as a case study. This chapter discusses the conclusions and recommendations of this study, drawn from the findings of the research. Key issues that relate to group savings schemes are summarised in line with the objectives of the study. From the literature that has been presented in this study and conclusions emanating from data analysis, recommendations are made.

6.2. Summary of findings

The research findings have responded to objectives of the study and the main research question which seeks to understand the extent to which the FEDUP group savings scheme model can be replicated elsewhere in South Africa. Amongst the research objectives, was one to investigate why the households of Namibia Stop 8 elected to use the FEDUP group savings scheme model for self-help housing so as to achieve their housing goals. FEDUP identified the Namibia Stop 8 community and introduced the model to them. From the workshops that FEDUP conducted on savings and how savings can be used for housing delivery, beneficiaries elected to use the model to achieve their housing needs.

From the findings of this study, beneficiaries elected to use the FEDUP group savings scheme model because of its self-help housing underpinnings which produced positive outcomes after the housing project was implemented. Beneficiaries were able to participate in making key decisions about their homes and they were included in the entire project cycle. Beneficiaries stated that by saving, they were able to get houses that were of a better quality than BNG government assisted housing. The houses built under the FEDUP group savings scheme model are 50m² in size compared to the 40m² standardised BNG houses. Furthermore, FEDUP houses in Namibia Stop 8 have for example, extra finishes such as ceiling boards, gutters, flasher boards which were not included in the previous RDP low cost houses. Through using the FEDUP group savings scheme model, beneficiaries were able to learn how to save towards their housing goals. From the lessons that the beneficiaries learnt from FEDUP, they were able to encourage one another to start

improving their living conditions. In this way, after the project, beneficiaries continued with the savings scheme for home maintenance and improvements.

The research findings were also able to establish how the model works and the roles played by key stakeholders during the implementation of the Namibia Stop 8 housing project. Such findings were able to indicate how the FEDUP group savings scheme model operates. The success of the model lies in the roles played by the major stakeholders mainly the local municipality, the beneficiaries and FEDUP. The beneficiaries' main role was to save and to contribute with labour and participation in the decision making in the entire project cycle. FEDUP and uTshani fund worked with the beneficiaries by educating them about savings as well as providing training workshops on housing building skills. UTshani's main role was to control the funds of the project. The municipality was responsible for releasing the land for the project to commence as well as provision of the bulk infrastructure for the project.

Moreover, research findings indicated that the model had both strengths and weaknesses, which had implications for the project. The main strengths of the model were inclusive of the way in which the model created social cohesion amongst the beneficiaries as well as stakeholder understanding which emerged during the implementation of the project. Using the FEDUP group savings scheme model, the project allowed beneficiaries to contribute in the decisions making process of the project from the planning stage until the close-out phase of the project. The savings collected by the beneficiaries gave them a sense of ownership in the project and pride in the final product because the model allowed the beneficiaries to physically contribute in building their own homes. Beneficiaries were able to learn new skills such as bricklaying, cement mixing and basic financial skills, which they can now use in their own lives to better their living conditions.

When it comes to the challenges that have prevented an increased use of the FEDUP group savings scheme model for self-help housing, the researcher focused on the weaknesses of the model during its implementation at the Namibia Stop 8 housing project. These weaknesses included the lack of support from the municipality in the initial stages of the project, which led to some delays in the project. Furthermore, the communication breakdown between beneficiaries and FEDUP generated some tensions, for an example when beneficiaries expected reimbursements of the joining fees they had paid towards the savings scheme. Another challenge that has prevented an increased use

of the FEDUP group savings scheme model for self-help housing is the officials at municipal level, who appeared to have made it difficult for the project to be implemented timeously. This was based on the delays it caused, such as not approving some of the houses during inspections. As a result, more funds had to be injected into the project in order to rectify these houses which led to more delays and unnecessary costs. Moreover, there was a lack of cooperation amongst some of the stakeholders involved in the housing development process which is also a factor to consider when looking at why there has not been an increased use of the model.

The study hypothesized that group savings schemes as a means of self-help housing enhances the current unsustainable government system of low-cost housing provision through community participation in the housing development process and production of an arguably better housing product. The research findings confirm this hypothesis. The Namibia Stop 8 housing project demonstrated that group savings schemes can indeed be used for housing provision. The FEDUP group savings scheme model for self-help housing which was used as the case study was able to demonstrate that the model uses saving as a method of community participation. The model also allowed beneficiaries to participate during the housing development process and production of their homes through the use of the EPHP programme. As a result of community participation and the model, the project was therefore able to produce an arguably better housing product.

From the above summary of findings, the research argues that the FEDUP group saving scheme model can be used to complement the current unsustainable government system of low-cost housing provision. Where there are already groups of people saving, they can attract the interest of FEDUP and other like NGOs, and the model can thereby be replicated elsewhere in South Africa particularly where people have started saving on their own. Instead of the model being piloted in different areas, people can reach out to FEDUP and like-minded organisations, and more projects can be rolled out across the country.

6.3. Recommendations

1. In the Namibia Stop 8 housing project, beneficiaries stated that a member from uTshani only came once after the beneficiaries had moved into their homes to monitor whether or not they had continued saving after they had received their homes. FEDUP and the government should cooperate on monitoring and evaluating the model. This will ensure that beneficiaries use their

acquired skills in order to solve other household needs such as creating employment opportunities as envisaged in the BNG housing policy objectives. In addition, this could be a method in which low income and the poor would learn how to be less dependent on the government in meeting their housing needs. Beneficiaries should also be encouraged to use the savings skills to save for further reasons such as the maintenance of their houses. This would help to maintain a good quality of housing and build a sense of responsibility to prevent the beneficiaries from selling and renting out their housing units, as this is often cited as a persisting challenge with government-assisted housing.

2. In the case of Namibia Stop 8 housing project, some irregularities occurred, where the expenditure of some of the funds was not accounted for, for example the joining fees. As a recommendation to make the model more efficient and create trust and cooperation amongst the stakeholders, there should be constant communication amongst all stakeholders. All funds paid and used must be accounted for through clearly communicated financial reports to beneficiaries and other stakeholders. For example, all transactions done in respect of savings and subsidies need to be explained to not just uTshani and the municipality but the beneficiaries too in order to avoid leaving beneficiaries unclear, which leads to mistrust.

3. The FEDUP group savings scheme model for self-help housing has been used in South Africa for more than 20 years. However, there is still a lack of understanding of the model by the government across. For an organization that does much for housing, it is hardly known. In addressing this, FEDUP must take on the responsibility to educate municipalities about its model and to involve them during community training and workshops to have a clear understanding and be well informed as to how the model operates. Furthermore, the Department of Human Settlements should seek to improve EPHP projects, so that the EPHP policy in conjunction with the FEDUP group savings scheme model can be implemented in more projects. As a result, this will reduce conflicts arising from the roles to be played by the stakeholders in the housing project implementation process, and may also lead to more EPHP projects taking place than is currently occurring.

4. Currently the government is faced with a severe housing backlog, as described in this study. The FEDUP model assists the government in making the provision of public housing more affordable through the use of group savings schemes. In order for the government to reduce the housing backlog, the savings scheme model should be used to complement government housing subsidies, as a result of which government will be able to direct resulting savings more towards housing projects. This will be possible if members of the group savings schemes explore further mechanisms to increase their savings, such as fundraising and attaining funds from sponsorships and donors.
5. The beneficiaries of Namibia Stop 8 housing project raised complaints about the size of the sites. Although their housing units were 50m² which is bigger than the 40m² BNG government assisted housing units, the plot sizes were too small to meet further household desires such as house extensions or domestic functions such as putting up tents for cultural activities (refer to plate 5.8 on page 75). For future FEDUP housing projects, priority should be made to acquire enough land, which would facilitate bigger size. Therefore, there is a need for the government to explore effective strategies to address the land challenge in South Africa. FEDUP working with the government should mobilize other non-governmental organizations that can assist in the acquiring of land for the housing projects. This will also assist with improving the relationship between NGOs (including FEDUP) and the government as they will be working together from the onset of the project, thus both parties will be able to clearly delineate their roles.
6. As indicated under the weaknesses of the model, there are challenges that have prevented an increased use of the FEDUP group savings scheme model for self-help housing. The recommendation here is that FEDUP needs to find more innovative strategies to better market itself and the work that they do so that it can be more appealing to communities and municipalities throughout the country. FEDUP can do this by hosting annual workshops in different communities in order to mobilize savers. Moreover, FEDUP can also update its website quarterly as this will ensure that all of its current work is displayed and kept updated for all interested parties.

6.4. Conclusion

The study sought to understand the FEDUP group savings scheme model for self-help housing. The theories and approaches presented in this study illustrated that if there is organisational support from the government and non-governmental institutions such as FEDUP, then there is a good possibility for the self-help housing approach to be used in the delivery of housing. The study was based on the argument that the South African government is still faced with a severe housing backlog and it does not have the financial capability to combat this backlog. As a result, the government ends up providing starter houses, which are arguably not meeting the various needs of the poor and low-income households.

The roles played by the major stakeholders in the Namibia Stop 8 housing project were therefore explained in order to answer the research question which aimed to understand how the FEDUP group-savings scheme model of delivering housing works as well as the extent to which it can be replicated elsewhere in South Africa. The roles were played in different stages of the project, which all contributed to the implementation of the group savings scheme model for self-help housing.

The FEDUP group savings scheme model uses the EPHP programme in the delivery of housing as demonstrated in the Namibia Stop 8 housing project. FEDUP encourages communities to participate in the delivery of housing and it gives them a platform to build their own houses and be at the centre of the housing development process. During this process beneficiaries take ownership of the project and they are involved in the decision-making process. As a result, the number of beneficiaries satisfied by their housing development outcomes is higher compared to those who are not. In addition, the beneficiaries learn how to save for their daily needs and they can use their savings for the purpose of housing development, and further on housing maintenance and improvements.

The model also teaches beneficiaries how they can empower themselves to better their living conditions through their accumulated savings. The savings further promote more social cohesion within the communities, which might have been lost from the relocation process from the previous informal settlements to the green field project if they did not find an activity to collaborate on. Role players such as the government and communities still however need to learn more about FEDUP and how it operates so that in future housing projects, more municipalities and

communities will trust and support the use of the FEDUP group savings scheme model for self-help housing initiatives.

There were however challenges that have prevented an increased use of the FEDUP group savings scheme model for self-help housing, and there is still room for improvement so that the model can be used more effectively as well as widely. One of the main challenges is awareness of the model especially at municipal level. This was evident during the implementation of the Namibia Stop 8 housing project, where there was a lot of conflict between FEDUP and the municipality due to the lack of understanding on the municipality's side as to how FEDUP operates. More communities need to also be educated about FEDUP and how savings can be used for housing development. Since current national housing policy supports public-private partnerships, thus more variety in housing delivery programmes, the FEDUP group savings scheme model for self-help housing is one of the ways in which such variety can be introduced in the delivery of housing programs.

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APPENDICES

Appendix 1: Key informant interview schedules

Project manager from eThekweni municipality: Namibia Stop 8 housing project

- 1) How was the Namibia Stop 8 housing project identified as a suitable project to implement the Enhanced People's Housing Process (EPHP) programme? In terms of its characteristics.
- 2) What role did the following role players play during the implementation of the project?
 - The government
 - The community
 - FEDUP
- 3) What was your experience in working with the Namibia Stop 8 housing project?
- 4) What support did the eThekweni municipality give during the planning process and the implementation process of the Namibia Stop 8 housing project?
- 5) What was the agreed relationship between the municipality and FEDUP and how was it formed?
- 6) What challenges were faced in the Namibia Stop 8 housing project during the planning, implementation and handover stages?
- 7) How were those challenges solved?
- 8) How do people in Namibia Stop 8 benefit from these programmes?
- 9) Do you think that this model can be replicated elsewhere? Please support your answer.
- 10) Has the municipality worked on other projects such as the Namibia Stop 8 project, which involves group savings schemes? What were the similarities or differences?
- 11) To what extent does the government acknowledge the role played by FEDUP in encouraging households to use group savings schemes? If yes, how?
- 12) What recommendations would you suggest to FEDUP about the services they are providing?
 - Application of using group savings for housing purposes
 - How they conduct their feasibility studies before the commencement of a project
 - Technical assistance during the implementation of the housing projects

- The training that the federation conducts, do they meet the standards of government assisted housing
- How they monitor the projects

13) Would you say that this model of using group savings schemes in the provision of housing is successful and can be used as a potential housing programme? Please support your answer.

Appendix 2: Household questionnaires

1. Where were you living before moving to Namibia Stop 8?
2. Why did you move to Namibia Stop 8?
3. Gender:
 - Male
 - Female
4. What is the size of your family?
5. What is your total monthly income per month?
 - i. 0-1500
 - ii. 1501-2500
 - iii. 2501-3500
 - iv. 3500+
6. How were you introduced to the Federation of the Urban and Rural Poor (FEDUP)?
7. What role did FEDUP play in the process of you acquiring your house?
8. Are you a member of a group savings scheme in Namibia Stop? If yes, why did you join?
9. How much money did you contribute into the group savings scheme during project implementation?
10. How often did you contribute money into the group savings scheme?
11. Who managed the group savings scheme?
12. Did the group saving scheme continue after you received your house? If yes, how much are you contributing or saving now?
13. How did you participate during the project cycle and how long did it take to be completed?
14. How long did you have to wait for your turn so that your house could be built?
15. Were you satisfied with the final product of your house? If no, why?

16. Did you experience any challenges with the savings scheme? If yes, what were these challenges?
17. What three recommendations you would give to FEDUP to improve their group savings scheme model for housing.
18. What role did the government play in the provision of your house?
19. Do you think that this FEDUP model of using group savings schemes for housing can be repeated elsewhere, either than Namibia Stop 8?

Appendix 3: Guideline questions for focus group discussion

- 1) How many members are in the Namibia Stop 8 savings scheme?
- 2) What were the terms and conditions of joining the savings scheme? Who set them?
- 3) What was the situation of where you were living before the project started?
- 4) Did everyone in the savings scheme receive their share of the fund when it was due to them? If no, what were the reasons?
- 5) Where did you get the building materials to construct your house?
- 6) Did you get any training or skills from FEDUP related to housing construction?
- 7) What benefits do you enjoy from being a member of the group savings scheme?
- 8) Do you prefer this model of acquiring housing or the traditional BNG housing provided by thestate?
- 9) What did you learn from the process of using the FEDUP group savings scheme model?
- 10) How has the project been monitored after the handover of the housing units?
- 11) Which recommendations would you give to FEDUP for their group savings scheme model?

Appendix 4: Observation checklist

Observation	Check
1. Economic and social facilities in close proximity to the location of the houses	
2. Community involvement (self-help initiatives)	
3. Availability of Basic services (water, electricity, sanitation)	
4. Access to transportation for the beneficiaries	
5. Physical difference between RDP and FEDUP houses	
6. Behaviour and level of comfort and confidence with the members	
7. Level of finishes of the homes, inside and outside	
8. Technical quality of building structures	
9. Layout of the housing units, is there enough space for extending	