UNIVERSITY OF KWAZULU-NATAL

Low Cost Housing Delivery Program: An Interpretive Systems Approach

A dissertation submitted in partial fulfilment of the requirements for the degree of Masters in Commerce

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October 2010

Human settlements must be places where people play, stay and pray. They should be green, landscaped communities – pleasant places where people live, learn and have leisure..." **Minister Tokyo Sexwale, Sunday Times 18 September 2010, Review Page 6**

Picture 1.1 Waterfall Park Informal settlements. In the Eastern Cape Province town of Mthatha impatient potential beneficiaries have invaded land earmarked for low-cost housing while waiting for subsidised houses.

Picture 1.2 Waterfall Park Phase IV Low-Cost Township (Mthatha Municipality)

An Interpretive Systems Approach to Project Management of Low Cost Housing Delivery in the Eastern Cape

i. Declaration

I……**Tendayi Edward Chiro**…….declare that

(i). The research reported in this dissertation, except where otherwise indicated, is my original research.

(ii). This dissertation has not been submitted for any degree or examination at any other university.

(iii). This dissertation does not contain other persons' writing, unless specifically acknowledged as being sourced from other researchers. Where other written sources have been quoted:

a) their words have been re-written but the general information attributed to them has been referenced:

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(iv). This dissertation/thesis does not contain text, graphics or tables copied and pasted from the Internet, unless specifically acknowledged, and the source being detailed in the dissertation and in the Reference sections.

Signature

28th October 2010

Edward Tendayi Chiro 209511087

ii. Acknowledgements

I hereby wish to express my sincere appreciation to the following, without them, it would have been practically impossible to complete.

1. **God,** the almighty. I thank thee for the courage and strength.

2. **Mr. Stan Hardman,** my supervisor, for guidance, feedback and support.

3. **Professor Alan Brimer,** for his assistance with language editing.

4. **Sandra Chiro,** my wife, together with our children Amanda, Tina and Dylan for encouragement and support during this busy time.

5. **All of the officials** from various municipal, provincial and national departments of Human Settlement who assisted and participated in the study.

6. **All of the subsidy beneficiaries** who participated in the study and supported me by welcoming me into their homes with love.

7. My parents, **Evaristo and Lillian Chiro,** for their undying belief and faith.

8. **My colleagues** at work, who had to stand in for me when I was away during my studies

Extracts from the Daily Dispatch; (a daily newspaper that reports on news about East London and the surrounds)

"Now 140 completed homes in Potsdam stand empty and sub-contractors Nare Housing and GC Civils refuse to allow residents to move in until they are paid by the main contractor, Khumbula Property Services." (Moodley, 11th. October 2010 Daily Dispatch: 1)

"The sub contractors claimed BCM (Buffalo City Municipality) had failed to make payments on the multi-million rand project – while hundreds of desperate Potsdam residents continue to live in shacks and temporary homes sponsored by the Department of Human Settlements." (Moodley, 11th. October 2010 Daily Dispatch: 1)

"The Director of Khumbula Properties Services refused to comment and referred the Dispatch to the municipality" (Moodley, 11th. October 2010 Daily Dispatch: 1)

"*BCM Spokesperson said the municipality does not deal with sub-contractors*" (Moodley, 11th. October 2010 Daily Dispatch: 1)

"I have no protection left. That is why I am holding on to the keys" said Nare Housing manager John Cook as quoted by Moodley, (11th October 2010 Daily Dispatch: 1)

"We are angry. We are not happy living here in this shack," said Bongile Fetheni a potential beneficiary as quoted by Moodley, (11th October 2010 Daily Dispatch: 1)

iii. Abstract

As enshrined in the post-apartheid South African constitution, access to basic services like potable water, sanitation and formal housing has become a basic right for all South Africans. The delivery of low-cost housing through the national and provincial Departments of Human Settlement is one of the major focuses of the post-apartheid South African Government.

South Africa today (2010) still has massive shortages of low-cost housing for the poor, despite funding being made available to address this need. Millions of poor families live in shacks in informal settlements and in overcrowded townships where small (250 to 300 square metre) erven with one bedroom dwellings and rudimentary extensions and backyard shacks erected on them often house more than one family while they await access to housing subsidies.

The Eastern Cape Province is one of the poorest provinces in South Africa, with a significantly poor rural community and dense urban settlements which have sprouted all over as a result of urban migration and population growth. According to the Provincial Human Settlement Department, the Eastern Cape has a backlog of approximately 370,000 low-cost houses.

Several low cost housing projects have been initiated in the province. The projects are implemented using different partnership strategies and they produce different outcomes, which are in no way near the desired outcomes of meeting the demand of supplying quality houses in the shortest possible time (E Cape Government Department of Human Settlement).

In terms of the project management norms, standards and processes of the building industry, it takes two builders, one plumber and five labourers five days to build a fifty square metre low-cost housing unit. Yet

some projects, as small as 200 housing units, have taken more than 10 years to complete for one reason or the other. Often when the houses are perceived to be complete it becomes evident that their quality is of an unacceptable standard, and some unmet desired objectives. Some project sites in rural towns of the former Transkei have been abandoned due to failures in implementation. Furthermore, some project sites which start off as green fields have been invaded by poor communities who build rudimentary shack dwellings on the sites in a sign of desperation, impatience and frustration at the pace of delivery (among other reasons) with a huge unfavourable financial impact on the implementation of the planned projects.

The problems impacting on low-cost housing delivery are a combination of hard systems (processes, procedures, costing, programming and so on) and soft systems (the human element). The problems and risks described as being associated with housing projects are many and varied, depending who is talking, and in some instances it is difficult to describe the problems in words (unstructured and complex problems). This study concentrates on the human element associated with the implementation processes by critically examining the roles of the multitude of stakeholders who are identified as partners in the projects. Such partnerships are a huge contributing factor to the success or failure of a programme. This study looks at minimising project implementation risks through the establishment of effective cross-sector partnership frameworks. The positive and negative impacts of partners in low-cost housing project management and implementation are critically examined using Soft Systems Methodology (SSM) with a view to improving service delivery.

Keywords

Systems Thinking, Complexity, Soft Systems, Cross-sector Partnerships, Project Management, Low-cost Housing Projects

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Chapter 1: Introduction

"There shall be houses, security and comfort for all" **– ANC's FREEDOM CHARTER 1955**

1.1 Introduction

The low-cost housing delivery programme is one of the major focuses of the post-apartheid South African Government. As enshrined in the new South African constitution, access to basic services like potable water, sanitation and formal housing have became a basic right for all South Africans. South Africa today (2010) still has massive shortages of low-cost housing for the poor, despite funding having been made available. Millions of poor families live in shacks in informal settlements and in overcrowded townships where a small (250 to 300 square metre) erf with a one-bedroom dwelling and rudimentary extensions and backyard shacks erected on it often house more than one family while they await access to housing subsidies.

The Eastern Cape Province is one of the poorest provinces in South Africa, with a significantly poor rural community and dense urban settlements which have sprouted all over as a result of urban migration and population growth. According to the Provincial Human Settlement Department, the Eastern Cape has a backlog of approximately 370,000 low-cost houses.

Several low-cost housing projects have been initiated in the province. The projects are implemented using different partnership strategies and they produce different outcomes, which are in no way near the desired

outcomes of meeting the demand for quality houses by using the available budget in the shortest possible time (E Cape Government Department of Human Settlement).

In terms of the project management norms, standards and processes of the building industry it should take two builders, one plumber and five labourers a total of five days to build a 50 square metre low-cost housing unit. Some projects[1], as small as 200 housing units, have taken more than 10 years to complete for one reason or the other. Often when they are perceived to be complete, their quality is of an unacceptable standard together with other unmet desired objectives. Other projects and low cost houses in places such as uMzimkhulu[2], Mt Frere, Ntabankulu[3], Flagstaff[4], Mt Ayliff[5] have been abandoned.

Furthermore some project sites which started off as green fields, such as Joe Slovo Township in Mthatha and Gqobas in East London have been invaded by poor communities who build rudimentary shack dwellings on them in a sign of desperation, impatience and frustration at the pace of delivery (among other reasons) with a huge detrimental financial impact on the very projects being implemented.

The problems impacting on low-cost housing delivery are a combination of hard systems (processes, procedures, costing, programming and so on) and soft systems (the human element). The problems and risks

[1] Waterfall Park Phase IV, Tyoksville Township (Mt Ayliff), Ntabankulu Low-cost Housing, and Mt Frere Low-cost Housing are still not yet complete ten years into the programme.
[2] Town in the Former Transkei E Cape Province
[3] Town in the Former Transkei E Cape Province
[4] Town in the Former Transkei E Cape Province
[5] Town in the Former Transkei E Cape Province

associated with low-cost housing projects are many and varied, depending who is talking, and in some instances it is difficult to describe the problems in words (complex, unstructured problems).

This study focuses mostly on the human element (soft systems) associated with the implementation processes by critically examining the roles of the multitude of stakeholders who are identified as partners in the projects, and in particular their ability as organisations to implement the hard systems which enable delivery. The implementing partners are a huge contributing factor to the success or failure of the programme. This study looks at minimising the project implementation risks associated with soft systems through the establishment of effective cross-sector partnership frameworks. The positive and negative impact of the partners in low-cost housing project management and implementation are critically examined using Soft Systems Methodology (SSM) with a view to taking action on what is feasible by comparing the status quo with the theoretical framework (the desired state).

1.3 Aims and Objectives

The aims and objectives of the study is to use Systems Thinking to explore and critically analyse the current partnership arrangements in low-cost housing projects and to offer insights into soft systems intervention strategies that are centred on improving the partnership framework.

It is assumed that a desired partnership can achieve a degree of trust, accountability, legitimacy, common aims and visions, learning, organisational functionality. This would minimise the opportunistic failures that occur due to poor partnership arrangements, such as corruption, procurement failures, and competing

personal interests. The opportunistic failures often overshadow the actual root cause of the failures and it is often tempting to be sidetracked into dealing with such failures at the expense of addressing the structural problem.

1.2 The Stakeholders

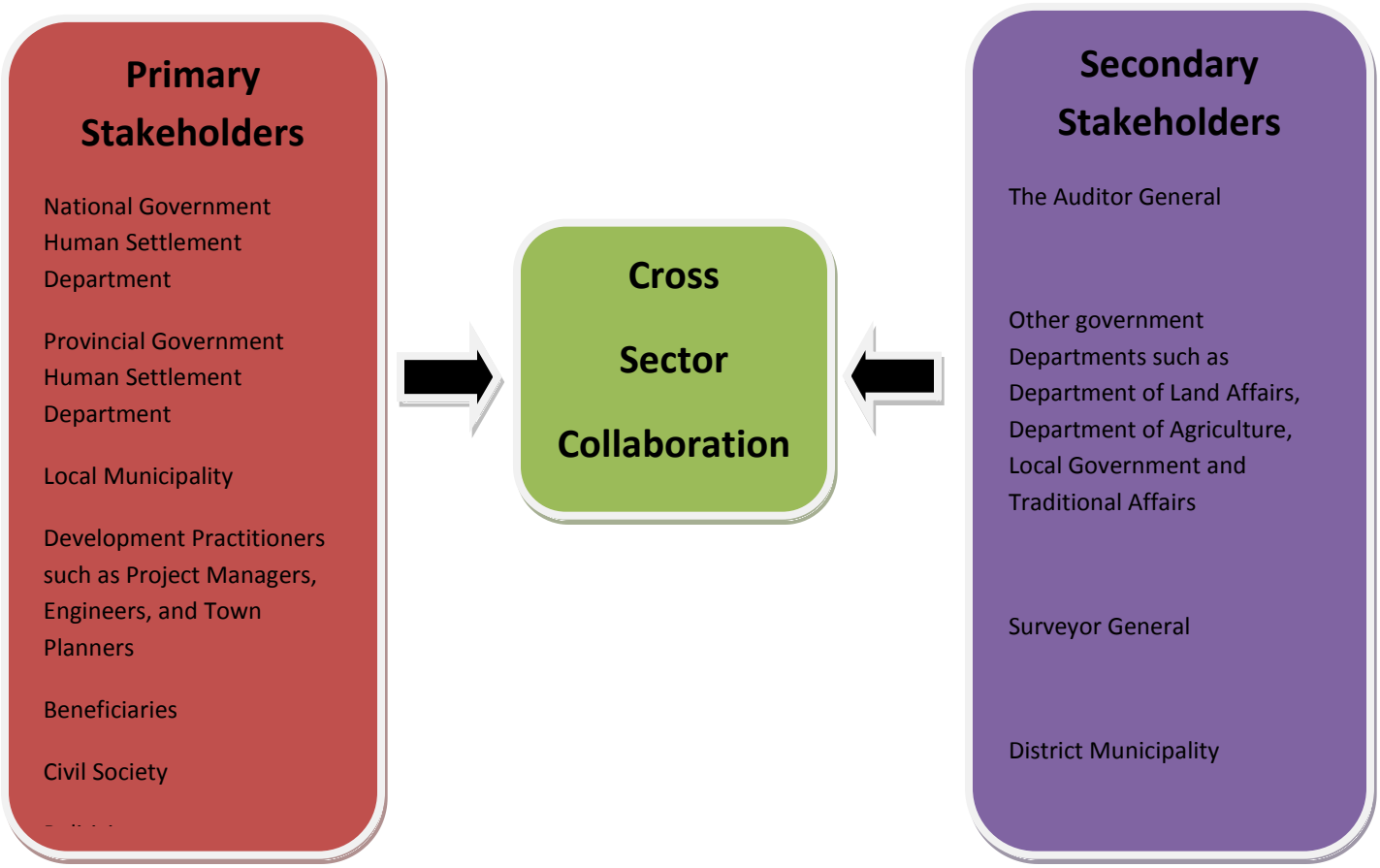


Figure 1.1 The role-players who are partners in the cross-sector collaboration

Furthermore, developing an ideal partnership framework for low-cost housing would contribute to knowledge in terms of strategies for intervensions on complex and messy society problems. The targeted audiences for this study are the practitioners in the field from the private and public sector, academics, members of civil society and politicians.

1.4 Background to the Research

The world in which we live in has changed to such a degree that we now have to deal with "self-created reality" and problems arising out of what are termed "complex phenomena" or "unstructured problems" (Checkland. 1985). These problems are societal and organisationally based. The problems are also novel in nature, they have non-repetitive characteristics, and are subject to interpretation, which make them often difficult to describe in words.

An attempt to solving these complex systemic problems requires a systems integrated approach with a degree of creativity, innovation and originality. The solutions cannot be designed and modelled linearly to suit all situations, as the problems are unstructured, complex, novel and non-repetitive in nature. Technical solutions (hard systems) to such projects are characterised by their mechanistic nature (Grigg, 1997) which are often simple, such as designing and managing the processes of building low-cost houses with a basic level of service. This is so because hard methodologies are concerned with achieving objectives by modelling interventions involving the methods of natural science, as opposed to soft systems, which are mostly about problems that arise out of the existence of different accounts of the nature of reality (Jackson, 2000).

When various stakeholders attempt to collaborate to achieve a common and desired outcome the end results are often unintended outcomes. This phenomenon is called “collaborative inertia” (Huxham and Vangen, 2006). In the Eastern Cape, especially in the former Transkei, the low-cost housing delivery programme is littered with a significant number of failures which can be termed “unintended outcomes”.

A scan of the problem situation with respect to low-cost housing in the Eastern Cape Province reveals the following.

At Practitioner’s Level

Most practitioners are from the private sector. These practitioners are technical, and often have technical training in areas such as Quantity Surveying, Project Management, and or Civil Engineering. The private sector is profit driven and emphasises innovation and efficiency (hard systems), qualities which are most suited to structured problems.

The practitioners are scarcely equipped with the skills required to deal with unstructured complex problem situations which are of a societal nature often organisationally based. These unstructured complex problems often require integrated systems solutions. The common approach that practitioners often uses, hinges on goal seeking and viability. This often becomes a source of conflict with stakeholders such as beneficiaries and politicians, who often have a lot more time in hand.

There is a general perception among practitioners that the social dimension of these projects can have a huge impact on the profitability of the project, considering the time value of money, time-related costs, and price variations in cases where positions are constantly negotiated through the duration of the project.

This often results in “skilled” professionals shying away from such projects because of their ambiguity, complexity and financial risk.

At National and Provincial Government Level

Preliminary interviews with officials from the National Government Department of Human Settlement reveal that there is a perception among them that the problem associated with the management of the low-cost housing delivery programme is the lack of technical capacity and skills in the implementing agents, which are the Provincial Departments of Human Settlement, and Local Municipalities. It is often said that the lack of capacity gives rise to opportunistic problems such as corruption and poor procurement processes, which often result in shoddy workmanship, which in turn has a negative impact on the programme of delivering houses to the poor. The national government’s Department of Human Settlement is now engaged in intervention programs such as:

- Defect housing rectification programmes
- The secondment of staff to the provinces and regions
- Empowering the Auditor-General to investigate and prosecute cases of corruption and other criminal activities such as fraud.

Furthermore, the government’s bureaucratic structure does not leave enough room to accommodate approaches which are novel, innovative, creative, original and flexible. Errors of commission are judged negatively, as opposed to being viewed as part of learning.

At Municipal Level

The officials from the implementing agents, which are the Municipal and often the Provincial Department of Human Settlement, often cite their lack of capacity to supervise the development practitioners as the reason for the contractors' bad workmanship. The reasons often given for the lack of capacity is underfunding on the projects. Flawed procurement processes and competing political interests (as will be explained in detail in Chapter 4) are also often blamed on project management failures on the part of the implementing agents.

At Beneficiary Level

The beneficiaries are often the victims of project delays and failures, because there is a perception that they are treated as "passengers" in the process, and the profit driven private sector is more concerned about profit margins than about providing decent houses for them. Furthermore, the politicians, according to the beneficiaries, are more interested in their votes than their plight. As a result there is a level of distrust of everyone in the delivery process. The lack of trust often results in negative perceptions which often lead to conflict, and eventually to project failure.

Studies of projects in Diepkloof, Johannesburg (Mafukidze and Hoosen, 2009: 386) concluded that if community participation is not managed it often results in unintended outcomes like "social tensions, disillusionment, conflict and societal fragmentation". Mafukidze and Hoosen further argue that "drivers of a participation process", who are often practitioners (project managers) and government, need to be cognizant of the socio-cultural and historical background of issues in order to minimise their impact, or to

turn the negative influence to collaborative advantage. This can be achieved by making them (the beneficiary community) equal development partners (Miraftab, 2003).

The relevant cross-sector membership management skills require navigating through the complexity of the unstructured problems encountered in the social intervention projects and programmes which require collaboration across sectors. The project or programme management skills require a systems approach that includes:

1. avoiding symptomatic solutions and symptomatic treatment of the problems (Jackson, 2000 Senge, 1990)
2. avoiding shifting blame
3. tackling issues as opposed to avoiding contentious issues as a way of avoiding accountability (errors of omission) (Akoff , 1994)
4. learning from errors of commission (Akoff, 1994)
5. seeing interrelationships and connectivity (Jackson, 2000)
6. focusing on areas of leverage (Senge, 1990)
7. understanding complexity (Anderson, 1999 Cilliers, 1999)
8. avoiding applying structured solutions to ill-structured or unstructured problems (Checkland, 1985)

Central to this study is attempting to answer the question:

1. *If collaborative advantage is the desired outcome that people seek when participating in cross- sector partnerships, then why is "collaborative inertia" (Huxham and Vangen, 2006) often the outcome in practice?*

2. *How do we then productively manage the situations where cross-sector stakeholders collaborate to achieve an advantage that is central to producing the desired results?*

1.5 Focus of the Study

The focus of the study is analysing the current cross-sector partnership arrangements (soft systems) on human settlement establishment and housing delivery with the aim of improving the outcomes by critically looking at the following areas of partnership frameworks:

- The relationship between the state and society (Akoff, 1994)
- The relationship among the three tiers of government
- Public/private collaboration (Huxham & Vangen, 2000)
- Public participation (Choguill, 1996)
- Leadership (Senge, 1990 Yukl, 2008)
- Group learning (Senge, 1990 Schon, 2000)

1.6 Review of Scholarly Literature and other documented material on the subject

It is the vision and objective of the post-apartheid government as reflected in the low-cost housing policy to improve the welfare of the poor by providing sustainable low-cost housing, to deliver basic services using a consultative, people-driven process as a buy-in, and to gain acceptance for the sustainability of the human settlements (Government S. A., 1994). The white paper also states (Government, 1994 paragraph 4.4.4) that the government is committed to a development process that is driven from within the communities, and it is within that context that communities need to become partners in the development process. Although this is a generally accepted initiative which is supported by stakeholders, many constraints have hindered its full implementation. It is the aim of the study to suggest ways of using cross-sector partnerships to collaborative advantage that delivers the desired outcomes by having stakeholders working out of their areas and zones of comfort in a win-win situation.

The perspectives of other stakeholders are determined from research and the research findings are then compared with those described in the relevant literature. Some of the themes have already been outlined above. Other themes may emerge during the course of the study.

1.7 Theoretical Framework

The International Business Leaders Forum as cited by Rein, Scott, Yambayamba, and Hardman (2005: 1) defines multi stakeholder partnerships as follows:

> *"A partnership is a cross-sector alliance in which individuals, groups or organisations agree to:*
>
> - *work together to fulfil an obligation or undertake a specific task*

- *to share the risks as well as the benefits*
- *and review the relationship regularly, revising their agreement as necessary."*

The words partnership, alliance, co-operation, collaboration and association will be used interchangeably throughout this study. The phrases cross sector partnerships, multi-stakeholder partnerships, and inter-sectoral partnership will also be used interchangeably to describe the diversity of the partnerships.

Central to our understanding of partnerships is the sense of some joint collaboration, whether formally or informally, on outcomes that are mutually beneficial to both parties (Rein, Scott, Yambayamba and Hardman, 2005) in what is often viewed as win-win situations. Cross-sector partnerships are often intended to achieve a collaborative advantage for both parties and to lead to viable and successful delivery programmes.

The theoretical framework of partnerships is described below. Various field studies will be conducted and the resulting data analysed, in cases where the level of partnership and partnership participation is the variable. Comparisons will be made in an effort to improve the processes. The evaluation will take the following form:

i. Cross-sector Partnerships:

Cross-sector partnership framework[6] as a strategy to implement low-cost housing.

[6] Partnership involving three tiers of government, private practitioners, business, civil society and beneficiaries

ii. The problem is the following:

Complexity and the human element in an inappropriate partnership framework often increase project failure risks and result in unintended outcomes.

iii. The research paradigm:

The research is based mainly on the human element - "Soft Systems". The Interpretive Systems Approach examines the problem from the point of view of different stakeholders.

vi. Evaluation and suggestions for improvement:

The research will result in the evaluation and assessment of the situation and make recommendations for improvement, using Checkland's Soft Systems Methodology (SSM) as a tool. As described by Jackson (2000), SSM is a model used to try to diagnose the source of problems involving complex human interactions. In this case, SSM could give rise to an intervention relating to how a partnership may be productively designed, by comparing the status quo to the theoretically ideal framework.

v. Presentation of the results, findings and recommendations

The theoretical framework will focus on partnership theory and framework in the context of a holistic systems approach. The study will take into account that the dominant practitioners in the low-cost housing delivery programme are either project managers or engineers or both, as is the case at HSC Consulting, a company that I am a member of. These practitioners are usually technically trained and experienced to deal with typically structured problems which can be modelled scientifically as

opposed to complex and unstructured problems arising out of social systems, which require different solutions and a paradigm shift from goal seeking.

1.8 Research Design, Methodology and Methods

1.8.1 Methodology: Theory and Practice

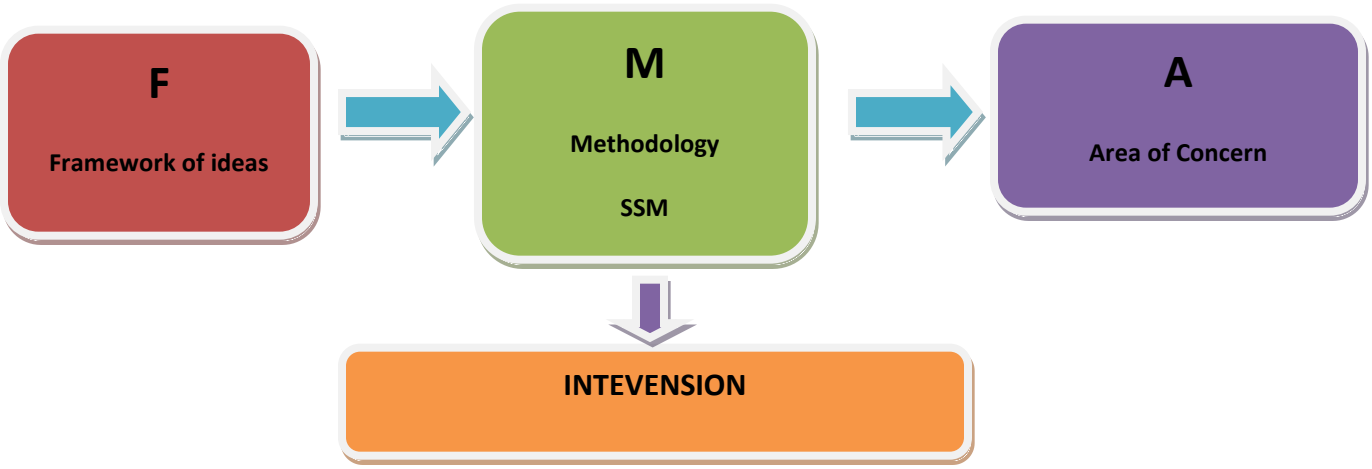
The research is based on the elements of Checkland's work seen as necessary to this research project, as illustrated in the diagrammatic sketch below. The design is based on the fact that there must be

i. A Framework of ideas, F, in which knowledge about and information on the situation being researched is articulated. In the case of this research project, the framework of ideas is based on partnership and framework theory as the vehicle that drives the delivery of low-cost housing.

ii. The methodology, M, in which the framework of ideas is embodied, would be Checkland's Soft Systems methodology, SSM. SSM is used to investigate the situation, to intervene, to recommend improvements, and to learn through the research process.

iii. The third element is the Area of concern, A, and in this particular research A is the problems arising out of the involvement of people as stakeholders in the delivery process.

Figure 1.2: Methodology: Theory and Practice



F is the nature of the subject and the knowledge contained in the subject, which symbolise what is deemed good practice on the subject. F is applied through M to A. The above illustrative chart figure 1.1 is further expanded in figure 1.2

1.8.2 Research Design

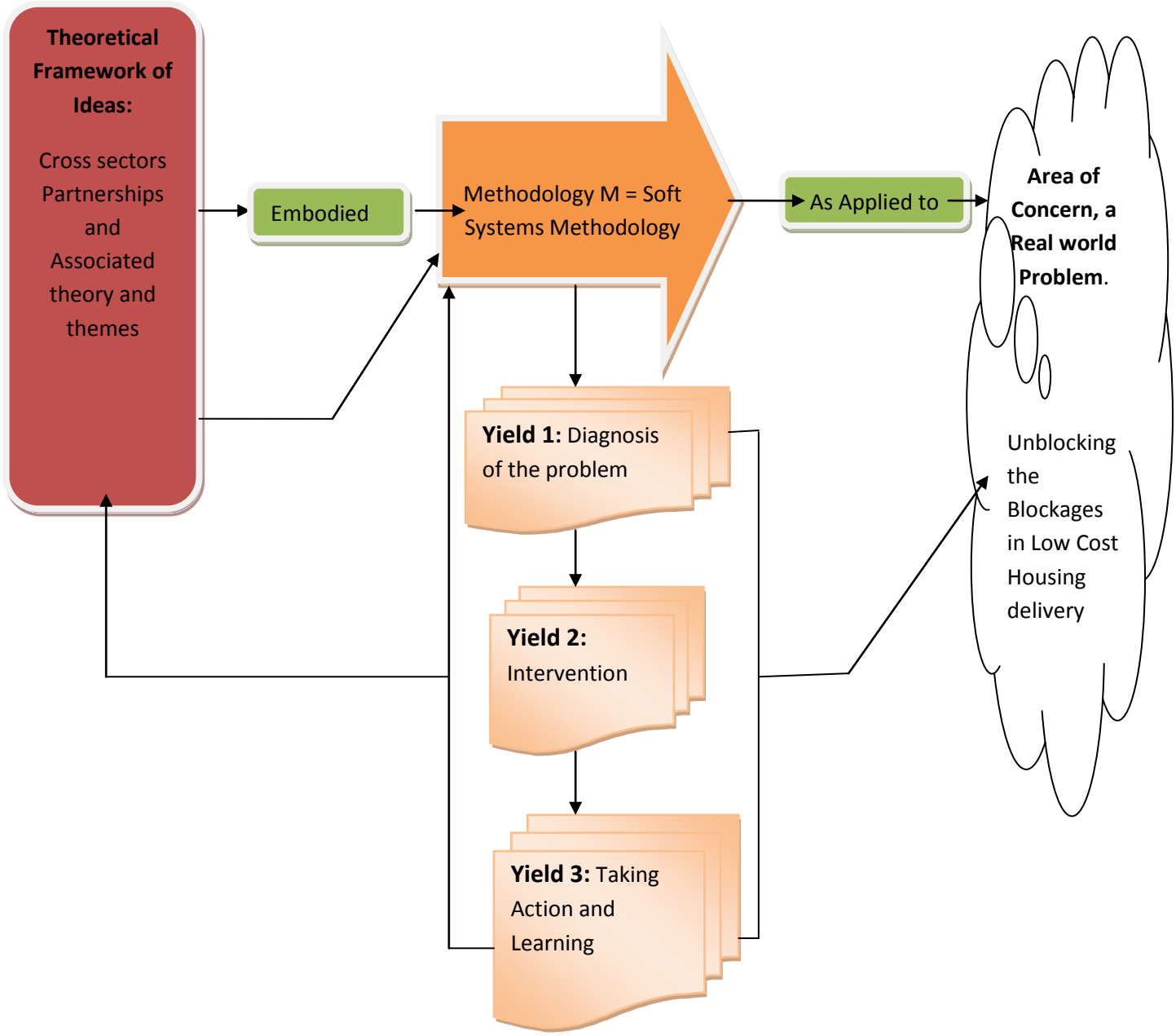
The study consists of qualitative research, relying on a social constructivist worldview. This worldview assumes that individuals seek understanding of the world in which they live. The meanings they make are varied and multiple, and demand that the study focus on complexity of the varied views as opposed to narrowing the complexity into simpler forms (Creswell, 2009). The idea is to get as many views of the situation being studied as possible using open-ended, broad, general questions that generate meaning.

The study will focus on randomly selected housing projects that “limped” their way to partial completion, randomly selected projects that became total failures and are now subject of investigation, and some projects that have been certified completed and handed over to beneficiaries.

The study will also draw on literature that focuses on low-cost housing, and reports on the subject, on public participation and on research articles dealing with partnerships.

Picture 1.2 A “completed” and occupied house in Mt Frere Low-cost Housing Settlement

Figure 1.3: Elements relevant to the research



1.8.3 Research Paradigm

Studies of technical projects with multi-stakeholder participation are most suitable to be analysed using the Interpretive Systems Approach paradigm.

The Interpretive Systems Approach is also referred to as “soft systems thinking” (Jackson, 2000) because of its emphasis on people rather than technology and process design, which most practitioners such as technical project managers and engineers are trained and experienced in.

The areas of concern in the Interpretive Systems Approach are mostly values, perceptions, beliefs and interests. Jackson further argues that the Interpretive Systems Approach accepts that “multiple perceptions of reality exist” and assists practitioners to work in a pluralistic environment as opposed to the traditional practitioners “goal seeking” in the Functionalist Systems Approach, which seeks viability, efficacy and efficiency.

1.8.4 Field Research Method

The research method for gathering is from observation, documentary interrogation, and structured and unstructured interviews using probing, open-ended, broad, general questions. The respondents are from national and provincial departments of Human Settlement, municipalities, and a sample of beneficiaries.

1.9 Ethical Considerations

The ethical considerations of the research are based on the Community Based Participatory Research (CBPR) framework. The engagement of people from poor communities and issues of race and ethnicity in research projects require that increased attention be paid to ethical practices (Bastida, Tung-Sung, McKeever and Jack Jr., 2010).

In terms of public conditions of service, some of the data required may be perceived as being sensitive to the security of employment of officials, or may involve access to sensitive information that is subject to criminal investigation, and every effort will be made to assure fairness in the conduct of the research, and the privacy and dignity of the participants.

Senior government officials from the Department of Human Settlement and municipal personnel were identified and approached for permission to conduct the research and no objections were raised. They were materially in support of the study, requesting that the results be made available for their use.

1.10 Limitations of the Study

A limitation of the “soft systems” method of investigating social systems is that the results may or may not be replicated in other similar research projects, given the complexity of the variables in play. However, in this particular instance the lessons learnt could be valuable in assessing low-cost housing delivery strategies.

It may be difficult to access data on the competencies and capacities of individuals (other than what can be extrapolated through observation), as such data would have a bearing on the security of employment of the individuals.

1.11 The structure of the dissertation

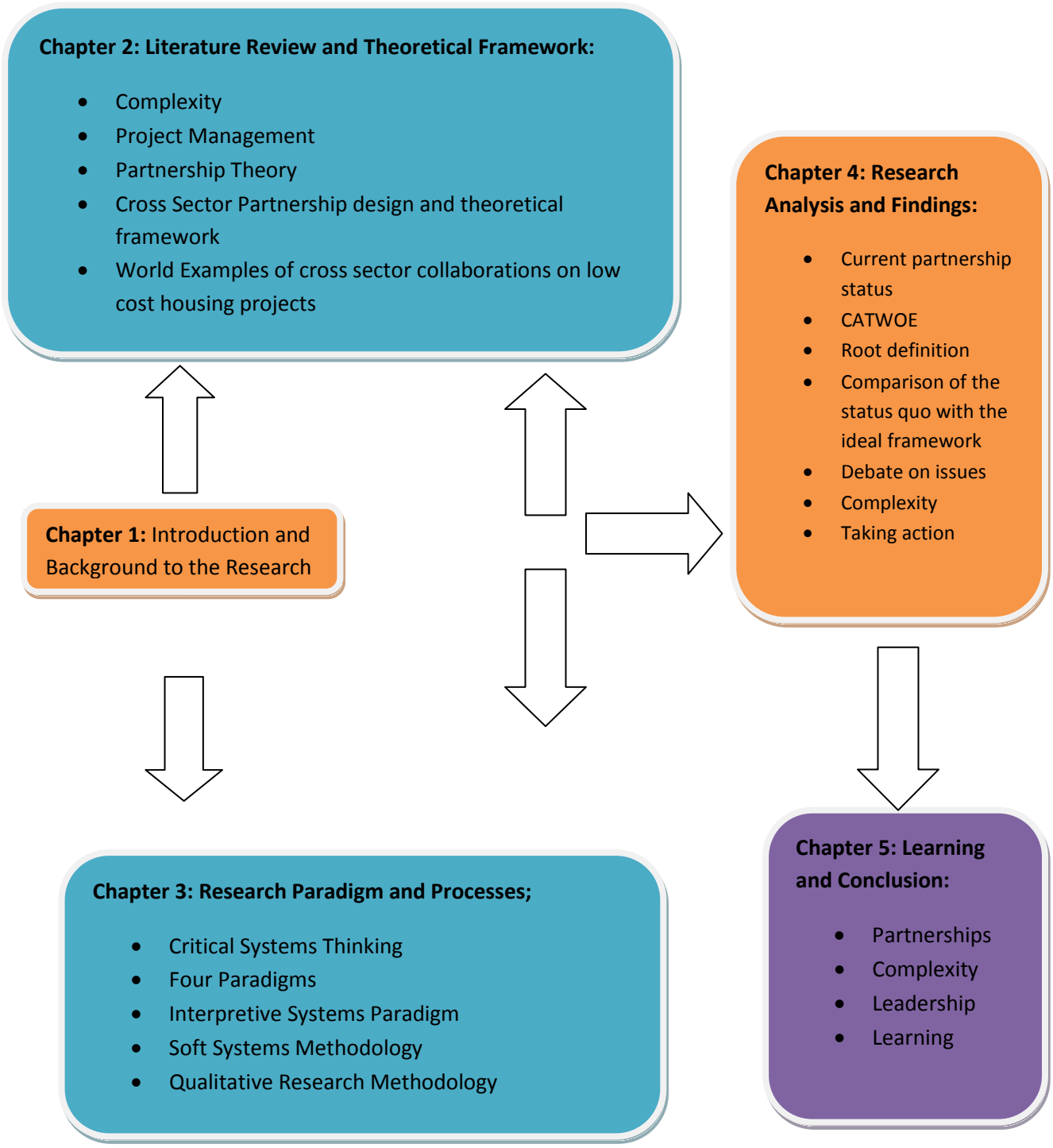
The structure of the dissertation is as follows:

1. **Chapter 1: Introduction**
2. **Chapter 2: Literature Review and Theoretical Framework**
3. **Chapter 3: Research Paradigm and Processes**
4. **Chapter 4 Research Analysis and Findings**
5. **Chapter 5: Learning and Conclusion**

Picture 1.4 Butterworth informal settlement: the severity of the low-cost housing problem in the Eastern Cape. This informal settlement is over ten years old, and no improvements to the conditions of living have taken place. The settlement is getting bigger and bigger (2010).

Below is a process flow for the chapters in the context of the overall Research

Figure 1.2 Chapters in Context of the Overall Research



1.12 Summary

This chapter establishes the context of the research study.

The study aims to show that although cross-sector partnerships is a viable strategy to drive the programme of delivering low-cost housing to the poor, the partnership interaction and relationships are significant contributors to the success or failure of the programme.

The study will show the effectiveness of the proposed partnership model compared with what currently exists as a partnership. Importantly, the study is aimed at being the beginning of further learning on dealing with and managing social intervention projects such as low-cost housing programmes, sanitation programmes and other social upliftment projects which combine both hard systems and soft systems components.

Picture 1.5 Butterworth Informal Settlement (2010)

Chapter 2: Literature Review and Theoretical Framework

2.1 Introduction

Government programmes that address complex societal issues such as drugs, AIDS and HIV infection and control, poverty and low-cost housing are differentiated by their models of exchange and interaction between various stakeholders, their systems and their management paradigms (Regeer, Hoes, van Armstel-van Saane, Caron-Flinterman and Bunders, 2009). Regeer et al argue that continuous evaluation of the delivery processes in programmes such as cross-sector collaboration in low-cost housing suggests that practitioners contribute to the improvement of such public programmes and thus foster societal change.

Through the United Nation Development Programme (UNDP), the United Nations recognizes that partnerships and strong community participation in matters that affect poor communities are central to the success of the implementation of social upliftment programmes:

"Decentralised Governance carefully planned, effectively implemented and appropriately managed, can lead to significant improvement in the welfare of people at the local level, the cumulative effect of which can lead to enhanced human development" (Work, 1997: 4).

Work (1997:4) describes decentralised governance as

"A system of values, policies, and institutions by which society manages its economic, political and social affairs through interactions within and among state, civil society and private sector"

Work (1997) and Brinkerhoff (1999) argue further that some of the key characteristics of decentralised governance are stakeholder participation, accountability, legitimacy, transparency, the development of consensus and a shared common vision, and most importantly that these characteristics are interrelated and interdependent.

There has been a significant shift in emphasis from government to governance in recent years in the democratic and developed world (Brinkerhoff, 1999; Gilchrist, 2006), and the trend is gaining momentum in developing countries and in Africa, with South Africa already following the trend. Governance is a term used to describe arrangements in which governments share power with others to create public value (Crosby & Bryson, 2005). This has created new opportunities for underprivileged, disadvantaged people and communities to participate in decisions that affect them (in terms of economics, racial and power imbalances) (Taylor, 2006; Chaney, 2002). In the UK, over the past decade it has recently been acknowledged that decision making and service delivery can be greatly enhanced through partnerships across sectors and by involving affected communities (Gilchrist, 2006).

Chile pioneered the capital housing subsidy approach as an intervention to house the poor in 1977 (Gilbert, 2004: 13) and they have been improving the process since. Other countries such as South Africa, Colombia, India and Brazil have adopted the model (Gilbert, 2004). The post-apartheid South African Government through the housing policy white paper (Government White Paper, 1994, paragraph 4.4.4) has shown its commitment to the process of delivering low-cost houses being driven by the communities affected, and this

can only be done effectively through cross-sector partnerships between communities, civil society, the private sector and the tiers of government.

Although partnerships can be an advantage in achieving the desired goals, many partnerships struggle to attain what is intended (Weiss, Anderson and Lasker, 2002, Huxham and MacDonald, 1992; Huxham and Vangen, 2000). As stated earlier in this study, the process is often hindered at implemetation since many partnerships encounter numerous obstacles when attempting to create good working relationships among their components. The obstacles are complex and not well anticipated, often leading to partnership breakdown, or what is often reffered to as "collaborative inertia" (Huxham and Vangen, 2006: 3). It is the aim of this study to holistically analyse such barriers and recommend improvements in the process of delivering services to the poor through an internationally recognised process of cross-sector partnerships.

The cross-sector partnership process in low-cost housing projects cannot be critically analysed in isolation, but must be situated in the context of complexity theory, project management theory, a consideration of environmental factors, systems thinking, strategic imperatives and organisation dynamics, as all of these combined have a relationship with the overall success or failure of the social intervention programme of delivering quality houses to the poor *en masse.*

In this chapter we look at the following:

- The background to low-cost housing in South Africa
- Project management and complexity
- A general systems approach to low-cost housing projects
- Factors affecting success or failure in low-cost housing projects

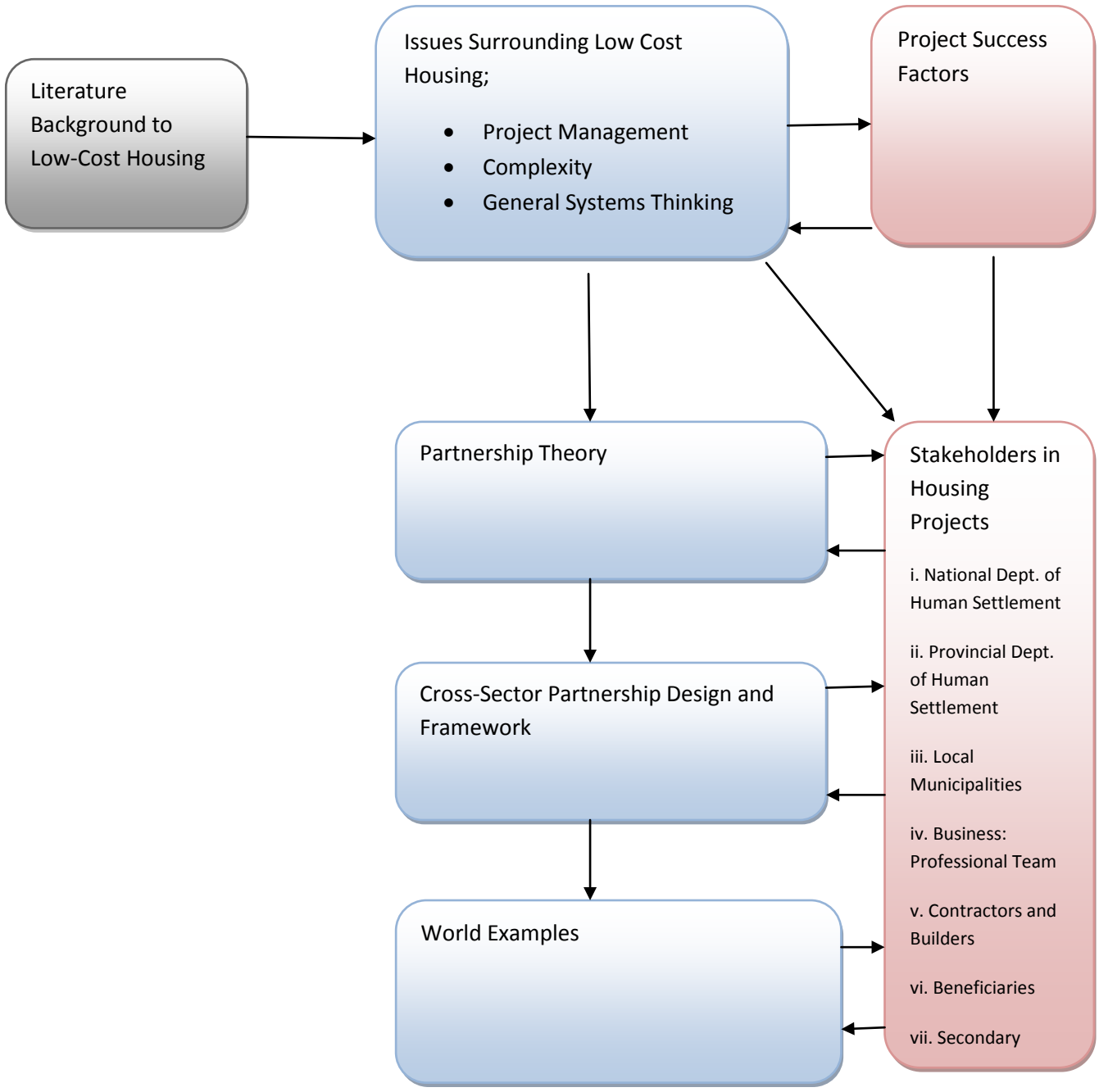
- Partnership theory in general
- Cross-sector partnership for social intervention
- Levels of partnership participation with beneficiary communities
- Cross-sector partnership frameworks
- Examples of cross-sector partnerships internationally

2.2 Background to Low-cost Housing

Low-cost housing is defined as dwellings that are suitable to the needs of low income people by virtue of their design, their location, and the access to services and employment opportunities. Low-income households in terms of South African policy are those with a combined household earning of less than R3000 a month.

When the White Paper on housing was launched in 1994, the national government embarked on an overly ambitious plan of attempting to build and deliver 1 million houses to the needy within the 5 years from 1995 to 2000. This, the government envisaged would be achieve using a multi-partnership arrangement involving the three tiers of government, the private sector (through service providers) and the community. The money was budgeted, “plans” were made, and one of the key ingredients missing was a partnership framework design which would be accompanied by effective monitoring and evaluation processes. The State obviously failed to meet the target.

Figure 2.1 Literature Review and Theoretical Framework Functional Linkage



Picture 2.1 Waterfall Park Phase IV. 10 years later the project is not yet complete.

Picture 2.2 The Mount Frere low-cost housing project. The project started in 1997 and till to date still not complete (2010). A significant number of the houses (30%) are in need of rectification while some still need to be completed to an acceptable standard.

The 2010/2011 South African financial year budget speech, 21 April 2010, by the National Minister of Human Settlement, Tokyo Sexwale, outlines the current government's thinking on the programme, while at the same time outlining his and the National Department's perspective of the problems (Sexwale, 2010)

http://www.politicsweb.co.za/politicsweb/view/politicsweb/en/page72308?oid=172539&sn=Marketingweb%20detail 17 March 2011.

The processes of delivering services to the poor through cross-sector collaboration are currently not producing the desired outcomes in the Eastern Cape. The same could be said for the rest of the country.

Table 2.1 and **Table 2.2** reflect data on housing delivery provided by the National Department of Human Settlement. The figures fall short of the target of 5 million houses. Maybe the target was unrealistic; however the figures show that there are problems in the programme. (**Source:** Eastern Cape Department of Human Settlement)

Table 2.1: Housing Backlog as of 2010:

Province	Housing Backlog
Eastern Cape	361,271.00
Free State	123,200.00
Gauteng	518,897.00
Kwa-Zulu Natal	402,803.00
Mpumalanga	211,620.00
Northern Cape	48,576.00
Northern Province	426,605.00
North West	411,221.00
Western Cape	280,000.00
RSA	**2,784,193.00**

Table 2.2: Total number of houses built since 1994 (source: National Human Settlement Department June 2010)

Province	Total Number of Houses Built	Housing Backlog	% of Backlog
Eastern Cape	110,000.00	361,271.00	30.45
Free State	90,000.00	123,200.00	73.05
Gauteng	400,000.00	518,897.00	77.09
Kwa-Zulu Natal	202,000.00	402,803.00	50.15
Mpumalanga	66,474.00	211,620.00	31.41
Northern Cape	30,000.00	48,576.00	61.76
Northern Province	70,000.00	426,605.00	16.41
North West	90,000.00	411,221.00	21.89
Western Cape	160,000.00	280,000.00	57.14
RSA	**1,218,474.00**	**2,784,193.00**	43.76

(Source: Eastern Cape Department of Human Settlement May 2010)

Furthermore, on the 7th April 2010 in the national parliament in Cape Town, the Minister of Human Settlement, in answering questions in Parliament, admitted serious failures in the process, such as the fact that 40,000 houses had had to be demolished (Sexwale, 2010)

http://www.politicsweb.co.za/politicsweb/view/politicsweb/en/page72308?oid=169833&sn=Detail.17 March 2011

The Minister went on to admit some rather serious procurement process failures. What was evident in his speech was the symptomatic treatment of the problem by investigating and prosecuting malpractice and what was clearly missing in his statement was an analysis of the causes of such malpractices and a description of the steps to be taken to minimise such problems in the delivery process.

Beneficiary participation in such partnerships is important to the performance and sustainability of low-cost housing projects because the beneficiaries are assumed to be capable of making decisions about their lives and what is best for them (Lizarralde and Massyn, 2008). Community participation and the forming of partnerships with beneficiaries is intended to foster the sustainability of human settlements by means of a bottom-up approach, as stated in the White Paper (Government S. A., 1994).

Stakeholder participation in programmes such as low-cost housing development is not a new concept. It has been implemented and studied over the past 50 years in places such as the USA and South America. What is new in South African practice is the level of community participation, which often goes beyond the level at which implementation is feasible.

The government policy as outlined in the White Paper stresses a people-centred approach with a heavy emphasis on active community participation. Politics in the new South Africa has been significantly influenced by grassroots communities. In the post-apartheid political discourse, phrases such as mass mobilisation, grassroots support, public support, and so on dominate political debate. This is largely because the grassroots communities played a significant role in shaping post-apartheid politics through decades of resistance to apartheid by utilising strategies such as resisting imposed authority in black townships, boycotting the payment of municipal services, refusing to move from one area to another (resisting the mass evictions of the Group Areas Act) and invading land earmarked for other developments.

Mayekiso (1996) as cited by Miraftab (2003) argues that grassroots communities held and still hold significant political and social capital that could be utilised to further post-apartheid low-cost housing initiatives.

The impact of years of apartheid on human settlement is a major concern to anyone trying to understand South African urban reality today (Huchzermeyer, 2003). Increasing levels of poverty, the removal of the apartheid Group Areas Act and urban influx laws have led to significant increased urban migration, creating a huge backlog in the provision of low cost-housing.

Impatience with the slow delivery process is often leading to poor and desperate people to taking drastic measures such as land invasions and the building of informal settlements in urban areas. The construction of

informal dwellings in the back yards of formal townships is also creating a huge impact on the already strained services provision, as a result of having more than one family stay on a township erf. All of that is further complicated by the potential risk of the development of environmental and health hazards and the concomitant socio-economic impacts.

In countries like Zimbabwe, the government has resorted to mass demolitions and mass evictions as has been reported in the media in what the government named "operation drive away filth" or "Operation Murambatsvina" (Mail and Guardian, 2010, Bratton & Masunungure, 2006). In Brazil there was a shift in policy from demolitions and evictions to the upgrading of the settlements, which resulted in vibrant activity in construction during the 1980s (Huchzermeyer, 2003: 593).

The provision of low-cost housing has been one of the main focuses of the post-apartheid government. Over 1.9 million houses were completed or under construction between 1994 and 2010. There have been notable successes, but at the same time there have been serious concerns, such as the following:

- The poor quality of the houses. The government has launched a programme to rectify these. 40,000 of such houses have had to be demolished (Annexure B)
- Houses that are too small and fails to meet the needs of the poor
- Projects that are implemented too slowly or are abandoned
- The abuse of funds
- Stakeholder participation problems (sometimes leading to conflict)
- Mismanaged expectations of the beneficiaries

- The unsuitability of some the locations chosen for the developments

The above problems could be limited with the establishment of effective cross-sector partnership in implementing the projects. It is for this reason that this study attempts to link the partnership framework to the success or failure of the low-cost housing delivery programme, thus effectively minimising the implementation risks.

2.3 Projects, Project Management and Complexity

One of the strategies in delivering low cost-houses *en masse* is to break the national project up into manageable, regional projects.

A project is defined as follows:

> *"A project is a complex, non routine, one-time effort limited by time, budget, resources, and performance specifications designed to meet customer needs"* (Gray and Larson, 2007: 5).

Kerzner (2008) argues that a project has

- Specific objectives that need to be completed and delivered within certain specifications
- A defined timeline
- A specific budget

- Consumes resources (human and non human)
- And is multifunctional (cutting across functional lines)

Typically projects consist of four phases: defining the project scope, planning the project, executing the project and closing and delivering the project to the client. Project management provides a set of tools that improves the ability to plan, implement and manage the relevant activities in order to accomplish specific organisational objectives. However project management is more than just a set of tools, as argued by Gray **and Larson (2007:3):**

> *"It is a results-oriented management style that places a premium on building collaborative relationships among a diverse cast of characters."*

The Project Management Institute (PMI 1996), as quoted by Fabac (2006: 542), believes that

> *"Project Management is the application of knowledge, skills, tools, and techniques to project activities in order to meet or exceed the stakeholder needs and expectations from a project. Meeting stakeholder or exceeding needs and expectations invariably involves balancing competing demands among:*
>
> - *scope, time, cost and quality,*
> - *stakeholders with differing needs and expectations,*
> - *identified requirements (needs) and unidentified requirements (expectations)"*

Project management is viewed as part of general systems management (Kerzner, 2008). Systems theory attempts to solve problems holistically, rather than through an analysis of the components (Kerzner, 2008). General systems theory as Kerzner argues can then be further explained as a management approach that attempts to integrate information across many fields of knowledge and organisational disciplines.

Projects and programmes, like project management and programme management, have a hierarchical relationship to each other. The programme and programme management exist at government level, whilst projects and project management exist at implementation level.

A number of low-cost housing projects are being implemented in the Eastern Cape Province with varying outcomes. Successful implementation of the projects requires both technical (hard systems) skills and socio-cultural (soft systems) skills (Gray and Larson, 2007). Project managers have to plan and budget their activities and as well to coordinate and orchestrate the input and contribution of other members (or partners).

A low-cost housing project is complex, as it is both a construction and a social intervention project which requires a number of parties to collaborate, and this requires expertise, teamwork and team spirit at all levels. Team building is therefore important among parties, collaborators and or partners (Chan, Scott and Chan, 2004; Baccarini, 1996; Huxham and Vangen, 2006; Bryson, Crosby and Middleton Stone, 2006).

Complex projects are characterised by ill-structured or unstructured problems that require an exceptional level of management in that the conventional systems developed for ordinary projects have been found to be inadequate and inappropriate (Chan, Scott and Chan, 2004; Kerzner, 2008; Thomas and Mengel, 2008).

When defining complexity, two dimensions as outlined below stand out and become relevant.

i. Complicated

Complexity in projects is subjective in that it exists in the eyes of the beholder. It can be characterised as anything with a varying degree of involvement and intricacy. This type of complexity (hard systems) is not the subject of the research, as we view the technical aspects of the inputs into low-cost housing as not being complicated.

ii. Project Complexity

Complexity in projects is described as follows:

"Projects that are complicated (social complexity), involved, intricate and with many varied and interrelated parts and can be operationalized in terms of differentiation and interdependency" (Baccarini, 1996: 202).

A complex system is then described as

> *"a system formed out of many components whose behaviour is emergent. That is to say that the behaviour of a complex system cannot be simply inferred from the behaviour of its components"* (Whitty and Maylor, 2009: 305).

The general theoretical characteristics of complex systems (Cilliers, 1999), (Anderson, 1999) are as follows;

i. Complex systems are open systems with a varied number of elements that in themselves may be simple.

ii. The elements interact by exchanging energy or information among themselves and with the environment. The interactions are non-linear, rich, with direct and indirect feedback loops and their effects are propagated throughout the system. The behaviour of the system is emergent and determined by the nature of the interactions, and not the properties of the elements. The emergent behaviour cannot be predicted by the properties of the elements.

iii. Complex systems operate at conditions far from equilibrium.

iv. Complex systems have history and memory that is not located at a specific place, but distributed throughout the system. The history affects the behaviour of the system.

v. Complex systems are adaptive, and can (re)organise their internal structure without outside intervention by an external agent.

Complexity theory (Jackson, 2000) is wide in scope, and is used to explain the unpredictable behaviour over time of human, social and natural, complex systems. Organisational theorists draw their theory from any of or a combination of three approaches: Chaos Theory, Dissipative Structures and Complex Adaptive Systems (Stacey, Griffin and Shaw, 2000).

Chaos Theory

Chaos theory concerns itself with the behaviour of dynamic and unstable systems, which are continuously changing and evolving in random fashion.

Dissipative Structures

Dissipative structures are structures that build upon the dynamic between stable and unstable as a way of pointing out the uncertainty. The phrase "Dissipative structures" was originally coined by a Russian-Belgian physical chemist Ilya Prigogine, who won a Nobel prize for chemistry in 1977 on his work on thermodynamics when explaining the concept of patterns which self organise far from equilibrium, where as he explains that dissipative structures are characterised by the random and spontaneous occurrences of symmetry breaking and replaced with complex, at times chaotic patterns and structures where the interacting particles exhibit long range correlations.

In management science the concept is associated with managing in turbulent environments and complex adaptive systems. In systems thinking, it is the relationship of the parts and their interaction with each other and the environment which is more important than the properties of the parts. In non linear systems, a change in one or more parameters can drastically change the behaviour of the whole system, and the whole can be

different from the sum of the parts. This all means that complex systems transform inputs to outputs non-linearly.

Complex adaptive systems

There is a universally accepted paradigm for describing Complex Adaptive Systems CAS. Complex Adaptive Systems consist of spontaneous, self-organising, independent agents whose behaviour is determined by interaction and relations with one another and the environment (Anderson, 1999). The agents are adaptive in that they do not merely respond to events, but rather evolve and or learn. Each agent has its own schema that guides it and is also guided by the schema shared with other groups. The following four elements characterise Complex Adaptive Systems s applied to organisations in complex environments;

i. Agents with Schemata

Agents may be in organisations, or as in this research they may be the stakeholders in the cross-sector collaboration, management, various departments and agencies such as a municipality, provincial and/or central government, the private sector, small business units, organisational structures, geographic branches and so on.

Schemata in the sense used here are assumptions, expectations, values, habits and embedded cultures. The agents continually interact with one another and through their interactions schemata are constructed and re-constructed and altered or modified. These interactions are continuous, with agents being added and removed, making predictability difficult in terms of offering long-term plans and strategies.

ii. Self organising Networks sustained by importing energy

Anderson argues that as agents interact in complex organisations such as the cross-sector framework and its stakeholders, departments and so on, self organising becomes a result of the interactions between agents. In fact such interactions are the key to the patterns that emerge as a result of the interaction.

Anderson also argues that management through exerting authority "can turn the heat up or down" by actions such as the following:

- introducing new members
- motivating role players
- re-organising the structures or the cross-sector partnership framework
- introducing new procedures that require change and adaptation

Self organisation is sustained by generating high energies, which result from keeping an organisation in a state of turbulence. An example of the above is conveyed through a football metaphor: the pace of the game can be increased or lowered by key substitutions.

Complex Adaptive Systems (CAS) models, when applied to organisations, require managers and leaders to focus on the connections between agents as opposed to the connections between variables, and this poses a challenge to long-term rigid planning and strategies.

iii. Co-evolution at the edge of chaos

CAS exists in the boundary areas, or rather at the edge of chaos, where order starts to disappear, and the agents in the system have to adapt in order to survive by co-evolving in the constantly changing environment. The agents usually have divergent goals that often require them to co-exist and adapt to one another's behaviour.

CAS creates variety and often risks functionality when closer to equilibrium. One cannot tell which of the variations will have the greatest influence on the systems because the sum of the parts is different from the whole system. Often small variations can have huge effects and often enough small patterns can combine and have a huge impact on the overall system because of the non linear relationship of inputs to out-puts (Anderson, 1999).

iv. Recombination and systems evolution

The interaction of agents enacts historic patterns, or previously formed schemata with slight or major changes. Agents are often able to recognise the patterns of their interaction and choose to keep them, modify them, or construct new patterns without altogether abandoning the original elements. In such

a case, the system is flexible and open to new ideas, and may evolve while being consistent with its original schemata.

These schools of thought (Chaos Theory, Dissipative Structures, and Complex Adaptive Systems) have a common denominator in that the systems to which they refer, when disturbed, revert to either a stable state zone or to an unstable state zone. Under appropriate conditions the system may operate between the two zones in what is called “the edge of chaos” (Anderson, 1999; Thomas and Mengel, 2008; Rosenhead, 2005).

Construction projects such as low-cost housing projects are generally characterised by the involvement of several diverse and separate organisations or entities, such as consultants, beneficiaries, and a municipality, which generally leads to the creation of a temporary organisational structure (cross-sector collaboration). This often leads to organisational complexity that can be viewed in two dimensions: differentiation and interdependency.

Complexity in terms of differentiation and interdependency, as stated above can be either technological or organisational (Baccarini, 1996: 202).

2.3.1 Organisational Complexity (Differentiation)

Organisational complexity refers to an organisational structure that contains differentiated parts. The greater the differentiation the more complex the organisation is.

i. Vertical differentiation in low-cost housing projects

Vertical differentiation, also referred to as vertical complexity (Anderson, 1999), refers to the hierarchical depth of an organisation, which would mean the number of levels it contains (Baccarini, 1996). At present the delivery of low-cost housing in South Africa presents a complex structure in that the projects are implemented at municipal level and are layered all the way up to provincial and national level.

ii. Horizontal differentiation in low-cost housing projects

Horizontal differentiation, also referred to as spatial complexity (Anderson, 1999) in projects such as low-cost housing, is two-dimensional. That is, organisational units are related to geographical locations and the task structure (Baccarini, 1996).

2.3.2 Organisational Complexity by Interdependence

Organisational complexity by interdependence refers to the degree of operational interdependence and interaction of the various elements of the project. The degree of complexity in this instance refers to the interdependence of organisational units that are either pooled together, are sequential, or reciprocal.

i. Pooled interdependence

Pooled interdependence occurs when the combined outputs are the direct result of all of the outputs of all of the elements in the collaboration, or the parts that make up the whole. The output of one entity is not necessarily dependent of the outputs of the other elements.

ii. Sequential Interdependency

Sequential interdependency occurs when the output of one entity is entirely dependent on the output of another.

iii. Reciprocal interdependency

Reciprocal interdependency is the highest level of complexity, where the output is produced via a collaboration of all parties, and all parties are entirely dependent on one another's outputs for a combined result. This is the situation that dominates all construction processes.

2.3.3 Technological Complexity

Technology in the context of projects and project management is a multi-dimensional concept that can be broadly described as a process transforming inputs into outputs, in which the transformation involves the use of material, techniques, different specialists and specialities, knowledge and skills together with a number of different and separate actions that are required to produce an output. The separate actions can be differentiated by technology, time and location.

i. Technological Complexity (differentiation)

This refers to the varied and diverse aspects of the tasks to be performed, such as the number and diversity of the project inputs and or outputs, the number of different and separate actions or tasks that are separated by time and space that need to be performed to produce a result, and finally the number of specialists or different professional services involved in the contract.

ii. Technological Complexity (Interdependency)

Technological complexity by interdependency includes interdependencies between different tasks, between different teams, and also within a network of tasks within the project. Like organisational complexity, this can also be pooled, sequential or reciprocal. Reciprocal interdependency is the dominant type in construction projects such as low-cost housing.

2.3.4 Integration

It is prudent for complexity to be interpreted and operationalized in terms of differentiation and interdependency and managed by integration. Integration in construction projects is achieved by communication, coordination and control since all construction projects are characterised by differentiated and often interdependent elements.

"Organisational units" refers to the number of formal organisations involved in the project, such as project managers, town planners, surveyors, a municipality, a provincial department, a national department, and so on. "Task structure" refers to the division of tasks, which can be split by either division of labour or by personal specialisation. "Division of labour" is breaking down the parts to simpler manageable units that do

not take particular skill, as found in production, assembly lines and or manufacturing plants. This type of division of labour is usually utilised at the construction stage in low-cost housing projects.

Specialised tasks as in low-cost housing projects are tasks performed by specialists, be they conveyancing lawyers, surveyors, engineers or planners. This is a characteristic of construction-type projects which, as (Baccarini, 1996) argues, belong to an ***"adhocracy"*** organisational structure, meaning a horizontal structure derived from professional and craft specialisations or "personal mastery" (Senge, 1990). The complexity can be made more complex by different and interdependent specialties working at different times and stages and locations within the project. That is referred to and described as "differentiated by time and territory". In the case of low-cost housing projects, differentiation would be by location, project site, municipal office, the location of professional services with relation to the site, provincial offices, and national offices.

It is this complexity that affects the success and or failure of projects such as low-cost housing projects.

2.3.5 Effects of Complexity on Projects

Complexity theory is generally concerned with the behaviour of complex systems over time (Rosenhead, 2005). The systems are dynamic and yet unstable, continuously evolving and changing in a rather random fashion and it is within this unpredictable environment that managers, project managers and programme managers must make key decisions (Thomas and Mengel, 2008: 307).

2.3.6 Competencies Required in Dealing with Complexity in Project and Programme Management

As projects become increasingly complex, it becomes important for project managers and other people associated with managing them to understand complexity and to be able to make plausible decisions in an environment that is non-linear, unpredictable and with unknown variables. In non-linear systems, as argued by Anderson (1999: 217),

> *"Intervening to change one or two parameters a small amount can drastically change the behaviour of the whole system, and the whole system can be different from the sum of the parts. Complex systems change inputs to outputs in a non-linear way because their components interact with one another via a web of feedback loops."*

It is argued by Thomas and Mengel (2008: 308) that

> *"Shared leadership; social competence and emotional intelligence; communication; skills in organisational politics; and the importance of visions, values, and beliefs have emerged as competencies that are required from project managers in complex environments."*

2.4 Integrated Management of Projects

The integrated approach to managing projects is summarised in the flow chart below.

<u>Technical Aspects (Hard Systems)</u>

In broad terms the following aspects are covered under technical aspects of a project:

- Scope

- Work Breakdown Structure
- Schedules
- Resource allocation
- Baseline Budgets
- Status reports

In general terms, in projects with a social dimension, like low-cost housing and human settlement, crime intervention, urban rehabilitation, or rural development, to mention a few, the technical aspects are by comparison the simpler portion of the whole. Designing and constructing infrastructure and basic houses for low-cost housing settlements (from a technical point of view) is much simpler than highly technical infrastructure roll-out programmes.

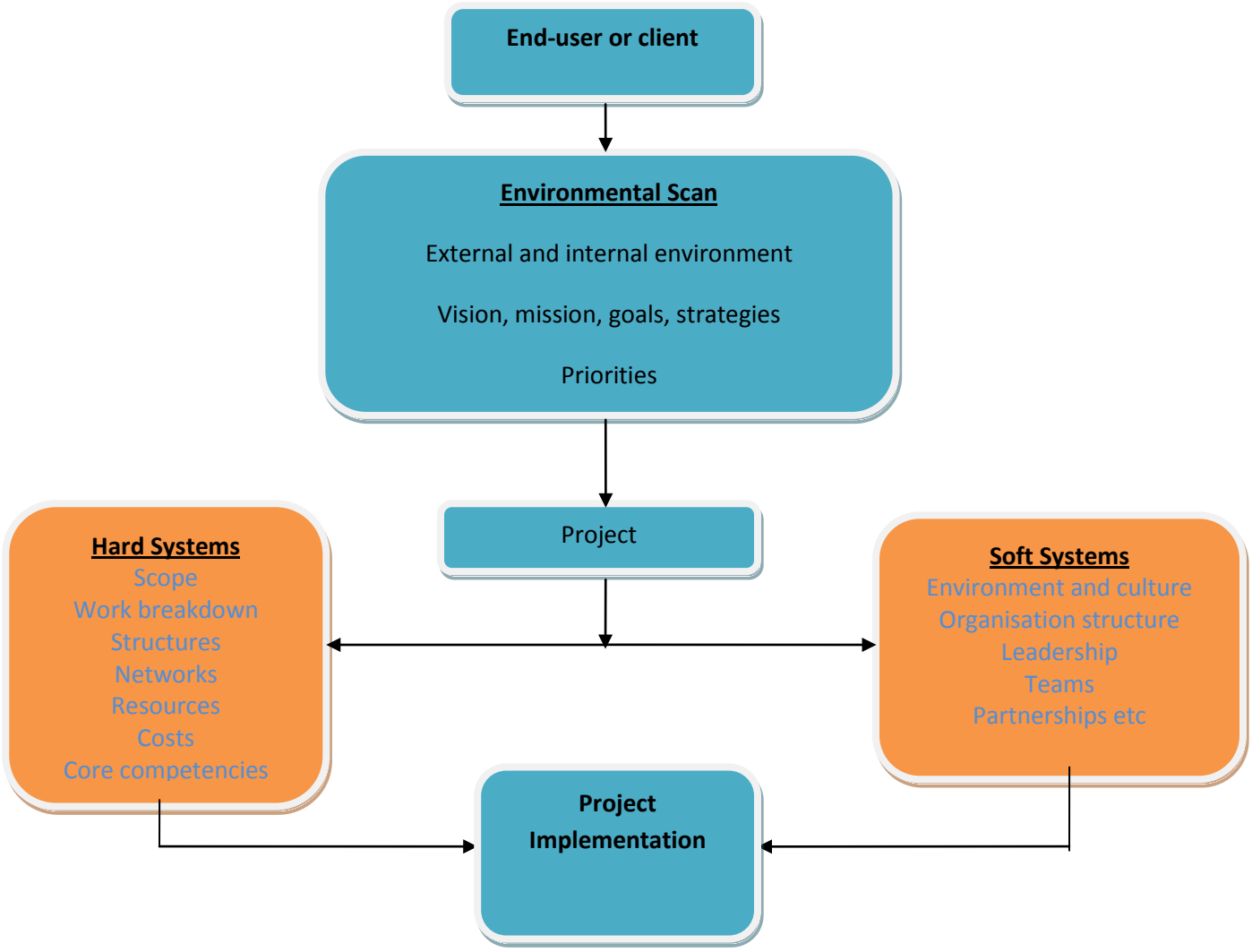
Socio-Cultural Aspects (Soft Systems)

In broad terms (as will be explained in more detail in a later part of the study) the following aspects are covered under the socio-cultural aspects of a project:

- Leadership
- Problem solving (ambiguity, power, fairness, conflict etc)
- Teamwork
- Negotiation
- Politics
- Stakeholder expectations and perceptions

Picture 2.3 The Ntabankulu low-cost housing project, a project started in 1998 and still not complete. Shown on the picture are sewage digesters that have deteriorated in the sun and been damaged beyond repair, resulting in fruitless expenditure.

Figure 2.2 The integrated managements of projects (adapted from Gray and Larson, 2008). The figure below shows the integrated approach to managing low-cost housing projects, where the execution and delivery of projects involve both technical aspects (hard systems) and socio-cultural aspects (soft systems)



2.4 Success Definition and the Factors Affecting Project Success or Failure

A project is successful from a management perspective, as argued by Kerzner (2008) when it has achieved its desired project objectives as defined in the project scope. The objectives have been achieved when they have been completed:

- Within the desired time
- Within the desired budget
- At a desired performance level (in the case of low-cost housing this would be to the required specification of an acceptable dwelling, usually a good quality 40 square meter house built to meet the standard municipal building regulations)

  And when the completion had been achieved with the assigned resources efficiently and effectively, and the dwellings
- Accepted by the beneficiaries and approved by the authorities. (In the case of low-cost housing, they would be inspected and accepted for occupation, having met municipal regulations.)

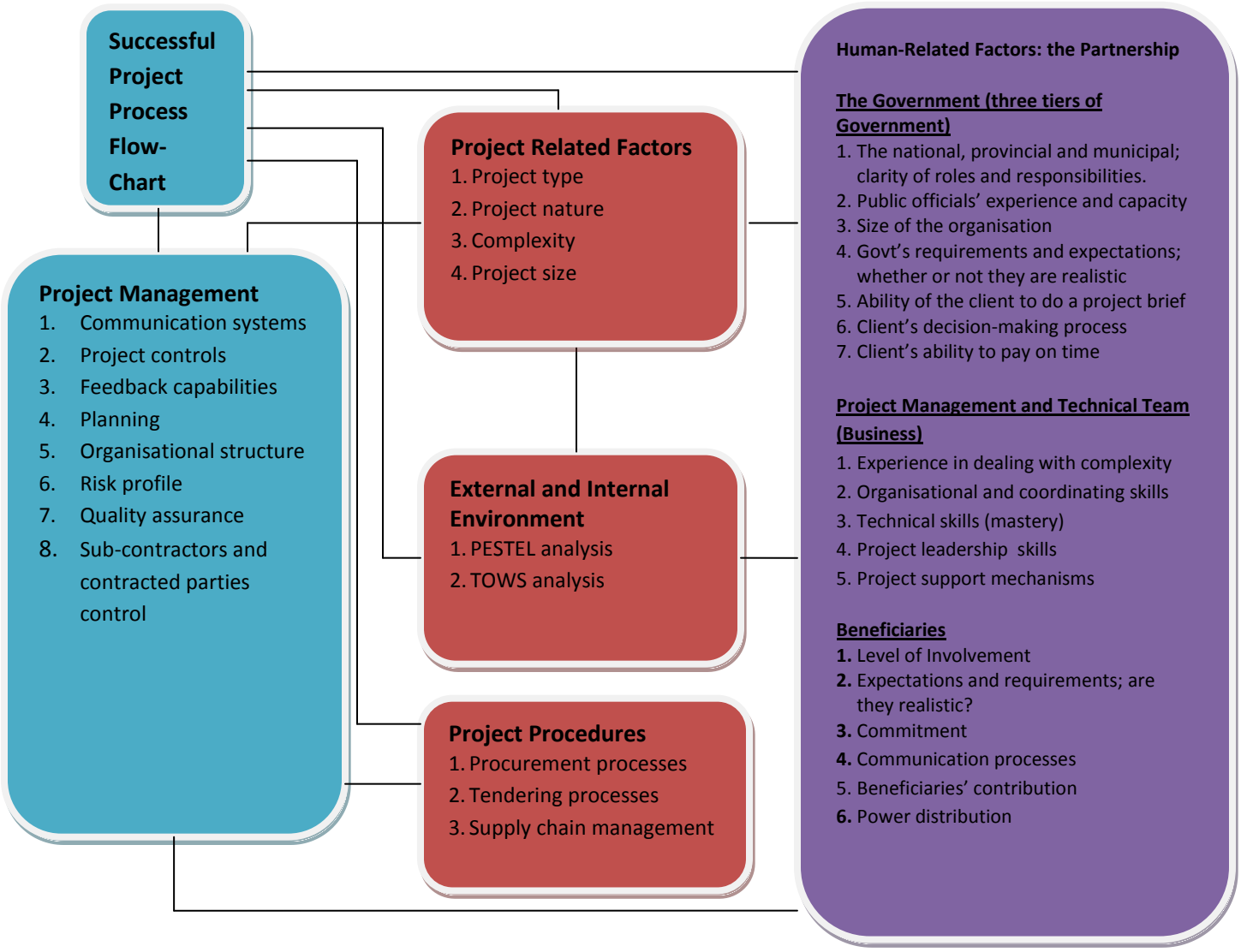
Projects for the construction of low-cost housing are very challenging in nature due to variables caused by technological changes and advancement, budgets, development processes and plenty of other factors which contribute to their complexity. The study of the factors leading to the success of low-cost housing projects is not as distinct. This is so because many variables are common to more than one category of factors. It is argued by Chan, Scott and Chan (2004) and Hacker and Doolen (2007) that the categories of factors that affect construction projects of this nature are as follows;

- Human factors
- Project factors

- Project management processes, procedures and actions
- The external environment

Picture 2.4 Abandoned construction in Ntabankulu Low-Cost Township

Figure 2.3: The figure below is a diagrammatic illustration of a project success conceptual framework adapted from Chan, Scott and Chan (2004: 154).



2.4.1 Project Management Factors

The project management factors revolve around the “hard systems” of project management actions. The hard systems relate to mastery (Senge, 1990).

2.4.2 Project-related Factors

The project-related factors are based on the nature of the project, the complexity of the project, and the size. In this case it is a social intervention programme which involves the building of low-cost houses. It is a social intervention, a fact that contributes significantly to its complexity.

2.4.3 Procurement-related Factors

Procurement-related factors are based on the procurement method (the selection of an organisation for the design and construction of the houses) and the tendering method (the public process for the selection of the project contractor). Both processes need careful understanding and consideration by decision-making stakeholders, as will be discussed in more detail later in the study.

Procurement-related failures are opportunistic, as opposed to structural. Opportunistic failures occur on this level due to structural failures in the cross-sector partnership arrangement and in particular the uneven distribution of power, which often leads to the advancement of personal interests as opposed to organisational interests.

2.4.4 Project participants-related Factors

The project participants-related factors form the major portion of our study. We deal with other factors only because of their interconnectedness. The project participants are the key players, and these include all stakeholders in the cross-sector partnership or collaboration.

Project participants-related failures are considered to be structural and fundamental failures, and are usually the common denominator in all of the other failures, which we consider as opportunistic.

2.4.5 External and Internal Environmental Factors

External factors such as political, economic, social, technological, environment and legal factors **(PESTEL)** play an important part in the overall success of the projects.

Other barriers or factors that contribute to project success or failure exist, but are very like variations on the factors that affect the sustainability of partnerships already described above.

2.5 Stakeholders in the Cross-sector Partnership

Cross-sector partnerships represent a unique form of social-political-economic arrangement, seeking to bring together the demands of commercial markets with the desire to promote the welfare and well-being of communities. These partnerships are generally shaped by the values of each member, the competing perceptions and priorities of business and social groups, and finally a shared vision of the expected benefits

of the collaboration (Di Domenico, Tracey and Haugh, 2009). For the partnership to survive sustainably there must be a balance of the above.

A key element in the literature on membership of the partnership is the identification of stakeholders. They are defined as

> *"Those people or entities who are responsible for the problems or issues, those who are affected by them, those whose perspectives or knowledge are needed to develop good solutions or strategies, and those who have the power and resources to block or implement solutions or strategies"* (Chrislip and Larson, cited by (Huxham & Vangen, 2000: 774).

Currently, low-cost housing projects involve the following stakeholders working in a partnership framework:

Beneficiaries and the community

These are usually community members who qualify for the subsidy, and who are represented by community representatives and councillors and other politicians.

Municipal officials

These would be personnel from the housing section, the finance section and the works department, which consists of engineering, town planning and building inspectors.

Politicians

Politicians would have an interest in the votes of the members of the constituency.

Provincial Government

These would be representatives of the Departments of Human Settlement, Finance, Land Affairs and Environmental Affairs, and representatives of the Surveyor General and the Auditor General.

National Government

These would be representatives of the Department of Human Settlement

Civil Society

Representatives of the South Africa National Civic Organisation SANCO

Business

The Project Manager and a technical team consisting of engineers, planners, surveyors, lawyers etc, and other service providers such as builders, building material suppliers etc

The focus of the study is on soft systems and in particular on cross-sector partnership integration in the project management of low-cost housing projects. Soft systems are also referred to as the "soft paradigm" (Arita, Smith and Bower, 2009). Soft systems, are ill-defined, ambiguous and complex, having qualitative elements or, at times, both qualitative and quantitative elements (Huxham & Vangen, 2000) (Arita, Smith, &

Bower, 2009). Soft systems are also associated with contextual relevance rather than objectivity (Arita, Smith , & Bower, 2009).

In this study the notion of a partnership framework is analysed in an effort to minimize project failure risks, as it is assumed that other processes such as goal seeking (hard systems) are easier to manage from a project manager practitioner's perspective.

The Government White Paper (1994) states the need to form cross-sector partnership between the tiers of government, beneficiaries and business at the centre of the housing delivery framework. However, *ad hoc* partnerships will make little impact on the national problem of a huge shortage of low-cost housing Seelig (2004) as cited by Susalwati, Wong, & Chikolwa (2009).

An analysis of stakeholder participation in poverty alleviation or community development partnership projects such as low-cost housing projects, as argued by Choguill (1996) is incomplete as an approach to achieve results without considering two factors:

(a) Whether or not stakeholder participation or the partnership is in fact being implemented at all,

(b) How stakeholder participation or partnership is being practised

The role of beneficiaries and their involvement in the partnership is discussed in the later part of this chapter.

2.6 General Systems Thinking and the Low-cost Housing Delivery Programme

Complex problems, as argued by Jackson, (2000), Akoff (1974) involve richly interconnected sets of elements with distinct properties. The relationship of the parts can be more important than the properties of the parts themselves. New properties “emerge” as a result of interaction and also as a result of the ways the elements are arranged. Therefore, even if the elements that exhibit complex situations could be identified and separated out, this might not help the situation, because the connection which generates the emergent properties may be lost.

In summary, although there have been many issues surrounding low-cost housing delivery in South Africa, there is no single recipe to solve the problems that arise, as the initial conditions in any particular case cannot be replicated and the behaviour of the elements cannot be repeated. A general theoretical framework is what is required, as the solutions to the problems in a particular project may be unique. In addition, the scope of this study is limited to cross-sector partnerships in low-cost housing. There are other variables and elements which fall beyond that scope and affect the performance of partnerships more generally. In this study, though, the notion of partnerships should be understood as completely limited to the context of low-cost housing delivery.

2.7 Complexity and Organisation Science

Cross-sector collaborations are hybrid organisations (Rosenbaum, 2002; Huxham and Vangen, 2006) that are complex and characterised in brief as follows (Cilliers, 1999):

i. Complex organisations such as cross-sector partnerships are open systems which have boundaries that are not determined, and are characterised by interaction between their members via energy and information flows through the system (Akoff, 1974). Various properties emerge and self-organisation occurs as a result of the interaction. Organisations cannot be understood independently of their contexts.

ii. The context and history of an organisation co-determine the nature of the organisation. The history is contained in all of the interactions that take place, which are distributed throughout the system.

iii. Unpredictable, novel or strange characteristics that may or may not be desirable may emerge from the organisation and should be expected.

iv. The interactions are non-linear and therefore small causes may have huge effects or huge interventions may have small effects, meaning the magnitude of the outcome is not determined by the size of the cause, but rather by the context and the history of the system. Unexpected outcomes should therefore be expected.

v. Complex organisations can self-organise. Complex systems also organise themselves towards a critical state. At any given point, we can expect a system to respond to external events on all scales of magnitude. The system can organise itself to be maximally sensitive to events that are critical to its survival.

vi. Control of a complex organisation (involving cross-sector partnerships), for instance, should be distributed throughout the system, since central control is not effective in complex systems. Complex systems work better with shallow structures, as opposed to those that are hierarchical.

Conventional, hierarchical perspectives of leadership are becoming obsolete, given the complexity and organisational dynamics of the modern world (Lictenstein, Uhl-Bien, Marion, Seers, and Douglas, 2006).

2.8 Background to Cross-sector Partnerships

A partnership, is generally understood to be a cooperative relationship between two or more organisations or entities with the aim of achieving benefits from the collaboration. A partnership can also be viewed as a coalition which involves multiple cross-sector partners with diverse interests coming together for a common purpose.

A partnership can also be described as an entity, a hybrid organisation, a special organisational form or a method of working (Armistead, Pettigrew and Aves, 2007; Huxham and Vangen, 2006). Rosenbaum (2002) cites Butterfoss et al (1993) when describing a cross-sector partnership as an

> *"inter-organisational, cooperative, and synergistic working alliance."*

The International Business Leaders Forum as cited by (Rein, Scott, Yambayamba and Hardman, 2005) defines partnerships as follows:

> *"Partnership is a cross-sector alliance in which individuals, groups or organisations agree to:*
>
> - *work together to fulfil an obligation or undertake a specific task*
> - *to share the risks as well as the benefits*
> - *and review the relationship regularly, revising their agreement as necessary."*

Politicians often refer to partnerships across sectors as a panacea for solving complex societal problems that span sectors, professions and organisations. However, if a partnership is ill-constituted it will often not produce the desired outcomes, and may even create more problems than it solves.

Providing low-cost housing is is one such problem that spans the three tiers of government (a vertical span or vertical differentiation) and a number of government departments (a horizontal span or horizontal differentiation).

In the South African context a partnership might span the Department of Human Settlement, the Department of Local Government and Traditional Affairs, the Department of Land Affairs, the Department of Agriculture (as some of the land and post-settlement activities may be agriculturally based), and the Department of Environmental Affairs, to mention only the key players. Another relevant sector would be business (professional services, bankers, contractors and building material manufacturers and suppliers)

Terms such as collaborations, cross-sector alliance, inter-organisational alliance, community participation and engagement, cooperation and partnership appear in similar contexts and are at times used synonymously (Armistead, Pettigrew and Aves, 2007; Huxham and Vangen, 2006).

The notion of partnership is based on the prospect of achieving collaborative advantage (Huxham and Vangen, 2006), where members from diverse sectors contribute in furthering common aims, objectives, visions and goals, which may not have been easily and efficiently achievable by one entity like the national government.

Planning through a partnership involves more than one entity (groups of individuals or organisations), and is aimed at achieving shared objectives (Kumar, 2004). Shared objectives are formed and refined during the process of collaborating. Kumar (2004) further argues that in a partnership, partners and stakeholders are one and the same. Three fundamental characteristics of partnership are noted as follows (Kumar , 2004):

1. A strategic partnership yeilds benefit to all stakeholders (in a win-win situation). It provides options for building the future together by exploiting new possibilities.
2. A partnership is a collaboration in which partners are engaged in creating new value together (Kanter, 1994).
3. Partnerships enhance the learning capacities of the partners.

A cross-sector partnership or collaboration is also described as a partnership involving government, business, civil society and the communities affected by the partnership intervention (Bryson, Crosby and Middleton Stone, 2006) where the roles and responsibilities of the different actors remain distinct (Brinkerhoff, 1999).

A cross-sector partnership framework in a community-based intervention is based on several key assumptions and principles. Listed below are not all of them, but only the key assumptions:

- Social problems such as those relating to human settlement are complex and systemic in nature; therefore they require a holistic or systems approach when attempting to intervene (Bryson, Crosby and Middleton Stone, 2006).

- Cross-sector partnerships in social and community interventions include diverse groups with diverse interests, resulting in acceptance of the paradigm that there is more than one view of the world. As argued by (Jackson 2000) the participants end up by "*accepting [that] multiple perceptions of the world exist"*.
- Goal-seeking is part but not all there is to intervention.
- Public participation is vital at all levels of implementation.

Cross-sector partnerships between government, business and civil society are uniquely positioned to create and capture social value (King, 2007 and Plowman et al, 2007; as cited by LeBer and Branzei, 2010). Cross-sector partnerships for social intervention (also referred to as social alliances or inter-sectoral partnerships) emerge out of a combination of the collaboration of a public entity, business and civil society, with the main aim of addressing market and political failures which have resulted in societal problems like crime and failures in health care, child care and housing Le Ber and Branzei, 2009; Bryson, Crosby and Middleton Stone (2006). These cross-sector partnerships are now a common part of institutional life and the dominant political discourse Huxham and Vangen (2000).

The establishment of inter-organisational and or cross-sector partnerships is a strategy commonly used for planning and implementing complex social and community interventions Bryson, Crosby and Middleton Stone (2006), Rosenbaum (2002). Rosenbaum further argues that partnerships metaphorically represent "hybrid organisms" formed to tackle social interventions. Planning and implementing low-cost housing projects is viewed as a social intervention that usually goes far beyond the technical aspects (the engineering

design and hard systems of project management) as they deal with culture, politics, poverty, perceptions and elements of trust.

It must also be acknowledged that although cross-sector partnership is a desired strategy to solving societal problems, the collaborations do not and cannot resolve all of the problems they aim to intervene in. In some instances the collaboration can create more problems than solutions. As argued by Bryson, Crosby and Middleton Stone (2006), in reality "cross-sector collaboration is no panacea" because of the interconnectedness and complexity of the resulting system, where changes elsewhere can trigger unexpected outcomes which at times reverberate throughout the entire system Anderson (1999) together with complex feedback effects Senge (1990). Responding to society's challenges requires carefull consideration of complexity and interconnectednessinvolved in the problem to the be addressed.

2.9 The Theory of Partnership in General

In theory, there is a general understanding that a lot more can be achieved through partnerships, because there are fewer limitations of capabilities and resources. The aim is to achieve success through partnerships by combining the resources and capabilities of the various partners. In broad terms, the general purpose and concerns of cross-sector partnership are two-fold. On the one hand, the strategic level, partnerships are concerned with the advancement of a shared vision. On the other, they are concerned with the delivery of short-term projects Huxham and Vangen (2006).

The generic basis for collaboration, as argued by Huxham and Vangen (2006; 5), includes the following thematic issues:

"Access to resources, shared risk, efficiency, co-ordination and seamlessness, learning",

A more detailed explanation is found in a later section of this work, which deals with thematic issues sorrounding partnerships and collaborations. These themes are connected and overlap with one another. It may therefore be more useful to examine them as a whole than individually, but partnership theory is constructed around the themes which emerge, evolve and continue to evolve from research, and the theory retains the principle of being theme-based Huxham and Vangen (2006).

Fiqure 2.4 below illustrates the thematic issues but is open ended to accommodate other themes that may emerge as a result of the establishment of different forms of partnership such as multi-tier cross-sector partnerships, business-civil society partnerships, government-to-business partnerships, or government-civil society partnerhips.

When working with partnerships, there is a need for a paradigm shift from hard systems to a combinatin of hard systems and soft systems. Jackson (2000) argues that soft systems thinking "gives pride of place to people", as opposed only to the technology, processes, structure or organisations of hard systems. Contrary to the functionalist systems approach, the interpretive systems approach has primary areas of concern, which relate to the awareness of the existence of multiple perceptions of reality. A pluraristic environment is therefore more appropriate when working in partnerships.

Soft Systems thinking, as used to analyse cross-sector partnerships, is heavily influenced by the "root metaphor" of contexualism, meaning that "meaning" is derived from contexts as opposed to social realities. As cited by Jackson (2000), Morgan further argued that "politics and culture" are most salient in the

interpretive systems approach. The interpretive systems paradigm will be discussed in greater detail in Chapter 3 of this study.

The diagramatic illustration below shows the themes which emerge in the theory of partnership. They are connected and interrelated, and should be looked at holistically through their relationships with one another, as illustrated below.

Cross-sector partnerships for the purposes of social upliftment differ slightly from profit-oriented partnerships, which are driven by economic considerations. The partnership may be “transactional” in nature. When the partnership is termed transactional, this means that the arrangement is short-term, constrained and highly oriented towards self interest. On the other hand, such a partnership can be “intergrative and developmental”, in which case it often lasts longer, is open-ended, and is often based on common interest or a shared vision Selsky and Parker, (2005).

The “integrative and developmental” type of partnership is the focus of the study, but it is not possible to disregard the “the transactional component”, as this could also be the source of conflict between business and civil society. When actors from different sectors focus on the same issue, there is a strong likelihood of their having competing interests motivated by their different goals.

Theme-based theory of partnerships and collaborations purposefully aims to paint a complex, interrelated and interconnected picture of the themes in which the complexity is of such a degree that there is no possibility of prescribing best practice other than identifying ways to negotiate areas of possible conflict which may result in collaborative inertia Huxham and Vangen, (2006)

Figure 2.4: Themes in the theory of Partnership Huxham and Vangen, (2006: 38)

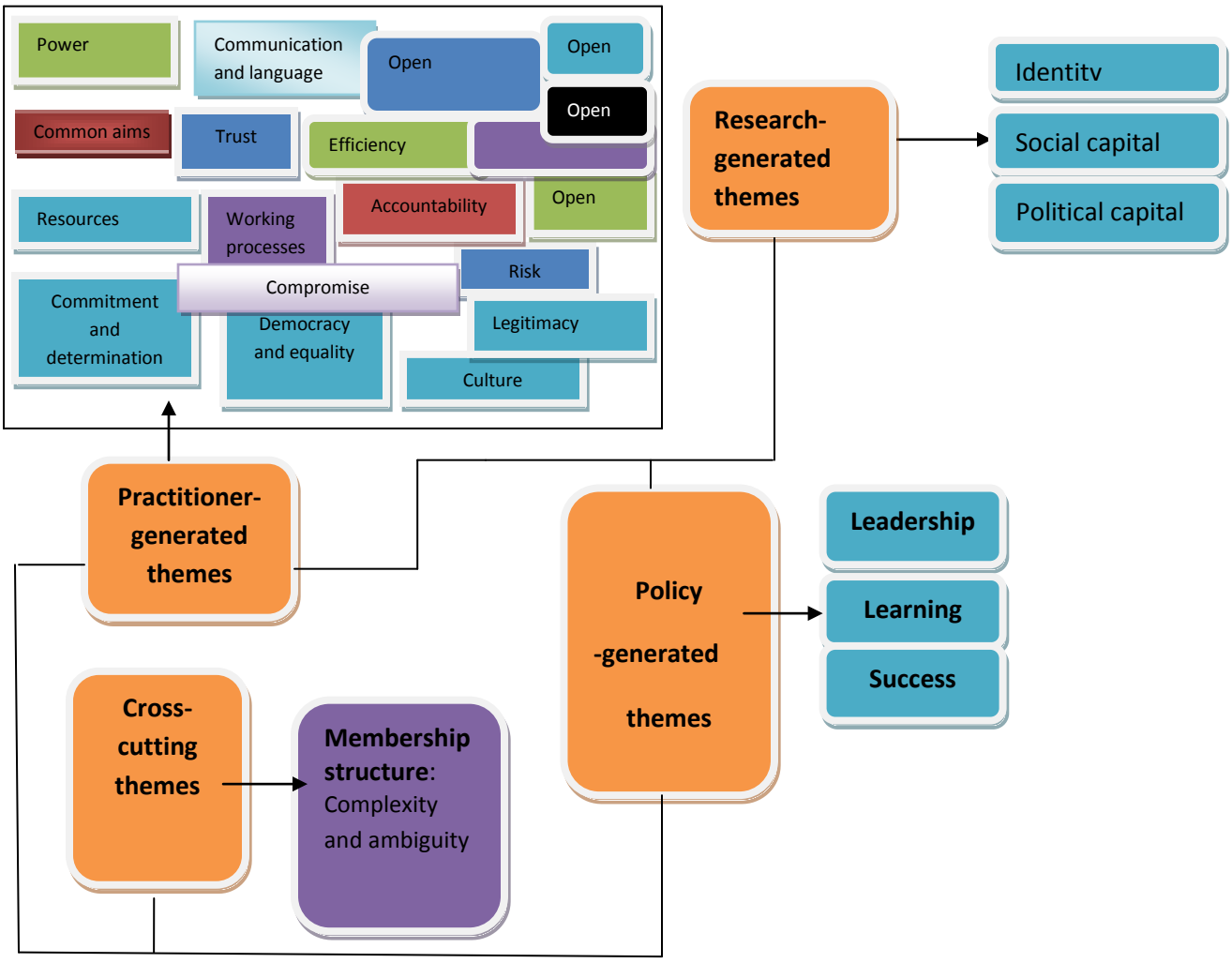


Figure 2.4 above shows four distinct but connected categories of themes: practitioner-generated themes, cross-cutting themes, policy-generated themes and research-generated themes.

2.9.1 Practioner-generated Themes

Practitioner-generated themes are themes that have emerged out of practioners' research on the issues that affect the performance of a partnership, or issues that cause the most frustration or generate the most rewards in a partnership. The diagramatic representation is an illustration of their connectedness.

The dominating themes are common aims, communication and language, work processes, resources, commitment and determination, trust, compromise, power, culture, risk, accountability, democracy and equality, and other emerging themes related to or a variation of the above. These themes will be discussed in the later part of this chapter.

2.9.2 Cross-cutting Themes

Cross-cutting themes are those that arise out of members' participation, as a result of the members' interaction or lack of interaction. Cross-cutting issues raised from practitioners' research on partnerships also emerge with a slightly different angle because of complexity and organisational dynamics.

The dominating themes in this catergory are membership structure and organisation culture, which deal with levels of engagement, complexity, clarity and or ambiguity of purpose. One of the problems affecting partnerships is the clash of individual organisation cultures (Parker & Selsky, 2004)

2.9.3 Policy-generated Themes

Policy-generated themes are those that emerge as a result of policy formulation. They have to do with the relative clarity or ambuiguity of policies, which frequently have to be implemented by people who were not party to the policy formulation. In low-cost housing developments this would be low-cost housing policy.

The dominant themes in this category are leadership, learning and success issues and parameters.

2.9.4 Research-generated Themes

The fourth category is research-generated themes. These arise from research on relevant groups such as the beneficiaries of social intervention programmes. Themes such as identity, social capital, political capital and culture emerge as having a potential impact on collaborations.

2.10 Detailed Discussion of the Themes

Figure 2.3 above illustrates the themes, which in most cases are self-explanatory when it comes to partnership perspectives. Because of their inter-relatedness and interconnection, the following themes (common aims and membership structure) are discussed in more detail. They form the framework of our study on cross-sector partnerships for social intervention. Other themes such as trust, communications, power, risk, democracy and equality are discussed further in the section on partnership design.

2.10.1 Common Aims

Aims, goals, objectives, vision and purpose, no matter what one calls them, usually dominates the discussion on partnerships (Huxham & Vangen, 2006; Sagawa and Segal, 2000). It is vital to determine the aims and objectives of a partnership among its members.

There are three dimensions of aims to consider: collaborative aims, organisational aims and individual aims (Huxham & Vangen, 2006).

Collaborative aims are statements about what the partnership would like to achieve by collaborating. They may be viewed as joint statements of what needs to be achieved in terms of vision, purpose and objectives. These aims relate to the inter-organisational domain, and go beyond the achievement capabilities of a single entity.

Organisational aims are statements made by each of the individual organisations involved in the partnership. These are statements of what each entity seeks to achieve by collaborating. These aims will be closely associated with their functions, expertise and capabilities, and spheres of activity. For example, civil society seeks accountability and fairness to the beneficiaries. Business seeks efficiency and profitability. Politicians seek votes from the newly established political constituency.

Individual aims are statements relating to the individuals involved in the partnerships. These may have to do with career progression, hygiene issues as in Maslow the hierarchy of needs and so on.

Process Consultation Theory on building effective teams Schein (1988), a theory in organisational behaviour, states that there are three principles to the theory:

First principle

The first principle is that effective teams recognise three fundamental needs which are: expressing or satisfying individual needs interests and aims, building or maintaining a cohesive team, and achieving tasks or objectives.

Second principle

The second principle is that these needs or aims must be satisfied in the following sequence: individual needs, team needs, and task and/or organisational needs.

Schein (1988) further argues that a team is highly unlikely to be consistently successful in achieving the project objectives if it has not satisfied individual needs first. A group of strangers will not tackle the desired tasks to achieve the objectives until they have become a team. A group of people will not become a team until they have satisfied their fundamental individual needs.

The third principle is that in interventions, the diagnosis of a problem diagnosis in a partnership should follow the above sequence. This is to be done by establishing what the stakeholders' views of and interests in the problem are.

2.10.2 Membership Structures

Issues pertaining to the members involved a partnership are examined in this section. Social collaborations such as cross-sector partnerships for social intervention tend to stress the importance of stakeholder involvement Huxham & Vangen (2000).

The stakeholders referred to are those:

- most affected by the intervention, who are the beneficiaries and civil society.
- who have power and who control the resources (the government and the municipality).
- who tend to be more concerned with compatibility, capability and strategic fit and business.

Managing stakeholders is not straightforward, as it involves complexity, ambiguity, communication, leadership and trust, as shall be further elaborated upon in the later sections of this study. The difficulties involved in forging coalitions with actors who span a variety of interests and have different perceptions of reality or with diverse communities ought not to be underestimated (Coaffee & Deas, 2008).

2.11 Beneficiary Participation Framework in the Partnership

There is an increasing emphasis on community engagement in the design and delivery of government policies aimed at improving the lives of the poor and disadvantaged (Gilchrist, 2006). In reviving the idea of civil society, Ulrich says:

> *"Civil rights are an essential issue in this process of change, but they are not enough. With the rediscovery of civil society, effective participation of citizens in the governance of collective affairs becomes a central theme of concept of citizenship. And so does, as a consequence, the idea of an* ***enabling (or empowering) state****, i.e. a state that sees one of its major functions in enabling its citizens to play this active role. Active competent citizenship is therefore a key challenge to which Critical Systems Thinking (CST) for professionals and citizens aims to contribute"* (Ulrich, 2004: 4)

Research on low-cost housing programmes at the implementation stage has shown the shortcomings in the inclusion of beneficiary participation in the process, where key decisions such as procurement and the determination of quality standards are taken without community input (Jenkins, 1999). Such failures would bring about doubt and lack of confidence in governance and legitimacy of a project.

It is self-evident that South African settlement patterns are a survival of the patterns imposed by apartheid. Most communities are still distinctly segregated economically, racially and socially segregated, and many of them are disadvantaged by this segregation. This creates a sense of mistrust, creates barriers to communication, and results in a paucity of ideas in these communities (Jenkins, 1999).

Cross-sector partnerships and community participation in development and community programmes are not new. Sherry Arnstein, writing in 1969, as cited by (Wilcox, 1994; Choguill, 1996) argues that citizen's involvement in planning processes in the USA is modelled on what she calls a "participation ladder", with the lowest form as 1 and the highest form as 8. Her model modified to suit poor and developing countries in research work performed by Marisa Guaraldo Choguill, who describes the rungs on the ladder as being empowerment, partnership, conciliation, dissimulation, diplomacy, informing, conspiracy and self-management (Choguill, 1996). It is important to note that Choguill's model is based on Arnsteins, the difference being that Arnstein's research did not take account of the difference in developed and developing country setting.

Table 2.3: Sherry Arnsteins' Eight-rung Partnership Ladder

Ladder	Degree of participation	
8	Citizen Control	
7	Delegated Power	Degrees of Citizen Power
6	Partnership	
5	Placation	
4	Consultation	Degrees of Tokenism
3	Informing	
2	Therapy	Non-Participation
1	Manipulation	

Below is a further explanation of Arnstein's participation/partnership ladder.

Non-participation

Non-participation is nothing more than a public relations effort aiming at public support.

Degrees of Tokenism

Degrees of tokenism take the following forms:

Informing

Informing is the first step, but falls short of achieving partnership. The emphasis is usually on a one-way flow of information with no feedback.

Consultation

The least that can be done is to consult with people on what is happening, but this falls far short of achieving partnership. This is a mere window dressing ritual and will result in conflict, as the ownership of decisions and or approvals can be disputed.

Placation

This involves the co-option of hand-picked "worthies" onto committees with no real authority, and can also be viewed as window dressing. It will definitely result in conflict.

Degrees of Citizen Power:

Power is distributed across the members of the partnership. The heirachy of partnership, delegated power and citizen control varies, depending on the situation.

This study investigates only partnerships where power is distributed between citizens and officials such as project managers and municipal and government officials. Planning and decision-making responsibilities are shared.

Beneficiary stakeholder participation in the partnership then involves at least all of the following:

Information - sharing information and debating issues.

Consultation - presenting scenarios and debating issues.

Joint decision making - transparency in joint decision-making processes.

Acting together - not only are the decisions made jointly, but the implementation is carried out together.

Mutual Support – mutual support can be achieved by providing the technical support and finance to empower communities on community driven initiatives.

2.12 Cross-sector Partnership Design Framework

Figure 2.5 attempts to simplify and summarise the partnership framework in practice without going much into the interaction, complexity and nonlinearity of the relationships.

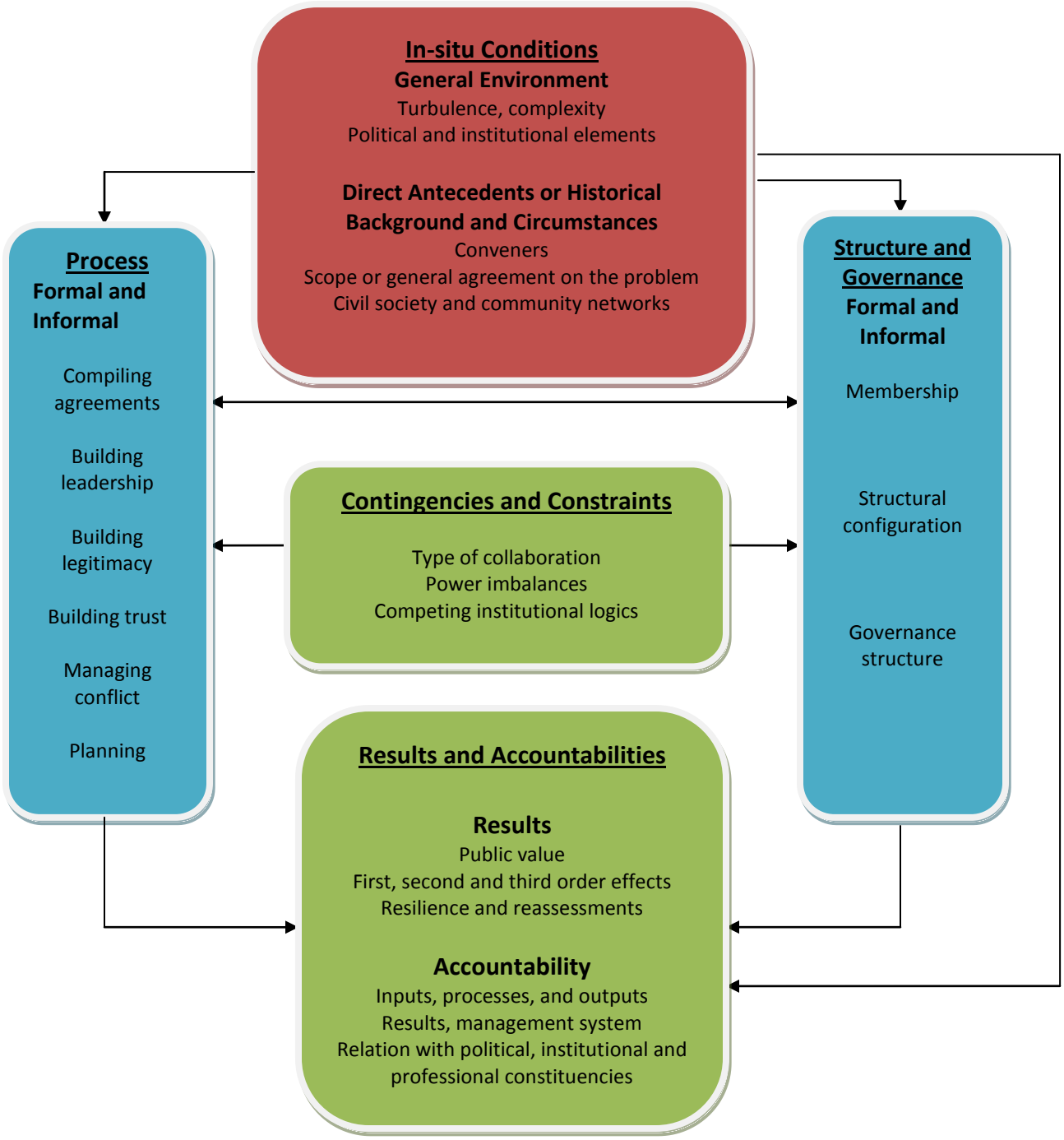
2.12.1 In-situ Conditions

This section focuses on broad themes that affect the need to form partnerships, like the history of the problem, the nature of the problem, environmental factors affecting the situation, and the varied stakeholders, especially those affected the most. Partnerships are formed out of need, and cross-sector partnerships are ideally suited for solving societal problems.

Historical background

Low-cost housing is one of the South African government's key focus areas. The former apartheid government viewed poor black people as a source of cheap labour who needed to be housed only temporarily in urban areas during the tenure of their employment. It was then believed that black people should have permanent homes in the rural poor areas of South Africa such as the former homelands of Venda, Bophuthatswana, Zululand, Transkei and Ciskei. The then government created

Figure 2.5: Theoretical Framework for Cross-sector Partnerships: Adapted from (Bryson, Crosby, & Middleton Stone, 2006: 45)



dormitory settlements near cities to house cheap labour, and regulated such settlements by means of influx control laws and the group areas act. The change in government and the removal of discriminatory laws consequently led to a huge shortage of low-cost housing in urban areas, which the new government aims to address.

Cross-sector partnerships

A general agreement on and understanding of the need to form cross-sector collaboration is important. The need must be understood by all of the parties that are to be involved in such collaboration.

Environmental scan

Through its housing policy the government has declared its intention to supply affordable housing to all who need it. The National Government Department of Human Settlement alone does not have the ability or capacity to deliver the low-cost houses to the needy. The Department therefore advocates the establishment of cross-sector partnerships between the government, civil society and business, with full community participation.

The apartheid policy of forced removal, controlled migration and the segregation of population groups on the basis of race and economic factors failed to address the linkages between access to employment opportunities and affordable housing. The current government lacks the capacity on its own to deal with the associated problems effectively.

It is argued by Bryson, Crosby, & Middleton Stone (2006) that policy makers are likely to try cross-sector partnerships when there is a belief or a general feeling that separate efforts to deal with the problem are likely to fail, or previous efforts to deal with the problem separately have failed. The failure of the apartheid government in addressing low-cost housing needs and the failure of the post-apartheid government in adequately addressing the backlog has driven the government into leaning towards cross-sector partnerships. The question then becomes, do we have the right partnership framework to deal with the problem?

History plays an important part in the establishment of the need for a cross-sector partnership (Bryson, Crosby, & Middleton Stone, 2006). Civil society and networks in the communities affected played a vital role in fighting against apartheid policies by means of organised civil disobedience actions such as ignoring the urban influx laws, rates boycotts, and sometimes land invasions during which they created illegal informal urban settlements (Jenkins, 1999; Huchzermeyer, 2003). The same civil society and civil networks have created political constituents with a fair degree of social and political capital, a fact which makes social problems complex.

Cross-sector collaboration is more likely to succeed when there is more than one linking mechanism (such as a powerful civil society or community leadership) in existence at the time of the formation of such collaboration. They are also more likely to succeed when there is common purpose and common aims among government (the sponsor) and the relevant civil networks (Bryson, Crosby , & Middleton Stone, 2006).

2.12.2 Membership Collaboration Processes

Once there is agreement that cross-sector partnership or collaboration is the way to go, the focus shifts to aspects of the collaboration such as:

- Forging initial agreements
- Building leadership
- Building legitimacy
- Building trust
- Managing conflict, and
- Planning

The above factors overlap and are related to the initial conditions and structure.

i. Forging initial agreements

The need to forge an initial agreement follows an agreement on the need to form a collaborative partnership together with agreement on the nature of the problem to be addressed by the collaboration as outlined in the initial conditions in section 2.12.1. After agreeing on the initial conditions, partners can move on to the elements of membership structure, delegated authority on decision making, roles, and responsibilities.

Though informal agreements about partnerships are commonly used, formal partnership agreements with terms of reference have the advantage of defined accountability and therefore greater legitimacy.

There is a need to formalise agreements and to rework the agreements in order to limit ambiguity (in matters such as members' perceptions of their roles and of other members' roles), to deal with complexity in structure (the complex hierarchies of collaborations) and to deal with membership dynamics (such as a shift in purpose) (Huxham & Vangen, 2006).

Elements of agreements may include a description of the responsibilities and roles of members, of decision-making structures, of resources, of implementation processes and so on, arrived at through a process that is highly participative, with all key stakeholders playing a part in forging the agreement. The process should involve the less powerful stakeholders too. They would also want their interests considered in a process that sees power somewhat equalised during negotiations.

Failure to reach an agreement on a "shared purpose" may lead to problems at a later stage, and the collaboration would then be less likely to succeed (Huxham and Vangen, 2006; Bryson, Crosby, and Middleton Stone, 2006).

ii. Building leadership

Most studies on leadership have focused on leadership in a single organisation, and mainly in the private sector. Not much research has been done on leadership across sectors (Armistead, Pettigrew , & Aves, 2007). It is further argued (Pettigrew, 2003) (Morse, 2010) that cross-sector alliances or partnerships would appear to demand an essential review of the nature of leadership in these often complex, multi-layered partnership domains.

Morse (2010: 232) refers to the leadership of multi-layered partnership as "integrative public leadership". To "integrate", Morse (2010: 232), means to

"bring together, combine or incorporate different components into a whole. Integration is the uniting of difference (points of view, interests, or ways of knowing) into something new that satisfies all interests without compromise or capitulation. Integration is more than cooperating in order to meet one's own ends. It represents a whole that is greater than the sum of the parts"

Morse (2010: 234) indicates that partnerships combine the different skills, competencies, and perspectives of the collaborators around the creation of public value, with the leadership acting as a catalytic agent that fosters and brings about "public value". Public value would be viewed as a social construct of efforts to solve or mitigate the complex societal problems and increase efficiency, fairness and effectiveness in service delivery.

The traditional hierarchies do not exist in collaborations. It is therefore appropriate to look at leadership in a general sense (Huxham and Vangen, 2006), meaning that we need to concern ourselves with "the mechanisms that lead to actual outcomes of a collaboration" (Huxham and Vangen, 2006; Dudau, 2009). It is further argued (Huxham and Vangen, 2006) that structure and processes in leading agendas are just as important as are the participants in the partnership. Huxham and Vangen (2006) further argue that leadership across sectors is enacted through the three interconnected media: structure, processes and participants.

Structures are important components of leadership in that they decide roles and responsibilities and the assignment of resources. Processes on the other hand are the "formal and informal instruments such as committees [and] forums where communication takes place" (Huxham and Vangen, 2006: 205). The participants would be subject to the non-hierarchical "catalytic" influence that leadership and people around them have, that "makes things happen", as opposed to being subject to command and control.

Collaborations often result in multiple roles for formal and informal leaders, such as being a steering committee leader, a project manager, a project director, a housing manager and so on. Parcelling out leadership positions is often a source of conflict. Hence, in a complex environment it is always best to maintain a flatter structure, which is egalitarian.

The quotation below sums up the nature of leadership in a cross-sector partnership that is bound by common aims, shared vision and purpose and equally shared leadership that fosters group learning.

Learning environment that successfully combine learning and working does not just happen overnight. Rather, develops over time and dependent on leaders who appreciate and are comfortable with an open, iterative design process (Senge, 1990).

iii. Building legitimacy

Legitimacy in organisations is built by making use of formal structures, unambiguous processes, and strategies which are appropriate in the particular institutional environment (Suchman, 1995). However, legitimacy can be difficult to achieve when there are multiple actors in an organisation such

as a cross-sector alliance. This is so because a network or collaboration is not automatically regarded by some members (internal or external) as a legitimate entity, as compared with other bureaucratic structures.

Human and Provan (2000), as cited by Bryson, Crosby and Middleton Stone (2006), argue that there are three distinct dimensions that are at play in building legitimacy in cross-sector alliances:

- Legitimacy deriving from the fact that it can attract funding and support both internally and externally.
- Legitimacy deriving from its recognition both internally and externally
- Legitimacy deriving from the existence of trust among its members, the free flow of information with feedback, free interaction, the promotion of group learning, and so on.

iv. Building Trust

As cited by Huxham and Vangen (2006: 154) Gulati (1995) argues that *"Trust is about the expectations that partners have about their collaboration and their partners' future behaviours in relation to meeting those expectations"*. Furthermore, Huxham and Vangen (2006) argue that *"Trust is the anticipation that something is forthcoming in return for the efforts that are put into the collaboration – a faith in the partners' will and ability to help materialize the sought-after collaborative advantage"*. And as a result it is then necessary to form expectations prior to the collaboration, the expectations being based on past experiences, and enact those expectations in the form of agreements as the basis of the partnership.

Trust is often described as the essential spirit of collaborations (Huxham and Vangen, 2000, 2006), and trust building is an on-going integral part of collaboration. The building of trust demands that members behave with integrity and courtesy, that they have confidence in the collaboration, that they search for common aims, and that they seek to cement a bond among the collaborators. Trust building is therefore continuous in the life of the partnership (Huxham and Vangen, 2006). Trust can be built and strengthened in what Huxham and Vangen (2006) term as "small wins together" by showing competence in the assigned task, by communicating and encouraging feedback, by freely sharing information, by interacting freely, by sharing knowledge and by promoting group learning (Senge, 1990). Cross-sector collaborations are more likely to succeed when trust building is continuous throughout the relationship (Bryson, Crosby and Middleton Stone, 2006).

If Huxham and Vangen's arguments about expectations, risks and vulnerability are seen as a whole, then trust building can be viewed as a cyclical process within which the positive results emanating from the collaboration form the basis of further trust development. Trust thus develops incrementally and is reinforced over time, with each positive outcome that meets the desired expectations. The more trust develops, the lower the level of risk, and therefore the greater the chance that outcomes will match expectations, as illustrated in the Trust Building Loop diagram below (adapted from Huxham and Vangen, 2006: 155).

Given the complexity of the systems involved, the trust building loop should not be looked at in isolation. We need to remember that "small wins" strategies (Bryson, Crosby and Middleton Stone, 2006) are good for building trust incrementally. Non-linearity advises us that obstructions may occur in trust building because of difficulties for instance in reaching agreement about common aims,

power balances and competing interests, which often get in the way when there are many stakeholders.

Complexity and the lack of experience of collaboration are often common in low-cost housing projects, and the variable the behaviour of municipalities and the community from place to place may pose a challenge to building trust in such collaborations. Yet *"Development of trust is one of the most important alliance competencies"* (Rule and Keown, 1998: 3). It then becomes important to consider how trust develops as illustrated in figure 2.6 and also how it can be built and sustained in situations where there is no history of collaboration among the members.

If the following are achieved, trust can be developed even in such circumstances:

- Maintaining clarity of purpose and objectives among members
- Dealing effectively with power imbalances and differences
- Having leadership by designated authority but not allowing dominance
- Allowing time to build an understanding
- Insisting on fairness in defining roles and responsibilities
- Resolving different levels of commitment
- Assuming equal ownership of the programme and decisions
- Accepting the existence of complexity in the relationship and acknowledging that partnerships evolve over time.

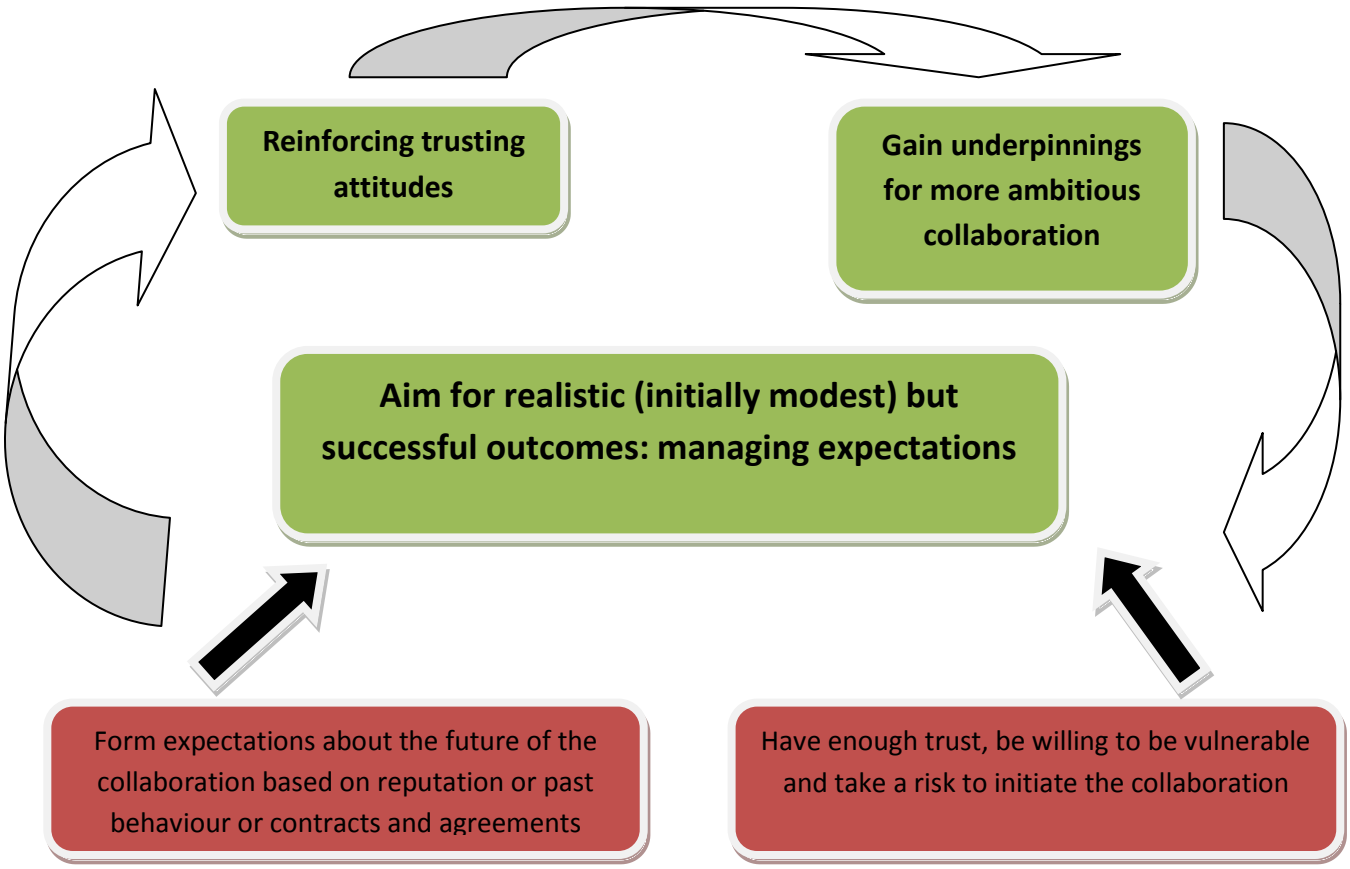
v. Managing Conflict

The existence of a good organisational climate implies that there will be limited conflict among partners (Rosenbaum, 2002). Conflict occurs for many reasons, such as a lack of trust, differences in

aims and expectations, the uneven distribution of power, ambiguity in the purpose of the project, or the lack of consensus on the implementation strategies to achieve a common aim.

Conflict is common when multiple partners collaborate, due to their having multiple views of reality, and where there is an uneven distribution of power. The success of cross-sector partnerships is dependent on the partners' ability to manage conflict effectively, by effectively using the resources and skills at hand to counterbalance power, and the ability to accept and respect differing

Figure 2.6: Trust building loop



view-points. Two important skills necessary to bringing about a win-win situation are the ability to engage in continuous communication and the ability to engage in continuous negotiation.

vi. Project Planning

There are two schools of thought on project planning (Bryson, Crosby and Middleton Stone, 2006).

There could be deliberate or formal project planning aimed at achieving project implementation success (Mintzberg, Ahlstrand and Lampel, 1998). This involves the careful articulation of the mission, vision, goals and objectives of the project, its phases and or steps and procedures, a work breakdown structure, and a programme of activities. This is the route usually taken in mandated partnerships (Bryson, Crosby and Middleton Stone, 2006).

Or it could be assumed that the above drivers (the mission, vision etc) will emerge over time through the interaction of the role players. This is the assumption that informs emergent planning in most non-mandated partnerships (Mintzberg, Ahlstrand and Lampel, 1998; Bryson, Crosby and Middleton Stone, 2006).

Cross-sector collaborations are more likely to succeed when both the deliberate (mandated partnerships) and emergent (non-mandated) forms of planning are utilised, with careful consideration of the stakeholders (Bryson, Crosby and Middleton Stone, 2006).

Planning builds upon the distribution of roles and responsibilities while taking into consideration the different and complementary competencies of the collaborators in their sectors of operations. When dealing with stakeholders, trust, communication and interaction are again crucial to getting stakeholder buy-in.

2.12.3 Membership Structure and Governance

Membership structure is a vital component of organisational theory, but it has not attracted the same degree of interest as some other components, as researchers have rather concentrated on *"organising collaborations as a process as opposed to looking at collaborations as a form of organisation with structural arrangements of its own"* (Bryson, Crosby and Middleton Stone, 2006: 49).

Structure has vertical and horizontal dimensions, encompassing elements such as goals, tasks and division of labour, processes and procedures, and designated authority relationships (Bryson, Crosby and Middleton Stone, 2006). The discussion of membership structure and governance can be done in split snapshots under headings, each of which represents a different perspective on the relevant issues. The reality is that structure is complex and ambiguous, and when the components are considered together, the combined picture with its dynamics is "messy" and difficult to comprehend and deal with.

i. Structure in the context of ambiguity

It is argued, (Huxham and Vangen, 2000) that one of the the major positive elements of partnership, and often has a bearing on the success of achieving the desired outcomes by limiting the risks associated with the element of trust is an unambiguous and clear membership, where all parties know and agree who is involved, at what level and in what capacity.

It is often assumed by programme managers that everyone knows everyone else in a cross-sector partnership, but the truth of the matter is that this is not always the case, as members' perceptions of whom else is also a member or what role they play in the collaboration may vary. Furthermore, there is often ambiguity in the values and cultures of members and the organisations they represent.

Ambiguity is further influenced by member turnover, especially in the case of public officials and technical team members; hence the proposition that collaborative structure is influenced by environmental factors such as system stability and collaborative strategic purpose (Bryson, Crosby and Middleton Stone, 2006). The structure of a cross-sector partnership is therefore dependent on environmental factors such as the ambiguity of membership, the complexity of the environment, the strategic purpose of the partnership, and system stability. The structure is likely to continuously change, and that change is to be expected due to the renegotiation of positions within the partnership.

ii. Structural Complexity

Structural complexity is often caused by complex hierarchies within the collaboration. Often some members are also partners in other collaborations, which lead to conflict of interest at times.

iii. Structural Configuration

Cross-sector partnership structure has an influence on the overall effectiveness of a partnership in achieving the desired outcomes. In social intervention projects or programmes, the overall effectiveness of the collaboration is defined as the achievement of the desired outcomes from the perspective of the government (as the sponsor of the programme) and also to the beneficiaries' satisfaction. In a low-cost housing programme success would be measured by the delivery of good quality low-cost housing on time and on budget.

Research shows that structural configurations centred on a lead organisation (a project management or programme management organisation) are more effective in producing the desired outcomes than those with

a fully integrated network of collaborators. In this research project, the configuration of the partnership will be centred on the Project Manager as actor and implementer and the Programme Manager (the Department of Human Settlement) as the sponsor of the programme. In this instance the Project Management and the Programme Management have a hierarchical relationship in terms of the definition of their roles.

iv. Structural Dynamics

In reality the structure of collaborations continually changes due to external pressures and changes within the parent organisations of members, and this has a bearing on the identification of members (Huxham and Vangen, 2006).

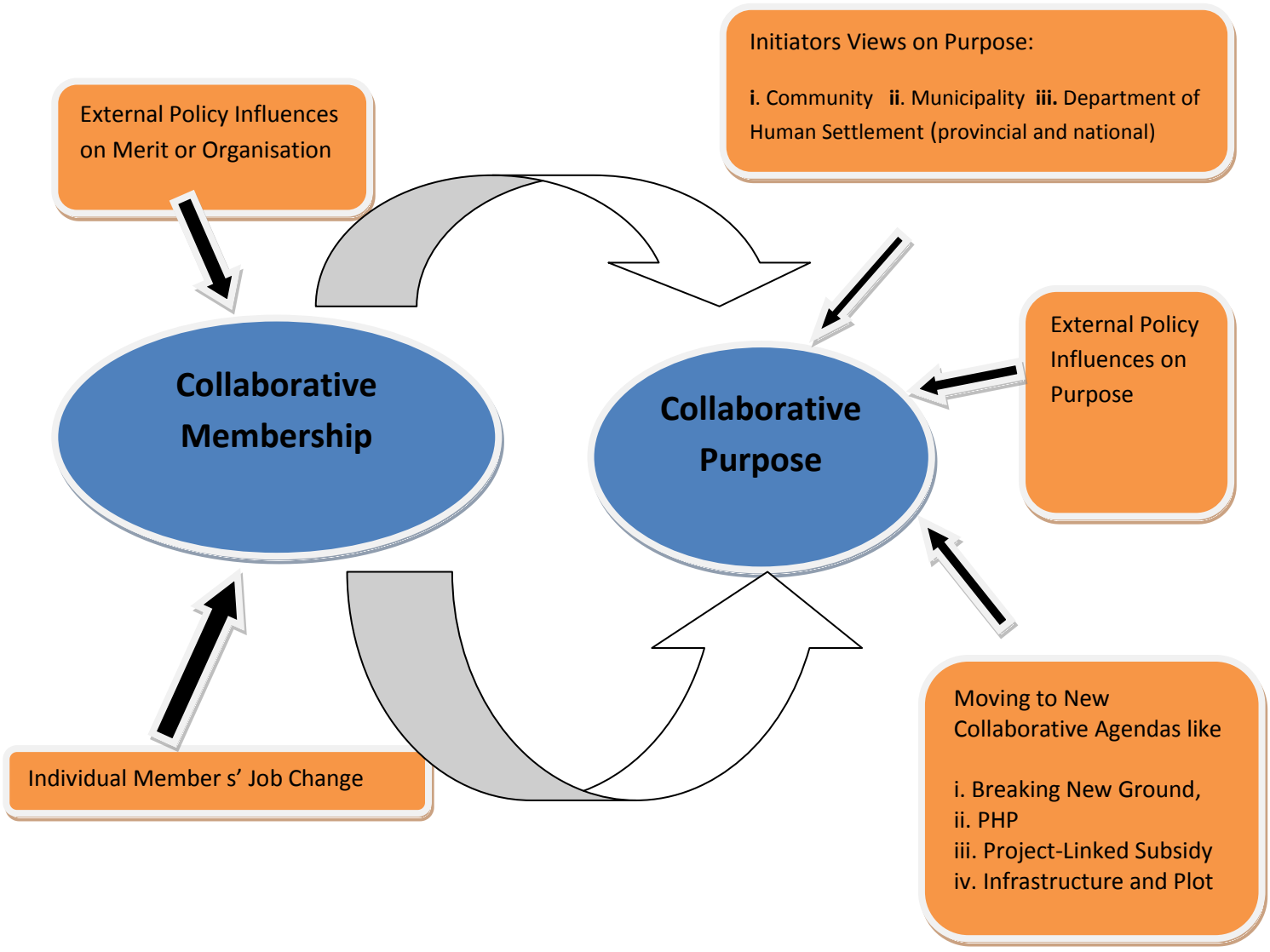
Structural dynamics can be altered by shifting membership and a shifting purpose (Huxham and Vangen, 2006). The shifting membership and purpose are affected by changes in policy, the withdrawal of funding, or changes in the funding streams. For example, when subsidy linked projects changed to people's housing process, it also called for re-alignment of membership. Such changes often take place in the middle of a project.

v. Governance

Governance is a generally hierarchical concept in terms of power, authority and control. This is in conflict with the proposed non-hierarchical structure of the ideal partnership structure. On the other hand, the partnership will not be effective without governance. Since we assume partnership structure to have a flat organisational structure centred on the programme manager and or the project manager, governance in the form of coordinating and monitoring activities must occur for the cross-sector partnership to survive and be effective in delivering the desired objectives. It is argued that in an ideal collaborative structure that fosters

free interaction, trust, and the development of a common mission, vision, norms and values, governance will emerge of its own accord, and promote organisational learning, partnership norms, trust and values (Senge, 1990).

Figure 2.6 below shows the structural dynamics of membership.



In addition to the above, the decision whether to opt for formal or informal governance is likely to have an effect on the overall effectiveness of the partnership. Stakeholder participation (and especially that of the beneficiaries) in the decision-making process is vital in the governance of multi-stakeholder partnerships for social intervention (Choguill, 1996; Ulrich, 2004).

Furthermore, the selection of the type of governance will also influence the overall effectiveness of the collaboration. The following are some types of governance structure which could be selected singly or in combination:

i. A self-organising structure, where decisions are reached through a series of meetings of members.

ii. A structure where there is a lead organisation within the partnership, such as the Principal Agent, Project Manager or Programme Manager, who manages and coordinates all of the activities and all of the stakeholders, and has the final say when consensus cannot be reached.

iii. A structure in which an outside agency which is not part of the collaboration manages and overseas all of the activities and also has the final say when consensus cannot be reached.

The choice of the above should be guided by environmental factors, constraints and contingencies.

2.12.4 Contingencies and Constraints Affecting Processes, Structure and Governance

In this section attention is drawn to three factors that have been shown in theory to have an influence on collaborative processes, structure, governance and sustainability. These factors are collaboration types, power imbalances among members, and competing institutional logic within partnerships (Bryson, Crosby and Middleton Stone, 2006).

i. Collaboration type

There are three distinct types of partnerships in social intervention, and it is important to identify and categorise the characteristics of the appropriate type. The three are:

- system-level planning (identifying and defining systems problems and solutions),
- administrative activities (involving resource transaction and staffing), and
- service delivery partnership (client referral agreement).

Service delivery partnerships are more effective for our research, because the type is easier to sustain than the other two types. Systems level planning and administrative activities partnerships are more likely to involve higher level negotiation on issues such as policy, agendas, and common interests, thus leaving them susceptible to conflict.

ii. Power imbalances

Power imbalances, as said above, are common sources of conflict and a potential threat to the sustainability of the partnership, especially when partners have difficulty in agreeing on a shared purpose (Huxham and Vangen, 2000, 2006; Vangen and Huxham, 2003).

The philosophy of accountability is woven into the politics of collaborations and participation in partnerships. However, in practice there are tensions between institutional power and community empowerment (Gilchrist, 2006).

Strategic and scenario planning may be one of the tools to be used in anticipating shifts in power balances that might arise out of instability due to matters of membership tenure or the drying up of funding, which usually have a tendency to shift the balance.

All partners and or stakeholders should be equal in the collaboration and ideally all of them should work towards creating a situation where all of them win - meaning that power should be equitably distributed (Scheff and Kotler, 1996). It is important for participatory process to move beyond rhetoric and "tokenism" (Choguill, 1996), then the relationship between community and external agents is of critical importance (Miraftab, 2003).

If the parties agree to work together but one powerful organisation, usually the project management team, merely consults or informs the other, this will definitely lead to conflict. The conflict may derail the project altogether. Below is a general framework for a successful partnership (Wilcox, 1994).

- Parties must agree that partnership is necessary despite the conditions set by the government policy framework.
- Respect and trust between the partners must form the cornerstone of the partnership.
- Good leadership by a respectful partnership chairman of the transformational type is preferable.
- A flat organisational structure is to be preferred (Senge, 1990).
- The organisation's management must commit itself to key interests which are developed transparently, are clear, and are agreed upon.
- A shared vision, mandate and agenda must be built (Senge, 1990).
- The structure must be flexible.
- There must be good communication and feedback should be encouraged, perhaps with the aid of a trained community facilitator in instances where language is a problem.
- Decision making must be collaborative, but groupthink must be avoided.
- There must be group learning and innovation.

Below are signs that the partnership is not going where it is intended and that the project may be derailed:

- A history of suspicion, mistrust and conflict.
- Domination and continuous undermining of others.
- The rigid hierarchical structure of the organisation.
- The lack of a clear purpose and flow of information.
- Unrealistic goals.

- Hidden agendas, rumour mongering and the forming of cabals.
- The cost of partnership outweighs the potential benefits.

iii. Competing institutional logics

Building legitimacy, leadership and trust, along with managing conflict, become a bigger challenge in cross-sector partnership, because of the likelihood that partners represent and enact competing institutional logics.

Competing institutional logics are viewed in complex adaptive systems (Anderson, 1999) as "agents with schemata". Logics may compete because actions, processes, norms and structures that seem to be legitimate from one vantage point may be viewed as illegitimate from another.

2.12.5 Outcomes

In this section the partnership or collaboration outcomes will be discussed in three categories:

i. Public Value
ii. Positive Effects of Collaboration
iii. Resilience and Reassessment

i. Public Value

Value produced collectively by the collaboration and consumed for the greater good and benefit by citizenry is that which is termed "Public Value" (Moore, 1995; Alford and Hughes, 2008). These values include remedies for market or societal failures, in situations where market and economic

mechanisms do not maximise benefits or citizens' welfare. An example would be apartheid policies, monopolies, trade imbalances and so on, where a significant part of the population is marginalised. In this instance, an attempt is made to address the shortage of low-cost housing for the benefit of the marginalised, where market mechanisms have failed to address the problem.

The major reason for collaboration, in cases of attempting to remedy market or societal failures, is to achieve collaborative advantage (Huxham and Vangen, 2006) or "public value" (Moore, 1995;Bryson, Crosby and Middleton Stone, 2006; Alford and Hughes, 2008), which cannot be achieved effectively and efficiently by a single entity acting alone, because the public value or collaborative advantage emerges as a result of combined effort by maximising each member's strengths whilst minimising, compensating for or overcoming each member's weaknesses.

Although the assessment of "public value" is generally drawn from results or outcomes, it does not ignore inputs and processes (Alford and Hughes, 2008). This is so because value is created by maximising the resources that are available for maximum benefit, in the context of the fact that the market never made provision for the problem since the market works on investment and return on that investment.

ii. Positive Effects of Collaboration

Innes and Booher (1999) as cited by Bryson, Crosby and Middleton Stone (2006) argue that cross-sector collaborative planning efforts have first-, second- and third-order positive effects which produce public value.

First-order positive effects are immediately noticeable as a direct result of the collaborative process. These include the creation of social, political and intellectual capital, high-quality agreements, and innovative strategies.

Second-order positive effects will in all likelihood emerge when the collaborative processes is well under way. These include group learning, joint action, leadership, and changes in perception (double loop learning).

Finally, third-order positive effects occur much later and include co-evolution (Anderson, 1999; Jackson, 2007), success, adaptation, new norms and social heuristics or iterative solutions for social intervention.

iii. Resilience and Reassessment

Because of the extent of the complexity of such systems, undesired outcomes are to be expected, and as part of the process, members must have the ability to regroup and reassess after failure. It must be remembered that a major outcome of collaboration is group learning, and often times, as argued, learning occurs after failure (Akoff, 1994).

> *We cannot learn from doing anything right. We already know how to do it. Of course we may get confirmation of what we already know and this has some value, but it is not learning. We can learn from mistakes if we identify and correct them. Therefore organisations that never admit to mistakes never learn anything. Organisations and individuals that always transfer responsibility for their mistakes to others also avoid learning* (Akoff, 1999: 2)

Cross-sector collaborations are more than likely to create “public value” when they are resilient and engage in regular reassessment (Bryson, Crosby and Middleton Stone, 2006: 51).

2.12.6 Accountability

Because of the existence of competing interests among stakeholders, a complex model of accountability is needed to mediate the different multi-stakeholder perceptions and to address issues concerning status, credibility and access to information (Gilchrist, 2006). Accountability is fundamental to the philosophy of representative and participatory democracy. It brings together rights with responsibilities and bureaucratic arrangements. The key element of accountability is to ensure that the decision-makers are answerable to those they represent (Gilchrist, 2006). Gilchrist further argues that accountability can be seen as having three aspects;

i. The recognition that where there is ambiguity, explanation is required as to what, why and when. Decision makers need to be held to account on how conclusions have been reached and actions taken, their priorities and their strategies, and their answers need to be based on evidence.

ii. Consideration of the relevant interests of all parties during deliberations, so as to ensure that the decisions made are acceptable to all stakeholders.

iii. Those mandated to make decision on behalf of others must account for the deployment of resources and the effect of the deployment against the shared goals of the stakeholders.

As stated earlier, the lack of accountability often leads to tensions and conflict. Cross-sector collaborations are likely to succeed in situations where there is accountability, where outcomes are measured, and where there are systems that track inputs, processes and outcomes (monitoring and evaluation).

2.13 Similar Cases of Cross Sector Partnership

Partnership arrangements seem to have become a panacea for the resolution of all urban issues in India, such as slum upgrades and the provision of services to the poor (Kumar, 2004).

India launched an Urban Basic Services Programme aimed at social intervention in societal problems such as failures in basic health and disease prevention, and the delivery of basic services such as clean water, storm-water drainage and so on. The partnership framework in use was analysed (Kumar, 2004) and the finding was that though the theoretical framework was sound, producing success in some fronts, the partnerships could not achieve all of their objectives. The most notable failure was in creating sustainable community structures, as the beneficiaries had not been involved as equal partners. More powerful partners designed the programme and influenced the implementation.

Orangi District in Karachi, Pakistani successfully implemented low-cost sanitation using a cross-sector partnership framework (Choguill, 1996). The success resulted in the communities being organised sustainably and going further in embarking on other projects such as recycling waste, compost projects and market gardening.

2.14 Conclusion

The cross sector partnership on low-cost housing projects cut across Hard Systems and Soft Systems. The success of the projects depends largely upon on how well the cross-sector partnership is designed and

implemented, together with other factors such as their complexity, and the political, economic and social environment, all of which are interlinked and interconnected.

Cross-sector partnerships are definitely not a panacea for social intervention, because if the partnership is not constituted and implemented correctly it can create more problems than solutions. When dealing with social intervention, systems thinking should always be taken into cognisance, as the problems that arise may only be symptoms of much bigger problems. Systems thinking inform us that social intervention problems are best dealt with holistically, because the relationships between the parts can be more important than the nature of the parts. Though the major focus of this study is on cross-sector partnerships, other types of partnership are also considered in a holistic manner.

The theory of partnerships is theme-based. The various themes are interconnected and interrelated and are carried over into the design of the partnership framework. When dealing with partnerships, it would be appropriate to look at them in the context of the Interpretive Systems Paradigm, in which meaning is derived from context because of the existence of differing and at times conflicting perceptions of reality.

The strategy of developing and designing cross-sector partnerships to provide an in-situ upgrade of infrastructure in informal human settlements and in the provision of low-cost housing is not new. It has been implemented elsewhere, in places like Brazil, Chile, Bangladesh, Pakistan, and India, with a fair degree of success, and at times with a fair number of problems, and one can safely say that going to work in this fashion is a continuous learning process.

CHAPTER 3: Research Paradigm and Processes

Picture 3.1 Waterfall Park Phase IV

3.1 Introduction

Critical Systems Thinking and Critical Systems Thinking Methodologies were developed from social theory and systems thinking for the purpose of analysing complex societal problems and to design interventions in an effort to resolve such problems (Jackson, 2001).

Critical Systems Thinking was developed after limitations were found in earlier systems ideas such as operational research, systems analysis and systems engineering. These earlier methods were more suitable for well-defined problems as opposed to complex social problems involving different people with varying perceptions and often viewpoints which are at odds with or in conflict with one another (Jackson, 2001).

Systems thinkers developed approaches such as system dynamics and organisational cybernetics to handle complexity, and Soft System Methodology (SSM) and Interactive Planning to deal with subjectivity, whilst Critical Systems Heuristics dealt with situations where there are members of society who are disadvantaged or marginalised in situations of conflict.

As outlined in the previous chapter, there are a number of factors that have an effect on the success or failure of low-cost housing project processes. These are hard systems processes and soft systems processes, and there are other issues within soft systems process that require a different approach altogether, such as beneficiary participation. In this study we look at cross-sector partnerships, but we bear in mind that other factors also need consideration because of their interconnectedness.

As explained in the previous chapter, cross sector partnerships are described as the collaboration of agents from different sectors, joined together by a common aim. In this case the aim is to provide low-cost housing, as will be found in various projects in South Africa.

There have been serious concerns about the high failure rate of these projects, to the point that as recently as 28th January 2010 it was reported by the National Minister in Parliament that the Department of Human Settlement had condemned 40,000 of these low-cost houses as they were deemed unfit for occupation or habitation (www.politicsweb.co.za). On 7th April 2010 the Minister again issued a strong warning in Parliament when he stated that "dodgy contractors were taking the housing delivery process for a ride"(www.politicsweb.co.za). Furthermore on 21st April 2010 the Minister outlined the State's housing delivery strategy during a budget speech (www.politicsweb.co.za), which further shows that the low-cost housing programme is a major government priority and is dogged by complex problems.

In our study, several cases of failed projects in the Eastern Cape which were investigated by the Auditor General were analysed in terms of the partnership framework.

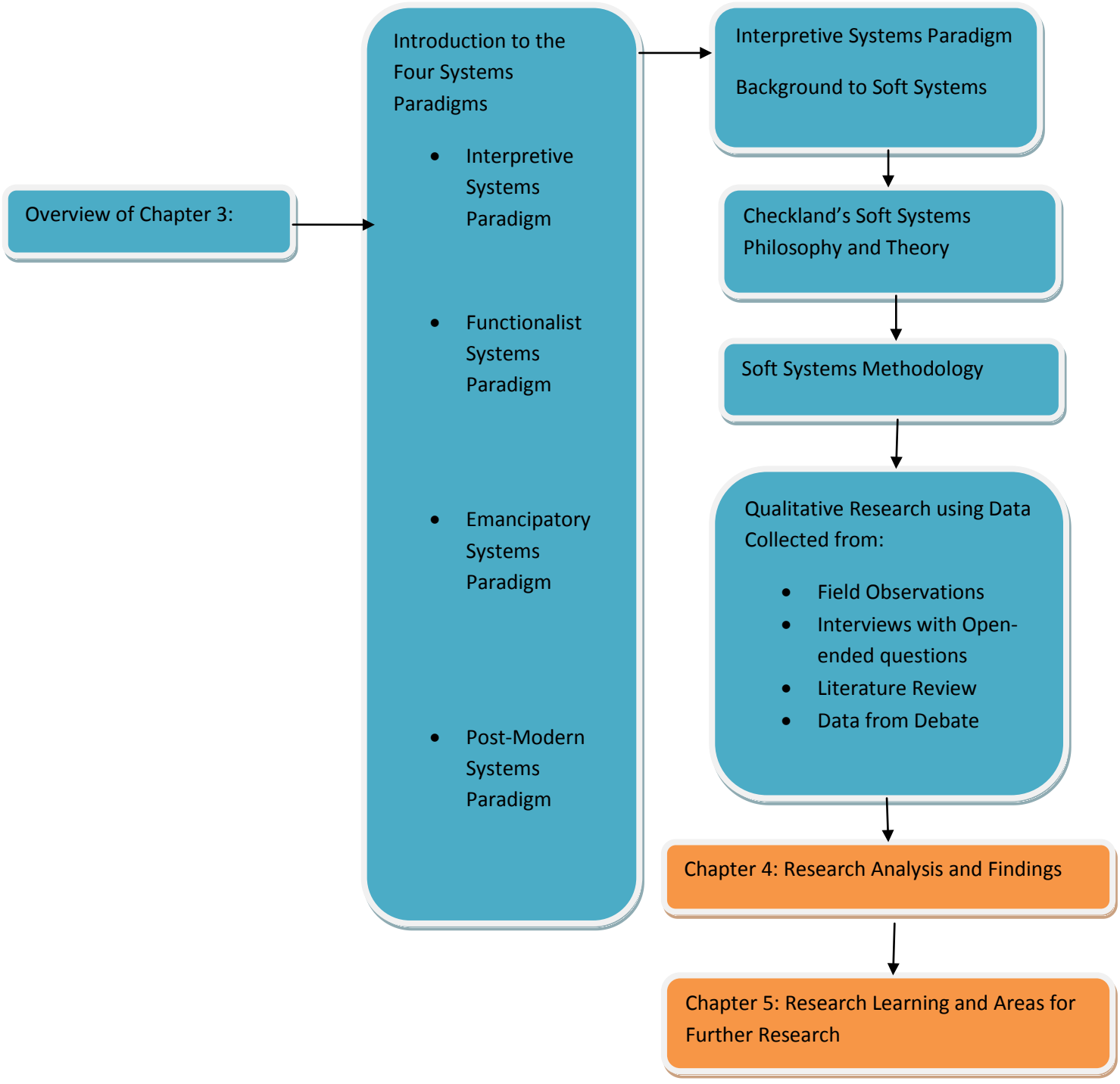
In terms of cross-sector partnerships, the study areas to be looked at were;

- Why the projects failed?
- How effective was the partnership framework at implementation?
- What could have been done to minimise the risk of project failure?

Picture 3.2 Maydene Farm settlement in Mthatha

The diagrammatic illustration below highlights the functional linkages and also shows the general approach to this study.

Figure 3.1: Research Paradigm and Processes Functional Linkages



3.2 Sociological Paradigms

Burrell and Morgan, as cited by Jackson (2000), argue that the social world can be understood in terms of four key sociological paradigms. A paradigm is defined as a set of ideas, hypotheses, assumptions and beliefs that shape scientific activity. In this case of social paradigms, the assumptions that social scientists make about the nature of the social world can be arrayed on one axis representing objectivity as against Subjectivity, or on another representing regulation as against radical change. Figure 4 shows the sociological paradigms and Table 3.1 further summarises the four paradigms.

There are situations where theory is underpinned by "objective" assumptions (Jackson, 2000: 22). In these situations social reality will be perceived to have an existence which is external to the individual – this is "realist ontology". Such a theory seeks to establish the existence of regularities and causal relationships in the social world where human behaviour is determined by external circumstances which are "deterministic". In such a paradigm, tests conducted with the methods of natural science and quantitative analysis would be appropriate analytical tools.

There are also situations when the theory is underpinned by subjective assumptions (Jackson, 2000: 22). In these situations social reality will be perceived as being determined by subjective existence as a product of individual or group consciousness – this is "nominalist ontology". This theory seeks to understand the varying points of view of the participants involved in the creation of social reality. It is an "anti-positivist epistemology", in which people are granted free will and the researcher is required to probe, question and

observe a world without the possibility of objectivity. Qualitative methodology would then be the ideal tool for data generation.

In the matter of regulation versus freedom, those who support regulation concern themselves with understanding a static situation, as opposed to those who see society as being in a state of flux in which subjectivities are determined from moment to moment by conflict and contradictions, and lead to radical change in social systems.

In a matrix format the above produces what is known as the four sociological paradigms illustrated on Figure 3.1: the Interpretive Systems Paradigm, the Functionalist Systems Paradigm, the Emancipatory Systems Paradigm and the Postmodern Systems Paradigm. These paradigms are briefly related to the context of low-cost housing intervention programmes below.

3.2.1 The Interpretive Systems Paradigm - "Soft Systems"

When a system is viewed from within an Interpretive Systems Paradigm, which is subjective and of the sociology of regulation category, the system is "softer" and has to do with human interpretations. People behave in a certain manner and interact in organisations in a manner determined by their interpretations (Jackson, 2001). A situation is understood by getting close to it and by trying to understand subjectively the varying perceptions and different point of views of the people who construct them. The purpose of studying the system is to understand the status quo in the context of regulation and objectivity when intervening.

The aims and goals for the Interpretive Systems Paradigm are the demonstration of the existence of a particular unified culture in the hope of achieving common values in that context, while the organisation metaphor employed would be ”culture, and the political system”. The problems which are addressed in this paradigm can be described as “meaninglessness, and illegitimacy”, with organisational benefits being “commitment and the quality of life” (Jackson, 2000).

Table 3.1 compares this with the other paradigms.

Cross-sector partnerships in the low-cost housing projects easily fit in this paradigm, because the different actors from different sectors collaborate in attempting to achieve a common aim, but with varying perceptions of the world and of reality.

Qualitative methods are most appropriate to use in this paradigm.

3.2.2 The Functionalist Systems Paradigm - “Hard Systems”

When a system is viewed from within a Functionalist Systems Paradigm, it is objective and relates to the category of social regulation. The system is “hard” and tangible, with an identifiable existence which is independent of us as observers. The system is better understood if we find regularity in the relationship of the sub-systems to the whole (Jackson, 2000). The people in the systems do not present any more problems than other components. Generally an assumption is made that the world is systematic, and analysis of the status quo is conducted in systems terms. It is possible to model the situation scientifically. These models aim to

capture the meaning of a situation in order to gain insight into the real world, and also to learn how best to intervene.

The goal of the paradigm is “regulation, law-like relations among elements in the system” (Jackson, 2000: 42), with the aim of achieving “goal seeking, efficiency, effectiveness, survival and adaptation” (Jackson, 2000 42), The organisation metaphor is a “machine, organism, brain, flux and transformation”, and the organisational benefits are “control, expertise” (Jackson, 2000 42).

Table 3.1 compares this with the other paradigms.

In the current framework of low-cost housing provision, there is a mind-set that pays little attention to soft systems. Everything from policy to implementation is geared towards goal seeking (hard systems), with hope pinned on efficiency, effectiveness and adaptation. Evidence of this is found in the Minister’s budget speech and his response to questions in Parliament, attached in Annexure A. Furthermore, the Minister’s statements to the press align with the hard systems approach of mandating and putting emphasis on regulation by engaging the Special Investigating Unit and the Auditor General to investigate prosecute and hopefully recover fruitless expenditure. These are efforts to get compliance without addressing the real problem, which lies with “soft issues”.

3.2.3 The Emancipatory Systems Paradigm - “Radical”

The Emancipatory Paradigm takes its name from the fact that it is concerned with “freeing” or emancipating oppressed individuals and groups in organisations and in society as a whole (Jackson, 2007). Jackson argues that the paradigm is based on the suspicion of authority and tries to expose the forms of power and domination that it sees as being illegitimately used on the “victims” of oppression.

The basic goal of the paradigm is “unmasking domination”, with an emphasis placed on contradictions in the system and conflict between different groups in the system, in the hope of fostering the “reformation of social order”. The organisational metaphor in this instance is “psychic prison, instruments of domination”. The problems addressed by practitioners who subscribe to this paradigm are those of “domination” (Jackson, 2000).

Table 3.1 compares this with the other paradigms.

In low-cost housing projects the beneficiaries are marginalised first by the oppressive legislation of the apartheid government and secondly by the domination of the technocrats who take them as token partners in order to comply with the requirements of participation. This study pays attention to the conflicts resulting from all forms of discrimination, be it on the grounds of race, social class, level of education, sex, age, or anything else.

Researchers of this kind involve themselves in both qualitative and quantitative methods. The process of intervention is systemic and never ending, and is aimed at improving the situation of the marginalised in such

a way that they begin to take responsibility for the process, and the changes that arise in this manner are evaluated in terms of ethics and emancipation (Jackson, 2001).

3.2.4 The Post-modern Systems Paradigm

The Post-modern Systems Paradigm challenges all of the other paradigms by scoffing at the way in which they look at organisations. Organisations are far too complex to be viewed as simply as it is seen in the other paradigms. This paradigm encourages diversity in any action that aims to improve society and organisations, using the metaphor of a carnival as its way of describing the world (Jackson, 2007).

The basic goal of this paradigm is to “reclaim conflict”, with the aim of claiming “space for lost voices”. The organisational metaphor is “carnival”. The problems addressed by the paradigm are “marginalisation, conflict and suppression”, and the organisational benefits are “diversity and creativity” (Jackson, 2000).

Table 3.1 compares this with the other paradigms.

In South Africa, low-cost housing remains heavily segregated in terms of race and class and is characterised by power imbalances between those with resources and those with no resources. A radical change is required in form and in mind when dealing with societal problems such as low-cost housing.

3.3 Diagrammatic Illustration and Table Summary of the Four Paradigms

The diagrammatic illustration **Figure 5** below illustrates the four paradigms and the rationale behind them. These four paradigms do not provide an explicit sociological account of the real world, but are methodologies, methods and models that can be utilised in diagnosing and intervening in society's problems (Jackson, 2000)

3.4 Critical Systems Approach to This Particular Research

The study is based on investigating complex project problems and using information from the investigation to design an intervention which minimises the complexity of the problems and the risk of failure.

Low-cost housing delivery programmes are being run on a project-by-project basis and implemented using cross-sector partnership collaboration. As stated earlier the success or failure of the project results from a combination of both hard and soft systems. Systems thinking teaches us that there could be several reasons (in combination) why the projects have failed to deliver the desired outcomes. It would then be prudent to view the projects using all of four of the research paradigms.

In this study, cross-sector partnerships are analysed in an effort to minimise the risks of project failure which arise out of the subjectivity which results from the varying perceptions and conflicting viewpoints of members of the partnerships, and more than likely gives rise to collaborative inertia.

Figure 3.2: Burrell and Morgan's four paradigms of social theory.

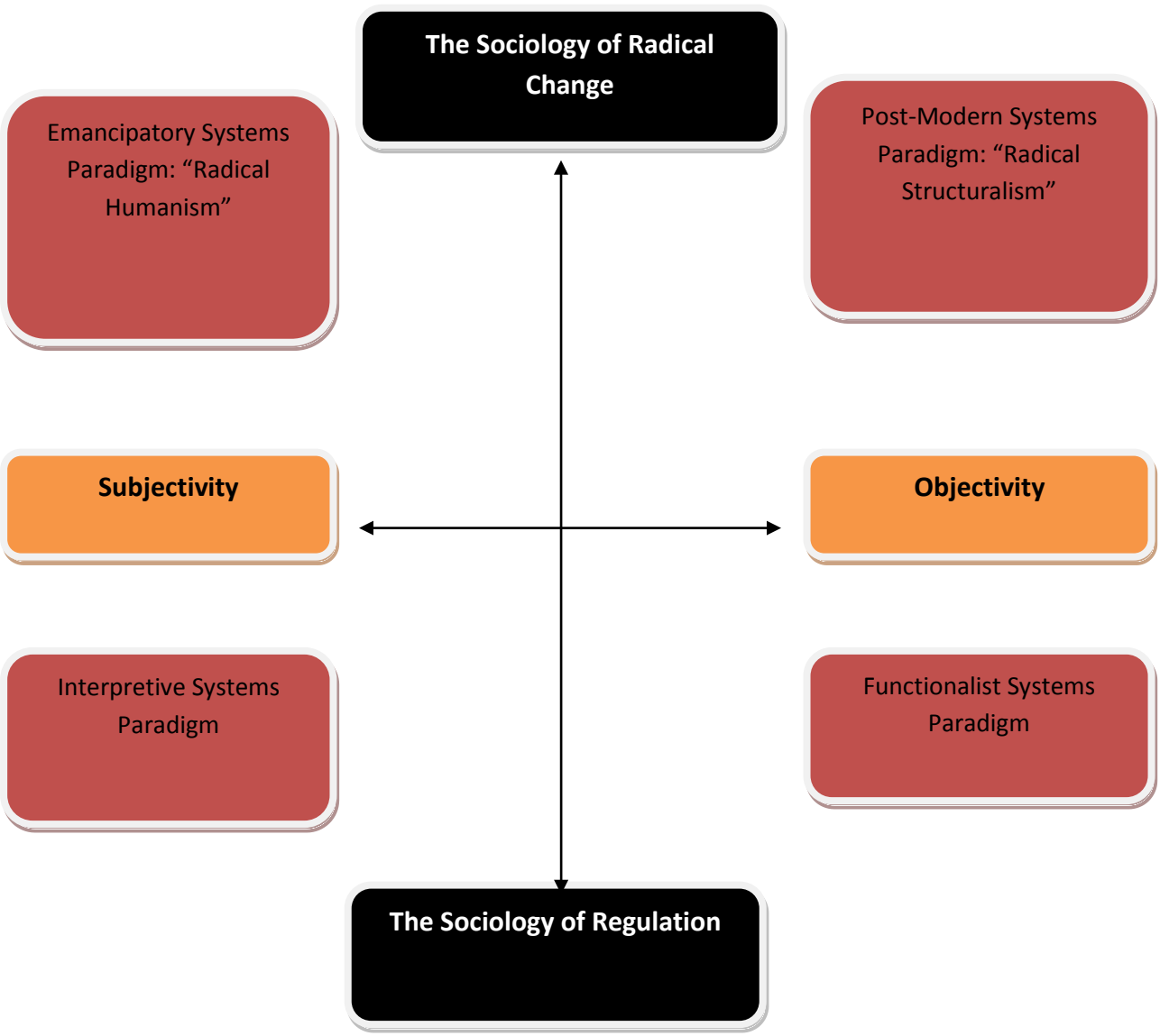


Table 3.1 Summary of the Four Paradigms (Source: Jackson, 2000 42).

Features	Functionalist	Interpretive	Emancipatory	Post Modern
Basic Goal	Law-like relations among objects, improving goal-seeking and viability (hard systems)	Display unified culture	Unmask domination	Reclaim conflict
Method	Nomothetic science, relating to the discovery of universal laws and processes	Hermeneutics ethnography, philosophy of human behaviour and society	Cultural and ideological critique	Deconstruction genealogy
Hope	Efficiency, core competencies, viability, effectiveness, survival and adaptation	Recovery of integrative values, finding a fit, openness, wholesome	Reformation of social order, reconstructing mental models, democracy and equality for the marginalised	Reclaiming space for lost voices, bringing the weak and the marginalised.
Organisational Metaphor	Machine, organism, brain, flux and transformation	Culture, political system	Psychic prison, instruments of domination	Carnival
Problems Addressed	Inefficiency and disorder	Meaninglessness and illegitimacy	Domination or marginalisation, consent, engagement, meaningful participation, poverty and disease	Marginalisation, conflict and suppression
Narrative Style	Scientific/technical, and strategic	Romantic and embracing	Therapeutic directive	Ironic, ambivalent
Time Identity	Modern	Pre-modern	Late modern	Post-modern
Organisational Benefits	Control, and expertise and competencies, profitability	Commitment, quality of work life	Equal participation, expanded knowledge	Diversity, innovation and creativity
Mood	Optimistic and measurable	Friendly	Suspicious	Playful, carnival
Social Fear	Disorder	Depersonalisation	Authority	Totalization and normality

For practical purposes, it is feasible to look in detail only at the soft systems involved here, using the Interpretive Systems Paradigm, while recognising and acknowledging the applicability of the other three paradigms to some elements in the partnerships, and also acknowledging that further research on the subject in those areas is required.

3.5 The Interpretive Systems Theory Framework

The Interpretive Systems Approach, also referred to as "soft systems thinking", considers human elements or aspects of behaviour (soft systems) before processes, technology, structure and organisations (hard systems) (Jackson, 2000). This approach accepts that there are multiple perceptions of reality and takes account of a subjective grasp of systems and practices in analysing cross-sector partnership arrangements.

In the Interpretive Systems Paradigm, it is important to understand subjectively the points of view and the intentions of the stakeholders concerned, as opposed to searching for objective realities or for regularities and causal relationships in social life. It follows that a researcher working within this paradigm can gather the views and perceptions of stakeholders by carefully and constantly listening to their answers to probing questions, using soft systems thinking to come up with what Churchman (1979) and Checkland (1981), as cited by Jackson (2000) calls a "Worldview" or *"Weltanschauugen"*. Such a researcher will build models to expound particular worldviews, as opposed to attempting to capture what is termed by others as the truth.

Jackson further argues that people generally posses free will, as opposed to being subjected to forces beyond their control, which implies that they should then be centrally involved in all interventions to change and

improve the systems they create. Where there are informal settlements and informal shack dwellings, any intervention to improve the situation the shack dwellers are in, must be driven from within, and their subjective perspectives must be considered if there is to be any hope of succeeding. The research methodology should then be geared to getting as close as possible to what is happening in the people's heads, in the context of the broader physical environment, of course. This can be done by asking probing questions of the stakeholders in an effort to establish data that will be useful to the research and will eventually give rise to productive recommendations.

Embracing "subjectivity" clearly distinguishes Soft Systems Thinking from Functionalism in many ways, yet both paradigms share the same commitment to regulation and the achievement of goals (Jackson, 2000). In the case of low-cost housing delivery, the commitment would be to deliver low-cost houses at the right time and at the right price.

Morgan, cited by Jackson, argues that Soft Systems, as in Interpretive Systems paradigm, are heavily influenced by the "root metaphor" of contextualism, meaning that sense can be obtained only in suitable "contexts". The themes of culture and politics therefore dominate the Interpretive Systems Approach. Culture influences values and beliefs, and if shared by all the parts of a system, it assures organisational survival and effectiveness - and politics emerges as a result of diversity. Accommodation and tolerance must be sought between members of a partnership with diverse backgrounds.

3.5.1 Checkland's Soft Systems Methodology

The Soft Systems Methodology (SSM) framework and theory is attributed to the 1969 work of Peter Checkland and his colleagues at Lancaster University through their action research on ill-structured management problems. Their research was aimed at producing a systems method to intervene in "soft" problem situations which are characterised by their complexity and ambiguity (Checkland, 1981). Soft Systems Methodology has for a long time helped both private and public sector managers to deal effectively with problems of organisational improvement and change (Jacobs, 2004).

Hard systems, on the other hand, are modelled on natural scientific methods, and are generally situated in the functionalist paradigm. Hard systems are concerned with achieving goals or objectives which in the case of our study would be procedures and processes with the ultimate aim of building so many low-cost houses in as short a time as possible. In the hard systems paradigm, the goals and objectives are achieved using a form of management science which concentrates on the "logic of the situation" (Jackson, 2000).

Many organisational and social problems such as informal urban human settlements, poverty alleviation and the lack of low-cost housing cannot be solved using the methods of hard systems alone. Unfortunately, in social systems the "logic of the situation" is usually less important to what happens than the cultural and political interconnections of the situation as perceived by different stakeholders. Soft Systems Methodology recognise these different perspectives by setting in motion a systematic process of learning in which mental models are formed and reformed due to the interaction and interconnectedness of the elements of the system. This process is often referred to as "double loop learning" (Schon, 2000).

The Soft Systems Methodology is used predominantly for analysing qualitative and subjective data, on the assumption that people's perspectives and preferences are varied. This is done by examining the way in which they describe the problem, which is usually unstructured. This understanding is achieved by using systems thinking, which contains two divisions, which are the real world (cultural and political) and systems thinking (logic driven).

A soft system is illustrated in the following five steps:

1. The problem situation
2. C A T W O E

   Customer

   Actors- project managers and service providers, etc

   Transformation – this is the process of conversion of ideas from input to output. This transformation is carried out by the actors. It is meaningful in terms of a worldview that states a set of values. The system has owners who are capable of stopping or disrupting the transformation at any given time, especially when it is not meeting their desired purpose. The system operates in an Environment which may have regulatory, environmental or economic constraints (Checkland, 1981.)

   Weltanshauung (world view)

   Ownership

   Environmental constraints (external: legal, physical, ethical, legislative)

3. The conceptual model

4. Comparison

5. Implementation

Table 3.2 below shows the characteristics of hard systems and soft systems thinking in summary.

Table3.2: The characteristics of hard and soft systems thinking (adapted from Susalwati, Wong and Chikolwa, 2009)

Items	Hard Systems	Soft Systems
Problem definition	Straightforward and unitary	Problematic, vague, ambiguous and pluralistic.
Organisation (i.e. a partnership)	Taken for granted because the stakeholders in the system do not present any more problems than other components	To be negotiated. Organisation in Soft Systems Methodologies arises out of the discourse between entities or individuals, out of which a degree of agreement on common purpose may emerge, together with other parameters such as a measure of success, and social processes to be pursued to achieve the common purpose. This leads to the allocation of roles and responsibilities, and agreement on norms and values. These norms and values are constantly renegotiated.
The model	Representative of the real world with start and end boundary parameters	Debate, consensus and insight, complexity and ambiguity
Outcomes	A product (in the case of our study it would be the number of quality houses built and occupied by beneficiaries) or recommendation. Goal seeking.	Progress through learning

It is important in the comparison and implementation processes to always check the current situation and environment (Skitmore, Susilawati and Armitage, 2005). Figure 3.2 and Table 3.3 below show how Soft Systems Methodology is mapped when solving problems.

Figure 3.3: Soft Systems Methodology, as adapted from Tsouvalis and Checkland (1981:36)

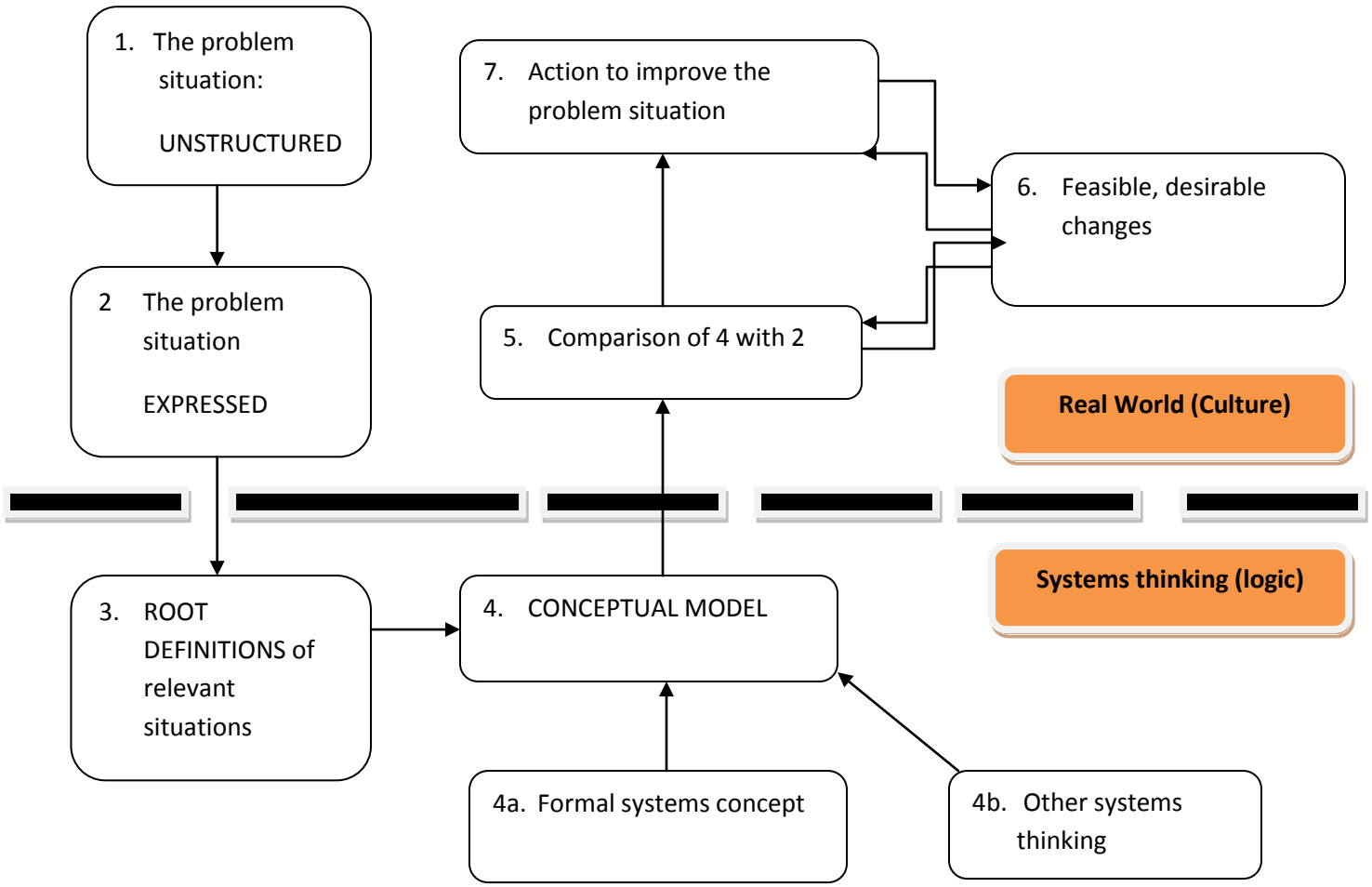


Table 3.3: SSM seven-stage learning map, as adapted from Jackson (2000:249)

Problem Situation		Concern. In the case of our study it would be why there are so many project failures in a programme that looks technically simple.
1	**Rich picture building**	Social systems are interpretive and hence a rich picture illustrates the systems as a whole. They are seen as mental constructs of the observers in the world. These are pictorial illustrations of the organisation and its environment.
2	**Problem theme development**	The themes that seem to constitute a problem, such as conflict, communication, leadership, participation and so on. In this stage focus is on the following:1. Who are the key players in the situation and what perspectives do they have of the situation? Particular attention should be on who are the "Clients" who cause the intervention? Who are the practitioners who should drive the SSM process?, Who are the owners of the issues to be addressed? And so on. 2. What is the cultural environment of the situation? What are the norms and values that shape the situation? 3. How is the situation affected by politics and/or power relations? What is the source of power? Where and how is power obtained, used, challenged, defended etc?
3	**Root definition**	There are different descriptions of reality, which are based on different world's views. The root definitions are turned into conceptual models that are explicitly one-sided representations expressing a "Weltanschauugen". The CATWOE as defined later falls in this category. A root definition can be in the form of a short paragraph or sentence in the following format: "Do action P (what), using method Q (how), to (help) achieve result R (why)." The key transformation processes are checked for appropriateness by using the three E's (Checkland and Tsouvalis, 1997; Checkland, 1981; Checkland and Scholes, 1993): i. Efficiency ii. Efficacy (will it achieve the desired outcomes?) iii. Effectiveness (does it achieve what is desired?)
	Conceptual model building	Building a concept or a "theory" of the problem intervention, or rather a theoretical solution framework. These are models of purposeful activities relevant to debate and argument about the problem situation (Checkland, 1985)
5	**Comparison of the model with the real world**	Returning to the "real world" from the systems thinking in 2 and 3 above allows comparison of the four conceptual models in the real world (Jacobs, 2004).
6	**Debate over systemic desirability and cultural feasibility**	Debate about the situation is in structured form and involves comparing the models with the perceptions of the real world. The aim is to arrive at proposals for change that meet two criteria, i.e. they are systemically desirable and culturally and politically feasible (Checkland, 1985).
7	**Taking action to improve the problem situation. This might produce a new problem situation and the cycle could begin again in an iterative process**	Agree to changes and taking action. The prioritisation of desirable and practical attempts at improvement (Checkland, 1985).

3.5.2 Soft Systems Methodology

The process of enquiry starts with expressing the situation through building a rich picture diagram which depicts different issues, opinions and ideas of what the people involved view as relevant to the situation as a whole (Checkland, 1981.)

Models of the system are designed from the rich picture, using the knowledge or perceptions of the participants. These models are aimed at addressing participants' perspectives of the problem situation. The models should contain structured activities required in a system as described by the root definition (Checkland, 1981), which defines the core purpose of the activity system, and what a system does to achieve a specific purpose (Checkland, 1981).

Each root definition is modelled in a logical sequence of human activities with monitoring features. These conceptual models express possible human actions that could be developed to improve the status quo, and these scenarios are then compared with the actual situation to be addressed, and assessed for their viability and acceptability (Checkland, 1981). This trigger a process of "learning", as the actors' perceptions of reality and meaningfulness undergo change.

The analysis takes place in three stages, which are referred to as Analysis 1, Analysis 2, and Analysis 3 (Jackson, 2007).

i. Analysis 1: Intervention

Analysis 1 considers intervention and the roles of the client, problem solvers and problem owners as follows:

- The client is the person(s) who initiates the system study
- The problem solvers are those who wish something to be done about the problem
- The problem owners are the stakeholders (in this instance the beneficiaries and others viewed as such)

The way in which the problem is expressed needs to show the problem solvers' perception, knowledge, ability to make resources available, and ability to consider client's reasons for causing a solution to be found, whilst considering a wide range of possible problem owners, as there is no one specific owner of the problem. The problem is then looked at from the various perspectives of a variety of problem owners, a process which produces a variety of information systems that are fed into the logic-based stream analysis (Jackson, 2007).

ii. Analysis 2: Social System Analysis

As argued by (Jackson, 2007) this analysis looks at roles, norms, standards, values and culture as follows;

- Roles are social positions that can be institutionally defined (e.g. political activist, civil society representative, head of department, project manager) or behaviourally defined (opinion leader, militant)
- Norms are conventional behaviours that match the roles

- Values are the standards according to which performance in a role is judged

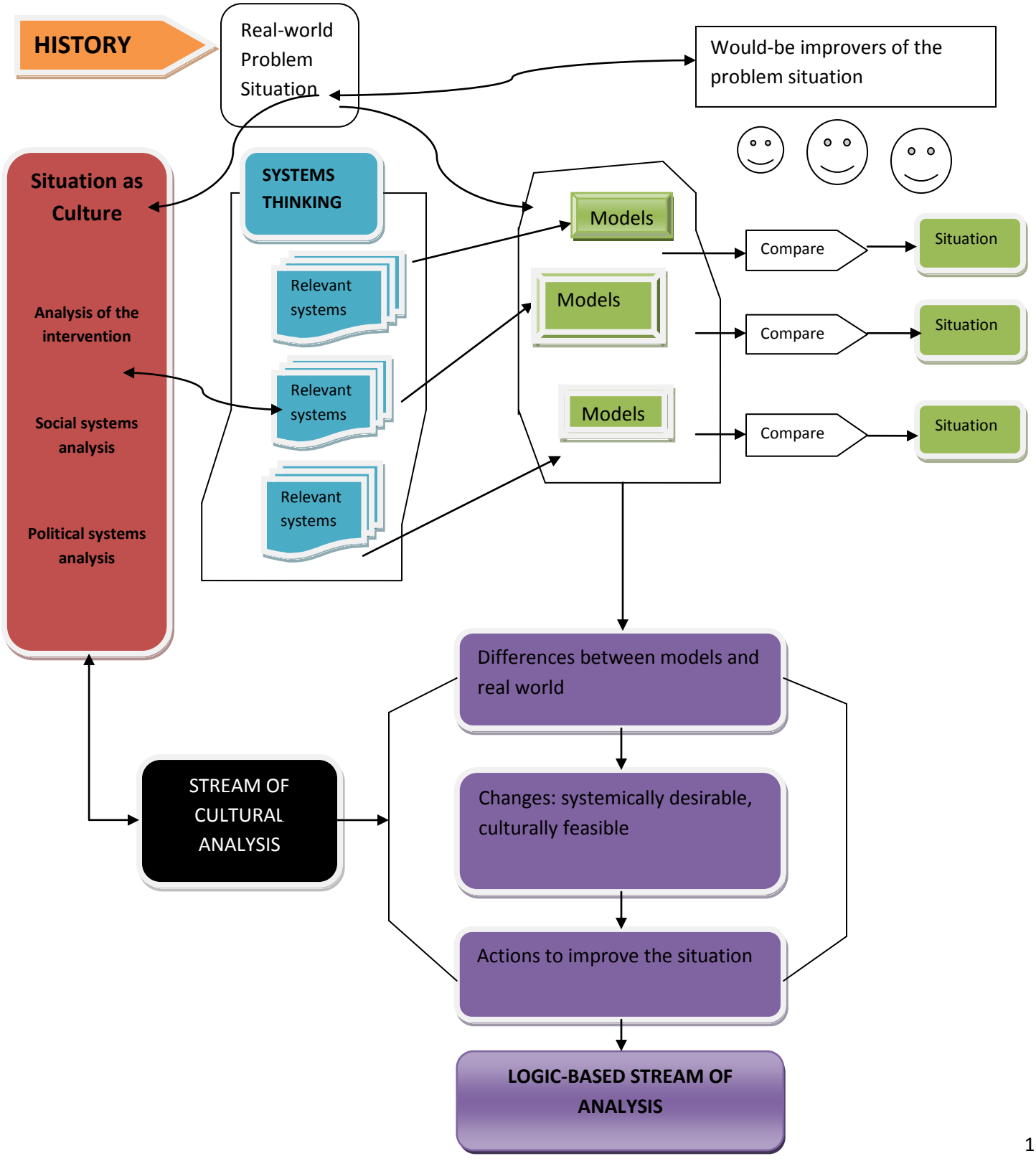
iii. Analysis 3: Politics of the Problem

It is further argued (Jackson M, 2007) that this analysis examines the politics of the problem situation by looking at how power is obtained, distributed and used. This can be "overt" or "covert" and rest on various factors that influence the direction the partnership takes, such as command over resources, professional skills, talent, personality, and so on.

The above three analysis are performed in sequence and iteratively, and fed back into the rich picture, which is then revisited and continuously reworked through a participative process.

Addressing conflicting perceptions, Checkland and Scholes, as cited by Jackson (2000), argue that through focusing on learning, a degree of "accommodation" and acceptance of differences in their view of social reality can be achieved by different elements of a system. Accommodation, acceptance, compromise and tolerance are assumed to mean the same thing where a situation may previously have been viewed as unacceptable; it could now be lived with so that action can take place.

Figure 3.4: Two-Strand Version of SSM (Adapted from Tsouvalis and Checkland, 1996: 38)

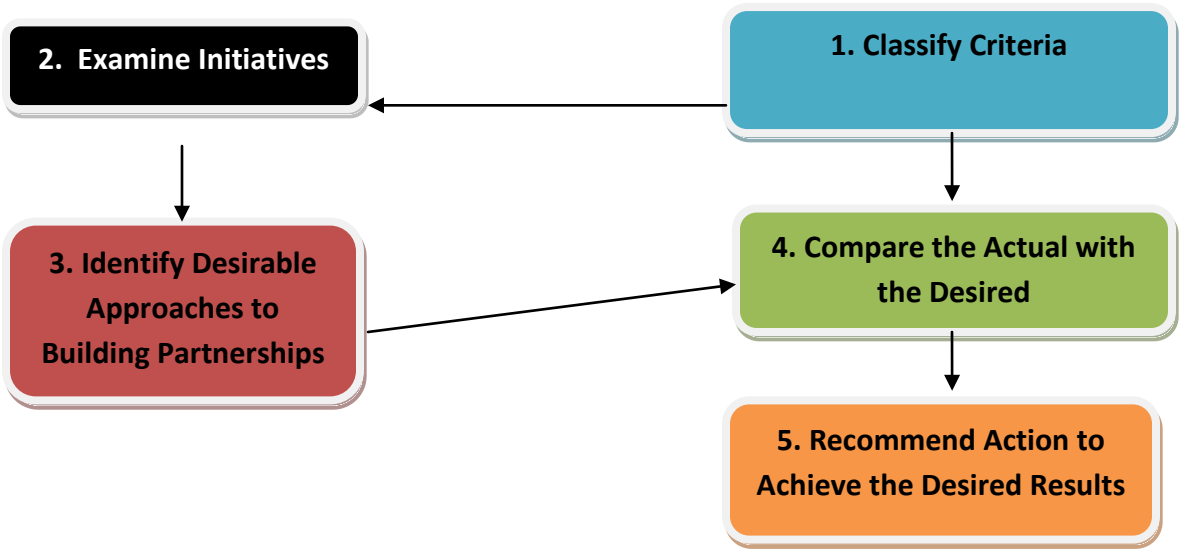


3.5.3 The Conceptual Model Approach.

The following are the root definitions used to generate the conceptual model: **Classification:** Classifying the decision-making criteria of the stakeholders in the process of providing low-cost houses

1. **Close Examination**: Examining the partnership in the process
2. **Identification:** Identifying ways of building or improving the existing partnership
3. **Recommendations:** Recommending the most desirable and feasible results arising from the process

Figure 3.5: This is a diagrammatic illustration of the SSM Conceptual Model Approach. Source: Skitmore, Susilawati and Armitage (2005).



3.6 Research Design

The project enquiry and research is based on exploration and evaluation of the views of the people involved and those affected by the partnership. The project enquiry and research is conducted through the use of qualitative approach. The evaluation of a cross-sector partnership would involve:

1. A literature review (as performed in Chapter 2)
2. A review of the project investigation documents
3. An analysis of the responses to a structured questionnaire (a survey)
4. An analysis of the data generated during unstructured and structured personal interviews with open-ended questions
5. Observations
6. Building rich pictures from the data
7. SSM modelling of the data
8.

This particular study is concerned with identifying pertinent issues through administering questionnaires and face-to-face interviews and after due analysis and consideration comparing the outcome with whatever is suggested in the theoretical framework. Hence the data will have no statistical value, and the study will not engage in statistical modelling and sampling.

3.7 Data Analysis

Data analysis involves analysing text and image data collected from both primary sources and secondary sources in the research. The process involves preparing the data for analysis by reducing the data to meaningful format using a process of selecting, coding, and categorising the data. This data reduction is a process aimed at developing reasoning processes and conclusions often from an overwhelming amount of data collected in the field.

Data coding is a tool used to categorise the data into meaningful themes for analysis and study (Creswell, 2009). Codes are actually labels given to units of data with the purpose of grouping and categorising it. The codes used in this study were those which were discussed in Chapter 2 of this study as the common themes of study in cross-sector partnerships. The coding was an iterative process because of the interconnectedness of the themes. The data was coded and recoded again and again in an effort to find meaning, to make connections, and to generate patterns and forms.

Categorising is a deductive and inductive process of arranging, organising and classifying coded data. The data analysis in this qualitative research exercise followed the framework below, which is adapted from Creswell (2009).

3.8 Limitations Soft Systems Methodology

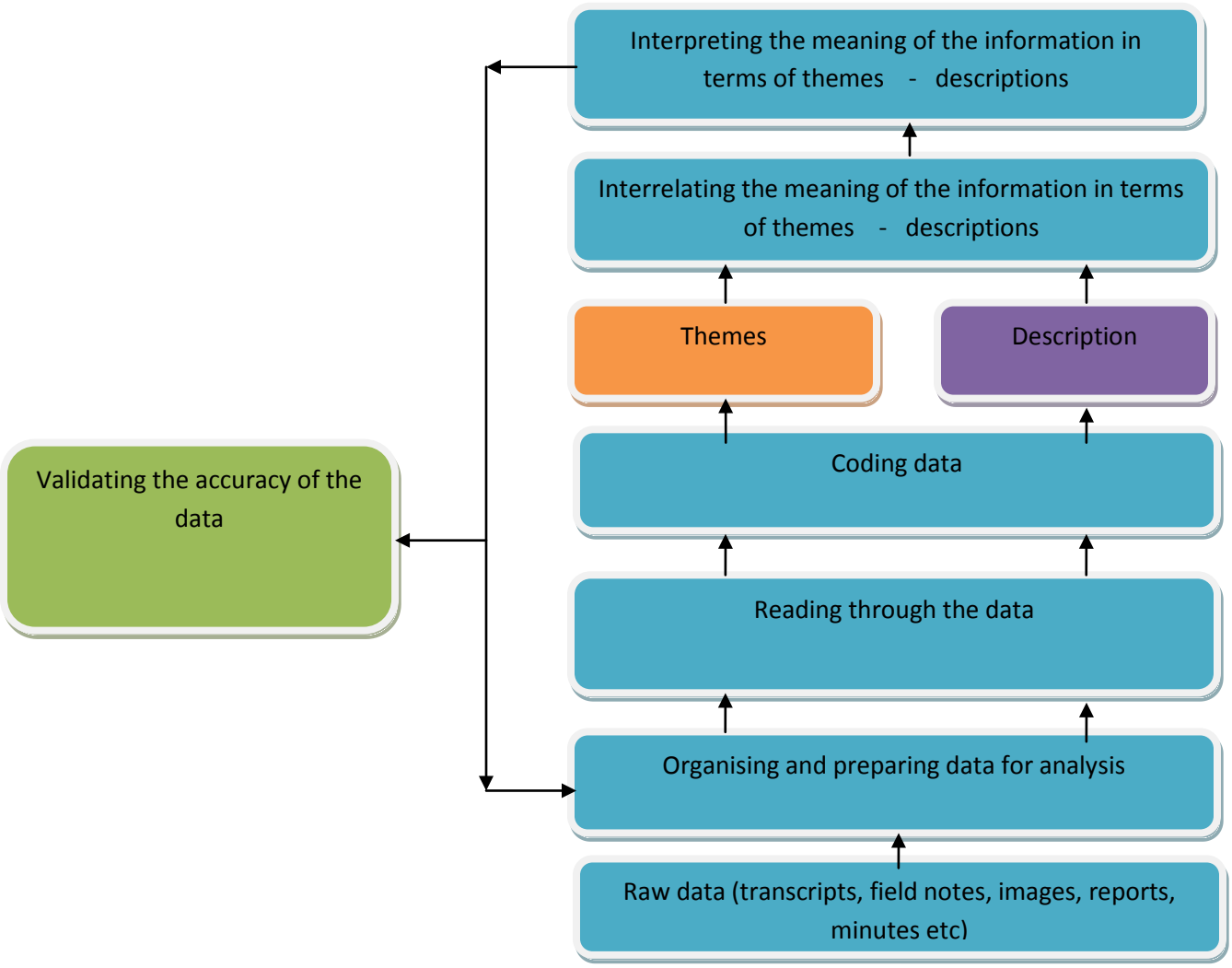
This use of the Soft Systems Methodology will look only at the soft issues arising in the housing delivery programme, but such projects are affected by a number of other issues, which include hard issues, so it would be prudent to conduct further research using the other three paradigms.

3.9 Research Methodology Conclusion

There are many problems and complications associated with social intervention programmes such as the provision of low-cost housing. In this inquiry we focus only on soft issues that surround cross-sector partnerships as an introduction to a holistic study, while acknowledging that other issues also deserve attention.

As shown earlier, there are four systems research paradigms that can be applied. For the purposes of analysis and intervention in the problems associated with housing provision, all four paradigms are applicable. In order to come up with robust intervention strategies, all four paradigms would have to be engaged.

Figure 4.1: Data Analysis Process as adapted from Creswell (2009)



Soft Systems Methodology is the research method selected for this study. It was developed for the purpose of structuring multi-perspective problems characterised by uncertainty, ambiguity, conflict, and shifting organisational positions. Organisation in Soft Systems Methodology arises out of the discourse between entities or individuals, out of which a degree of agreement on common purpose may emerge, together with other parameters such as the degree of the measure of success, and social processes to be pursued to achieve the common purpose. This then leads to the allocation of roles and responsibilities, and discussion on norms and values, which are constantly renegotiated in the whole process.

The models used for diagnosing a situation and/or intervening are debate, consensus and the development of insight. Because of the complexity of such systems, study of this nature would give rise to progress through learning. It is essential in all collaborative partnerships that there should be recognition that stakeholders will make sense of the world and situations in different ways, and yet can be persuaded to see the need to agree on a common goal which is to be achieved through collaboration (Green, 1999: 330). It is also necessary to emphasise that the functional values of a project should be considered independently of the differing and often conflicting perspectives and perceptions of the stakeholders.

Picture 3.3: Mt Frere low Cost housing Project a result of collaborative inertia

Chapter 4 Research Analysis and Findings

"Human settlement is not just about building houses. It is also about transforming our residential areas and building communities with closer access to work and social amenities, including sports and recreation facilities…" ***President Jacob G Zuma, Sunday Times, Sept 19 2010, Review page 6***

Picture 4.1 Poor quality beneficiary house at Waterfall Park IV in Mthatha

4.1 Introduction

It must be established initially if there is a general understanding among all stakeholders that the national Department of Human Settlement cannot successfully address the housing shortage on its own.

If that is agreed, then other stakeholders, such as the provincial governments through the provincial Departments of Human Settlement and various related departments, the local municipalities and business have to play a role in the delivery process. The national low-cost housing policy document (White Paper) highlights the following:

- **"Inclusivity"**: business and public entities are invited to collaborate in the process (Government S. A., 2008)

- **Community engagement as partners**: The policy states that it *"is important to respond to the capacity needs of communities, ensuring that they are empowered to constructively engage with the municipalities in identifying and fulfilling their housing needs"* (Government S. A., 2008).

- **Institution and capacity building**: It is acknowledged in the policy document that the lack of the capacity to undertake the programme is one of the major constraints. *"One of the major constraints in housing delivery is lack of capacity, in terms of efficient workforce and the installation of appropriate technology, equipment and systems for monitoring, evaluating and reporting purposes"* (Government S. A., 2008).

- **Bilateral co-operation**: The policy recognises *"the need to maintain and deepen the cooperation between the departments and the social cluster partner departments and other spheres of government, particularly municipalities"* (Government S. A., 2008).

As stated in Chapter 2 and cited from Di Domenico, Tracey and Haugh (2009), cross-sector partnerships in social intervention projects such as the provision of low-cost housing are in theory generally shaped by the value of each member, competing aims and perceptions, interests and priorities among different groups, and by different notions of the expected benefits of the collaboration.

The stakeholders were interviewed randomly (random sample), initially in unstructured interviews using open-ended questions, which were later followed by semi-structured interviews. The responses were recorded and are analysed in some detail in this chapter.

This enquiry aims to elicit the stakeholder values, beliefs, perceptions, interests and priorities in relation to the housing delivery systems process, with particular attention to the failures that are attributed to soft issues and in particular to factors around multi-stakeholders. The main aim of the research is to improve the low-cost housing delivery process by designing and recommending an improved cross-sector partnership framework.

As argued by Checkland and Scholes (1993), when the nature of the problem is found to be unclear, then the nature of resolving it is also unclear. This is so because the multiple stakeholders espouse various goals and want different needs to be met, resulting in what is termed *"a messy problem situation"* (Checkland, 1985).

The failures being referred to are project failures which occur during the implementation of the projects, and not those that cause the project not to start at all (The project would have started and stalled or been abandoned somewhere during the project stage).

4.2 The Current Housing Delivery Set-up in the Eastern Province, the Major Stakeholders

A project is initiated by a municipality in consultation with the community in need of housing (the beneficiaries, who have supposedly voted for the council and government). At this stage, the politicians play a crucial role in getting the project on the council agenda for resolution.

Land is identified by the municipality and reserved for such purpose. Due to capacity constraints, the municipality appoints service providers, a project manager, a town planner, a surveyor and an engineer to offer technical services.

In the later phase the municipality appoints contractors to install services and build houses or supply materials for the construction of houses by the community members.

In some cases the municipality appoints a developer, who is tasked with the whole process in exchange for a fixed fee per unit delivered. In this case all procurement is done by the developer without interference from the municipality.

4.2.1 The Technical Expert Service Providers (Business)

Below are the roles and phases performed by the Technical Experts Service Providers (Business):

Phase I

1. Start the process of application and documentation for subsidy to the provincial government
2. Produce township layouts and a general plan
3. Survey the erven and prepare a general plan for approval from the Surveyor General,
4. Apply for grant funding for bulk services through the consolidated municipal infrastructure programme (CMIP) funds
5. Perform an environmental Impact assessment
6. Establish a township: the Minister grants permission to develop and or rezone the land.

Phase 2

1. Sales and administration

2. Design and Contract documentation of bulk and internal services
3. Procurement of construction services process for bulk and internal services and top structures together with adjudication and recommendations to the municipality for the appointment of civil and building contractors.
4. Construction monitoring for services.

Phase 3:

1. Construction monitoring for top structures
2. Completion and hand-over

The quality of work is specified to SABS standards, and remuneration and the level of service to be provided by the service providers is normally determined by the professional bodies, together with other conditions and requirements as specified in the service provider's contract with the municipality.

An assumption is then made that only professionally registered service providers in terms of the Act are to be appointed in the capacity as the engineer (who must be registered with the Engineering Council of South Africa), the construction project manager (who must be registered with the Construction Project Management Institute or a registered quantity surveyor), the surveyors (who must be registered with the Institute of Land Surveyors), the conveyance lawyers (who must be registered with the Law Society), the town planners (who must be registered with the respective professional body) and so on.

In some of the failed projects this has not been the case, and furthermore the housing policy document is not specific in terms of the procurement of services by professionals.

4.2.2 Municipal Officials with Delegated Authority

The municipal officials act in the capacity as developers through delegated authority, The land is rezoned by the municipality, and the rezoning is approved by the Minister. The land is then sub-divided and developed to the standards of municipal by-laws, including building standards for human habitation. Furthermore, the municipality provides the services (water, solid waste collection, and sewage collection, treatment and disposal) and maintains them.

The service providers are in contract with the municipality even though the municipality do not have custody of the beneficiary subsidy amounts, the money. When services are rendered, the invoices to the municipality are generated and then presented to the municipality. The municipality in turn passes the invoices for payment to the provincial government for payment. Payment is effected from the provincial government to the municipality and the municipality then pays the service providers. This cycle can take anywhere between 30 days and over 300 days in the Eastern Cape Province. This is so despite the stipulation in the Public Funds Management Act (PMFA) (see section 4.5.8) that requires public officials to pay for services within 30 days.

Should the low-cost housing delivery process succeed, the municipality represented by council, government represented by politicians in the legislature, the Parliament and Cabinet would have delivered on their promises of improving the lives of the poor. Furthermore they would have delivered services to the people.

4.2.3 Provincial Department of Human Settlement

The provincial Department of Human Settlement acts as the custodian of the subsidy funds for low-cost housing. The funds are allocated and disbursed from the national Human Settlement Department to the province.

The provincial Department of Human Settlement also acts as the implementers of the National Housing Policy. In some cases the provincial department provides support services to municipalities who do not seem to have the capacity to implement the low-cost housing programme by taking over some of the functions of the developer.

Should the process succeed, the provincial government would have delivered on its promise to improve the lives of the poor, and furthermore it would have delivered services to the people.

4.2.4 National Government Department of Human Settlement

The national Department of Human Settlement formulates the National Housing Policy and allocates resources (funds from the national budget distributed to the provinces) for the implementation of the policy. In the Eastern Cape the national department has an intervention team tasked with unlocking the logjams and bottlenecks in the implementation of the low-cost housing programme.

Should the process succeed, the national government would have delivered on its promise of improving the lives of the poor, and furthermore it would have delivered services to the people.

4.2.5 Beneficiaries

The beneficiaries tend to benefit immensely should the process be a success and quality, habitable houses are delivered to them on time and within budget. Should the process fail, as it does at times, the beneficiaries are at a disadvantage with shattered hopes and lives that are not better than the ones they had, and worse still their subsidy money would have been spent fruitlessly.

4.3 The Problem Situation as Expressed from the Stakeholders' Perspective

Year after year there are reports of massive failures in the housing delivery process, costing the tax payer millions. The government is now resorting to a new programme called the "Housing Rectification Programme", where condemned and unfinished houses and houses of poor workmanship are made good. Furthermore through the "Special Investigating Unit" of the Department of Justice the government is investigating malpractice in an effort to prosecute those accused of malpractice and to recover misappropriated funds.

Systems thinking inform us that this is symptomatic treatment of a fundamental underlying problem that will keep recurring should the root cause of the problems not be addressed. Furthermore there are varying

opinions and perceptions on the nature of the problems, making it difficult to address them. Checkland as cited by Jackson (2000) describes this as “a messy problem”.

Ideally the interviews should take place in the field and at the work environment of the people who are the subject of the study, as the products relating to the people being interviewed would be at hand. In the case of the beneficiaries, the interviews would take place at their residences, the politicians would be in their constituency, and the officials in their offices.

The nature of the problem as articulated by the different stakeholders is further explored below.

4.3.1 The Beneficiaries (the Community)

According to the literature (Miraftab, 2003: 227; Mafukidze and Hoosen, 2009: 385: Davidson, Johnson, Lizarralde, Dikman and Sliwinski, 2006), the rationale behind community participation is as follows:

i. increased efficiency and lower projects costs through utilisation of local labour, local knowledge and expertise, together with local resources.

ii. Increased effectiveness, to achieve a greater reach in providing for housing among the poor.

iii. Empowerment of communities through their contributing to decisions that affect them and their living conditions.

iv. Fostering accountability and legitimacy

Community partnership is the second highest rung on the "ladder of Community Participation for Underdeveloped Countries" (Choguill, 1996: 436). Choguill argues that at that level,

> *"Members of the community and outside decision-makers and planners agree to share planning and decision-making responsibilities about development projects involving community participation through such structures as joint policy boards, planning committees and eventually other informal mechanisms for resolving problems and conflicts."*

It is on the basis of the above that the enquiry into beneficiaries as partners was conducted. A number of projects were visited. They are listed below.

A total of 20 beneficiaries were interviewed, using both structured and unstructured interviews.

All of the beneficiaries interviewed were aware that they were supposed to be in a partnership for the development. What the community was not aware of was who constituted the members in the partnership, since stakeholders came and went. The community members were aware that they were supposed to be represented by community committee members in all decisions on the project for the purposes of transparency and accountability. The beneficiaries were fully aware that the money being used actually belonged to them as a housing subsidy grant.

Table 4.1: Townships visited and surveyed

Tyoksville Township and Santombe Township in Mount Ayliff	Tyoksville Township (700 erven) and an in-situ upgrade of Santombe Township (300 erven) were initiated in 1995 and to date the projects have not yet been completed.
Ntabankulu Township in Ntabankulu	An in-situ upgrade with 450 erven, where informal settlers were moved to a temporary location whilst services were being installed. The project stalled, eventually failed, and was abandoned before any houses were built, leaving beneficiaries stuck in temporary shelters on a different location. Furthermore, the number of potential beneficiaries is increasing, making it difficult to restart the project with the same number of erven.
Waterfall Park Phase I-IV in Mthatha	Waterfall Park Phase I to IV is a development which has progressed slowly to completion.
Zimbane Valley Low-Cost Housing in Mthatha	Zimbane valley is a project started in 1998 and completed in 2008 in four phases for a total of 600 units. The problems were the pace of development and the quality of the houses.
Maydene Farm Low-Cost Development in Mthatha	The project of delivering 600 low-cost houses was started in 1997 and was completed in 2005
Butterworth Informal Settlement	I visited the Informal settlement in Butterworth to enquire and observe expectations.
Nompumelelo "Gqobas" Low-Cost Development in East London	An in-situ development in East London that was successfully implemented. However, demand far exceeded supply and we have seen rapid shack building activity at the periphery of the development due to mismanaged expectations.

It was also understood that their role was supposed to be getting community support in the process, making sure that the community benefited in terms of employment opportunities and skills training, and conflict resolution (conflict could arise from interaction between business and the community members), bringing legitimacy and accountability in the process.

The role of the municipality, as understood by the community, was to identify and earmark the land for the development of low-cost houses. The community were aware that the approvals for the applications were

made at provincial level. The project managers, engineers, and town planners had been introduced to them as technical experts in the process, who were to report to the municipality and the community.

None of the beneficiaries could identify the role played by the national government, apart from the political gatherings that the politicians called once in a while. The representatives of the provincial government were present only when their presence was demanded, and usually during a crisis of sorts.

The beneficiaries complained that instead of being accepted as partners, some key decisions involving expenditure, key appointments and procurement were being made without their input.

As described by one beneficiary *"The process and decisions were not transparent at all, and we were only asked to come and approve or endorse the decisions*".

Another beneficiary said *"Some community members were bribed with moneys and positions in exchange to agreeing with all the nonsense the municipality officials were planning resulting in our moneys being stolen by crooked contractors who got paid and ran away without finishing their job"*.

Another beneficiary is quoted *"I do not know who brought these contractors here. These people know nothing about building, we have builders here who have been building for us and they could have done a better job than these people from East London. For instance, that man there has been repairing roof leaks,*

redoing the roofs, and repairing big cracks which let in cold during the winter. All these blocks you see on our roofs is to stop the wind from blowing the roof sheets away……" and so on.

Some key decisions made by the municipal officials and the service providers invited a degree of mistrust. The beneficiaries state that apart from being informed of key decisions, they were involved only at the project initiation stage and then sidelined until the very end when a signature was required for the hand-over and final release of money. This is marginalisation of the community when decisions that affect them are being made by others without input from the community, in what Jenkins (1999) calls "cutting corners" to get the community to buy into the decisions. In this case, this resulted in unmanaged expectations in terms of the final product, as will be explained below.

Beneficiaries of failed projects or rather of projects that failed to meet expectations and objectives often display signs of deep frustration when interviewed. There is a general feeling that no matter how many times members of the community express their views or concerns, their input not taken into consideration, leaving them marginalised in the process.

It was also observed in these projects (that failed to meet the desired outcomes) the community was often viewed as a source of cheap labour and also as labour brokers, as opposed to being partners. In our observation and also our opinion, this was so because of their poverty and their eagerness and desire to earn a living due to the lack of economic activities in the areas in which they live. The fact that job opportunities

were otherwise nonexistent made the housing projects a major source of employment. The balance of power often shifted to the controllers of the resources, in what is viewed as a master/servant relationship.

The process of developing institutional capacity for the community to fully participate in matters that affect them most, takes resources which are not budgeted for the Housing Policy, yet the policy refers to of

"a development process driven from within the communities" (Government S. A., 1994: 4.4.4.).

and

"the need to build institutional capacity within communities affected" (Government S. A., 1994: 4.4.4.).

Other government programmes such as the schools building programme, the Extended Public Works Programme and the Community-Based Public Works Programme make use of social consultants and social facilitators who are competent in training communities in institutional and social development, which goes a long way towards building institutional capacity and ensuring the sustainability of government development initiatives.

As a result of the lack of institutional capacity of the beneficiaries, power is unevenly distributed in the partnership. The community are then reduced to being passive recipients of the project outcomes (desired or otherwise), as opposed to being active participants in the whole process. The only power left for the community to exercise, as has been observed, is that of protest and blocking the projects, should the outcomes not meet their needs. This observation is supported by the literature dealing with research on the subject, by Jenkins, (1999); Miraftab, (2003); Lemanski, (2008); Huchzermeyer, (2003); Mafukidze and Hoosen, (2009); and Gilchrist (2006). In addition, as a result of the lack of institutional capacity the community's views generally get ignored by the more powerful stakeholders such as municipal staff and technical experts, who often view community participation as a compliance nuisance.

The white paper on housing (Government S. A., 2008) realises the need to build the institutional capacity of communities, the need to actively engage them, and the need to have the projects driven by them, but apart from making those statements no resources have been allocated to achieving these goals.

Conflict between communities and the municipality is seen as a major stumbling block in all cases of community participation. The conflict arises out of a lack of trust and the existence of competing interests. There are some community members who push an agenda against will of the establishment or of elected officials, be it for political gain or to garner power by using sections of the community against each other, and there are politicians who act in the interest of their political survival by placing individuals in the community structures who will push their political interests at the expense of common goals and combined purpose.

Often there are different expectations among different groups of stakeholders. When interviewed, the beneficiaries often expressed the opinion that they had been short-changed in terms of quality and the size of the houses. Some indicated that they had expected a house complete with internal partitions, which leads one to the conclusion that the beneficiaries' expectations had been mismanaged. Politicians are often guilty of making exaggerated promises on matters over which they have no control in order to drum up political support. Poor communication strategies in the partnership often make the situation worse as suspicions start to surface. Low-cost housing projects are usually launched with fanfare and a celebration of achievement before a single brick is laid. This builds a perceived expectation among the beneficiaries, who then expect the houses to be built right away. Anything short of visible and significant progress turns to mistrust, disillusionment and eventually conflict.

Corruption is cited as the most common reason for project failure by the community, and when asked for further explanation, there was reluctance to be explicit apart from pointing out that the work done did not match the moneys spent, a fact which raised questions about trust and accountability.

When it comes to power and accountability, the community clearly lack "access to sanction" or lack in effective power mechanisms other than protest action. We have experienced "service delivery" riots all over the Eastern Cape as a result, and these riots are often disruptive. In some instances we have witnessed the destruction of property and blatant vandalism and looting.

Furthermore, observations reveal that the low-cost housing programme has done very little to integrate society. Creating communities that are homogeneous in terms of race and economic disadvantage does very little in terms of integrating a nation. The limited experience of the community in dealing with civic matters in cooperation with representatives of government and business, together with their low levels of institutional capacity often leads to them being ignored by the public servants in particular. Many of the community's concerns and grievances arise out of what Gilchrist (2006: 81) refers to as "structural inequalities" - problems which when not attended to lead to conflict. Their perceived treatment can also be the result of structural ambiguity and the unclear boundaries of decision-making powers in the partnership process. This observation, too, is supported by the literature on the subject of community involvement in low-cost housing programmes in South Africa by Jenkins (1999); Miraftab (2003); Lemanski (2008); Huchzermeyer (2003); Mafukidze and Hoosen (2009); and Huxham and Vangen (2000).

The budget for low-cost housing is small. That, together with prospects of conflict situation, lack of trust and the rand the possible resulting disruption of the programme, makes it unattractive to business. When projects stall because of conflict and prolonged negotiation processes with beneficiaries, profits start eroding, and this often leads business (which is profit driven) to abandon such loss-making projects.

The expected outcomes of the projects are to provide decent houses of acceptable quality in the shortest period of time. However, when the projects drag on for years without end, the expectations gradually turn to disillusionment, which fuels mistrust and conflict. My interviews with (potential) beneficiaries demonstrate that there was a general feeling of being let down. They had been promised service delivery by politicians in

exchange for their votes, and the delivery had not taken place. The feeling of being let down is now fuelling discontent which at times result in service delivery demonstrations and riots, as has been experienced in the Eastern Cape in Mthatha, Butterworth and some parts of East London in particular.

However all is not doom and gloom, as there are cases where communities have made valuable contributions, and officials and business have warmed to the value added by their contributions, resulting in project success, as has been experienced in Nompumelelo “Gqobas” Township in East London, which is part of the Buffalo City Municipality.

4.3.2 The Municipality

Five Municipal officials were interviewed. Two of them were from large municipalities (one from Nelson Mandela Metropolitan and one from Buffalo City Municipality) with ample resources. The remaining three were from towns in the former Transkei (King Sabata Dalindyebo Municipality, Umzimvubu Municipality and Ntabankulu Municipality) with meagre resources.

Of the five interviewed, two had town planning qualifications and experience, two had engineering qualifications and experience, and one had engineering and project management qualifications and experience. The municipalities had projects which had failed to meet the desired outcomes.

Of the five interviewed, the two from the large municipalities were aware that they were in a partnership with business, the community, provincial government and national government. The other three were aware only

of the partnership with provincial government and they viewed the communities as beneficiaries, whilst business was viewed as contracted service providers in a client and service-provider relationship.

The subject of project failures is not a comfortable topic to discuss with municipal officials, as there is a general perception that an apportionment of blame is being sought by the enquiry. There was a general reluctance to answer questions and a sense of unease.

The municipal officials interviewed generally cite lack of municipal capacity in terms of expertise and personnel to monitor and evaluate progress and the quality of work, with the exception of Nelson Mandela Metropolitan Municipality and Buffalo City Municipality. There is a perception that the municipalities are poorly funded to manage the process of delivering low-cost housing in addition to other municipal functions. Larger municipalities such as Buffalo City Municipality and Nelson Mandela Metropolitan Municipality have functional housing units, while smaller municipalities such as King Sabata Dalindyebo (Mthatha) and Umzimvubu Municipality in the former Transkei have shared functions. There is mention of the need to build capacity within municipalities in the national housing policy document. However, there is no allocation of funds in the low-cost housing policy to build such capacity apart from the Municipality Equitable Share Funds, which are distributed proportionally (in terms of size as opposed to need), with the bigger municipalities getting significantly more than the smaller municipalities. These thoughts derive from the interviews, but it was also directly observed that capacity in terms of expertise and adequately trained personnel was seriously lacking in the smaller towns.

Another problem cited is the cumbersome payment system. The low cost housing subsidy funds sit in the provincial treasury. They are accessed via a payment certification process by the project manager, who in turn passes the certification on to the municipality, which then passes it on to the provincial department, which then releases the funds to the municipality, and the municipality pays the service providers. It can take anywhere between 3 weeks and 6 months for payment to be effected. Contractor claims for delays and interest are not accounted for, as there is no budget for inefficiency. This leads to skilled and experienced contractors avoiding low-cost housing projects because of the high risk involved. As a result of poor competition in the tender process, the absence of experienced and skilled contractors gives easy access to new, inexperienced contractors who start “cutting corners” to avert losses, with disastrous consequences. This risk has now been minimised by the recent introduction of the NHBRC certification, where a contractor is paid after the house has been inspected and certified by a person deemed competent. However, with this intervention the national Department of Human Settlement is stuck with a high volume of houses which are substandard and in need of rectification, which is costing approximately 10 to 15% of the national budget, as reported by the Minister in Parliament.

It was noted in the interviews that the housing officials in the municipality pay a lot more attention to hard issues than to soft issues, which were ignored because they are less understood and are perceived to be more of a bother. It was observed that general meetings with all stakeholders are held more for the sake of demonstrating compliance than because they can be productive. The meetings are not well attended and are at times reduced to a talk shop where the beneficiaries are merely informed about the status of the project without being afforded the opportunity to take decisions. This leads to the conclusion that competency in managing cross-sectoral programmes is a major issue at municipal level.

There was also mention of political interference in the procurement process, and again there was general reluctance among the interviewees to discuss the matter further. There is a feeling of frustration among the officials, who think that the wrong people with inadequate capacity are appointed as service providers on these contracts, and that when they do not perform the officials are the ones to be blamed for not supervising and monitoring their activities. It can be safely concluded that there are problems in the procurement processes on low-cost housing projects, in particular in smaller, rural municipalities.

Another problem cited is that there are competing political interests at community level, where various politicians and their political agendas manipulate the housing allocation, much to the discontent of some potential beneficiaries. At times this results in protest action, which leads to derailing of the project. A project in a town in the former Transkei (name withheld) was started as an *in-situ* upgrade of 150 informal shacks, combined with the provision of a further 300 units. What then was perceived as an unfair allocation resulted in the whole area being invaded by potential beneficiaries at the start of construction. This resulted in project delay claims by the appointed contractor, which ultimately resulted in cost overruns. At the same time there were no funds to accommodate the additional claims.

In larger towns, the demand for low-cost houses far exceeds the capacity to deliver the houses. Projects are stalled or abandoned because of conflict arising from the allocation of housing units. Despite the existence of set criteria for allocation, there are numerous competing interests in the process, which is normally a source of conflict.

Questions of accountability were raised, as was observed that the provincial government had often paid more than the value realised on the ground physically, as had been revealed on numerous occasions in reports by the Auditor General. This was so because there was a general tendency to over certify so as to facilitate payment to the municipality, and then funds could be drawn down progressively from the municipal account. Though the practice is common in the Eastern Cape, it is illegal and fraudulent according to the Auditor General. There is a risk of fraud, if at provincial level it is assumed that a certain number of houses have been built because the funds have been transferred to the municipality, when in actual fact the houses are still to be built. In some instances the funds are released to the service providers as advance payment, and often the service providers or contractors abscond before the houses are built or before an inspection is conducted. The result is that beneficiaries are compromised by the unscrupulous behaviour of some contractors with the aid of officials.

It has been observed that there are also competing interests between the municipality and the provincial government over safeguarding the interests of the beneficiaries as opposed to a partnership or joint collaboration. The provincial government mistrusts municipalities when it comes to matters dealing with housing subsidy moneys. The municipalities generally feel that progress is stifled by the policing attitude of the provincial government and yet the provincial government feels that if they do not police and monitor with rigour, the municipalities waste the moneys, as has happened all over the Eastern Cape Province.

4.3.3 The Provincial Government Officials

A total of three senior staff at the provincial Department of Human Settlement was interviewed. Below is a summary of their responses.

They recognised the contractual arrangement they had with the municipalities only. The beneficiary involvement is recognised, though not at partnership level. The service providers are recognised as having a contractual agreement with the municipality only, but it is apparent that the provincial Department of Human Settlement can overrule the decisions made at municipal level simply by withholding payment.

It is the perception of the provincial government that the municipalities clearly have no technical capacity to implement these projects. The Eastern Cape Provincial Government Department of Human Settlement has been mandated to assist municipalities, but they themselves do not have the capacity to assist the numerous municipalities in need.

Evidence shows that the government department is expenditure driven, as performance is generally measured by the department's ability to spend the budgeted funds. There is a drive to deliver services. Furthermore, the ability to spend money in an effort to deliver services is placed before planning, processes and controls. As a result, moneys are at times transferred to the municipalities and recorded as expenditure for services delivered, without monitoring and evaluating the extent to which a service has actually been delivered.

This contradicts the statement by municipal officials that the claim that payment system is cumbersome and results in huge delays and at times even the derailment of projects.

The provincial government officials described political interference in the planning process, causing projects to be rushed before proper planning is complete. It has been observed that there are strong political interests in the system. In an effort to be seen to be doing something about improving the lives of the marginalised and poor, politicians push for the projects to be implemented by municipalities which seem not to have the capacity to implement them.

The PFMA (Public Finance Management Act) governs the disbursement of public funds; however it appears to be largely ignored, as there seem to be problems resulting from payments. Often times payments are made late and while some are made fraudulently resulting in losses. Numerous projects in the province are being investigated by the Special Investigation Unit and the Auditor General in an effort to recover the fraudulent payments made.

There is no clarity in terms of the differentiation of roles and responsibilities in the municipalities and the provincial government. The province acts as big brother to the municipality instead of measuring and evaluating outcomes.

4.3.4 The National Government Officials

A total of three officials of the national Department of Human Settlement were interviewed. Below is a summary of their responses. All of the people interviewed expressed their awareness of the existence of cross-sector collaboration, together with the desired membership, roles and responsibilities.

From the interview it could be assessed that the national officials are of the view that the provincial governments, and especially the Eastern Cape Government, do not have the capacity, the strategic plan, or the systems in place to implement and monitor the projects - yet at the same time the need for low-cost houses is great.

From 2003 to 2008 the Eastern Cape Provincial Department failed to implement the programme with the result that the funds allocated were returned to National Treasury unspent, and yet the need for low-cost housing remained great. Furthermore, the failure rate of projects was of such alarming proportions that the national department set up an investigation unit with the aim of recovering the funds stolen or wasted due to malpractice. The national government sent teams to the Eastern Cape to assess and assist in setting up the necessary systems. Through this intervention, positions were created within the Eastern Cape Provincial Department of Human Settlement, and filled with people who have an acceptable level of skills, while at the same time the national government seconded engineers, project managers and other technical personnel to the regions within the province with the aim of training, unblocking and adding capacity on the ground to existing projects. It was established that the first priority was to build capacity within the provincial Department of Human Settlement as opposed to the municipalities, as it is easier to implement and align

changes between national and provincial structures. As a result the national Department of Human Settlement suggested shifting the developer role from the municipalities (with the exception of metropolitan municipalities such as Nelson Mandela and larger cities such as Buffalo City) to the Provincial Government. The municipalities would then assist in logistical support and also perform supervisory duties on the ground. The national intervention lasted two years. The outcomes of the intervention cannot be evaluated and measured at this stage in terms of improvement in the delivery process.

The issue of the payment system's being slow is also currently being addressed through an intervention. It was hoped to have a 7-day turn-around time for certified payments. The approval process for projects, and variations of contracts and subsidies were taking anything from 3 months to 12 months to complete. The intervention was also aimed at cutting the approval time to less than a month within the two years from 2008 to 2010. This has benefited new projects.

All public expenditure is guided by PFMA. There is no evidence of the existence of monitoring and evaluating mechanisms from the national government to see how the municipal and government structures are performing on a project-by-project basis apart from the Auditor General's checking the annual financial statements of municipalities.

The lack of a clear-cut policy on procurement and expenditure has led to opportunistic failures such as corruption and some forms of malpractice, but the issues were being addressed by the intervention of the national government.

Removing the role of developer from the municipalities partially clarifies the ambiguity in the roles and responsibilities of elements in the partnership.

4.3.5 The Politicians and Policy makers

Five politicians were interviewed, and documents in the public domain such as those in the government information website, newspapers reports and speeches were examined.

The cross-sector partnership is acknowledged as the vehicle driving the service-delivery program. All of those interviewed acknowledged the partnership process, but there is ample evidence of finger pointing in terms of the apportionment of blame for the problems encountered.

The National Minister of Human Settlement answering to Parliament admits that “fly by night contractors” are costing tax-payers dearly, as reported in the media (*Politcsweb, the Daily Times* and *Mail and Guardian newspapers)* as attached in Annexure A. It is worrying that the politicians utter statements like that, as if the “fly by night contractors” got to that position on their own without the input of the municipality, the service providers and the provincial government.

In his address in Parliament the Minister admits that about 40,000 houses have to be demolished due to poor workmanship, and states that this would impact on the ministerial budget by 10%.

http://www.politicsweb.co.za/politicsweb/view/politicsweb/en/page72308?oid=157838&sn=Detail Accessed 13 October 2010

http://www.mg.co.za/article/2010-08-16-govt-cracks-down-on-dodgy-housing-contractors Accessed 13 October 2010

In his response to parliament, Minister Tokyo Sexwale attributes the problem to lack of transparency and trust in terms of the procurement- and decision-making processes in the delivery of low-cost housing in the municipal and provincial government spheres, without mentioning the policy shortcomings of his department.

"Fly by night contractors" would not have been appointed by the municipalities had the procedures of good governance been followed.

In order to curb “rampant corruption”, as the Minister puts it, the Special Investigating Unit (SIU), a crack force from the Department of Justice, is investigating malpractices and recovering moneys on behalf of the Department (Parliamentary Budget Speech, 21 April 2010).

Furthermore it is observed that competing political interests among councillors are causing serious conflicts which are negatively affecting service delivery in municipalities (Government I. S., 2003). As stated by the then MEC of Housing and Local Government, Mr G Nkwinti, in his support of taking over the administration of some of the municipalities some of the problems were described as:

- Conflict arising out of the appointment of key personnel such as a municipal manager
- Failure to implement council resolutions due to conflict
- Inability to convene council meetings due to conflict
- Financial mismanagement due to lack of accountability

More effort is being put into attending to opportunistic failures without systematically addressing the root problems associated with housing and housing policy.

4.3.6 The Professional Team

All of the five service providers interviewed are aware of the requirement of cross-sector collaboration and also of the prescribed membership of such partnerships.

The members of the professional team, who included project managers, engineers, surveyors and town planners, are of the opinion that there is no set policy framework such as guidelines for procurement, programme monitoring and evaluation, and believe that this gives rise to opportunistic failures such as flawed procurement processes, corruption and a lack of accountability.

There were several complaints that municipalities are appointing unqualified project managers, engineers and contractors to the projects. These three entities are key elements in the delivery process, as surveyors, lawyers and town planners are in charge only of specific tasks that are highly specialised, and they are involved only during a specifically determined period of the program, whilst project managers and engineers are involved all the way from the inception of the project to the end, which is handover of the houses.

Registered professionals have professional bodies that safeguard the ethics and standards of practice of professional, and institute peer review processes. However there is no policy on the reservation of work on low-cost housing projects for professionally registered professionals when it comes to engineers and project managers.

The fee structure on low-cost housing programmes was never discussed and agreed upon with the professional bodies. This falls outside the standard norm of both parties (professional bodies and the government), which agree yearly on the tariffs for government-related work. Annually the Government gazettes and publishes agreed scales together with standard disbursements such as recoverable mileage and travel time on all government-related work with respect to professionals. The fee scales for low-cost housing

are way below the gazetted standard government scales, and this creates ambiguity in the expectations of the level of service demanded. On projects executed by the national and provincial Department of Public Works and Roads, the fee scale is clearly gazetted together with the required level of service. The engineer and project manager start losing money in the housing projects on endless meetings marred with never-ending disagreements, where positions are renegotiated and where conflict sometimes dominates, as no recoverable tariffs are budgeted - and yet some of these meetings are necessary to avoid conflict from escalating. This often leads to the creation of competing interests among the collaborators. The community is acting on a voluntary basis and has all the time in the world, and in actual fact the meetings are at times perceived as highlight of their day. The public officials are on salary and seemingly have abundant time, as opposed to project managers who are on a time and cost basis and are clearly profit driven, and when more time is being spent in what is perceived as financially non-productive meetings, interest is lost and attendance becomes scanty.

Often meetings do not start at scheduled times, resulting in wasted time for the businessmen, waiting for some members to arrive (municipal and government officials usually being the guilty parties as they seem to be constantly shuttling from one meeting to another). This often results in an agenda being rushed through and some matters being postponed, as members rush off to get back to other commitments. Sometimes meetings fail to start at all and are rescheduled, despite the fact that project managers and other members of the professional team might have travelled a considerable distance to the venue. And sometimes meetings degenerate into a waste of time as opposed to being vital to the establishment and maintenance of governance, legitimacy and communication channels.

Members will obviously have competing interests. If these are allowed to dominate, then the meetings may drag on and on for far too long and often digress to matters that are not relevant to progress, as some members want to further their own interests at the expense of others. Such meetings are far from useful. The professionals interviewed perceived the meetings to be a waste of time and necessary only to meet compliance requirements. At best the meetings were opportunities to inform the other members of developments. The other members were not seen as equal participants.

The problem with the low-cost delivery process in smaller municipalities is made worse by the perceived slow payment system, according to the service providers. Payments are slow due to mistrust between the provincial government and smaller municipalities, which are perceived as having little capacity and experience in development-related matters, resulting in their being viewed as wasteful, for which reason they attract due diligence, and all claims originating from such municipalities are cross-checked. The professionals interviewed indicated that problems of late payments are minimal in municipalities such as Nelson Mandela Metropolitan Municipality, Couga Municipality and Buffalo City Municipality.

Taking into consideration the small margins in low-cost housing projects, the construction process is more profitable if the production is high, as a consequence of economies of scale. A significant number of the contractors appointed cannot afford those economy-of-scale strategies within their current liquidity and cash flows. Furthermore, the risk of falling victim to slow payments at times erodes the margins, resulting in the projects being abandoned. Banks are reluctant to advance moneys on these projects because of the risks

associated with them. If the banks were included in the partnerships they would understand risk better than the Provincial Government.

Interest on late payment and breach claims are not budgeted for in the funding of low-cost housing. The only thing funded is the fixed subsidy amount plus the additional and at times very inaccessible 15% variation in subsidy, which has to still be applied for. The applicant has to show cause, and the application can be approved only by the provincial Department of Human Settlement. The approval is required in advance, prior to expenditure.

Furthermore the approval process from one stage to the next takes a long time, and escalation in cost is not budgeted for. Other key contractual decisions such as Variation Orders and Contract Termination also take far too long and the delay results in escalated costs.

There is no policy framework defining who qualifies as a builder, and there is no professional body for building contractors. Anybody can wake up one morning and decide to be a contractor on low-cost houses.

The National Housing Building Regulatory Council (NHBRC) has recently been co-opted into the programme and payment to the building contractors is now linked to compliance with NHRBC standards, with the result that the quality of the houses has improved (NHBRC 2010). The Construction Industry Regulatory and Registration Body (CIDB) has now been formed and gazetted. It is now mandated to

monitor, classify and evaluate contractors yearly for compliance in terms of the quality of work, the completion of work on time and to the requirements of the contract, together with the ability to execute work in a financial category.

From the data gathered, it can be concluded that there is the abuse of the Broad Based Black Economic Empowerment (BBBEE) government procurement policy framework, which is aimed at giving opportunities to the previously disadvantaged. The process is being abused where incapable contractors with no interest in the profession are being issued contracts at the expense of those that rightfully deserve the opportunities. Price and functionality in the tender process are constantly being ignored in favour of cronyism and political lobbying in the implementation of the procurement process. Contractors and service providers with no capacity are being appointed and justified as meeting the BBBEE procurement framework, yet when looked closely, the framework will not have been applied correctly.

It can be concluded from visits to failed projects and from the examination of documentation, which includes investigation reports and project minutes, that experience in stakeholder management among the appointed project managers is seriously lacking, which in turn has a significant impact on the overall performance of the projects.

4.3.7 The Construction Contractors

Five contractors of different sizes (in terms of CIDB grading criteria) in the industry were interviewed.

Key variables that affect the construction industry apart from the economy are;

- Management of Construction Risk.
- Financial Management and Cash flow.
- Management of resources.

The management of the above in construction contracts usually determines profitability and sustainability in the building contractors' industry. It is on that basis the enquiry on contractors was conducted.

All of the contractors recognised the contractual relationship they have with the municipality as their only valid relationship. To quote one contractor, "All the talk of cross-sector partnership is all but talk".

The interviews revealed the following as the reasons why the projects fail:

i. Compensation for unforeseen events such as rain delays, late payments, and variations which add to the contract risk.

ii. Political interference adds to the risk factors, as the interference is not contractual.

iii. No clear processes are defined. This adds to the risk.

The contractors expressed concern as to who the actual client was, even though the contract document states that the municipality is the contracted client. The municipality is often overruled by the provincial government, which places the contractor at financial risk.

The roles of the project manager and engineer are unclear. There may be a project manager from the provincial Department of Human Settlement and a project manager contracted by the municipality performing the same role and often in contradiction with each other.

4.3.8 The Auditor General's Reports on Housing Investigations

The national government, through the national Treasury Department, enacted the Public Finance Management Act (PFMA), which acts as a guideline in all areas that deal with public funds. The guide (National Treasury, 2000) focuses on seven key areas:

i. In-year management, monitoring and reporting

Accounting officers must monitor progress on the operational plan (including the budget) carefully and this should enable the accounting officer to identify areas of any potential over- or under-expenditure.

ii. Establishment of effective internal controls

Accounting officers must also prioritise the establishment of audit committees and internal audit units, in line with modern practice. They must evaluate whether or not the blanket controls are appropriate to their needs, by adequately assessing the financial risks.

iii. Improvement of expenditure management and transfers

The PFMA must be read in conjunction with the *"Division of Revenue Act"* and in particular with its reporting requirements.

The PFMA also requires that, unless otherwise contracted, payments are to be made ***within 30 days*** of receiving a supplier's invoice.

iv. Clarification of audit queries

Accounting officers to take personal responsibility for attending to audit queries raised by the Auditor General or audit committees, or face sanction.

v. Banking arrangements

Accounting officers are to make sure that all revenue received is banked in appropriate bank accounts and that all suspense accounts are allocated relevant cost centres each month.

vi. Completion of financial statements on time

The Act allows all financial statements to be submitted to the Auditor General within two months of the end of the financial year. This can be done only when accurate information and month-on-month procedures are completed systematically during the year.

vii. Delegation of responsibilities

New delegation of financial responsibilities is necessary to spread responsibility to all senior managers.

Source: National Treasury, October 2000

In his comments on the Eastern Cape Province municipality audits, the Auditor General reported on 23 May 2008 that there are 5 high-capacity municipalities, 14 medium capacity municipalities and 25 low-capacity municipalities in the Eastern Cape. Of the 45 municipalities, only 40 were audited. The other 5 could not produce the information for audit.

Of the 40 audited, 10 of the municipalities received adverse audit opinion, 20 received a disclaimer, 9 were qualified and 1 received an unqualified audit report with concerns raised on certain matters. No municipality received unqualified opinions without further concerns being raised. The Auditor-General, Mr. T Nombembe, stated the following:

"The widespread areas of qualification, ranging from the balance sheets to the income statements, are mainly due to lack of adequate internal controls, lack of discipline to retain and provide supporting documentation and a general lack of capacity and skills to fully comply with the prescribed General Accepted Accounting Principles (GAAP) accounting framework." (Government I. S., 2008)

The above confirms the lack of capacity and lack of accountability of most of the Eastern Cape municipalities, a perception shared by the national Department of Human Settlement.

Furthermore the Auditor General has conducted forensic audits on failed housing projects. Though four of these reports have been studies in great detail, no direct reference to them can be made in this enquiry because of the confidentiality clause and the possibility that the contents could be material evidence in prosecutions. This observation confirms the statement made above by the Auditor-General and the perception of the national Department of Human Settlement of the lack of financial discipline and the incapacity to deliver services of the smaller municipalities in the Eastern Cape.

4.3.9 General Discussion: Summary of the Findings with Respect to the Problems Associated with the Low-cost Housing Delivery Process.

A summary of the above indicates that this is a messy problem. The cross-sector partnerships in their current state are dysfunctional and disjointed, as indicated by the following factors, amongst many others: a lack of clear goals, transparency, communication, trust, accountability, clear agreements and standards of measure,

and often a lack of legitimacy. Clearly it is not surprising that there are serious problems with the delivery of housing in the Eastern Cape.

These factors can be described as “structural and strategic” problems (Babiak and Thibault, 2009: 124). The dominant “structural problems” could be summarised as:

- Governance, ambiguity about roles and responsibilities
- The complexity of the partnership structure

The dominant “strategic problems” could be summarised as:

- Competing logic versus collaboration where personal aims and interests are pushed at the expense of common aims and agenda
- Shifting missions, goals and objectives

A summary and analysis of the results are shown in Annexure C, and the categories are discussed further in paragraphs 4.4 and 4.5 below.

4.4 Structural Problems

As outlined in section 2.12.3, structure is a vital component of organisational theory and also a major source of problems within cross-sector partnerships. The structural dimension deals with horizontal and vertical

integration (complexity) which encompasses themes such as the goals, tasks, roles and responsibilities, processes and procedures, and delegated and designated authority relationships in cross-sector partnerships.

As argued by Huxham and Vangen (2000) a membership structure can be ambiguous and complex, obscuring the general understanding of who is responsible for what.

4.4.1 Governance

Issues of governance that keep coming up are corruption, a lack of transparency, flawed procurement processes, poor financial control, and poor power distribution among collaborating parties. It is observed that the provincial government officials wield an unfair amount of power, which they exercise through their control of resources (the subsidies) and their powers of veto over all decisions.

There are processes of governance such as the PFMA, which do not seem to be followed, and little attention is paid to the appointment of service providers deemed competent, to risk management such as professional indemnity insurance, and to retention and construction guarantees . Furthermore, who is monitoring who, and why, are unclear.

4.4.2 Structural Complexity

Another problem that keeps recurring is structural complexity, which affects the flow of resources and the capacity to make decisions. The projects are implemented at municipal level. All of the project-related

decisions are taken at municipal level. Yet the funds are held at the Treasury and can be released to the municipality only after the desired documentation has traversed from the site to the municipality, to the provincial Department of Human Settlement, and then to the Treasury, and then from the Treasury to the municipality, and then finally back to the site.

The horizontal and vertical organisational integration creates different perceptions as to who is the problem and what the problem really is, especially when roles and membership is ambiguous. The geographic dispersal of the projects and membership has created an environment in which there are multiple structures and cultures (agents with schemata) that affect perceptions, misplaced expectations, failed communication, and power imbalances.

4.5 Strategic Problems

The strategic problems encountered arise from competition for resources and advantages (gains) as opposed to collaboration, together with the shifting of goals of the participants.

4.5.1 Competing Institutional Logic versus Collaborating

Although all of the members may seem to be working together, all of them are competing for power, legitimacy, and resources. The competition undermines the true spirit of collaboration and destroys trust, which is a key element in collaborations. Many interests are represented in a low-cost housing collaboration.

As stated above, politicians are hoping to canvass for votes, business is profit driven, and the provincial government wants to exert authority over local municipalities, to mention just a few examples.

4.5.2 Shifting Goals

Being under pressure to perform on the promise to deliver low-cost housing, the national government keeps coming up with new formulae. First it was project-linked subsidies, then it was the people's housing process, which involved the beneficiaries as key decision makers or the dominant partners in the partnership, which was followed by breaking new ground, and so on. The shifting of goals creates different expectations and the end result is often conflict.

4.6 Management of Expectations

The research shows that the beneficiaries were not honoured as partners but were instead were accommodated only for the sake of compliance with the policy. This led to mismanaged expectations, which often influence perceptions.

4.7 Deployment of Resources

Matters of resources and their deployment are generally sources of suspicion and conflict. They should therefore be dealt with inclusively and transparently. Where projects have failed to meet the desired outcomes and expectations there have not been transparency in the allocation and or deployment of resources and/or in the procurement process.

4.8 Public Value

The projects often took far too long to complete for public value to be realised, and at times if completed at all.

4.9 Rich Picture

Drawing a rich picture is a tool in Soft Systems Methodology used to articulate the problem situation at the beginning of the analysis (Checkland and Scholes, 1993). Rich picture are usually constructed from stakeholders' views and from observations of the situation.

The aim of the rich picture is to organise, demonstrate, articulate and reason about all of the information that the interviewees provide. Drawing the rich picture shows the researcher where possible areas of enquiry lie and also brings to the researcher's attention the areas of contradiction in the conclusions drawn from the interviews and observations (Checkland and Scholes, 1993).

Below is a rich picture depicting the low-cost housing process as viewed by the stakeholders and as understood by me, the researcher. The rich picture depicts each of the stakeholders, their interrelationships, their concerns, their connections and disconnections and is intended to be broad and iterative as well.

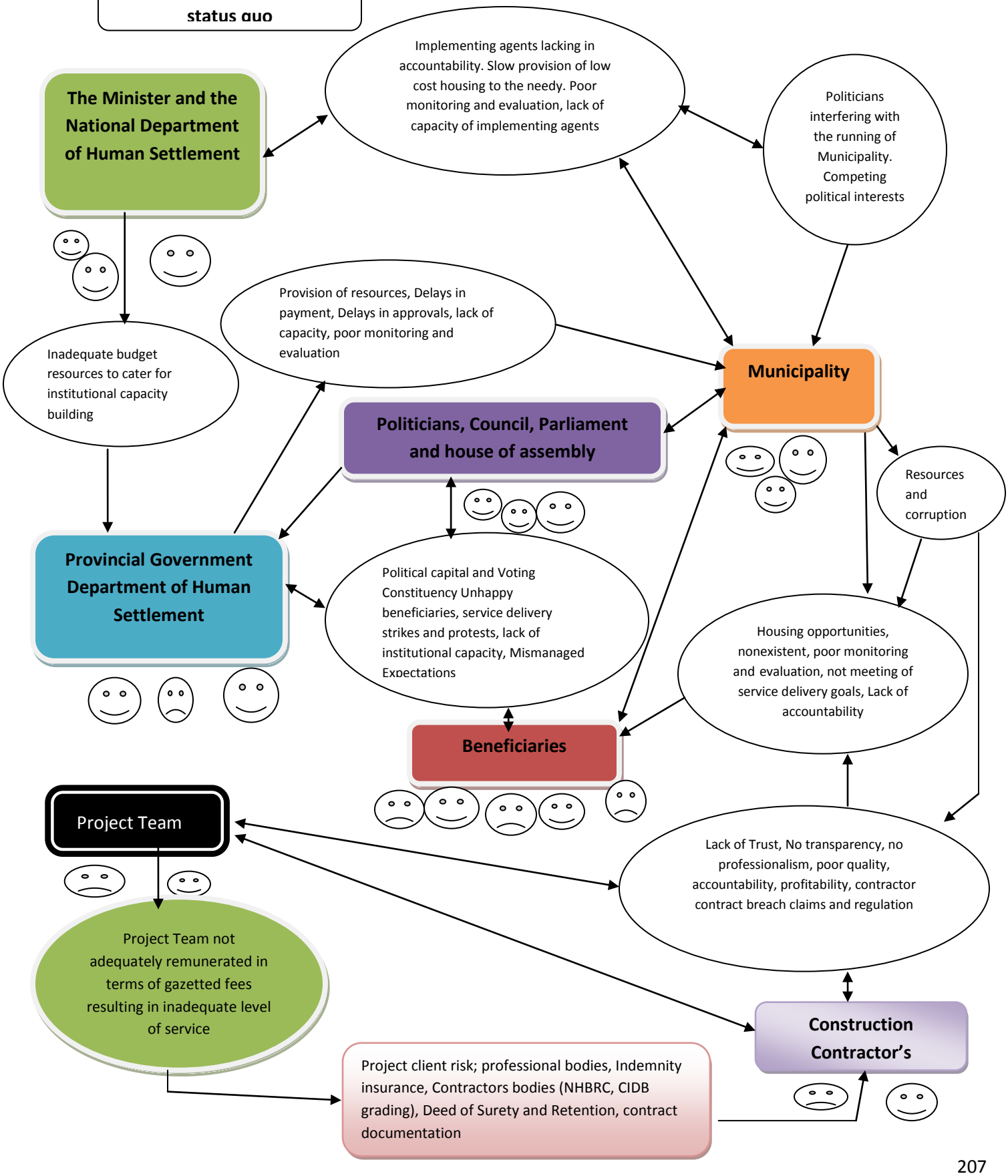
4.10 Formulating the Relevant Activity Model

After the initial investigation, the next step is to learn more about the system in Soft System Methodology by expressing the real world situation in the form of a root definition. A root definition is a concise description of the human activity that states what the system is. Each of the stakeholders interviewed or analysed had a different perspective of the problem, which would lead to different root definitions. However this research focuses on the official perspective from the policy owners and custodians of the funding, the Minister of

Human Settlement and his department.. The Department of Human Settlement is now taken as the owner of the problem.

The enquiry focuses on partnership or collaboration efforts, and in particular government structures, and in particular the Minister and the national Department of Human Settlement as the owners of the problem, in the context of the delivery process policy framework for low-cost housing development, in a effort to minimise the failures of these projects attributed to soft issues.

Figure 4.2: Rich Picture status quo



Picture 4.2 Waterfall Park Phase IV. This is not a very well constructed house when it is seen in the context of the national building regulations, but for R7500 for the building (2000), it is a lot better than a shack.

It is evident from the enquiry that there are varying perspectives as to the problems associated with low-cost housing, but it is possible to say that the dominant themes were structure and governance, and that the which next major problem was the processes involved. Perspectives varied within the themes. Thus, the national Department of Human Settlement as the policy makers and funders dominated the other stakeholders because of their power over resources. The national Department of Human Settlement is clear in its expectation of the transformation process, which is to develop a better low-cost housing implementation strategy, using cross-

sector partnerships, in an attempt to create public value, by providing low-cost housing solutions for the poor through the utilisation of the available resources.

4.10.1 Transformation Process and Root definition.

The concerns of the Minister in his budget speech and the debate in Parliament that followed his budget speech highlight the size of the problem. The Minister is tasked with formulating the delivery process of low-cost housing, which should create an enabling environment for service delivery, using the available funds effectively and efficiently. The process should be able to be monitored, audited and evaluated.

The Minister and the Department of Human Settlement are the owners of the systems. The national Department of Human Settlement is staffed by department officials who are tasked with monitoring, evaluating and reporting to the Minister on low-cost housing matters. The Minister, who is accountable to the Cabinet and the Parliament, and ultimately to the voters, would then formulate policy and provide funding to the provincial government, Together with the municipalities the provincial government would then implement the projects whilst being assisted by service providers, who would design and build quality low-cost houses, in consultation with the community, to the benefit of the intended poor.

4.10.2 C A T W O E (customers-actors-transformation-worldview-owners-environment)

The root definition using C A T W O E for the relevant systems is summarised as below.

Customer: The beneficiaries

Actors: Provincial government and municipalities assisted by professional teams are the main actors in implementing the projects

Transformation: Transforming the current partnership process, which is failing to deliver the desired outcomes of building quality houses efficiently, cost effectively and on time, into an effective partnership process that is efficient, legitimate, transparent, inclusive, accountable and well governed.

Worldview: An ideal cross-sector partnership of the spheres of government, community and business, is effective in dealing with social intervention programmes by minimising project risks.

Owners: The Minister, policy makers and staff at the national Department of Human Settlement.

Environmental: Lack of support for the partnership framework by various stakeholders to form cross-sector partnerships while maintaining the autonomy of their values and the principles of the organisations that they belong to.

Table 4.3 Summary of the interests of the stakeholders

1. The removal of oppressive apartheid laws created a huge shortage of low-cost housing. Furthermore the market is failing to cater for the needs of the particular sector, hence the need for government intervention.
2. The beneficiaries are members of the public from poor communities in need of low-cost housing.
3. The funds are provided for by National Treasury, based on the capacity to spend the allocation within the financial year. The funds are disbursed to the national Department of Human Settlement, the policy makers in matters of low-cost housing. The national Department would disburse the funds to the provinces based on policy and need. The municipalities would be allocated funding from the provincial Department based on successful application for subsidy funding for township development. Members of staff in the national and provincial Departments of Human Settlement are in charge of monitoring and evaluating progress and expenditure.
4. Politicians interact with the beneficiaries by promising them service delivery in exchange for votes.
5. Members of Civil society who champion the cause of the members of the public
6. Private sector who provide technical expertise

Checkland and Scholes (1993) argue that after the root definition has been formulated and agreed upon, the research moves from the problem situation and focus on the following;

What is it that needs to be done?

What needs to be done is;

(a) Improving the existing dysfunctional partnership framework (transformation) by

(b) Clarifying the role and participation of each stakeholder in the decision-making process; And

(c) Examining the current partnership and comparing it with the ideal partnership design, as extrapolated from research and the literature (the theoretical framework). Lastly what then needs to be done is to identify ways to improve.

How do we proceed to do what needs to be done?

By developing a set of subsystems which, when linked, will result in transformation.

What are our reasons for doing it?

To create an environment for implementation, effective monitoring and evaluation of the processes as interventions to solve bottlenecks and problems that may arise.

To develop a conceptual model a comparison is made in an iterative manner between the theoretical framework on cross-sector partnerships as a strategy for social intervention projects such as housing and the current status quo (Checkland and Scholes, 1993).

A conceptual model is a process of human activity systems which are made up of:

a. Parts of a wider system

b. Components that interact with one another in such a manner that the effects are transmitted throughout the system

c. Components with decision-making processes

d. Measurable results (the total number of quality houses built on time and within budget)

4.11 Discussion Using the Conceptual Model to Debate the Issues Surrounding Low-cost Housing Processes in the Partnership Framework.

Up to now the study has presented the problems associated with the cross-sector partnership in low-cost housing programmes - the status quo. In the results presented it is evident that such partnerships are poorly defined and dysfunctional in terms of structural configuration, governance, clear roles and responsibilities, and complexity.

The people interviewed did not show evidence of knowledge of how to effectively manage complex partnerships, or to draw up plans that would enable them to clearly outline the roles and responsibilities of the participants, to manage expectations, or to design monitoring and evaluation processes, for instance.

Using the theoretical framework on cross-sector partnerships in the context of the policy, vision, goals and objectives of the national Department of Human Settlement, the expectations of the beneficiaries and the operating environment of the service providers, it is now possible to debate the issues surrounding the shortcomings of the present low-cost housing delivery process.

The issues raised by the stakeholders earlier are too interconnected and complex to be analysed individually. However, an effort is made for clarity's sake to tackles the issues systematically through reference to the nature of the cross-sector partnership framework. For instance, corruption, bad workmanship and flawed procurement processes are interlinked.

As stated earlier, there has to be clarity of purpose among all stakeholders in the delivery process. There have to be processes and structure in the partnership, whether formal (by way of contract) or informal (by agreement).

4.11.1 The Corruption and Malpractice Debate

Issues such as corruption in the procurement processes and or malpractice are highlighted by the beneficiaries, the service providers, and the Minister. The Minister has empowered the "Special Investigating Unit" to investigate and possibly recover moneys misappropriated. As the Minister stated in Parliament, there were 1,570 arrests resulting in 1,189 convictions and a total recovery of R38,0 million. Though the amount recovered was small compared with what was spent fruitlessly, the problem was sufficiently severe to deserve mention in the 2010 budget speech.

An effective cross-sector partnership has processes and structure (Figure 2.5). In such a partnership, on the one hand, the chances of corruption are minimised due to the existence of a membership structure, the distribution of powers and mandates, accountability, and the establishment of good governance. On the other hand, effective cross-sector partnerships have processes where there are working agreements, leadership,

consensus, legitimacy, trust and conflict resolution strategies. The structure and processes are implicit and can be monitored and evaluated, thereby minimising the opportunities for corruption.

We can then say that strengthening the cross-sector partnerships is crucial to the programme delivery process.

4.11.2 Workmanship

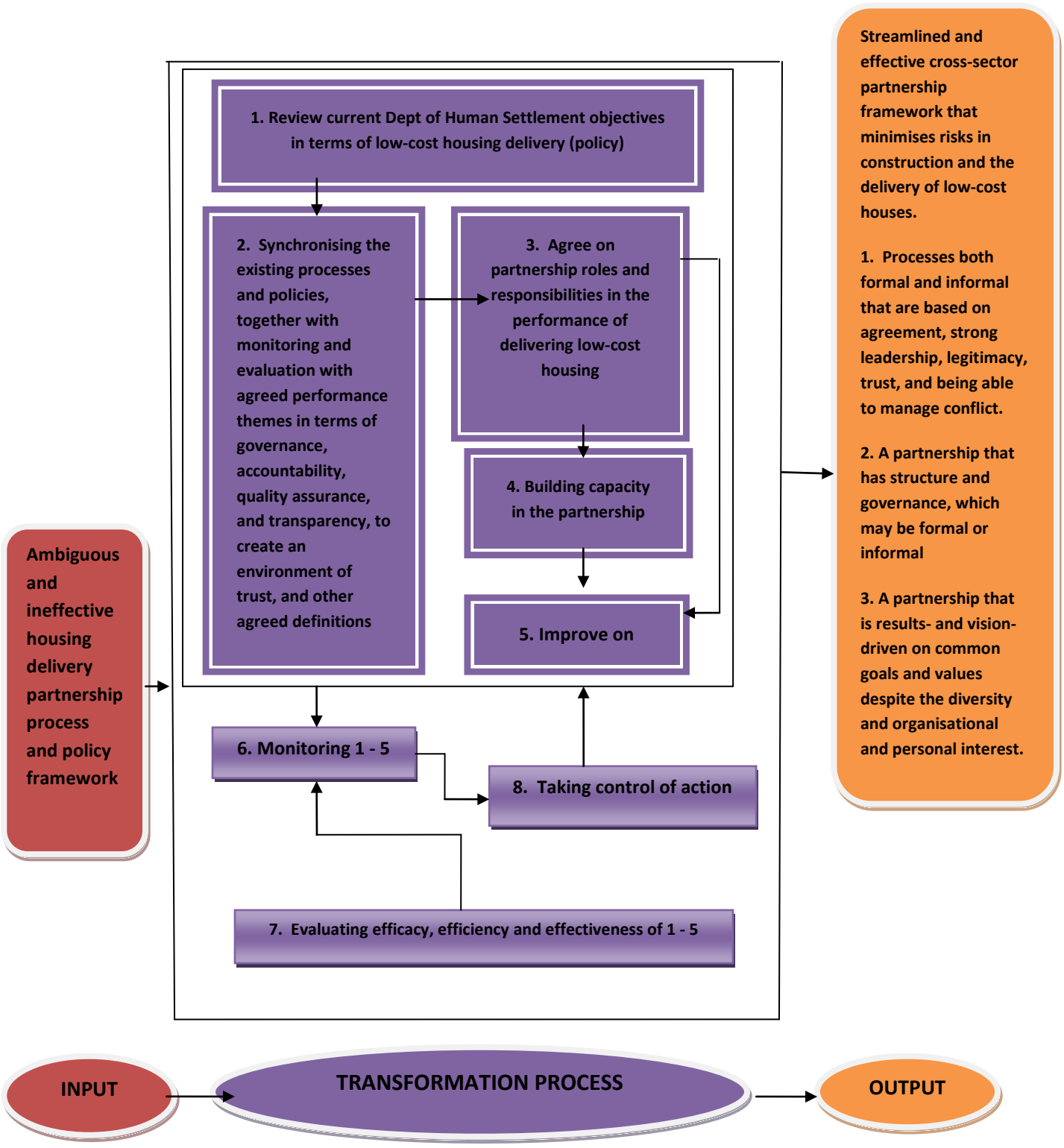
There are approved standards of workmanship and quality such as SABS 1200 and SABS 0400, and the Uniform Building Code. The national government as the policy stakeholder in the partnership needs to formulate policy that links the delivery of low-cost housing to quality standards that are measurable. The professional services stakeholders need to document such policy in their procurement and contract documents.

Budget allocations to subsidies are then to be aligned, synchronised and harmonised with quality expectations. Accountability is then easier to audit, against measurable outcomes. The establishment of good governance and processes in the project partnership would then minimise the risk involved.

4.11.3 The Competence of Service Providers Debate

Professional services are regulated by the relevant professional bodies, which are gazetted into the laws of the country.

Figure 4.3: Conceptual Model of the System from Input through Transformation to Output, Adapted from Jackson (2000)



There is no clear policy from the policy partners when it comes to issues of competency, nor is there a clear definition of a competent person in the housing policy, an absence which results in ambiguity. This is contrary to the situation in other capital building projects implemented by other government departments such as Department of Public Works and Roads, where competency is specified and a competent person is defined. In these government departments there is policy on reserved work for competent persons as described in the government gazette and regulated by the professional bodies who are custodians of professional integrity.

If the policy were to be formulated, it would establish guidelines for the appointing partners (the municipalities) for procuring service providers such as engineers and project managers, so that only professionally registered competent persons in good standing would be allowed to work on the housing projects. Furthermore, all professionals are by law obliged to carry professional indemnity insurance which is of adequate value based on the value and size of contracts being undertaken. Upon appointment of a competent person the client should request a copy of the valid Insurance certificate.

Furthermore, the professional duties and responsibilities, together with the scale of remuneration, should be gazetted so that it can be evaluated and measured. The establishment of good governance and processes in the project partnership would then minimise the risk involved. It is noteworthy that the Consulting Engineers of South Africa (CESA) in their code of conduct for members stipulate that members are *"not to undertake*

work for fees and under conditions that may jeopardise the quality of the professional service to be rendered" (CESA, 2010).

4.11.4 The Competence of the Builders Debate

There are construction regulatory bodies that are gazetted, such as the CIDB and the National Housing Regulatory Body (NHRB) that regulate the construction industry in terms of competency and size. There was no clear policy until 2005 on making use of such instruments on the part of the policy partners.

If procurement and payment were linked to regulation in the low-cost housing policy, the outcomes could be more easily measured and evaluated. The establishment of good governance and processes in the project partnership would then minimise the risk involved.

Furthermore, the conditions of contracts should stipulate that a 10% surety bond is to be surrendered to the municipality prior to the first payment certificate, and a further 10% retention deducted from every certificate as a mitigating measure for contract risks.

4.11.5 The Payment Risks Debate

There is always a debate in the Eastern Cape about government expenditure, in the belief that the government takes too long to pay service providers. The government officials offer the defence that there is a general reluctance to process payments too quickly because there is a suspicion of rampant corruption in the provision of low-cost housing in the Province, and the risk and consequence for paying erroneously is severe compared with the risk and blame for not paying at all.

The Public Finance Management Act (PFMA) states that in all cases of government expenditure the accounting officer must make sure that payment is made within 30 days of receipt of an account from a service provider.

In housing contracts the engineer normally verifies the measurement and issues a payment certificate that goes to the project manager for further verification. The certificate is passed on to the municipality for further certification and then to the provincial government for evaluation and release of the money to the municipality's dedicated account. Finally it is disbursed to the parties from the Municipal account. On the other hand low-cost housing projects are tightly budgeted and no allowance is made for default claims such extension of time and interest claims resulting from payment delays. The system is not working as millions of the beneficiary subsidy moneys are still being wasted on fruitless expenditure and malpractice

If the policy stipulated that only competent service providers in good standing with adequate professional indemnity insurance as financial and technical risk mitigation were to be employed, then the risk of paying for fruitless expenditure during certification would be minimised.

Furthermore, the provincial government, through the head of department should be party to the contract with the contractors for accountability. The process would then be made transparent and inclusive and would conform to good governance processes. Should the government fail to pay on time and if this failure resulted in a genuine adjudicated claim from the contractor, then the department's budget (with departmental accountability) would be used to pay the claims, as opposed to subsidy moneys. The measurement and accountability of subsidy moneys would then be easier to monitor.

4.11.6 The Transparency and Elements of Trust Debate

Suspicion, rumour mongering and mistrust are symptoms of a process that is not inclusive, especially of the beneficiaries. This often leads to conflict and the derailment of housing projects.

Housing policies need to be explained and the beneficiaries need to be engaged and involved in the whole decision-making process instead of being marginalised. Partnership inclusivity in the decision-making process can also lead to minimising procurement risks. This would also minimise the chances of disruptive protest action from the beneficiaries.

4.11.7 The Accountability Debate

As a result of the ambiguity presently inherent in the system, accountability is a complex issue in most cross-sector partnerships. It is not clear as to who is accountable to whom and, of course there are many different perceptions by the different stakeholders with respect to the desired outcomes and therefore as to what would amount to accountability.

The housing policy document needs to be revised in order to clear away any ambiguities in the process, by designing monitoring and evaluating tools which take into account the measurement of inputs and outputs. Most importantly, the process of improvement should be continuous, using the data captured in the monitoring and evaluation.

4.11.8 The Legitimacy Debate

Legitimacy in partnerships starts with a transparent selection process. In the case of housing projects, the developer (the municipality) calls for expressions of interest from interested parties from the business sector. The expression of interest must specify clear terms of references, goals, aims, responsibilities and clear accountability processes. The service providers are selected on that basis transparently, and vetted by all interested parties, followed by their entering into contractual agreements that specify all of the key deliverables in order to limit ambiguity.

The legitimacy of collaboration is established when the partnership is then formed.

4.11.9 The Competing Institutional Logic Debate

Organisational theorists argue that competition occurs naturally among groups and partners. However, in cross-sector partnerships the competitive advantage needs not be advantage over other partners in situations where one intends to benefit more than others, but rather over the situation, which would be the case if there was no collaboration (Huxham and MacDonald, 1992).

Organisational theorists argue further that more attention needs to be placed on uncovering strategies where forces favouring partnership and collaboration can overcome competitive forces and the way to achieve success would be to negotiate a win-win situation.

4.11.10 The Managing Conflict debate

Conflict among stakeholders is common and it is to be expected. Conflict is a result of the conflicting and competing aims and expectations that collaborators often bring to the table in terms of strategies and views, and from attempts by some powerful members to control the outcomes. Governance structures can be designed which distribute powers across the members, to limit potential areas of conflict. Resources and strategies should then be effectively used to equalise power and manage conflict. This can be done in management meetings that take place once or twice a month with minutes taken, where all express their concerns and the concerns are debated and resolutions recorded.

4.11.11 The Planning Debate

Planning and planning processes were highlighted by the public officials and project managers interviewed. We have already shown that social intervention programmes are complex and that the outcomes cannot entirely be determined by initial conditions and or cause and effect. This is so because of the non-linearity and the feedback effects, which have an adverse effect on a system over time (Anderson, 1999; Cilliers, 1999). Complex systems are sensitive to initial conditions, making their future position, condition or state appear random and unpredictable (Levy, 2000; Anderson, 1999). Instead of placing the emphasis on planning, the emphasis should be placed on group learning.

In the words of Ralph Stacey: *"The changes occur not because we are planning, but because we are learning in a manner provoked by the very ambiguity and conflict we are trying to remove"* (Stacey, 1993).

Plans should be made in small steps and learning should arise from the process. Planning should be "deliberate" and "emergent" (Mintzberg, Ahlstrand and Lampel, 1998). Deliberate planning is described as planning from set goals. The goals would in this case be "To build a number of low-cost houses within an estimated time frame and budget". Emergent planning is planning from the basis that aims, goals, vision, actions roles, and responsibilities, structure and governance are determined in a negotiated process that evolves and emerges over time as a result of interaction with stakeholders. In brief, plans are made and altered as negotiations and interactions continue (Coaffee, 2005).

4.11.12 Power Balance

Partnerships will probably succeed if there are measures that deal with major shifts in the power balance among members (Bryson, Crosby and Middleton Stone, 2006).

A power imbalance among collaborating members is always a threat to any partnership because it is a major source of conflict and mistrust (Huxham and Vangen, 2006). Scenario planning and strategic planning can assist in modelling possible shifts in power and can assist the partnership in trying to maintain a balance.

4.11.13 Building leadership

Leadership in collaboration takes the form of a chairperson or group leader. The chairperson or group leader is a person with some sort of authority over the group, whether formal or informal. This person needs to have vision and integrity, and to commit him/herself to a long term in office.

4.11.14 Structure and Governance

The existence of effective structure and governance in a cross-sector partnership brings about a sense of legitimacy, and fosters accountability and trust among the collaborators.

Structure is a concept in organisational theory (Bryson, Crosby and Middleton Stone, 2006), in which context it includes elements such as:

1. Goals
2. Standard and formal operating procedures which are negotiated, agreed to, and documented in formal minutes.
3. Tasks and division of labour
4. Designated authority
5. Structure is both vertically and horizontally integrated

Structure is continuously negotiated and expected to continuously change, which should be expected in collaborations. This is so because of the complexity and ambiguity in the partnership, which it aims to manoeuvre through in the environment.

The effectiveness of the partnership is greatly influenced by the nature of its governance. Governance is a set of internal coordinating, monitoring and evaluating tools and activities that must be in place (Bryson, Crosby and Middleton Stone, 2006). These may include, for instance,

1. Processes of making decisions by consensus through debate, and documenting the decisions.
2. Delegating to a project manager the authority to take decisions up to a certain level

Since the municipality is the legal entity in contract with the service providers, It would be prudent for the provincial government to deposit the moneys in tranches to the municipal account despite the municipality's lack of technical capacity, as will be explained later in sections 4.14 and 4.15. The systems and governance processes would have to be incorporated into the implementation policy to assure the effective use of subsidy funds. Through the municipal manager and finance manager the municipality would have to account for the moneys to the provincial department and the Auditor General during the annual audits.

The provincial government monitors and evaluates the progress and expenditure of the municipality, and where necessary intervenes either by boosting the municipality's capacity or in cases of malpractice by investigating the situation, prosecuting those who have done wrong, and recovering misappropriated funds.

The national government would monitor and evaluate events at provincial level. Where Provinces are performing well they would be rewarded with additional funding and those underperforming would have reduced funding, while intervention mechanisms are being put in place to assure performance.

4.11.15 Institutional Capacity Debate

It is apparent that community engagement and accountability are hampered by the incapacity of the communities involved in low-cost housing projects. Accountability is greatly improved by community involvement in governance and decision making.

Research shows that communities lack institutional capacity and are in need of institutional support, which would include resources, in order for them to be able to choose and support leaders who are accountable and

genuinely representative (Gilchrist, 2006; Jenkins, 1999). Other government projects such as the Community Based Public Works Programme (CBPWP) and the Extended Public Works Programme (EPWP) support such initiatives by making resources available to build institutional capacity by engaging social consultants who are mandated to train the community in civic affairs. Community development workers and facilitators can assist the process of choosing leaders and empowering the leaders in interpreting complex technical information and the development of alternative proposals. The Department of Human Settlement needs to adopt the principles of the EPWP applying to community support by making resources available for institutional support as part of the low-cost housing programme. Institutional support goes a long way in terms of developing good governance, building community leadership, and inducing accountability, thus reducing the risk of the misuse of subsidy funds.

4.11.16 Management of Expectations

Taking beneficiaries as genuine partners as opposed to tokenism will go a long way in managing communication and expectations. Mismanaged expectations often become a source of mistrust and eventually of conflict.

From the project management or programme management perspectives the following are key to managing expectations:

i. Knowing capabilities of the partnership and the environment

ii. Setting out clearly defined expectations at the very beginning of the project

iii. Educating and empathising

iv. Being realistic

v. Monitoring, evaluating and asking for feedback

vi. Lastly, communicating

i. Knowing the capacity and capabilities

In terms of project or programme management, leadership must first identify the capacity and capability of the team before drawing up a realistic programme and project design for the implementation of strategies designed to produce the expected outcomes. The miscalculation of capabilities often leads to the development of a variety of project expectations among the stakeholders, especially those affected the most. This often results in damaged credibility and trust among stakeholders.

ii. Setting clearly defined expectations

Realistic expectations need to be defined early. The definition is not only of outcomes but also of how the team will work to achieve the expectations. In project or programme management terms, the expectations can be defined in terms of the SMART goal-setting rule. The expectations should be:

S **S**pecific

M **M**easurable

A **A**ttainable

R **R**ealistic, and

T **T**ime-bound

Importantly, an agreement on expectations is required from all stakeholders early enough to set benchmark for measuring progress and evaluating the program.

iii. Educate and empathise

The beneficiary in this instance is the customer. The beneficiaries are generally poor people who cannot be assumed to know and grasp all of the processes that make low-cost housing possible, especially when they have politicians informing them of what to expect. In any low-cost housing project it is prudent to facilitate the process socially so as to have them effectively participate in the processes and play their part accountably, having agreed to an achievable set of expected outcomes.

On the same note of educating the beneficiaries, one also needs to take time to listen to their concerns and priorities, as they are the ones affected the most by the project. If one listens to and evaluates their inputs it is easy to separate what is feasible from what is not in their expectations, and affirm what is feasible while taking all of their needs into consideration.

When projects fail to meet expectations and deliver the desired outcomes, it is often the case that the beneficiaries and other stakeholders have not have been adequately work-shopped

through the intended processes, during the course of which they would have been afforded the chance to voice their concerns.

iv. Being realistic

As unexpected events occur in any project, and shifting priorities have to be taken into account, it would be prudent to be realistic with time lines. It is always better to promise less and deliver more, as a way managing expectations. Where projects have failed to meet expectations and deliver the desired outcomes, the project plans, schedules and programme of works are often found to be unrealistic.

v. Continuous monitoring and evaluation

Expectations need to be managed continuously. One way of doing this is to convene bi-monthly meetings during the delivery process, where one meeting deals with the contractual matters and progress and the other meeting is a technical meeting dealing with technical matters. The meetings act as report-back mechanisms where expectations are managed bi-monthly. Where projects have failed to meet expectations and deliver the desired outcomes, project documentation, the records of decisions and the minutes of monitoring and progress meetings were found to be poor or nonexistent.

vi. Communication

Communication is a key component in all matters of the perception and management of expectations. Communication with all of the stakeholders should be regular and bilateral,

Project information should be communicated and the feedback from stakeholders noted, recorded and considered. Where projects have failed to meet expectations and deliver the desired outcomes, communication has always been found to be poor and unilateral.

4.11.17 Deployment of Resources

Matters of resources and the deployment of resources are generally sources of suspicion and conflict. They should therefore be dealt with inclusively and transparently. Where projects have failed to deliver the desired outcomes and meet expectations there has not been transparency in the allocation and or deployment of resources and or procurement.

4.11.18 Outcomes

The outcomes that are expected from effective cross-sector partnership include group learning and public value.

i. Continuous Learning

Collaborating partners need to have the capacity and capability to regroup and reframe after failure (Crosby and Bryson, 2005). The ability to learn sometimes comes after failure (Akoff, 1994).

Cross-sector partnership fosters interaction, which also brings about learning, and that learning should be continuous and carried over to the next collaboration to ensure sustainability and to promote further learning.

ii. Public Value

The projects often took far too long to complete, if they were ever completed, for public value to be realised.

4.12 The Ambiguity of Roles Debate

As discussed above, the membership and the roles and responsibilities of the members need to be utterly clear in any collaboration.

Primary Partners

i. The municipality and the service providers

The municipalities should remain the implementing agents and project managers for all projects in the municipality, because they are closer to the beneficiaries and the land in question and they are the centre of activities. The fact that they have little capacity should not be allowed to complicate matters. This is why there is a cross-sector partnership in the first place. Processes of accountability should be incorporated into the policy. Granted, the municipality lacks skills. The private sector will fill those gaps, provided that the selection criteria for the service providers are appropriate. The self-regulation of professionals has been

discussed extensively, above, and there is Professional Indemnity Insurance for the technical advice given. Those contracted should have bid bonds and sureties as risk-mitigating strategies. All of the municipalities should be able to implement a well-documented policy, and the Auditor General should be able to audit the entire process.

ii. Provincial Department of Human Settlement

The Provincial Department, as the provincial managers of the programme, should equip the municipality with knowledge of the required processes, such as the appointment of service providers, the criteria, and the reporting structure and format that will enable the department to monitor and evaluate progress. The department should be able at random to send a team of auditors to audit the processes in place for accountability.

iii. National Government Department of Human Settlement

The National Department are the owners and managers of the national programme. They are the authors of the policy, which needs to be revised in such a way as to be less ambiguous in areas such as monitoring and evaluation, procurement, and risk management.

iv. The Community

The community plays a vital role in monitoring the municipality for accountability and safeguarding the interest of the beneficiaries, and hence should be engaged at partnership level.

4.13 A Summary of the Project-Programme Management Risk Profile

The following table sets out the major risk(s) profile for a low-cost housing programme together with risk mitigation recommendations. The risks discussed below are the anticipated risks that have been coming up in discussions with stakeholders as causing major problems. However, it should be noted that other risks that are not anticipated should also be expected and mitigated.

4.14 Taking Action to Bring About Improvement

The review contained in this study of stakeholder perspectives on the transformation, alignment and streamlining the of partnership processes suggests that the following actions need to be taken to bring about productive change in cross-sector partnerships, which in turn will bring about improvement in the delivery of quality low-cost housing to the needy:

1. The housing policy needs to be amended to create an enabling environment in terms of clear aims, objectives, structures, governance and scope, while making provision for the necessary resources to be allocated, so that the process can be measured, audited and evaluated.

2. The cross-sector partnership framework strategy needs to be adopted as a replacement of the current disjointed working arrangement.

3. The regulatory framework in the new low-cost housing policy needs to be adopted.

4. The participation of beneficiaries in the partnerships needs to be monitored and evaluated.

Functional linkages must be developed with trade bodies such as the CIDB and the NHRBC for the regulation of contractors engaged in the building of low-cost houses.

5. The various spheres of government involved in the provision of low-cost housing must endeavour to learn from their failures.

6. Every department engaged in these projects should develop appropriate and functional linkages with other departments and organisations such as:

- The Treasury for payment systems
- The Auditor General for auditing and accountability
- The Department of Justice “Special Investigation Unit” for enforcement and recovery of waste.
- The Department of Land Affairs for land issues and claims
- The Surveyor General for sub-divisions
- Universities for knowledge, research and development
- Civil society

Table 4.4 Risk Profile

Risk	Type	Probability	Impact	Mitigation
Competence of service providers (Technical e.g. project manager, engineer, planners etc)	Technical risk	High	High impact on the project. Incompetent and unqualified service providers are available in huge numbers in the Eastern Cape and the end result is often wasted time and resources, leading to project collapse	The municipality should call for tenders with terms of reference, and if necessary a short list should be compiled for further adjudication. The terms of reference should include qualifications, experience and membership of a professional body, proof of Professional Indemnity Insurance, a functionality statement, and a method statement.
Competence of the contractor – builders- or construction manager	Technical risk	High	High impact on the project. Engagement of an incompetent, inexperienced contractor or a contractor lacking in resources often leads to project failure and wasted resources.	The municipality should call for tenders with terms of reference, and if necessary a short list should be compiled for further adjudication. The Tenderers to include a current certificate of good standing of CIDB registration and grading, NHRBC certification, pro-forma surety and bid bond, and a list of plant and key personnel. Upon award the contractors to submit an irrevocable surety bond to the value of 10% of contract value and furthermore, 10% retention to be deducted on every interim payment on the contract, leaving the client holding on to a 20% risk cushion should the contractor fail to comply with the terms of the contract.
Unforeseen risks such as flood, riot, fire, storm, looting and theft of material and acts of God.	External risk	Low	Huge impact, resulting in loss of property and life	An all-risk insurance policy to be provided by the contractors to cover unforeseen contract and construction risks such as those listed
Price escalation	Business risk	High	High impact on the project. The subsidy is fixed and the risk is high, resulting in the contractor losing. Hence the frequency of malpractice and other opportunistic risks such as poor workmanship, substandard materials	Risk transferred to the contractor in the form of a contract document exclusion clause.
Conflict with the community	External, predictable	High	High impact on the project. The project may stall and costs increase while positions are negotiated	Inclusion of the community in all decision matters. Regular site meetings with signed minutes.
Cumbersome payment process	External, predictable	High	High impact on the project. The project may stall and costs increase.	Contract clause for payment terms and all stakeholders to be aware of them. Should payment not be released in the stipulated time, then the departmental budget or municipal fund pays damages such as interest, penalties and extension of time claims, as opposed to subsidy moneys, which make no provision for inefficiency.

Picture 4.3 Zimbane Valley Phase 3, in Mthatha (2010)

Picture 4.4 Maydene farm settlement in Mthatha (2010)

Below is the revised rich picture, which shows improvements in the system.

RICH PICTURE

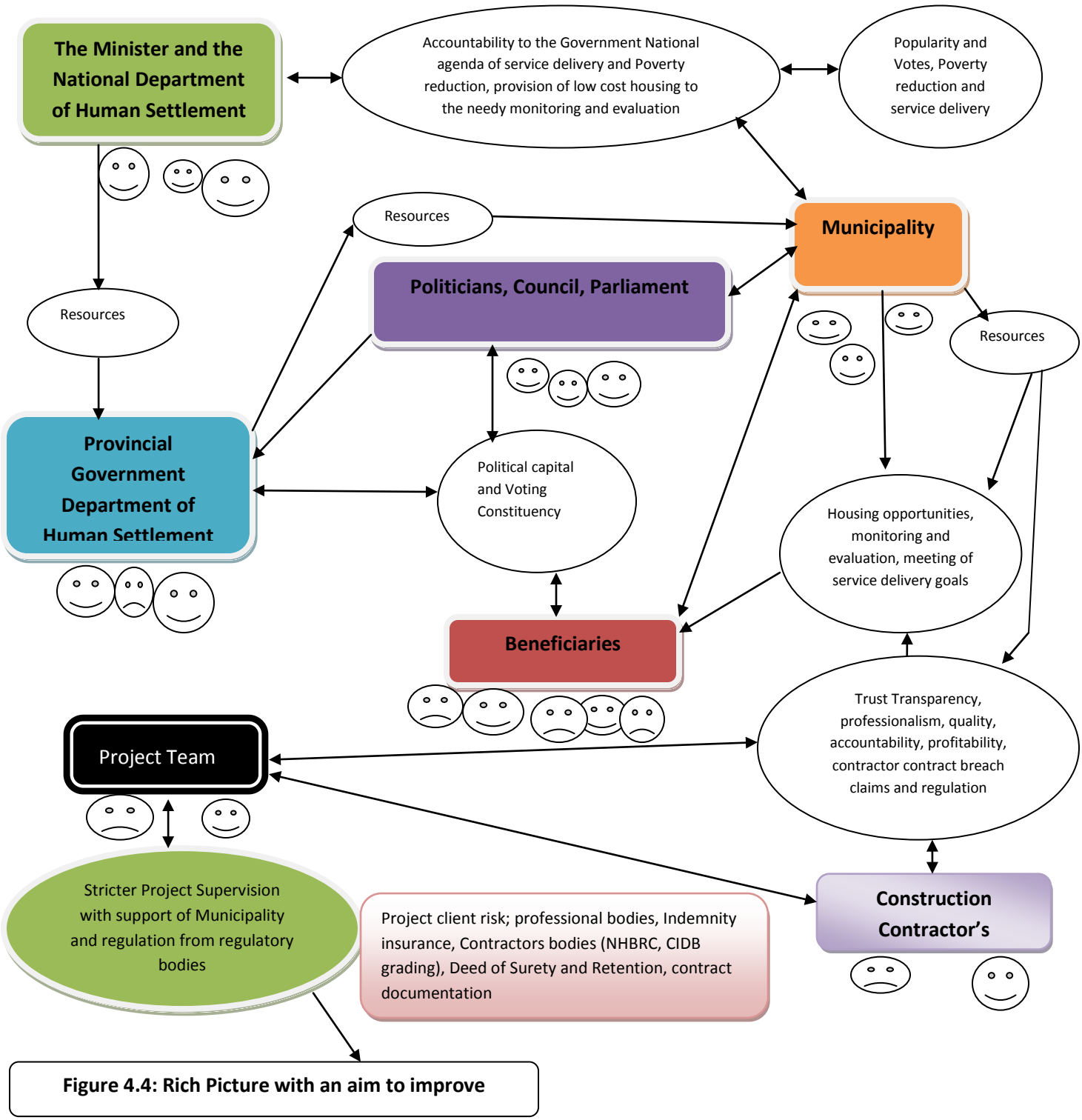


Figure 4.4: Rich Picture with an aim to improve

4.15 Summary and Conclusions

Low-cost housing delivery programmes, like all other social intervention programmes such as poverty eradication, urban renewal, crime prevention, and the control of HIV Aids and drug and alcohol abuse, are extremely complex in nature because are bedevilled by complications arising from soft issues which are rather difficult to define.

As argued by Jackson (2000), citing Peter Checkland, real-world problems such as housing the poor can be formulated as follows:

1. Initially there is a desired state, which is a functional cross-sector partnership framework designed to effectively deal with social intervention or societal problems such as housing the needy.

2. There is a current state of affairs reflecting how we view the status quo.

3. There are alternative ways of navigating from the status quo to the desired state. The intervention consists of defining the desired state, as was done in Chapter 2 of this study, and defining the status quo as viewed by the stakeholders and as observed by the researcher. Next there is debate of the alternative ways of minimising the gap between the two states.

4. Taking action would be selecting the optimum feasible means of reducing the distance or gap between the current state and the desired state.

It is unlikely to be possible to meet the huge expectation that the establishment of cross-sector partnerships and the addressing of soft issues are panaceas for solving all of society's problems. Nevertheless it is our view that addressing soft systems is a step in the right direction. In order to make a significant impact by designing robust strategies to solve social problems the need for low-cost housing, solutions and recommendations from Soft Systems Methodologies' Interpretive Systems Paradigm should be used in conjunction with the results and recommendations arising from enquiries made in the frame of the other three research paradigms: the Functionalist Systems Paradigm, the Postmodern Systems Paradigm, and the Emancipatory Systems Paradigm.

Chapter 5: Learning and Areas for Further Research

"There is a fine balance to be struck between gaining the benefits of collaborating and making the situation worse."

(Huxham and MacDonald, 1992: 50)

5.1 The Problem with Low-cost Housing

There are serious problems bedevilling the low-cost housing delivery programme. The media have reported on the problems extensively. Huge sums of government funds have been spent fruitlessly, resulting in the Minister of Human Settlement conceding that there are problems. The Minister's response to solving the problems is by policing wrong-doers instead of addressing the source of the problems, which is a flawed delivery process. The Department of Justice's crack team called the Special Investigating Unit has been tasked with investigating malpractice, possibly prosecuting and recovering housing funds perceived to have been misappropriated.

The Minister has also set aside 10% of the budget in an added program of rectifying defective houses which were built under the subsidy scheme and which have now been deemed uninhabitable and in some instances condemned for demolition.

Huge amounts have been spent in the Eastern Cape Province, especially in smaller towns, on low-cost housing projects which have not generated the desired outcomes. Several projects have stalled and some have been abandoned. The reasons for the failure are various, and usually depend on who is describing them.

The national policy on low-cost housing recognises that the programme should be implemented using cross-sector partnerships involving the three spheres of government, civil society, the beneficiary community and business. However, this is as far the policy goes, leaving a great deal of ambiguity as to the design of the partnership, the precise roles and functions of each stakeholder in terms of accountability, legitimacy, and so on.

Furthermore, skills shortages and capacity problems within public office rank and file are a huge factor in the failure of the delivery process.

5.2 Stakeholders and Their Problems

The programme has a multitude of stakeholders, which includes the three spheres of government, national, provincial and local. The other stakeholders are the community of beneficiaries, the private sector, and civil society at times.

The stakeholders understand the need to form a partnership to address the need for low-cost housing. However, there is ample evidence among the stakeholders of a lack of knowledge of how partnerships work. Furthermore, the stakeholders have varying perceptions of what the problem is, when it comes to the reasons why there are often unintended outcomes in low-cost housing projects. Often there are is general agreement that huge problems exist, but apart from blaming the other parties, they seem to have difficulty in expressing the problems concisely in words. Their varying, multiple views of the nature of reality and the difficulties

they have in defining the problems confirms the impression that what we are dealing with here is an “ill defined problem” or a “messy problem” which is vague, ambiguous and pluralistic (Checkland, 1985;Checkland and Scholes, 1993), where accommodation must be sought in terms of debate, insight and consensus, as opposed to an unproblematic system that can be engineered.

5.3. The Desired State

The desired state would be a cross-sector partnership designed from insights supplied by the literature and the theoretical framework, as outlined in Chapter 2, 2.12. The in-situ conditions guided by environmental factors must inform the decision to participate in a collaboration or partnership of sorts. The national government does not have the resources (the competence and skills) to embark on a programme of housing the nation on its own. The provincial governments and municipalities in the Eastern Cape also do not have the necessary capacity, which is why they need the support of the private sector.

5.4 Cross-sector Partnerships

Cross-sector collaboration is increasingly seen to be the necessary vehicle in tackling social problems such as poverty, sanitation, the lack of basic levels of service, the prevalence of drugs and substance abuse and the scourge of HIV to mention a few of the nation’s common problems. Though such collaborations are desirable, research and observations have proven that they are no panacea for solving societal problems. Cross-sector collaborations often create more problems than solutions, or they solve a problem badly, as is the case with the current state of low-cost housing projects in the Eastern Cape Province. Cross-sector collaborations are difficult to create and more difficult to sustain.

It follows that there must be clarity of purpose and roles. There must also be an understanding and an agreement that cross-sector partnerships can generate benefit for all of the participants (can generate a win-win situation) before the various elements agree to participate. The roles and responsibilities of the cross-sector collaborators are to be negotiated, as opposed to the disjointed and ad-hoc arrangement which currently exists. The structure, manner of governance, roles and processes are then to be agreed to, and room must be left for the continuous renegotiation of positions to take place over time.

5.5 A Summary of Issues that tend to be Problematic in Partnerships

Cross-sector collaborations are difficult to manage and often fail to meet expectations. In some instances, they cause more problems than those they are intended to solve. The following problems became apparent during the course of this study, and are to be found in the literature as well:

1. Social problems have history behind them that affects the way we attempt to intervene

2. Cross-sector collaborations have difficulty in negotiating and agreeing on a joint purpose because of their complexity, their competing logic and organisational diversity, and the individual aims of the different partners (Huxham and Vangen, 2000)

3. There are communication problems, owing to the diversity of cultures and professions of the members

4. There are mismanaged expectations

5. There are power imbalances

6. There are issues with the membership (who should participate and how), with legitimacy, with accountability and with trust

7. Geographical spread of the partners, National Government (Pretoria), Provincial Government (Bisho), municipalities, and service providers makes it difficult to convene meetings

5.6 The Lessons Learnt

A key outcome of Soft Systems Intervention is learning. The following is a summary of the lessons learnt from the study;

1. Cross-sector collaborations in social intervention programmes such as low-cost housing are formed out of the need to deal with complex societal problems which the government cannot handle on its own.

2. Cross-sector collaborations are no panacea for solving society's problems. In fact they are not easy to design, most importantly they are not easy to sustain, and they may create more problems than they solve.

3. Cross-sector partnerships are difficult to manage and often fail to meet expectations.

4. The low-cost housing delivery process using cross-sector collaboration is more likely to succeed when there is a general understanding of the nature of the problems on hand.

5. General agreement on the processes, members' roles and responsibilities in terms of structure, and governance of the cross-sector partnership will affect the outcomes positively.

6. Trust, fairness, and power balances are important aspects of working in partnerships.

7. Conflicts are a common occurrence when people from diverse backgrounds come together. Effective management of conflict is essential.

8. Planning that is inclusive and takes into account all stakeholders' views is essential in all partnerships.

9. Clarity is a process of clarifying and eliminating ambiguity and is negotiated over the entire duration of the collaboration.

10. Competing institutional logic is expected in a cross-sector partnership and can influence the outcomes if it goes unmanaged.

11. An important outcome of collaboration is learning.

12. The success potential of cross-sector partnerships is not to be overestimated.

5.6 Further Research on the Subject

Minimising the failures which arise out of the soft issues in the housing delivery process would be a major step. The lack of an effective cross-sector partnership framework is one of the major problems bedevilling the low-cost housing programme, but surely not the only problem. There are other serious problems within both the relevant soft systems and the hard systems.

Some examples of the problems in service delivery and housing, in particular within soft systems, which are partly covered in the partnership framework but also need to be looked at in more detail, are the following:

1. The institutional capacity of the communities and their participation in the programme

2. The effect of skills shortages on service delivery in the Eastern Cape Government's Department of Human Settlement

3. The effects of skills shortages on service delivery in the Eastern Cape municipalities of the former Transkei

4. Apathy and its effects on governance and service delivery in the Eastern Cape

5. Corruption and its effects on service delivery and governance in the Eastern Cape

6. Continued segregation based on race and economic status in human settlement

7. Should government provide low-cost houses or should they rather provide serviced plots and a regulatory framework for the building of low-cost houses

5.7 Concluding Remarks

For as long as there are major failures in the government's social intervention service delivery programme, topics such as soft and hard systems remain interesting topics to study and learn from. It was the aim of the study to open up debate and learn more on the subject by contributing, critiquing and debating the issues that surround the topic.

Picture 5.1 Maydene Farm Low Cost Settlement in Mthatha (2010)

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APPENDICE A: RESEARCH INSTRUMENT

A1. Data Gathering and Coding

As outlined before, the data was gathered by the following means:

i. Observations

Gathering field notes in various low-cost housing projects. The following field visits were made: Waterfall Park Phase I – IV (Mthatha, Eastern Cape) Libode Housing Development (Libode, Eastern Cape) Qumbu Low Cost Housing (Qumbu, Eastern Cape), Tyoksville Township (Mt Ayliff, Eastern Cape), Butterworth Informal Settlement, Zimbane Valley Low-Cost Housing in Mthatha, Maydene Farm Low-Cost Township in Mthatha, Gqobas Township in East London.

ii. Interviews

Interviews were conducted with the following;

- Five different technical service providers (engineers and project managers)
- Five provincial government staff involved in housing projects
- Five municipal staff involved in housing
- Five national government staff involved in the housing programme
- Five politicians in the housing portfolio committee
- Twenty beneficiaries

ii. Focus Groups

A focus group of five officials and experts was formed to debate the issues in an effort to improve the process.

iii. Documents

Data was obtained from gathering published journal articles, public documents, policy statements, photographs, commissioned studies and reports.

iv. Newspaper articles

Several newspaper articles dating back fifteen years, reporting failures in low-cost housing projects nationwide, were sourced. Though the content may not be explicit, they do give valuable information about what informs public perception of the problems associated with low-cost housing projects.

v. Audio Visual

Photographs and e-mails were examined.

A2 Interviews

The interview strategies were as outlined below.

i. Beneficiaries

The beneficiaries were interviewed in a general conversational manner so as to avoid bias. The questions were such as to get the beneficiaries to discuss the inner feelings and perceptions

comfortably. Most of the questions were open-ended and required to be explainedto get the beneficiaries' perspectives and perceptions. Where clarity was needed, subsequent questions were then based on answers received. Examples of the questions that followed the pleasantries and greetings were as follows:

1. Are you the owner of the house?
2. How long have you lived here?
3. Where did you live before this house?
4. Have you made any improvements to the house?
4. Are you happy about your house?
5. Is the house up to the expectations you had before it was built?
6. Did you participate in the process of establishing the township and building the house?
7. Are you happy with the way the Municipality managed the process?
8. What processes involved the Community and how did it go?
9. Why did it take so long to finish the project?
10. Considering your expectations, which ones were met to your satisfaction and which ones were not met?
11. Who were all the role players in the process and what were their roles?
12. What role did the Provincial government play in the process?
13. What role did the National Government play in this process?
14. Now that you have a house are you willing to make improvements on it by yourself?
15. What improvements would you make?
16. What would you need to make the improvements?

17. If the housing project was to start all over again what would you suggest should happen and what steps should be taken to assure that the aims and objectives are met, and by whom?

The beneficiaries interviewed were five from the Waterfall Park Low-Cost Housing Project in Mthatha, which seems to be taking forever to complete, five from the Libode Low-Cost Housing Project in Libode Municipality, which has some houses deemed defective, and lastly ten from the Tyoksville Low-Cost Township in Mt Ayliff, which was started in 1996 and now seems to have been abandoned before being completed.

Of the twenty beneficiaries fourteen were women of between the ages of 40 and 60 with children and or with grandchildren, and six were men, all of whom were over 50. All of the beneficiaries are unemployed and dependent on casual municipal jobs and subsistence living supplemented by government grants.

We would have wanted to interview more but were sometimes met with what we supposed to be general reluctance and suspicion, as we were declined opportunities to interview beneficiaries without any explanation.

ii. Government Officials (Municipal, Provincial and National)

A total of three municipal staff, four provincial government staff and two national Department of Human Settlement staff were interviewed. Again we were met with resistance, and potential respondents were reluctant to participate in the survey interviews as they feared jeopardising their employment. There seems to be a tendency to shift blame and keep one's thoughts secret when things

go wrong in public offices, so one observed that most officials would choose the safe route of not wanting to talk about anything in case they got blamed for something.

A general conversation on housing and the concomitant challenges was arranged with the identified officials. The open-ended questions which were asked are listed as follows:

1. There seem to be high failure rates in housing projects. What in your opinion seems to be the problem?
2. I have noticed that the most recent projects seem to be progressing better than projects implemented before 2008. What has changed?
3. Is community participation vital to the success of the programme or it is the source of some of the problems?
4. How would you include the community in the process and in what capacity?
4. Who are all the stakeholders in the process and what are their roles?
5. If you were tasked with designing the programme what would you change?

Follow-up questions based on the answers made were asked to get clarity.

iii. Politicians

Three politicians from the opposition United Democratic Movement (UDM) (one councillor and two from the legislature), three from the DA (two councillors and one from the legislature) and six from the ANC (three councillors and three from the legislature) were interviewed.

The questions listed above (in section ii) were used with slight variations.