



**UNIVERSITY OF  
KWAZULU-NATAL**

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**INYUVESI  
YAKWAZULU-NATALI**

**An evaluation of socio-economic benefits of an *in-situ* upgrading programme. The Case study of Namibia Stop 8 in Inanda (eThekweni Municipality).**

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***Submitted in partial fulfilment of the academic requirement for the Degree of Masters in Housing in the School of Built Environment and Development Studies University of KwaZulu-Natal***

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**DECLARATION**

I, Njabulo Zungu hereby confirm that all the information contained in this dissertation is my own work and has not been previously submitted to the School of Built Environment and Development Studies or any other body for any purpose. Work and ideas that have been taken or adopted from other authors or sources are rightfully acknowledged.

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# Abstract

This research sought to assess and evaluate the socio-economic benefits experienced by beneficiaries of South Africa's UISP programme in Namibia Stop 8. The study seeks to emphasize the economic and social contribution of housing delivery to the creation of sustainable human settlements in South Africa, while unpacks the objectives versus implementation of the Housing policy and its impact. As the policy seeks not only to provide houses for the poor, but also to empower them through skills transfer, economic activities, participation and employment opportunities. The South African Government has made giant leaps in re-addressing the socio-economic issues challenging the country and its previously disadvantaged communities through various state and bilateral interventions. Informal settlement upgrading is one of South Africa's key socio-economic interventions, which seeks to re-address issues related to housing shortages, poor living conditions, economic opportunities and spatial segregation. Moreover, the research study will critically investigate the UISP's results in Namibia stop 8 whether benefits can be found, and measuring of what real impact it's had in the community verses the BNG and UISP objectives. Through this evaluation, the UISP subsidy programme relevance will come under the spotlight regarding its ability to address socio-economic issues and through the provision of adequate housing. The above will be addressed in chapter two's theoretical framework and literature review with the aid of Neoliberal theory, wellbeing theory and social capital concept to provide scholarly insight to the research study by means of qualitative research method and secondary data sources. The findings revealed through mixed method methodology and primary data sources, that economic benefits are absent or limited to a few but more social and wellbeing benefits amongst the majority. Research findings indicate that the upgrading programme has found some success in improving wellbeing of beneficiaries but had failed dismally in improving livelihoods. This was ironic as most beneficiaries located to Inanda stop 8 for economic reasons above the social. Consequently, beneficiaries are not likely to increase their income and achieve upward mobility in the housing market through the programme as it would have failed to significantly address the poverty in the community. The research recommends an additional policy programme that will focus on realizing community's economic aspirations and promotion of livelihood strategies during and post upgrading.

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## ACRONYMS

|          |  |
|----------|--|
| ANC      | African National Congress                                    |
| BMR      | Basal Metabolic Rate   |
| BNG      | Breaking New Grounds   |
| DHS      | Department Human Settlements                                 |
| FEDUP    | Federation of the Urban Poor                                 |
| GEAR     | Growth Empowerment and Redistributions                       |
| IDB      | Inter-America Development Bank                               |
| INK      | Inanda, Ntuzuma and KwaMashu                                 |
| HIV/AIDS | Human Immunity Virus / Acquired Immunity Deficiency Syndrome |
| HWP      | Housing White Paper  |
| MDG      | Millennium Development Goals                                 |
| MEC      | Member of Executive Council                                  |
| NGO      | Non-Governmental Organisation                                |
| NHBRC    | National Home Builders Registration Council                  |
| NUSP     | National Upgrading Support Programme                         |
| OECD     | Organisation for Cooperation and Development                 |
| PHP      | People's Housing Process                                     |
| RDP      | Reconstruction Development Programme                         |
| RSA      | Republic of South Africa                                     |
| STDs     | Sexually Transmitted Diseases                                |
| TB       | Tuberculosis   |
| UNHCR    | United Nations Higher Commissioner for Refugee               |
| UISP     | Upgrading Informal Settlements Programme                     |
| WB       | World Bank   |
| WHO      | World Health Organisation                                    |



# CHAPTER 1: Introduction & Research Methodology

## 1.0 Introduction

The Informal settlement upgrading programme of the housing subsidy programmes is the government of South Africa's ideal housing intervention strategy in addressing informal settlements and the housing issue. This strategy best responds to the socio-economic issues related to informal settlements, resulting over time in socio-economic benefits for beneficiaries and the greater community and city. This study recognises the importance of the housing subsidy programmes with specific reference to the Upgrading Informal Settlements Programme (UISP).

Housing is considered a high priority basic need that improves the quality of life. The South African Government has come a long way in re-addressing the socio-economic imbalances of the past inherited from the previous government. In hindsight of the above leading statement, the government has strategically developed and used housing subsidies as a means or a tool to address the plight of informal settlements. The housing subsidy programme is an economic intervention by the government that aims to address the social issues relating to housing with the implementation of relocation and *in-situ* upgrading programmes. Over the past 21 years, since 1994, there have been sixteen programmes each catering for different housing needs of the population, with reference to the UISP an incremental housing intervention programme. One of the main objectives of the housing subsidy programmes is to create *a viable bottom end housing market* from low-income subsidy houses, which can assist households with upward mobility on the housing ladder (DHS, 2007). More importantly, it aims to create sustainable human settlements all over the country. Moreover, the subsidy shares these overall objectives with housing policies such as the Housing White paper of 1994 (HWP) and the Breaking New Grounds of 2004 (BNG) (National Housing Code, 2009).

In the interest of the research topic, the UISP is evaluated. UISP targets persons or households earning below R3500, who have not previously benefited, and are South African citizens. Successful applicants are the programme's end users of a subsidy house, which is given or upgraded at no cost to the beneficiary. The subsidy housing programmes that provide free housing have come under criticism of late being regarded as unsustainable and a burden on the country's fiscal, with calls for them to be discontinued in the near future specifically the free housing aspect. This sentiment is shared by the Western Cape Human Settlement MEC Bonginkosi Madikizela when he was quoted by the Daily Voice stating "*Free housing as a response to housing need is financially unsustainable and the focus must change to those who can contribute financially towards their own housing,*" (Daily Voice, 2016). This research aims to evaluate the positive outcomes of the UISP from a socio-economic end user level.

According to the Department of Housing (2000), objectives of the HWP form a 'micro' economic policy framework that will result in an increase in housing delivery that will address socio-economic issues by specifically addressing the following:

- A higher economic growth rate with a rise in *per capital income*;
- Reduction of the unemployment rate and increase of jobs and incentives to save;
- Reduction of fiscal wastage and dissaving and
- Containing and reducing the rate of inflation specifically in the built environment industry.

While the objectives of the HWP at a micro level are not clear at the onset they can, however, be reduced to:

- Provision of housing for the previously disadvantaged poor of South Africa;
- Eradication of informal settlements;
- Integration of previously excluded citizens into the city/urban areas.

Together, these factors are to create a conducive environment for savings, investment in housing, improving living conditions and quality of life and improving access to basic services, which in turn will assist in the realisation of socio-economic benefits for households and the community (DoH, 2000).

It is expected that the spin off effects of the above factors would result in GDP growth for South Africa. In as much as housing development may increase economic growth at a macro level, however that does not necessarily imply it has trickled down to a micro level where it can be felt by beneficiaries (Oakes, 2006). Nonetheless, the HWP objectives speak of its desired impact at a micro-economic level on beneficiaries with reference to socio-economic linkages such as social capital, functionality of dwellings that respond to household's needs, quality of housing delivery impact on socio-political stability, household stability, productivity, attitudes and behaviours of beneficiaries (DoH, 1994). The latter underpins the research study as it is where the crux of socio-economic benefits can be found and to what extent. Hence, the research aims at critically evaluating the socio-economic benefits of the subsidy programme in Inanda Stop 8.

Socio-economic benefits can refer to a wide range of benefits that have a macro and micro impact, or can be viewed negatively or positively, as other benefits mature over time and may not be immediately apparent. While yet other benefits may have unintended results or be misunderstood by individuals and households. In a generic sense, socio-economic benefits can be grouped into two distinctive categories, micro and the macro. Micro-economic benefits refer to gains experienced from a subsidised informal settlement upgrading at an individual and household level (Frontier, 2014). Such benefits can be security of tenure, access to water, electricity and flushing toilet, accessibility to main transport routes, shared facilities and economic opportunities, clean living environment and improved quality of life and general well-being. Macro socio-economic benefits, however, refer to the regional or national benefits created by the subsidy programme's informal settlements upgrading scheme (Oakes, 2006). Such benefits are the creation of sustainable human settlement infrastructure development, more accurate consensus, reshaping and formalising the housing landscape and a manageable natural environment (Oakes, 2014).

Measuring the extent to which socio-economic benefits impact on the beneficiaries is of interest to this research. Some benefits may or may not have had a significant impact on the well-being of the beneficiaries and the research needs to know which of these benefits

or kind of benefits had the most influence on the well-being of beneficiaries. In this study, the collective desires were well-being which encompassed factors that improve quality of life such as accessibility to services, health care, education, amenities and economic opportunities to name a few (Frontier, 2014).

## **1.2 Background of Study**

The Department of Human Settlements (DHS) is under no illusion that the low income housing subsidy programme is fiscally unsustainable, this was made evident by the Human Settlements minister Dr Lindiwe Sisulu on the side lines of the 6<sup>th</sup> Planning Africa Durban Conference of 2014. The minister Dr Lindiwe Sisulu (2014) was quoted as stating “*free housing in a few years will be something of the past*”. This emanated from the position the minister and the Department of Human Settlements took, which was to exclude applicants younger than 40 years of age from obtaining free housing from the state. She justified her claims by stating that persons younger than 40 years were not victims of Apartheid and had lost nothing. Her justification for excluding the poor under 40 year olds leaves a lot to be desired; however, it may be due to the assumption that people under 40 years of age were born at a time the South African government provided opportunities for self-achievement. It is also believed that they are able-bodied individuals who have the opportunity to change their own socio-economic circumstances and meet their housing needs through aid from the government that meets them halfway. Nevertheless, this does not apply to the vulnerable groups such as the elderly, orphans and the disabled.

The housing subsidy programme has delivered a significant number of housing units to beneficiaries over the years. According to Wilkinson (2014), 2.8 million housing units had been delivered by 2014, at an average rate of 140,000 units a year. Despite quantum effort the backlog still exists. The backlog sits at 2.1 million with an annual growth of 178,000 units still needing to be built (Wilkinson, 2014). This is indication that provision of housing scheme is failing to reduce the housing backlog in South Africa, providing evidences that the current housing scheme and policies are unsustainable for the economy and in the effort of reducing informal settlements. In as much as it may seem

unsustainable, the implications for discontinuing may be overbearing for the poor informal settlement dwellers of South Africa. One has to keep in mind that since 1994 the living conditions of over 2.8 million households have been improved through low income housing schemes. The minister should not be hasty in discontinuing housing subsidy programme or excluding persons under 40 years of age. Research should be conducted which considers the impact of housing on the wellbeing of the poor. Results obtained from those studies would help in making informed decisions on whether to continue with the subsidy programme.

### **1.3 Study Justification**

Research in this field is limited regarding evaluating how informal settlement programmes have benefited households in real terms. Moreover, the study also investigated the socio-economic benefits at a macro level to help critically compare the socio-economic benefits at the micro level. This study enables a determination as to how effective South African housing policies and programmes are in delivering meaningful change in beneficiaries' lives, combating poverty, improving people's lives, household's finances, health and safety.

To put the research into context the early Apartheid era from 1945 to the 1970s must be considered. The Group Areas Act No.41 of 1950 of the Apartheid government divided the urban areas into racially segregated zones where members of a specific race lived separately. It further excluded people of colour from owning any property in the urban areas. This was in the hope of controlling the influx of black people into the urban areas (O'Malley, 2004).

Struggle heroes such as the late Joe Slovo (1994) who was the first Minister of Housing for the first elected democratic government of South Africa attested to this in a housing summit stating "*What housing there was, was about control. It was about excluding people from urban areas. It was about regimentation. It was about the administration of deprivation*" (Slovo addressing the Housing Summit, Botshabelo, 27 October, 1994 cited in Kihato, 2013). Apartheid spatial planning was about dividing, controlling and restricting

movement of people of colour through its group areas act of 1950. Indigenous South Africans were not allowed to live within the immediate urban areas zoned for whites, and were effectively designated further from social and economic opportunities to what was called the 'Location' (Maylam, 2009).

As much as the Townships were located further from social and economic prospects, socio-economic benefits could be found in Apartheid housing, however these benefits were limited. Public houses were provided for those who were employed in the urban areas, but those who were not were marginalised and not catered for, left to shelter themselves in the peripheries of the city or Bantustans with no immediate access to basic services and infrastructure (Maylam, 2009). A few lived and benefited from government built houses while many rented single same sex hostels and the rest or illegally built shelters with materials they could find. The tenure system of that era did not permit black South Africans to own land in urban areas and they were limited to a 99-year lease. Essentially, they did not own the land their houses were built on (Maylam, 2009).

## **1.4 Informal Settlements during Apartheid**

Informal settlements sprang up all around the city's borders on vacant land with no access to water, sanitation, electricity or other amenities, as people took it upon themselves to build shelters with limited resources, in an attempt to locate closer to economic opportunities. The previous government responded to this with a site and service scheme in an attempt to eradicate informal settlements and further racially segregate the population, while clamp down on politicised communities. This resulted in the establishment of townships such as iNanda Newtown, kwaMashu, Umlazi and Chatsworth from a famous settlement called Umkhumbane also known as Cato Manor, in 1959, when it was declared a white zone under the Group Areas Act (1950) (Cato Manor Writers, 2008). This was also evident in other places around the country, such as Johannesburg and Soweto, Cape Town and Gugulethu just to name a few.

## 1.5 Post-Apartheid South Africa

During the post liberation of 1994, there was a new challenge that needed to be addressed, re-addressing the injustices of Apartheid and reconstructing the Apartheid footprint. In the age of a new era of the Republic of South Africa the ANC was committed to address this challenge with the Reconstruction and Development Programme (RDP) and were overzealous promising “*houses for all*” the black poor who belong to its nation. Such notions stemmed from the Freedom Charter which insisted that all shall be housed and slums demolished and suburbs built in place with all necessary amenities (Congress of the People, 1955).

The ANC led Government and stakeholders developed the HWP, which was informed by the Neo-liberal policies advocated by the World Bank and the International Monetary Fund. It was emphasised that the state should play a limited role in the provision of houses for low-income households and create an enabling environment for the private sector to fulfil the role of the provision of housing. The HWP aimed to address the housing challenges inherited from the Apartheid legacy through policy and legislation. Housing Challenges included the following:

- Housing Backlog;
- Lack of suitable land for low-income housing development;
- Unemployment (inability to satisfy housing need);
- Access to basic services;
- Informal settlements sprawl;
- Low economic growth;
- Lack of integration.

Moreover, the HWP introduced the subsidy housing programme that rolled out housing subsidy schemes for the poorest households (The Fuller Center, 2014). It focused on development and implementation of the RDP, which was to address the socio-economic issues caused by the previous government (Greyling 2009). The housing subsidy ensured qualifying beneficiaries with a 180m<sup>2</sup> plot, complete starter 30m<sup>2</sup> house with services such as electricity, water, sanitation and refuse disposal at no cost to the beneficiaries (Greyling 2009). It was to significantly improve the beneficiaries’ living standard,

reintegrate previously disadvantaged people into the greater city and increase economic opportunities for households with the creation of sustainable human settlements.

## 1.6 Hypothesis

The micro socio-economic benefits that result from the creation of sustainable human settlements are formal adequate houses for the beneficiaries, which can lead to improved quality of life (health, living conditions and general wellbeing) and increased household income opportunities and disposable income.

## 1.7 Definition of key concepts

### 1.7.1 Informal settlement upgrading:

According to the National Upgrading Support Programme (2015) (NUSP), the upgrading of informal settlements was a staged process of bettering the quality of life of individuals and households in informal settlements. This was undertaken on a progressive basis through the provision of services and tenure to approximately 400,000 households, who resided in well located informal settlements, in the period of 2010 to 2014 (Foster & Gardner, 2014). It ideally sought to maximise *in-situ* development in appropriate areas and minimise relocation. In addition, the NUSP stated that an effective improvement process was built on close community participation and cooperation, with the intent to strengthen livelihood strategies that combat the socio-economic issues of the poor 1.2 million informal settlement dwellers (NUSP, 2015). The NUSP and its *in-situ* upgrading programme framework produced upgrading schemes that were expected to achieve certain outcomes. Jaitman and Brakarz (2013), provide reviews of empirical evidence of three different informal settlement upgrading schemes with their unique circumstances producing three similar benefits or outcomes that are categorized in three different groups. The benefits presented by Jaitman and Brakarz are referred to as outcomes, and below are the notable common outcomes:

- Housing/dwelling outcomes: This refers to the owners' investment in the dwellings, increase in property values, access to credit including micro financing, access to

housing infrastructure, ownership and title deeds from freehold tenure, and household density.

- Neighbourhood outcomes: Improvements in urban services, impacts on security and violence, and social and urban integration.
- Individual outcomes: Refers to income gains, improvements in health, growth in human capital, child development, labour market insertions and more.

The above illustrates the effectiveness of *in-situ* upgrading schemes implemented in different informal settlements (Jaitman and Brakarz, 2013). This form of intervention would, in many cases, produce the three outcomes listed above which would be extremely beneficial to a household's quality of life and represented the socio-economic benefits of upgrading schemes.

### **1.7.3. Informal settlements**

There is no single universal definition of informal settlements in literature or any other data sources, neither is there a linkage across literature data sources regarding demarcation of settlement areas. More often than not, definitions of informal settlements include a reference of both the land, whether illegally occupied or not, and the informal dwelling. In addition, definitions at times also refer to the lack of municipal services as a leading characteristic of defining informal settlements. While other definitions encompass a geographic dimension, for example KwaZulu-Natal province deliberately excludes rural areas, which raises the question of rural versus urban definitions of informal settlements (HDA, 2012). United Nations Habitat summarised an informal settlement definition into five simple characteristics: *"If a settlement was to be considered informal it would have to have inadequate access to safe water, inadequate access to sanitation and infrastructure, poor structural quality of housing unit, overcrowding and lastly insecure residential status"* (UN Habitat, 2012). Professor Huchzermeyer expressed that informality in itself is focused on what is visible to the naked eye, and the definition takes shape there, the informal settlement, slums, shanty towns, squatter camps and shack lands. According to Huchzermeyer (2008), the above describes the same phenomenon and is applicable in

South Africa in describing informal structures. In addition, the focus on dwellings is found in the legitimate use of the term 'informal settlements' in South Africa.

Understanding the nature of the informal settlement and its inhabitants is critical for institutions and governments to solve the problem by proposing upgrading programmes that will respond to the informal settlement dwellers' socio-economic needs and lead to the creation of sustainable human settlements. There have been misconceptions, assumptions and lack of understanding about informal settlements (Misselhorn, 2008). A number of policy makers and decision makers have limited experience with informal settlements. A few have had the opportunity of working directly with people residing in informal settlements and of battling to match essential mechanistic and inflexible funding programmes with actual issues and needs on the ground; thus displaying an inability to execute or fully implement policy directives. In as much as housing policy has gradually changed over the years to fit the changing context. Implementation, however, has lagged behind; with the main intervention and approach rationale remaining unchanged for decades until BNG (Maina, 2013). A consequence of this, which was mentioned above, is the generally limited understanding of the actual dynamics within informal settlements, and the social networks and cohesion that characterise them, together with the technical and social challenges in effecting housing and infrastructure developments for informal settlements (Misselhorn, 2008).

#### **1.7.4 Socio-economic benefits:**

This research regarded socio-economic benefits as the concept underpinning the study. This concept can take on a number of aspects from the social and economic spheres of people's lives that can highlight status, class, issues and circumstances. According to Eatwell et al. (1989), socio-economics is an umbrella term to describe the phenomena alluded to above. The term 'socio-economics' is generally used in the study of the economics of society (Eatwell et al., 1989). From a narrow use, literature and contemporary practice considers behavioural interactions of individuals and groups through social capital and social markets and the formation of social norms (Murphy, 2001). However, socio-economics is concerned with the relationship between economics

and social values (Benhabib, 2011). Regarding this concept, the study focused on socio-economic aspects related to South African housing situation. Moreover, the use of the term was narrowed down to focus on socio-economic benefits for beneficiaries of an informal settlement upgrading project.

### **1.7.5 Social Capitalism in upgrading**

*In-situ* upgrading of informal settlements relies upon social capital, the community's strong social ties and networks to work together with civil societies and professionals to implement upgrading projects that best respond to the community's needs in tackling the socio-economic issues plaguing the community. According to the Organisation for Economic Co-operation and Development (OECD) cited in Brian (2007) social capital is defined as networks that share the same norms, values and understanding that facilitate tolerance, cooperation and harmony in groups and communities. The gist of the OECD's definition of social capital is that the value of social networks is intrinsic. This concept refers to the value of all relationships, bonds and ties and the benefits that are reaped from individuals and collectively as a community (Brain, 2007). The Informal Settlement Upgrading Programme advocates for the development of social capital through supporting participation at a grassroots level with community members in the conceptualisation, implementation and evaluation of an upgrading project (DoH, 2000). This creates an environment where local government interacts directly with communities which enhances the upgrading process and the relationship and trust between the state and the people it governs.

## **1.8 Aims and Objectives of the study**

- 1.8.1 To determine the socio-economic benefits of housing subsidy programme's *in-situ* upgrading in Inanda Stop 8 at household level and to what extent.
- 1.8.2 To determine whether the quality of dwelling and functionality have met the use value of beneficiaries.
- 1.8.3 To provide Municipalities with insight of household benefits and expectations and recommendations for policy and programme implementation.

- 1.8.4 To determine if social cohesion and social capital have improved after *in-situ* upgrading.
- 1.8.5 To determine if beneficiary's socio-economic circumstances have improved due to *in-situ* upgrading.

## **1.9 Main research questions**

- 1.9.1 What have been the benefits of the housing subsidy programme's *in-situ* upgrading at a micro level and at a macro level?
- 1.9.2 mWhat has been the impact of quantum (social capital) of Housing on individual households?
- 1.9.3 How did the housing subsidy programme set out to achieve the socio-economic factors of the beneficiaries?
- 1.9.4 Are there any challenges hindering socio-economic improvements of households?
- 1.9.5 What has been the impact of quality of housing on individual households, is it functional and does it meet the needs of the households (use value)?
- 1.9.6 How was household stability before and after upgrading? Does the house accommodate everyone in the household, or has it forced some members to shelter elsewhere?

## **1.10 Research Methodology**

A research methodology will inform the researcher of how the research study will be conducted. The research study employed a mixed methods approach to investigate the socio-economic benefits of households. A mixed methods research methodology was employed in this study, which according to Tashakkori & Teddlie (2008), cited by Terrell (2012), are studies that are products of the pragmatist paradigm and that combine the qualitative and quantitative approaches within different phases of the research process. As much as it was a mixed methods research methodology approach, it should be noted that a qualitative approach was mainly applied in this research study based on the theoretical framework and case study. Qualitative research is considered as an

exploratory research. It is used to buy researchers as a means of understanding underlying reasons, opinions, and motivations. It further provides insight to problems and help develop ideas or hypotheses for potential quantitative research (Wyse, 2011).

The study adopted different data collection techniques such as semi-structured interviews, focus groups, non-participant observations. In all, the study sought to evaluate socio-economic benefits through testimonies from a case study's beneficiaries, relaying back to literature and asking to what extent had the upgrading programme improved beneficiaries' circumstances.

#### **1.10.1 Primary sources of data**

Primary data collection methods were employed such as the use of focus groups and questionnaires with open and closed questions and semi-structured interviews, for detailed answers and build-up of follow-up questions. This data provided insight into whether or not beneficiaries had truly accrued benefits from owning low-income subsidized houses from first-hand accounts. In the case study area, sampling methods were purposive.

The participants included counsellors from Inanda Stop 8 settlement, eThekwini municipality's consultants, Inanda Stop 8 low-income subsidy housing beneficiaries who had occupied their dwellings for two years and more.

#### **1.10.2 Secondary sources of data.**

The secondary sources of data included desktop research, peer reviewed papers, books, archives, journals, recordings, reports and newspapers. This form of data provided help in supporting or disproving the results obtained from the primary data sources.

#### **1.10.3 Sampling methods**

Random stratified sampling was employed regarding the selection of participants/households. A total of 50 participants was selected from Stop 8 Namibia settlement from 500 household living there. The settlement was divided into five blocks with the same number of households in each block, and 10 households were randomly selected from each of the 5 blocks which consisted of 50 households per block. This

resulted in ten samples from each of the five blocks providing the study with 50 randomly selected samples from Inanda Namibia settlement.

#### **1.10.4 Data collection**

Primary data collection methods that were employed were interviews, questionnaires, non-participant observations and focus groups through action research. According to Reason and Bradbury (2000), action research is an interactive inquiry that balances the problem solving actions implemented in a collaborative context with data driven collaborative analysis or research to understand underlying causes enabling future predictions about personal and organisational change. Reason and Bradbury (2000), describes action research as either research initiated to solve an immediate problem or a reflective process or progressive problem solving led by individuals working with others in teams or as part of a community of practice to improve the way they address issues and solve problems. Reason and Bradbury further explains that there are two types of action research which are '*participatory action research*' and '*practical action research*', the research study employed the participatory action method as the study seeks to understand the beneficiary's perspectives regarding housing benefits by critically engaging them.

Action research was critical and influential to the research study as it was an empowering experience for both the researcher and beneficiaries involved. Action research has a profound positive effect, as it is always relevant to the participants. The relevance is guaranteed because the focus of each research project is determined by the researcher who have a vested interest in the project and most importantly the participant. This is most often the case when co-production approach and action research methods have been employed to investigate, solve problems and produce guidelines for best practices (Sagor, 2000).

As much as there are many benefits of conducting action research such as the opportunity to engage and interact with participants regarding the upgrading process, what they can take away from the whole upgrading project, their grievances and emotions regarding specific questions, activities about their upgrading experience and the opportunity for both parties to reflect with one another. However, there are limitations to action research, for

instance it takes a considerable amount of time to prepare and organise focus groups, questions and activities for the participants. Moreover, after preparing the task itself conducting it is tiresome and more often than not runs over time leaving the researcher fatigued as well as the participants. This risks the integrity of the findings as the researcher is tempted to take shortcuts to finish on time and participants providing half-hearted answers to avoided probing and getting it done and dusted as soon as possible.

### **1.10.5 Data Analysis**

Data analysis is defined by Bogdan and Biklen (1992) as a “*process of systematic research and arranging interviews transcripts, field notes, and other material which were assimilated by the researcher to increase her or his understanding of the mind which enables the researcher to that which was discovered by others.*” In this research study a qualitative research approach was predominantly used to analyze data, which according to Creswell (2003), “*aims to gather an in-depth understanding of human behaviour and the reasons that govern human behaviour*”. The research data was analyzed into various themes from questionnaires, focus groups and interviews. Hence a thematic analysis approach was used to categorize the findings into themes. Bryne (2001), defines this thematic analysis “*as an approach that deals with the creation and application of coding data.*” Such themes included a socio-economic profile of the sampled population, living conditions before and after upgrading, and area of improvement brought by upgrading to name a few. These themes provided the researcher with the participants’ perceptions and their own recommendations for issues that arose in different themes. The recommendations of participants will further assist in providing solid recommendations in policy and on how upgrading can unreservedly change and improve the lives of poor informal settlement dwellers of South Africa.

### **1.11 Structure of the dissertation will be as follow:**

This research dissertation consists of five chapters. Each chapter will have its own element and unique idea that will contribute to the development of a complete holistic dissertation document. The chapters of this dissertation will be structured as following:

### *Chapter one:*

This chapter sets the scene for the research study, where the research problem and research question and sub-questions are posed and investigated. The research objectives, hypotheses have been outlined. The research assumptions and definitions of key concepts are also discussed in chapter one. This chapter also details the processes and methods that were employed when gathering data for the dissertation and justifying the selection. The researcher used interviews, focus groups and structured and semi-structured questionnaires as primary sources of data to complement the secondary sources.

### *Chapter two:*

Chapter two deals with relevant literature review that supports the upgrading programme and the theoretical frameworks of the research study. An outline is provided of informal settlement upgrading and key concepts that breakdown the study in sections.

### *Chapter three:*

This chapter talks to the case study of the dissertation which is located in Inanda Stop 8 ward 56. It will provide the historical background of the case study. The case study is used to contextualise the dissertation and in addition to this, a background of the case study area is provided.

### *Chapter four:*

This chapter pulls together the research findings and critical analyses using graphs and tables and evaluates using the empirical study the socio-economic end user benefits of the low-income subsidy programme that delivers low-income houses.

### *Chapter five:*

This is the final chapter of the dissertation and it summarises all findings, conclusions and provide recommendations.

## **1.12 Conclusion**

This chapter introduces the significance socio-economic circumstances informal settlement dwellers are faced with. More importantly, the role informal settlement upgrading can have in realising the potential socio-economic benefits beneficiaries can experience from upgrading projects. It evolves beyond the provision of housing a more sustainable approach of allowing people to fully participate and control their own projects in an effort to improve their lives through benefits experienced from upgrading of settlements. The chapter further details the methods and means the study was conducted and how data was collected. A mixture of qualitative and quantitative data methods was used to collect the data presented in chapter four, of beneficiary perspectives towards the research questions.

# **CHAPTER 2 Theoretical framework and Literature review.**

## **2.1 Introduction**

This chapter discusses the relevant literature review that supports and informs *in-situ* upgrading and the theoretical framework of the study. Furthermore, an outline of informal settlement upgrading and key concepts are provided which illustrate the research study.

## **2.2 Theoretical Framework**

### **2.2.1 Neoliberalism Theory and Its Discourse in Housing:**

For the past three decades, neoliberalism has dominated the formulation of policy and its discourse as well as implementation (Forrest and Hirayma, 2009). This ideology is centred on classical economies, which suggests that the free market is regulated by an invisible hand that produces effective economic systems that foster economic growth (Gosme, 2002). According Harvey (2005), neoliberalism is rooted in the premise of political economic practices that translate into individual freedom, with the emphasis on the need for individual human property rights, unrestricted free markets and the rule of law. The ideology argues that policies that are considered barriers to the market should be limited or removed including state intervention in the market place.

Housing has long been a part of neoliberalism, in regards to policy and implementation. Scholars such as John Turner believed in these ideologies and believed that households should be the ones housing themselves as they knew their housing needs better than the state. He believed that informal settlements represented the innovation by the poor to house themselves (self-help) with the limited resources available. In addition, government intervention should be limited to aiding self-help through enablement in the housing market. The World Bank believed in Turners views on housing delivery and they adopted some of his ideas in housing delivery for the poor.

The World Bank beliefs were centred on the economic benefits of self-help housing, while Turner's were based on his observation and experience of informal settlement in South America's Peru. Furthermore, he advocated for self-help housing with the intention of helping the informal settlement dwellers gain access to adequate housing incrementally through community driven processes, while opposing mass government driven housing delivery to the households in informal settlements (Maziya, 2013). The World Bank, however, suggests that self-help housing should be the catalyst for a paradigm shift, where the state is no longer the housing provider as it is unaffordable, ineffective and excessively relies on subsidies, rather than enabling the market to provide all housing components (Pugh, 1991).

### **2.2.1.2 Shift from Government to Free Markets**

For many nations, responsibility for the provision of housing was the governments before the neoliberal euphoria had taken over the globe. By the 1970s the provider paradigm and its related policies adopted by many countries at the time had not shown significant results. Therefore, arguments raised by neoliberals such as John Turner introduced the agenda to the housing sphere with this argument stating “...*excessive regulation of land and housing markets by the state produced demand or supply side constraints. These constraints decreased the quantity of investment available to expand coverage, decreased affordability and led to subsidies.*” (Burgess, 1997:20).

At that point, public housing schemes were not at an affordable level for low-income groups. If the housing sector desired to be efficient, governments had to make the private sector play the primary role of producing and distributing the housing stock. Deterrents such as strict rent controls, excessive land use regulations and building standards stifling private enterprise should be eased and institutional reforms be undertaken to enable housing, markets to perform at optimal level (Ball et al., 1988). Ball et al. further add that the neoliberal community saw subsidies as monopolistic, accountable to beneficiaries and providing services with the least amount of investment. Moreover, there were no incentives from public subsidies that improved the public housing sector. Therefore, private ownership would create competition in this sector through the desire to recoup

costs as well as gains (Sandhu and Korzeniewski, 2004). In hindsight, it was evident that the neoliberal agenda had also included housing and had developed a comprehensive framework for the housing sector. This can be seen, during that period, through policy formulation for the housing sector specifically for countries that had bilateral agreements in the form of loans and aid with the World Bank and the International Monetary Fund (Sandhu and Korzeniewski, 2004).

Neoliberalism had a profound effect on socio-economic development for low-income groups. According to Malpass and Murrie (1979), one of the most profound impacts neoliberalism had on the housing sector was the acknowledgment of the fact that housing was not an area of policy developed in relation to evidence of demand or more importantly need, but was more about providing home ownership and the role of the market (Malpass and Murrie 1979). In other words, this meant that housing production would simply be driven by demand derived from the market and not anything else. The ideology behind the neoliberal agenda held that liberalised market forces were best suited to increase low-income groups' earnings from high productivity created by the markets, such as savings, investments in housing and exports. The idea behind this was to increase household income allowing the beneficiaries to use the additional income in other areas of importance such as education, business, security and health, which would improve their socio-economic circumstances. Hence, the general outcomes from this would be that fewer households would be placed below the poverty line (Sandhu and Korzeniewski, 2004).

Housing policy in the 1980s went beyond the emphasis upon project level to the housing sector. In as much Pugh (1995) believed that it was largely restricted to finance linked reforms but omitted land policies, the construction sector, the deregulations in town planning related activities and infrastructure. Pugh further stated that at that point the impact of structural adjustment policies had started to appear in the housing sector. According to Burgess (1997) policies from the structural adjustment programme had led to a deterioration of living conditions of the disadvantaged and poor. This was associated with unemployment and the decline of what is called real minimum wage. The most

vulnerable groups were the urban poor who were hit hardest by unemployment, currency devaluation, cuts in subsidies for water, electricity, transport, shelter and fuel through cuts in public expenditure, while upgrading projects relied on the abovementioned collective subsidies (Burgess, 1997). Consequently, instead of squatter settlements decreasing as anticipated, they increased and homeownership decreased among the poor due to the decline in incomes, inflated building costs, and high rates of interest on the housing loans reduced the role out of upgrading projects as they became more and more financially costly and unsustainable. Most importantly socio-economic benefits were not forthcoming due to the decline in socio-economic development.

### **2.2.1.3 Neoliberalism In South Africa's Housing Intervention**

Neoliberalism has shaped and entrenched its roots deep in South African Post-Apartheid Housing policies resulting in numerous housing intervention programmes, which have yielded mixed results. This was signalled in 1996 by the introduction of the RDP and (GEAR) programme by the ANC led government. This neoliberal centred programme aimed to foster economic growth and redistribute wealth through infrastructure development (Goebel, 2007). As much as the programme was informed by neoliberal and Turner ideologies, it was, however, socially inspired. Later the government adopted the GEAR policy, which had a negative impact on the RDP as the government was required by the GEAR policy to reduce public spending shifting the focus on cost recovery (Nkambule, 2012). The ANC government had intended it to address socio-economic inequalities created by the Apartheid government, improving the quality of life and wellbeing of poor black South Africans through housing provision.

The RDP was translated into the HWP where it articulated its neoliberal position through site and service schemes for the poor informal settlement dwellers, which entailed serviced slab foundation with a tap and toilet. It also marked the introduction of aided self-help housing in South Africa, which was based on a once off housing subsidy from the state, where beneficiaries were responsible for incrementally building their own homes at their own pace and which exercised dweller control. This process was called People's Housing Process (PHP) (Marais et al., nd).

The programme emphasis lay in the belief that a housing programme must realise its potential within the housing context. It should not only concern itself with quantity, but be more sensitive to quality, providing context to people centred initiatives that produce housing benefits (Moroke, 2009). This was supported by the democratic government when it stated that the quality of housing opportunities must embody South Africa's new values that encouraged and respected community empowerment, partnership and participation, affordability, development and sustainability. The programme's vision for housing the nation rested on four pillars which were people driven development, integration, democratisation and meeting basic needs (Moroke, 2009). Ironically, the implementation of the programme did not fully embody Turner's ideologies, as the development and upgrading process were state led with beneficiaries left with limited dweller control of their own development (Marais et al., n.d).

The RDP housing programme and the direction the ANC took with housing implementation came under criticism over the next decade as the results of the programme unfolded. According to Tomlinson (1996), the programme was criticised for being too neoliberal, which resulted in the production of matchbox houses that were undesirable and failed to meet the needs of beneficiaries and their households. Moroke (2009) alludes to Tomlinson's argument stating that the production of small houses coined 'match box houses' was associated with macro-economic ideologies that entailed fiscal constraints, savings in labour cost and marginalised the concepts of dweller control and housing satisfaction (Moroke, 2009). Moreover, houses were mostly built on the rural urban fringes of the city, reinforcing Apartheid spatial planning where land was cheaper and further from economic opportunities due to high land prices from speculators and lack of developable land in informally occupied land. Hence, the houses built under this policy programme did not adequately meet household needs as they were too small to fully accommodate a single family, were located far from economic opportunities, and not integrated into the urban areas making them undesirable and dead assets to beneficiaries. Due to the programme's short comings, the benefits anticipated by all the stakeholders, specifically the beneficiaries, from the production of housing was not

realised and consequently was ineffective in improving the quality of life and wellbeing of poor South Africans.

A decade since the inception of the first housing policy, a new housing policy was introduced which was to bring about a comprehensive plan for development of sustainable settlements in 2004 (Marias, et al., n.d). It was the BNG policy, its foundational principals were very similar to the previous RDP housing policy; however, the BNG was to address the shortcomings of the RDP policy specifically regarding beneficiary participation, quality of housing, accelerate delivery inclusiveness while creating functioning and sustainable human settlements. It was hence beneficiary orientated with the uplifting of the poor and informal settlement dwellers through *in-situ* upgrading in mind (Marias, et al., n.d).

### **2.2.2 Wellbeing Theory**

Wellbeing is characterised by Frontier (2014) as a socio-economic indicator of adequate housing. It is prioritised by the researcher above other indicators such as health, crime, employment opportunities as this concept best reflects the impact adequate housing in the form of upgrading has on people's lives. In addition, wellbeing encompasses a number of the socio-economic indicators which will be in the discussion (Frontier, 2014).

There are many different definitions of wellbeing which refer to a different context of discussion, however in the context of the research Haci and Loannidis (2015), provide a relevant definition of wellbeing which states:

*"Wellbeing alludes to various and interconnected measurements of physical, mental, and social prosperity that expand past the customary meaning of health. It incorporates decisions and activities geared for accomplishing optimal physique, mental sanity, social fulfilment, a feeling of achievement, and individual satisfaction."* (Haci & Loannidis, 2015).

According to Article 25 of the Universal Declaration of Human Rights everyone has the right to housing. The declaration states:

*“Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.”* (UN, 1948).

The United Nations General Assembly in Paris recognised the importance of adequate housing to household wellbeing with the above declaration. Adequate housing is crucial to wellbeing and socio-economic development of societies. According to Barakat (2003), adequate housing is complex involving different resources for different individuals and households. It has direct and indirect correlations with factors such as livelihoods, health, education, security and social and household stability. These factors can also be considered as wellbeing indicators for individuals and households according to the Housing development Agency (HDA), which will be elaborated upon further in the discussion and as the chapter progresses. Furthermore, Barakat argues that housing acts as a social space for family and friends, a source for pride, self-esteem, societal status and cultural identity, and a resource for economic and political importance to individuals and the nation at large (Barakat, 2003). As much as it is a valuable asset it is a fragile asset in relation to wellbeing. As much as adequate housing improves wellbeing, so the lack of adequate housing has a negative impact on wellbeing, as the factors mentioned above are limited or in many cases absent.

At a household level socio-economic benefits, which include living conditions and accessibility to basic services such as water, electricity, sanitation, road infrastructure, social infrastructure and social capital do have a significant bearing the wellbeing of a household. The lack of or availability of these benefits will greatly pivot the wellbeing of beneficiaries to either dissatisfaction or satisfaction of with life, all due to the housing situation. *In-situ* upgrading presents a unique opportunity to improve housing satisfaction

levels and quality of life, while positively influencing the wellbeing of households through the formalisation of informal settlements. The provision of adequate housing comprises security of tenure, sanitation, water, electricity, being environmentally clean, infrastructure upgrading, affordability, habitability and accessibility to neighbourhood amenities, economic opportunities and cultural adequacy (UNHCR, 2008).

### **2.2.2.1 Indicators of wellbeing**

There are a number of indicators of wellbeing as mentioned before and many have little to no direct link to the socio-economic aspects mentioned earlier. According to the HDA (2012) there are two leading indicators of wellbeing which are household income per capita and household expenditure.

#### **2.2.2.1.1 Household Income**

There is an assumption that is based on the notion that more is better and thus the increase of income leads to greater wellbeing (happiness and joy) of an individual, as they are able to consume more, have access to the best medical facilities and housing. Despite this assumption the relationship between income and subjective wellbeing has been on the discussion tables of scholars since the 1970s (Ferrer-i-Carbonell, 2004). The relationship between wellbeing and income is relevant at a basic need level of an individual. Basic need level speaks to access to health care, education, services and infrastructure (adequate housing). Income levels beyond basic needs weakens the relation income has to wellbeing. According to Easterlin's (2001) findings, continuous income growth does not necessarily lead to happier and satisfied individuals. For instance, the percentage of households who were very happy and satisfied about life peaked in 1957 and has since decreased even as the United States economy has increased (Easterlin, 2001). Since the target population of this study is the low-income group, their wellbeing is at basic needs level, thus the relation to income levels is relevant and at its most influential.

The Bureau of Market Research (BMR) has declared the low income threshold in South Africa to be from R0 - R50,000 per annum. Therefore, for an individual or household to be categorised as low income, they have to earn approximately less than R4166.00 per

month (BMR, 2011). However, the low-income subsidy programme in question recognises people earning below R3500 as potential beneficiaries of a free house. Low-income groups tend to only be able to afford to house themselves in informal settlements as the housing markets do not cater for them. According to the HDA (2012) over 85% of households living in informal dwellings had a household income below R3500 per month in the year 2006 in South Africa. In 2010 there were 75% of households living in informal settlements earning below R3500 per month (HDA, 2012). The difference could have resulted from a few factors such as inflation, 10% of the incomes of households living in informal settlements could have increased to above R3500 per month graduating from wellbeing associated with basic need, or fewer households had any monthly incoming at all. Nevertheless, the above shows that as income increases the number of people living in informal settlements decreases and that income correlates only weakly with household wellbeing as they meet their basic needs through adequate housing (Ferrer-i-Carbonell, 2004).

#### **2.2.2.1.2 Household Expenditure**

There is a noticeable difference in expenditure between informal settlement dwellers and low-income formal resident dwellers with a household income less than R3500. According to the Income and Expenditure Survey (2011) (IES), households living in informal settlements allocate a small proportion of their monthly income towards housing and services such as water, sanitation and electricity. However, in contrast this group allocates more of its income to transport instead. Furthermore, low-income informal settlement dwellers allocate a significantly higher proportion of their income to family in the homelands and to food. The transfer of income to family by informal settlement dwellers is no new phenomenon as it was the status quo for migrant mine workers from the rural homelands working in the Johannesburg mines, who left their families behind to earn an income in the city. They frequently sent a significant amount of their income back home as they prioritised family wellbeing over housing. This pattern of the low-income group's lack of investment in housing is still evident today. According to IES (2011), informal settlement dwellers transfer as much as 46% of their household income, which is well over the average South African household of 32%. It is significantly higher for

single person households living in informal settlements at over 55% (IES, 2011). The above patterns of expenditure are distinctly different from each other, with formal housing dwellers allocating more of their income towards housing and services while informal settlement dwellers prioritise transport and food above all. This pattern indicates that households living in formal housing spend more of their income on products or services that improve their wellbeing. While informal settlement dwellers prioritise the most basic needs such as food and welfare of their families.

### **2.2.3 Post Development Theory**

This theory is a school of thought that poses questions on the ideas of development. Research scholars of this school of thought share goals of improving quality of life and living standards and focus on subjective claims as the desirability and possibility of that goal. According to Sachs (1992) the idea that development is just a metal structure has consequently resulted in the assumption that underdeveloped countries desire to be like developed countries (Sachs, 1992). This type of thinking has been predominant in western nations and shows that western nations judge other nations and cultures based on their own culture and understanding. With the influence of the west from policy formation to lifestyle and culture, development is now being seen as the loss of a country's own culture, people's perception of themselves and modes of life. Leading researchers in the post development such, as Rahnema, believe that nations in poverty are extremely culturally embedded and can differ among cultures. According to Rahnema (1994) the institutions that call for development in underdeveloped countries are western orientated, and post development calls for a broader cultural involvement in developmental thinking. This theory proposes a vision of people who remove themselves from dominant western ideas. Instead, this theory is interested in local culture and knowledge, which promotes innovative grassroots developments and community movements, moving away from blanket solutions that do not meet all developing nations' contexts let alone the individuals' (Rahnema, 1994).

### 2.2.3.1 Definition of Post Development Theory

According to Johnson (2014), the nuclei of the post development theory is centred on the examination of power dynamics and goes as far as to challenge these power dynamics. This is summed up by Kippler (2010) interpreting Aram Ziai's statement "*Whoever gets to decide what 'development' is and how it can be achieved, usually some kind of 'development expert', is also in a position of power, which has been described as a 'trusteeship'*" (Klipper, 2010:4). Johnson further argues that theories that contribute to development practices, though varied, all support a profession, providing a livelihood for a vast number of people who could not allow anything to render the profession obsolete. Post development scholars are lobbying for an overhaul of the system.

Post development as an alternative approach poses a danger to the establishment as it critiques both practice and motives of those driving 'development' who would be practitioners from the first world (Johnson, 2014). Practitioners from the west might have good intentions, but what drives their motives is another question altogether; even if it goes against their moral code they are reluctant to challenge. For these western practitioners to work within an institution while being critical of it at the same time is very risky. Giving the locals a voice to lead their own development and a choice is fiercely challenged (Johnson, 2014). However, one cannot help but ask is it not the duty of the developed to speak to the underdeveloped? Does not the whole world aspire to have what the western nations have? Therefore, are those trained in the west best suited to build the capacity for those who are limited in capacity and of the global south, in initiatives and projects designed to improve their quality of life and standard of living? Above are the questions western practitioners are asking themselves and answering (Johnson, 2014). The thinking and assumptions behind this have an undertone of arrogance and sense of imperialism to it that leaves a bitter taste behind for post development thinkers.

## 2.3 Literature Review

### 2.3.1 Informal Settlement Upgrading in South Africa

According to NUSP, the upgrading of informal settlements is a staged process of bettering the quality of life of individuals and households in informal settlements on a progressive basis through the provision of services and tenure. It ideally seeks to maximise *in-situ* development in appropriate areas and minimise relocation. The NUSP states that an effective improvement process is built on close community participation and cooperation, with the intent to strengthen livelihoods strategies of the poor (NUSP, 2015).

According to Khan (2014), from an economic perspective, the upgrading of informal settlements has been the building blocks of the housing and human settlements delivery programme since the late 1990s. The South African government has been trying to address the fact that large numbers of people live in an inadequate environment and housing with little or no access to basic services (Khan, 2014). Upgrading is part of the National Housing Programme that desires to address the country's housing challenges with regard to details on norms and standards to be adhered to. In addition, as part of the government's delivery agenda, which is to promote integration and spatial restructuring through the creation of sustainable human settlements, the upgrading programme has received great acclaim as a dedicated programme to significantly improve accessibility to services to households living in these conditions and yielding some socio-economic benefits mentioned in chapter one.

Khan further explains that the increase in informal settlements should not be interpreted as government's failure to eradicate informal settlements, but rather the increasing rate of urbanisation in South African cities post 1994. Moreover, it is imperative that an understanding of the complexity and dynamics that surround informal settlements need to be expressed or formulated in a different manner than that of a threat by conservative South Africa. Informal settlements are merely a response to rapid urbanisation and an attempt by the urban poor to accommodate themselves and gain access to services that the delivery model had been unable to keep up with (Khan, 2014).

Informal settlements upgrading's initial premise was to eradicate informal settlements through large scale RDP housing projects all over the country to meet policy objectives. With the promotion and publicising of the BNG policy of 2004, there was a shift in focus towards the creation of sustainable human settlements. The policy's legislation had a distinct focus on incremental upgrading, with the idea of providing a variety of services and developmental solutions for dealing with the predicament that households living in informal settlements face. Furthermore, National housing policy directive provides a people centred approach that is premised on access to the most basic services, a range of tenure options, development of amenities, identifying and registering informal settlements and providing detailed plans and projects specifically upgrading selected informal settlements. The government initiated the NUSP with the Department of Human Settlements as part of an approach to enhance and accelerate housing delivery (NUSP, 2015). The NUSP allows for informal settlement upgrading projects to reach a project level and put memorandums of understanding with 45 municipalities across the country. The NUSP also facilitates the National Department of Human Settlements and local governments with their partnerships that provide local governments with funding, technical support and skills needed to improve the process of upgrading of informal settlements while boosting the capacity of local government (NUSP, 2015).

### **2.3.2 *In-situ* Informal settlements upgrading**

It is acknowledged at the outset that *in-situ* informal settlement upgrading is undoubtedly a complex and challenging task to undertake, compared to other informal settlement projects that are considered to have less complexities, such as green field development with relocation. Nevertheless, *in-situ* informal settlement upgrading presents the best approach that is responsive to poverty and vulnerability, while creating a space for empowerment and social inclusion for marginalised communities in South Africa (Huchzermeyer, 2006). Huchzermeyer (2006), states that *in-situ* upgrading is a preferred method of informal settlement upgrade as it incorporates the role of the government and inclusionary participation by local communities, state subsidies and promises

beneficiaries improvement in quality of life, wellbeing and socio-economic circumstances (Huchzermeyer, 2006).

According to Misselhorn (2008), some of the key characteristics that are typical of the *in-situ* upgrading approach entail an effort to retain as many residents on site as possible and to eliminate or minimise relocation. It also requires extensive and often challenging social engagement with local residents if it is to succeed. However, it should be duly noted that *in-situ* upgrading is said to be time consuming according to Misselhorn (2008), upgrading usually takes seven to twelve years from planning to project closure, based on existing case studies from previous upgrading projects. Over the past few decades, upgrading informal settlements has been a difficult and complex task to fully undertake due to ongoing densification of informal settlements, increasing scarcity of alternative land and growing dissatisfaction and political awareness of the urban poor informal settlement dwellers and has become a more challenging social process with bureaucracy politics.

### **2.3.2.1 Upgrading Methods**

According to Menshawya et al. (2011), informal settlement upgrading and specifically of an *in-situ* nature or informal settlement improvement would mean a package of basic services such as electricity, adequate sewage disposal and clean water supply to improve the living conditions and wellbeing of the community. Menshawya et al. (2011) insist that the gist behind upgrading above all is to legalise and regularise properties where tenure is insecure. When the above has been established, upgrading at its best should provide a package of improvements in the streets, footpaths and drainage. Solid waste collection is another important service that is frequently included due to its potential positive impacts on health and the environment, along with street lights for added visual security at night. The physical improvements around the community are only the beginning. Health issues need to be addressed by the upgrading through the provision of clinics and education health programmes. In addition educational facilities and personnel are needed to attack lack of basic education, while income generating programmes must be introduced for communities to learn how to increase and generate additional income within their communities to address poverty (Menshawya et al., 2011).

### **2.3.2.2. Key factor for upgrading success**

In order to ensure success in upgrading, there has to be commitment by all, the families, city and community. This point is argued by Menshawya et al. (2011) when he dissects what he meant with the above stating:

*“A sense of partnership must be developed among them. And secondly upgrading must meet a real need - people must want it and understand the value. To implement, you must get the institutional arrangements right: give incentives for agencies to work with the poor, keep everyone informed and coordinate between stakeholders, and define clearly the roles of the various agencies. And to keep upgrading going, sustainability concerns must be a priority in financing, institutions, and regulations.”*

If all the above has been considered and successfully implemented, upgrading will succeed and have its desired impact on the community and greater city. The fruits of upgrading will effectively address socio-economic issues and inequalities that plagued the once informal settlement. Beneficiaries will experience socio-economic benefits of an upgraded settlement introducing them to the formal housing market.

### **2.3.2.3. Benefits of upgrading**

One of the main objectives of the research study was to find the benefits of informal settlement upgrading for beneficiaries and evaluate the impact of these benefits on the quality of life and wellbeing of the beneficiaries. Menshawya et al. (2011) from their own experience suggest that these benefits can be realised in obtaining an improved, secure and healthy environment, without being displaced. They further suggest that home improvement and investment prior to upgrading are merely enhanced to a greater standard, whereas removal of prior investments will be costlier and likely to produce an unsatisfactory product for the beneficiaries. One of the most important aspects of upgrading that Menshawya et al. mention is the security of tenure, regularising and formalising the informal. This aspect contributes significantly to the macro and micro economy of any nation and its poor. Their experience has shown that informal settlement

upgrading projects are part and parcel of social and economic benefits which are of high impact to the beneficiary and the community.

### **2.3.3 Approaches to informal settlements:**

#### **2.3.3.1 Conventional informal settlement upgrading**

Conventional informal settlement upgrading synonymous with *in-situ* upgrading, envisions the redevelopment of informal settlements to formal housing settlements with the by-product of security of tenure and infrastructure services. With this approach Misselhorn (2008) explains that a full range of project specifics have to be fulfilled in order for there to be upgrading activities of this nature. Such requirements include the ever important community engagement through workshops, meetings and consultations and what Misselhorn calls community buy in, which refers to the demographics of the project area and socio-economic information that would give implementers an idea of the settlement dynamics and livelihood strategies in that area. Other fundamental requirements include securing land, securing and connection of bulk services to the proposed development at low estimated cost, approved Environmental Impact Assessment identifying any material constraints, geotechnical conditions assessments with approval, preliminary town plan scheme with determinations of possible relocation, and identification of relocation solutions.

#### **2.3.3.2 Self Help/Community driven socio-economic benefits**

Self-help as mentioned earlier in this chapter is the consequence of what Pugh (2001), believes is the inadequate supply of government driven housing, and has been with mankind for centuries. According to Ntema (2011), this concept involves practices in which poor low-income communities address their housing needs incrementally through their own resources and at their own pace. It presents an opportunity for community led upgrading to be achieved, with the communities being the drivers of their own upgrading projects with the government as a support structure; this process is called 'dweller control'.

In the South African context, this type of approach is synonymous to what was previously known as PHP. Misselhorn (2008) considers this kind of upgrading a slower delivery method in comparison to other alternatives. It does, however, offer several advantages including mobilisation and realisation of social capital, more ownership and control of the housing process by local residents, greater participation by residents in the design process, to potentially achieve a functional dwelling with high use value and at a progressive process using a cost effective process and sweat equity.

South Africa's housing policy is progressively shifting towards realising self-help housing on a universal approach. For the past two decades the housing policies have been promoting the *laissez-faire* self-help housing concept and freedom to build when the state delivery system has failed to meet the housing demands of the people. Therefore, community and NGO led initiatives become a convenient alternative for the state, where there is full dweller control and room for innovation. In this instance beneficiaries who have been involved in community led projects have a better housing product than of those under the RDP and state led upgrading projects (Ntema, 2011).

However, in most cases, government led initiatives have a tendency to downplay the progressive nature of self-help housing and its potential benefits. Tissington argues that this is apparent due to the government policies being framed around certain paradigms that emphasise acceleration of delivery, reduction of backlog and reduction of informal settlements which translates to quantity over quality (Tissington, 2010). The above contradicts Turner's initial self-help ideologies that believe that government should be enablers rather than providers. According to Harris (2003), government should assist beneficiaries and act as a support structure in facilitating self-help housing processes, providing beneficiaries with the means to redevelop their settlements, improving living conditions and quality of life and socio-economic circumstances.

### **2.3.3.3 Relocations**

Relocation is when residents from identified informal settlements are being moved to another location permanently or temporarily until a project is complete. Misselhorn (2008)

elaborated that relocation may affect the whole settlement or a portion of a settlement. Temporary relocation of a portion of a settlement at a time is unavoidable and permanent relocation of some informal settlement residents may be inevitable. However, the permanent relocation of an entire settlement should be a last resort. Residents are usually relocated to land that is more unfavourable than land they were previously located on, unfavourable in terms of livelihood opportunities and other amenities, hence it should only be considered in special circumstances.

Misselhorn (2008) insists that in cases where relocations, temporary or permanent are necessary, these need to be planned for and scheduled as part of the project preparation process as they have the potential to delay or terminate a housing project should they not be available and ready when construction starts.

#### **2.3.3.4 Non-Conventional *In-situ* upgrading**

A non-conventional *in-situ* upgrading approach is receiving more and more attention due to the constraints around conventional *in-situ* upgrading and identifying suitable relocation destinations for green field projects. Misselhorn (2008) provides two main types of non-conventional upgrading forms. The first deals with the provision of interim relief measures and the initiation of initial upgrading measures to address key issues or needs such as fire protection, basic sanitation, access to potable water, solid waste removal, basic health care, and improved internal access ways for emergency service vehicles. The second type entails delivery of full upgrading solutions by using different methods and housing typologies. This usually includes a combination of elements of which most aim to minimise relocation and to increase density, accommodating as many households as possible. Methods to be considered in this theme include denser housing forms such as double storey units or attached units, reduced levels of internal services specifically access roads and lastly a wide range of tenure options to cover the different household dynamics and circumstances (Misselhorn, 2008).

### **2.3.4 Social and Economic indicators of improved housing conditions:**

There are a few factors that best indicate socio-economic characteristics of a community or society. For the basis of this section, the indicators are restricted to aspects that best illustrate improved housing conditions via upgrading and how these indicators have an impact on the quality of life of individuals and households at both micro and macro levels.

**Health:** Moving into a newly upgraded dwelling that has been consolidated like the Chilean and Brazilian upgrading programmes, is associated with the improvement of self-rated health (Frontier, 2014). Health benefits commonly associated with improved housing include the reduction in self-care and significantly reduced anxiety and depression according to Frontier. In addition to the above, Frontier makes an interesting observation, that beneficiaries make fewer trips to the clinic and general doctors following the move to improved living conditions provided by upgrading, also suggesting there may be considerable savings in expenditure on health services from improved dwelling units (Frontier, 2014). This is a blanket statement made by Frontier with no statistical findings to back up his claims, but merely an assumption; however, this is a safe assumption. For instance, the dwellings in informal settlements are deficient mostly in safe drinking water, sanitation, electricity, ventilation, an area for food preparation and storage. Such conditions are associated with a range of health risks including diarrhoea and respiratory diseases (WHO, 1989). In addition, some researchers, such as Bank and Mlomo (1996), have highlighted fire hazards in informal settlements. Moreover, the Mandela study on HIV/AIDS (2000) showed that informal settlement dwellers were more prone to contracting HIV/AIDS, TB and cholera than residents living in formal housing (Richards et al., 2006).

**Crime:** The evidence from numerous publications suggests that decent housing can help crime prevention, especially for homeless people and informal settlement residents who have little or no form of safety except protection by the community (Friedman, 2010). Informal settlements have been a safe haven for criminals and a breeding ground for social ills as long as they have existed. Very few informal settlements, if any, have been able to suppress social ills and rid their communities of criminals that hide in unmarked

informal dwellings and dark informal pathways. Provision of new houses with formal addresses, upgraded infrastructure and well-designed residential layout creates a residential community that is self-resilient and sufficient giving beneficiaries a sense of pride in ownership of their homes and the greater community. In such instances beneficiaries protect their communities from criminals and act against social ills or anything that does not have a positive impact on them, their community and the value of their property. In addition, a well-designed layout with well-placed open spaces and well-designed roads can reduce crime and make policing easier.

**Labour market outcomes:** Regarding this point, there is limited evidence on the impact that low-income housing has had on the labour market besides theories. However, decent housing or upgrading could improve employment opportunities for residents as many housing projects train and employ locals and help them find other employment after projects are completed using the skills developed from the initial projects. Therefore, it is safe to say that upgraded housing may improve employability of beneficiaries (Frontier, 2014).

**Wellbeing:** According to Frontier, high satisfaction levels regarding housing is associated with higher life satisfaction. According to a study conducted in England of affordable housing satisfaction, 83% of tenants occupying the houses reported that they were satisfied with their current homes as a place to live, and 70% of them reported being pleased and satisfied with their lives in general or overall (Frontier, 2014). Satisfaction with life is closely linked to housing; hence, formal housing contributes to higher satisfaction with life. In as much as formal housing leads to higher satisfaction, other factors that are not related to formal housing can contribute to life satisfaction in informal settlement dwellers. A study conducted in Durban measuring life satisfaction in informal settlements, recorded less than 15% for satisfaction with life. Reasons contributing to satisfaction with life were mainly linked to social connectivity. Good family relations and healthy friendships were important. Other factors the study identified related to personal esteem such as being successful and achieving dreams (Richards et al., 2006). Moreover, the lack of everyday problems also contributed to life satisfaction. On the other

hand, dissatisfaction with life was closely linked to unemployment and poverty. Crime, poor health and stress were other reasons for dissatisfaction in Durban. Life satisfaction in Alexandra, however, was much higher at 50%. The study provided a few vague reasons as to why satisfaction was higher in Alexandra. The main reason was that the residents of Alexandra had immense pride in Alexandra, another was the location of this informal settlement, its accessibility to work opportunities, and lastly the sense of community cohesion as a result of people working together to reduce crime. However, the residents stated that they would not hesitate to leave Alexandra if they could (Richards et al., 2006).

**Education:** Overcrowding in slums and inadequate dwellings have great potential to negatively affect educational outcomes for children, for instance by worsening health or reducing support available from parents or guardian (Frontier, 2014). Furthermore, stress endured from living in informal settlements is not a conducive environment for learning. In the context of informal settlement upgrading, the upgrading process has phases that do not all focus on the beneficiary's dwelling, but phases that focus on amenities such as the erection of community building facilities. This upgrading phase has significant socio-economic benefits for the community especially its young scholars.

**Community cohesion:** A search of the literature revealed changes to adult socialisation and child development following upgrading and consolidation, as well as increased feelings of safety (Frontier, 2014). As mentioned earlier upgrading fosters social values and development. Social networks are not disrupted instead only grow stronger which is the foundation upon which social capital is built. Upgraded settlements turn from being neighbourhoods to becoming communities, where they are self-sustaining and reliant on each other to get by.

Drawing from the same train of thought from the above section, below are possible socio-economic benefits for beneficiaries resulting from an *in-situ* upgrading scheme:

**Access to basic services:** Beneficiaries have access to safe adequate drinking water, whereas before upgrading they had to source their own water and ran the risk of

contamination. A safe, reliable and equitable electrical supply for households. Safe sanitary conditions with VIP or waterborne toilets for each plot, drastically reducing the risk of disease and contamination caused by unsanitary sewerage disposals. Other benefits include facilities related to health, education, leisure, policing and community facilities that are all accessible and in close proximity to the low income housing scheme.

**Economic opportunities:** At a macro level, a housing upgrading project has the ability to decrease unemployment in the area on a short to medium basis with the potential to create long term employment by leaving locals with skills obtained from the project for their next job search. Moreover, the upgrading project has a significant impact on the local GDP and attracts new small supportive industries essentially bring new jobs to the area. From a micro point of view, households are presented with opportunities to increase their household income and monthly savings through home-based businesses, or subleasing a spare room or out building to tenants. The additional income can go towards other needs prioritised by the households such as education or investing in housing for example.

**Social networks:** This benefit is maximised in *in-situ* upgrading schemes. *In-situ* upgrading is the only upgrading method that does not disrupt the social networks of the community and in fact enhances the social fibres of the community. It develops, builds and strengthens the social capital that community has developed and enjoyed over the years. This benefit is significant, as it has the ability to impact on the beneficiaries' psyche tremendously. A formal upgraded dwelling uplifts individuals and households in a community, it gives the beneficiary a sense of belonging, place of his or her own in the community, a residential address to call theirs. This also has a spinoff effect on household dynamics, as stress build up created from living under horrid conditions in an overcrowded single room in an informal settlement no longer burdens families. All these factors create positive social values in the community that increase safety and protection of residents and their property and improving household quality of life.

The abovementioned illustrate the broad sense (macro) of socio-economic benefits, narrowed down to a micro level. They result from *in-situ* upgrading programmes and their schemes, which significantly improve households' quality of life.

### **2.3.5 Social Capitalism in upgrading**

As has been already mentioned in chapter one, for upgrading of informal settlements to be fully effective by meeting its primary objectives and yielding socio-economic benefits for its beneficiaries, it has to evolve around social capital. Social capital refers to social networks, values and norms that communities hold dear. Social capital is evident in upgrading through community participation, where the community members are viewed as major stakeholders of the upgrading project and are consulted and involved in the upgrading process (Brain, 2007). By tapping into social capital the upgrading processes are fully enhanced through the insight of the community in partnership with the professionals and authorities. Furthermore, the upgrading experience in turn will develop social coherence among communities and local governments, enhance existing networks and build a stronger presence and culture for civil societies in communities, fostering community development (Brain, 2007). Social capital has its roots in what is called social infrastructure, which refers to the broader aspects of social capital as well as the physical amenities.

Frequently the physical amenities/facilities for people and communities can be provided by a variety of associations (government, private and civil society), and for the most part target specific groups, such as children or the disabled, or according to place or age groups. These sorts of facilities and services are frequently at the heart of nearby groups, which contribute towards making a feeling of having a special place and can transform settlements into sustainable neighbourhoods and groups (Development management DPD, 2009).

Eric Klinenberg (year), a human science educator at New York University, contends that a feasible social infrastructure urges individuals to frame associations in their neighbourhoods and more prominent groups. Part of a feasible social infrastructure

incorporates well-disposed small organisations, social places, group occasions, and includes both formal and casual exercises. Groups with restricted admission to the social infrastructure are ineffective in times of crisis. The absence of social ties and bonds between members of a community diminishes social support opportunities and prompts individual groups secluding themselves. Welcoming parks, group cultivating activities, family-focused play areas and general neighbourhood meet-ups enhances the social foundation and the group's potential (Development management DPD, 2009).

### **2.3.1 Legislative and Policy Framework**

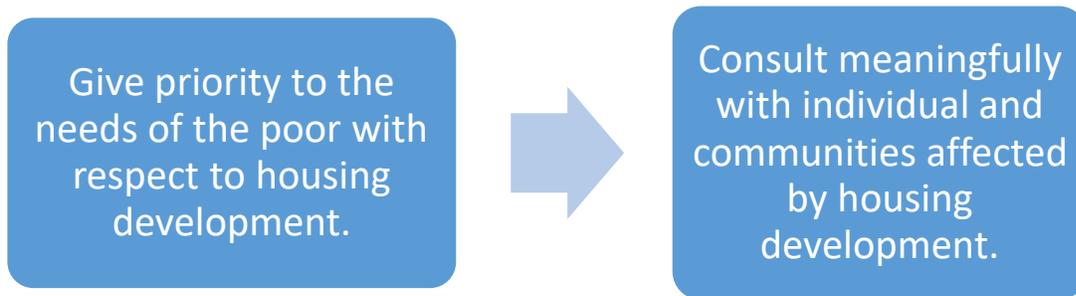
It is critical to note that South Africa is part of the United Nations Millennium Development Goals (MDGs). Within the MDG, Goal seven and Target eleven is provided to ensure the lives of the 100 million human beings living under inadequate housing conditions are significantly improved by 2020 (Ziblim, 2013). In addition to MDGs, there are other significant declarations South Africa abides by under the UN Habitat Programme, which includes the Vancouver Declaration on Human Settlements of 1976, Istanbul Declaration on Human and Other Settlements of 1996 as well and the habitat agenda of 1996. Each one of these declarations aims to improve living conditions and eradicate informal settlements. Hence it should be noted that upgrading informal settlement programmes are principled by the above declarations (National Housing Code Part 3, 2009).

#### **2.3.1.1 Housing Act of 1997 (Act No.107 of 1997)**

South Africa's Housing Act of 1997 along with the revised Housing Code of 2009 officially became part of the law to give effect to Article 26 (1) of the Constitution. The Act provides for a sustainable process of housing development by laying down the general principles that should govern such process in all the spheres of the government. This Act details the functions, roles and relationship between the various tiers of government and the individuals and communities with regards to housing development (Tissington 2011). Moreover, Ziblim (year) goes further pointing out that the act contains relevant provisions under Section two which obligates local government to ensure a non-discriminatory, pro-poor, racially integrated, and participatory process of informal settlement upgrading based

on the principles of good governance. Within the Act, section 2 (1) states that national, provincial and local spheres of government must do the following:

*Figure 1: Housing Act Section 2 (1) A*



(The Housing Act, 1997).

While section 2 (1) further links all spheres of government to ensure that housing development is as follows:

*Figure 2: Housing Act Section 2 (1) B*



(The Housing Act, 1997).

In retrospect of the above statement of the Housing Act, Ziblim highlights that Section 2 (1) (iii) is said to provide for the establishment, development, and maintenance of socially cohesive, economically viable communities, and of safe and healthy habitable conditions to ensure the eradication of informal settlements. Moreover, Section 2 (1) (e) (iv) provides for “measures to prohibit unfair discrimination on grounds of gender, and other forms of discrimination by all actors in the housing development process.” The above statement outlines the principles that underpin The Housing Act which are direct and instructive for the processes and methods of *in-situ* upgrading of informal settlements, which has been envisioned to facilitate the creation of sustainable human settlements that are integrated within the city that will rid social exclusion from urban centres in South Africa (Ziblim, 2013).

### **2.3.1.2 Housing White Paper**

South African housing policy is attributed to the highest piece of legislation in the country, which is the constitution. Informal settlement upgrading is affirmed by numerous pieces of legislation including the constitution, which is considered one of the most progressive in the world regarding socio-economic rights of individuals and their right to adequate housing (Tissington, 2011). The Bill of Rights Section 26 subsections 1 and 2 state “*Everyone has the right to access to adequate housing...The state must take reasonable legislative and other measures within its available resources to achieve progressive realisation of this right*”. Under this legislation, South Africa’s Housing Policies were created and given powers (RSA, 1996).

South Africa’s current housing policy is a result of intense negotiations within the National Housing Forum of all major stakeholders from the private sector, public sector and civil societies from 1992 to 1994, the year of the first democratic elections. Through these negotiations, the HWP was created. According to Huchzermeyer (2000), there were three prominent groups positioned in different sectors, firstly organised labour and the community, the second was the private sector through the Urban Foundation and lastly the Homeless People’s Federation/People’s Dialogue alliance. Their participation and influence on the policy formulation process had a profound impact on the balance of

power in 1994. Nevertheless, the three sectors engaged with the questions of poverty and housing differently. Hence the changed level of engagement, whereas the private sector had been dominant regarding the formulation of policy in the National Housing Forum. In the meantime, organised labour and community were highly involved and dominant in the formulation of the ANC's RDP (Huchzermeyer, 2000).

With the HWP, the government aimed to create and establish viable, socially and economically integrated communities, located in areas allowing convenient access to economic opportunities and other amenities such as health, educational and recreational facilities. The policies also stated all South Africans "*will have access to a permanent residential structure with secure tenure, ensuring privacy and providing adequate protection against the elements; potable water; and sanitary facilities including waste disposal, and domestic electricity supply*" (DoH, 1994:?? ). According to Ziblim (2013), the HWP's main objective was to establish an upward adjustment in the national housing budget to a reasonable five percentiles in order to achieve and maintain an increase in housing delivery to reach a target of 338,000 units per annum (Ziblim, 2013). Ziblim further explains that the point of this initiative was to enable the government to realise its mandate of delivering one million housing units in five years. In hindsight, a number of housing programmes have been implemented over the past years since the introduction of the landmark policy, which also resulted in the housing policy shift with the introduction of the BNG policy document.

### **2.3.1.3 Breaking New Ground**

It has been twenty-one years since South Africa's HWP emerged on the scene and it has been exactly eleven years since the introduction of the Comprehensive plan for development of Sustainable Human Settlements, which is commonly known and referred to as BNG. According to Rust (2006), BNG dramatically changed the landscape of housing in South Africa. The BNG policy focused on delivery of subsidised housing applicants who had qualified as beneficiaries. The government increased the formal housing sector through BNG policy by over 2 million housing units, which equates to 15%

of the formal housing sector. In as much it increased during the initial years, it has since stalled due to a range of reasons.

The government's UISP was a product of the BNG policy document adopted in 2004 by the South African government. The policy's main aim was to accelerate the rate of delivery of well located housing of a suitable quality in various innovative initiatives and in addition the policy emphasised that the housing programmes and projects should be demand driven (Tissington, 2011).

BNG policy specifically sought to realise the following objectives below:

- Increase the rate of housing delivery as a strategy to alleviate poverty in South Africa.
- Take advantage of the provision of housing as a major job creation strategy.
- Increase economic growth of the country and local economies through housing production.
- Fight crime, promote social cohesion and improve quality of life for the poor.
- Support the functioning of residential property markets in a single residential area, to reduce duality within the sector by breaking the barrier between the first economy residential property boom and the second economy slump.
- Fully utilise housing as a tool for the development of sustainable human settlements, in support of urban restructuring (DHS, 2004).

The above cardinal objectives reflect a revolutionary approach to the challenge of slums, in the sense that, for the first time, the slum problem was conceptualised not merely as a housing problem but as the product of an underlying socio-economic predicament that needed to be addressed. Hence, the policy saw housing as a catalyst to achieve broader socio-economic goals, including economic growth, job creation, poverty alleviation, and social cohesion.

The Department of Human Settlements) disclosed that the BNG policy was the outcome of a comprehensive appraisal of previous national housing programmes, after recognising several unintended consequences. These notably included the *“peripheral residential development, poor quality products and settlements, lack of community participation; corruption and maladministration; slowdown in [housing] delivery; underspent budgets;*

*limited or decreasing public sector participation; the increasing housing backlog; and the continued growth of informal settlements”* in the cities (DHS, 2008, cited in Tissington, 2011). While BNG was built upon the basic principles of the 1994 HWP, it nevertheless diverged in a number of ways from previous national housing programmes, including the importance it placed on informal settlement upgrading as part of efforts to deliver adequate housing to the poor in South Africa. The UISP tries to supplement pre-existing mechanisms and housing instruments to facilitate a housing delivery system that is more responsive, flexible, and effective. It frames housing delivery as an instrument for the attainment of broader socio-economic goals, including employment creation and poverty reduction (Tissington, 2011).

#### **2.3.1.4 Upgrading of Informal Settlements Programme**

South Africa’s democratic government has always had a primary objective regarding housing the poor. South Africa is described by having a quickly developing populace that is urbanising by the day. However, it needs to manage profoundly unequal and racially stratified settlement examples, coming about because of its politically sanctioned racial segregation legacy. This legacy has brought on the repression of a large part of black South Africans confined to specific territories, generally found on the fringes of urban areas, barred from infrastructure, service delivery and work opportunities. Therefore, the South African housing policy has often been criticised for locating low income housing on the peripheries of urban territories resulting in urban sprawl (Ramashomale, 2011). Hence, the objective was to undertake housing development guided by the Housing Act No 107 of 1997 that defined this objective as *“the establishment and maintenance of habitable, stable and sustainable public areas allowing convenient access to economic opportunities in education and social amenities in which all citizens and permanent residents of the Republic will, on a progressive basis...”* (Housing Act, 1997). Formal housing has risen by 50% since 1994, adding 5.6 million houses to the formal housing sector since democracy. In addition the Department of Human Settlement’s service delivery now included the upgrading of strategically located informal settlements and providing adequate services and land tenure to half a million households by 2014 (RSA, 2015).

#### **2.4.4.1 Policy Intention:**

The object of the UISP according to the National Housing Code of 2009, was to facilitate orderly *in-situ* upgrading of informal settlements as opposed to relocation to achieve the following complex and interrelated policy objectives.

**Empowerment of beneficiaries:** This seeks to address economic and social marginalisation of the poor by focusing on community empowerment and the promotion of social and economic integration among different stratas of society. Moreover, to build social capital through participative processes addressing the broader social needs communities.

**Health and Security:** Seeks to promote the development of secure living and healthy environments through facilitating the provision of affordable and sustainable basic municipal engineering infrastructure to the residents of informal settlements, whilst considering provisions for scaling up in the future.

**Tenure and Security:** This will enhance the concept of citizenship, including both rights and obligations, by recognising and formalising the tenure rights of residents within informal settlements.

#### **2.4.4.2 Application of UISP**

The UISP is strategically designed to facilitate the *in-situ* upgrading of informal settlements in an orderly manner. The programme involves the potential relocation and resettlement of people on a voluntary and cooperative manner as may be appropriate. The programme is relevant to projects seeking to be embarked upon in terms of any other National Housing Programme or Provincial Housing Programme that is in line with the National Housing Policy, but it will not be applicable to people currently occupying informal houses in the backyards of informal settlements.

The programme identifies informal settlements on the characteristics below and any settlement that portrays these characteristics to government satisfaction will be considered:

- Inappropriate location
- Social stress
- Restricted public and private sector investment
- Illegality and informality
- Poverty and vulnerability.

#### **2.4.4.3 Target group to be assisted**

According to the National Housing code of 2009, the USIP will assist persons and households residing in informal settlements. The programme was created, according to policy, the following criteria on which individuals will be assessed in order to qualify for assistance:

- Households that meet and comply with the Housing Subsidy Scheme qualification criteria.
- Persons without dependants.
- Individuals or households with a monthly income not exceeding the maximum income limit as set and approved by the Minister.
- Individuals who are not first time homeowners.
- Individuals who have not previously benefited from the housing subsidy programme or who currently own any residential property
- Legal immigrants on the conditions prescribed by the Department of Home Affairs on a case by case basis.
- Old aged citizens who are single without financial dependants may also apply for subsidies. The old aged can be classified as male or female who have attained the minimum age to qualify for a social grant.

It should be noted that the programme's criteria is not specific to individuals or household socio-economic characteristics, leaving it to municipal interpretation. However, the criteria provided is a general overview to safe guard against inefficiencies, promote fairness and equity when selecting the beneficiaries.

#### **2.4.4.4 Institutional Arrangements**

According to the National Housing Code of 2009, the functions and roles of local, provincial and national governments are based on the principles of cooperative governance as well as subsidiaries and the creation of partnerships among the three spheres of government. In other words, roles and functions must be executed at the level best suitable for the circumstances.

#### **2.4.4.5 Responsibilities of Municipality**

A municipality's responsibilities are to consider whether living conditions in a settlement in the area of jurisdiction merits the submission of an application for assistance under this programme, and if so the relevant municipality must:

- Initiate, plan and formulate applications for housing projects relating to *in-situ* upgrading of informal settlements, which in the case of municipalities that are not accredited, must be in collaboration with and, under the supervision of the Provincial Department.
- Request assistance from Provincial Department on any of the matters concerned if the municipality lacks the capacity, resources or expertise.
- Applications to submitted to relevant Provincial Department.
- Projects that are approved will be implemented in accordance with agreements entered into with Provincial Departments.
- Ownership of the engineering services installed to be established.
- Municipality to manage, operate and maintain settlement areas developed under this programme.
- The Municipality is also to ensure availability of bulk services and connected engineering services.
- Provide basic municipal engineering services such as water, sanitation, refuse removal and other municipal services.
- Provide materials, assistance, and support where necessary to enable the *in-situ* upgrading project to proceed.
- Assist with the transport of affected persons and their belongings to negotiated and agreed resettlement sites.

- A district municipality must provide input and assistance to a local municipality, and *vice versa* in appropriate circumstances.

#### **2.4.4.6 Provincial Department Responsibilities**

Stipulated in the National Housing Code of 2009 the Provincial Department is responsible for the funding and implementation of the programme in collaboration with the municipality. The Provincial Department has a duty to do everything in its power to assist municipalities to achieve their obligations regarding the programme. Below is a list of responsibilities the Provincial Departments must perform regarding the project.

- Provincial Departments partner with municipalities assisting them with the initiation, planning and formulation of applications for projects under this programme.
- They assume the development responsibility of the municipality when the municipality does not have the capacity or is unable to fulfil the role.
- Forward applications to MEC together with its comments and recommendations including its views on the eligibility for assistance and the capacity if the municipality concerned to undertake and complete the project successfully.
- The Members of Executive Committees will have decision-making authority.
- The Provincial Departments must take appropriate action in accordance with section 139 of the Constitution of South Africa, 1996 (Act No. 108 of 1996), to ensure the performance of the duties and obligations provided for in section 7 of the housing Act, 1997 if the municipality is unable to do so.
- The Provincial Departments are also required to reserve, reprioritise and allocate funds from its yearly budget allocation and manage, distribute and control funds allocated for an approved project, in line with an agreement with a municipality.
- They must also assist municipalities with the use and implementation of accelerated planning procedures.
- Monitor the implementation of a project by a municipality.

#### **2.4.4.7 Responsibilities of the National Department**

Regarding the programme, the National Housing Code stipulates that the National Department is:

Required to participate in project conceptualisation, assist with project applications and evaluations and participate in project management with the Provincial Departments and municipalities.

It should also maintain the policy and programme, and assist with interpretation.

Monitor programme implementation.

Negotiate the apportionment of funding for the programme and allocate such to provinces for project execution and release allocated funds on a cash flow basis.

Provide implementation assistance.

#### **2.4.5 Social and Economic Facilities**

Informal settlement upgrading programme takes into consideration the provision of social community and economic facilities within the community and surrounding neighbourhoods. According to the National Housing Code of 2009, the funding for the development of these amenities will be facilitated by the National Housing Programme (National Housing Code, 2009). The provision of such facilities is to be determined through a consultative process between the local authority and settlement inhabitants. The National Housing Code has provided factors that should be taken into consideration during this process:

- An assessment of community needs must be undertaken prior to the determination of community preferences.
- Special care must be taken to ensure that the needs of vulnerable groups are taken into consideration during the process.
- The amenities that will be financed are sports fields, community centres, clinics etc.
- The funding for the maintenance and operation of the facilities must be acquired from non-housing sources by the municipality.

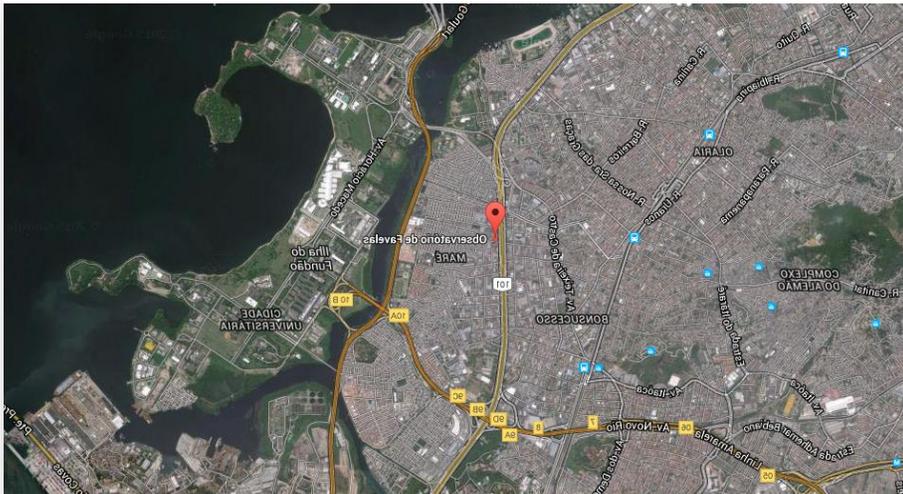
### 2.3.2 International Benefits of Upgrading of Informal Settlements:

Figure 3: Locality Map of Brazil



(Source: Google Maps, 2015)

Figure 4: locality Map of the Favelas



(Source: Google Earth, 2015)

### **2.3.2.1 Informal settlement upgrading in Brazil's Rio Favela Bairro**

The Brazilian housing policy and upgrading programmes concentrated on a local and sub-national level of government, which is considered municipal and provincial respectively in South Africa's structures of government, without significant active participation by the federal government, which would be the national level of government in South Africa (Mulier and Gossmann, 2013). An effort had been made to break away from eradication of informal settlements. The objective of the Favela Bairro's upgrading projects was to integrate the informal settlement dwellers into the formal city. According to Pearlman (2004), within a period of three years during the 1970s, 100,000 favelados were evicted and their favelas demolished under a severe military regime in an effort to solve the informal settlement phenomenon (Perlman, 2004). During and after this era the low income and informal settlements in Rio were served by policies promulgated at state level. However, in 1988 the Brazilian constitution introduced a decentralisation trend, decentralising power to other levels of government specifically to the local levels of government. The winds of change ignited by the constitution saw the city of Rio establishing the legitimacy of the favelas during the 1990s with the emphasis of incorporating them into the city's public services (Soares, 2005). As a result of this legitimacy, the favelas expanded significantly to an estimated 25% of the city's total population and as it increased so did segregation and inequality by a staggering 50.7% (IADA, 2004).

The Secretaria Municipal de Habitacao was a newly created division by the municipality of Rio de Janeiro that was in charge of coordinating and implementing projects in the favelas and other neighbouring informal settlements. The projects involved the community in the selection of projects, and the exact mechanism by which these choices were made, as well as the magnitude of local control is clear in literature and government documentation. The Favela Bairro programme was partly funded by the Inter-American Development (IDB) in the form of three investment loans approved in 1995, 2000 and 2010. The other contributor was the municipality with its fund of \$180 million. Sixty percent of the funds was covered by the IDB, with the remainder coming from municipal sources.

Under this programme, a minimum of \$4000 per household was spent (Mulier and Gossmann, 2013).

According to Mulier and Gossmann (2005), cited in Soares (2013), the programme's objective was to improve the living conditions of the urban poor. For living conditions to be improved the programme had to have a range and variety of different social infrastructure, land tenure and social development components. Specific objectives the programme aimed to achieve included the reduction in the risk of geographical and environmental accidents such as landslides and floods that frequently hit the favelas and other vulnerable areas. Moreover, the objectives aimed to increase transit access, reduce the incidence of vector-borne diseases as well as increase the utilisation of public services (Mulier and Gossmann, 2013). Basic infrastructure components were crucial and part and parcel of the programme; these components included installation of water, gutters, sewerage and light hardware, as well as road improvements.

The social components of the programme were not side-lined and in fact were an important part of the programme. According to Mulier and Gossmann, the social component was not set in stone and varied over time, but originally included the development of early childcare centres. The development of social facilities, which was phase two, was delayed due the absence of phase one, which was the development of housing and infrastructure. At phase two of the project, the programme expanded childcare facilities, skills training and community activities programme and specific modalities were added, including the creation of what is called Agentes comunitarios, who are members of the favela trained in matters of community development, hygiene, as well as in the specifics of the programme. In addition, in the second phase, more irregular settlements outside the favelas were selected for upgrading, with a property titling programme that was originally planned for the first phase of the project, but was executed in the second phase of the project (Soares, 2005).

A matrix was created by the IDB for the 2010 loan proposal and the objective of improving the quality of life of those in low income favelas over time included the following:

- Integrated urbanisation via urban infrastructure and social services projects.
- Social action such as child development centres, support for at risk youth, social referral centres, and income generation programming.
- Regularisation and control of urban development via expanding the POUS network to support land regularisation, mapping and registration of properties to reinforce inclusion.
- Institutional development by enhancing the capacity of staff and departments in the programme (IDB, 2010).

At the initial stages of the programme, the scope of the Favela Bairro involved medium sized communities. The Plano Director of Rio envisioned a number of urbanisation programmes for the favelas. The Favela Bairro was designed to address the needs of the communities with between 500 and 2500 households, although communities with significantly high urbanisation costs were excluded from the projects. Rio implemented the programmes to tackle smaller favelas and programmes to urbanise the larger favelas in the city (Mulier and Gossmann, 2013).

According to the World Bank (2010) the Rio municipal government was not oblivious of the gap of the larger favelas being addressed through projects. The Municipality of Rio responded with a programme that focused on infrastructure, Programa de Aceleracao do crescimento (PAC), and the Growth Acceleration Programme was thus introduced (Mulier and Gossmann, 2013). The programme was considered a strategic investment programme that incorporated management initiatives and public works. The Growth Acceleration Programme invested in areas of interest such as logistics, energy and social development, organised under six major initiatives which are listed below:

- Better Cities for urban infrastructure.
- Bringing Citizenship to the community for safe social inclusion.
- My House My Life for housing.
- Water and light for all, for sanitation and access to electricity.
- Energy, for renewable energy, oil and gas.
- Transportation, for highways, airports and railroads.

The initial first phase the programme had a budget of \$503.9 billion reals and ran from 2007 to 2010. The second phase was introduced in March 2010 called the PAC 2, and continues to run under the Rouseff administration (World Bank, 2010).

Fiori, et al. (2000) paints an appropriate description of the Favela Bairro slum upgrading policy's holistic nature with this statement "*It is not a programme to meet the housing needs of individual residents but instead addresses the collective needs of the favelas as a whole. Upgrading projects for each favela thus builds upon the existing layout of houses, roads and walkways, leaving this layout and the basic structure of the statement in the main unaltered, though upgraded.*"

### **2.3.2.2 Informal settlement Upgrading in Kenya**

Upgrading activities in Kenya began in 1929 when change was proposed to the customary round type of grass-thatched housing, incredibly affecting the new housing type that ruled the peri-urban settlement. The ghetto occupants had moreover sorted themselves out to ensure their integrity, illustrated by the Kisumu Slum Dwellers Association, which assembles beneficiaries in an attempt to get housing upgrades (Cities without ghettos, 2005).

The Kenya government in a joint effort with UN-Habitat set up a project called the Kenya Slum Upgrading Programme to update informal settlements (Government of Kenya, 2005). This project was effective in that its principle goal was to foster job creation and sustainable livelihoods of individuals living and working in ghettos and informal settlements in Kenya's urban fringes and centres. This involved advancing, encouraging, and where feasible giving security of tenure, housing development, wage era and provision of basic services and amenities, including tending to the issues and effects of HIV/AIDS (Government of Kenya, 2005).

Kenya's upgrading objectives were drawn from association between the legislation of Kenya, Nairobi City Council, Cities Alliance and UN-Habitat:

- To merge, justify and systematise a wide scope of shelter-related approaches, including creating organizations and instruments for reasonable subsidizing and improvement of service infrastructure and housing.
- To execute decentralisation, association, meeting, partner investment, authority and strengthening of recipient groups in upgrading initiatives.
- To identify physical and socio-economic conditions in settlements including informal settlements, through important mapping with a specific end goal to set the stage for development in security of tenure, essential administrations, employment and dwelling structures.
- To build up institutional structures and components for successful execution of upgrading slums and settlements and sanctuary-related projects.
- To create and actualise suitable administration change, including outline conveyance techniques and methodologies (IRC, 2008).

#### **2.3.2.2.1 Alternative upgrading approach**

Over the years Kenya has adopted more the one approach in dealing with informal settlements. From evictions and involuntary resettlements to self-help housing and *in-situ* upgrading, service provision projects, enabling, and rights based policies. However the most commonly recognised best practice alternative intervention for upgrading living conditions and the lives of informal settlement dwellers is participatory slum upgrading, which consists of physical, social and economic organisation and betterment of the environment tasked to local citizens, community groups, businesses and local authorities (UN HABITAT, 2003).

The Kenya government has prioritised informal settlement upgrading in partnership with grassroots level group saving schemes. The Kenyan government has noted that government intervention alone is not effective and efficient enough to make upgrading of informal settlements/slums successful. It needs the assistance of local and grassroots organisations that are familiar with the socio-economic fabric of a community and have expertise in a component of housing delivery such as micro finance/group saving schemes (Belford, 2013). According to Belford (2013), the international community such

as the United States should empower low income households to be in charge of their housing needs. Belford further explains how this could be done, through providing households and communities with the necessary skills and tools to design the process, physical spaces, and implementation methods for state supported housing (Belford, 2013). By engaging communities and households in employing Belford's suggestions, upgrading has the potential of yielding greater socio-economic benefits than before. The households and community members are in charge of their upgrading process, they know best their socio-economic circumstances and priorities. As they are in charge of the design processes, households can influence the dwelling design to best serve their household needs/dynamics making them more functional. This can apply to both the ordering of spaces in the neighbourhood and the implementation processes.

Slum Dwellers International argue the same point that by effectively connecting with group individuals in the process as they impact approach choices, development forms, also, routines for long haul housing maintainability. Shack/Slum Dwellers Worldwide sees the last alternative as an ideal approach to engage groups to control their own fate. Rather than depending on the government to 'get around' to helping poor groups in acquiring land and building new designs, active occupants can campaign for security of tenure; furthermore, amended land policies that would give more prominence to self-sufficiency and power for groups. Slum Dwellers Worldwide states, "*when groups possess the procedure for redesigning, they can guarantee that it is maintainable and keeps on developing after some period of time*" (What do we do, n.d)

## **2.4 Conclusion**

The literature and theories in this chapter have extensively explained the informal settlement phenomenon and the responses to informal settlements from the international community. The theories used in this chapter lay the foundation for the study explaining the logic behind informal settlement upgrading and the influence the theories had in shaping the local housing policy and ideologies behind the key concepts of the study. Literature has shown *in-situ* upgrading as the most practical and ideal approach to dealing

with socio-economic issues presented by informal settlements, laying out policy and programme intentions and their shortcomings in addressing the socio-economic issues.

# **CHAPTER 3: Historical Background of the case study**

## **3.1 Introduction:**

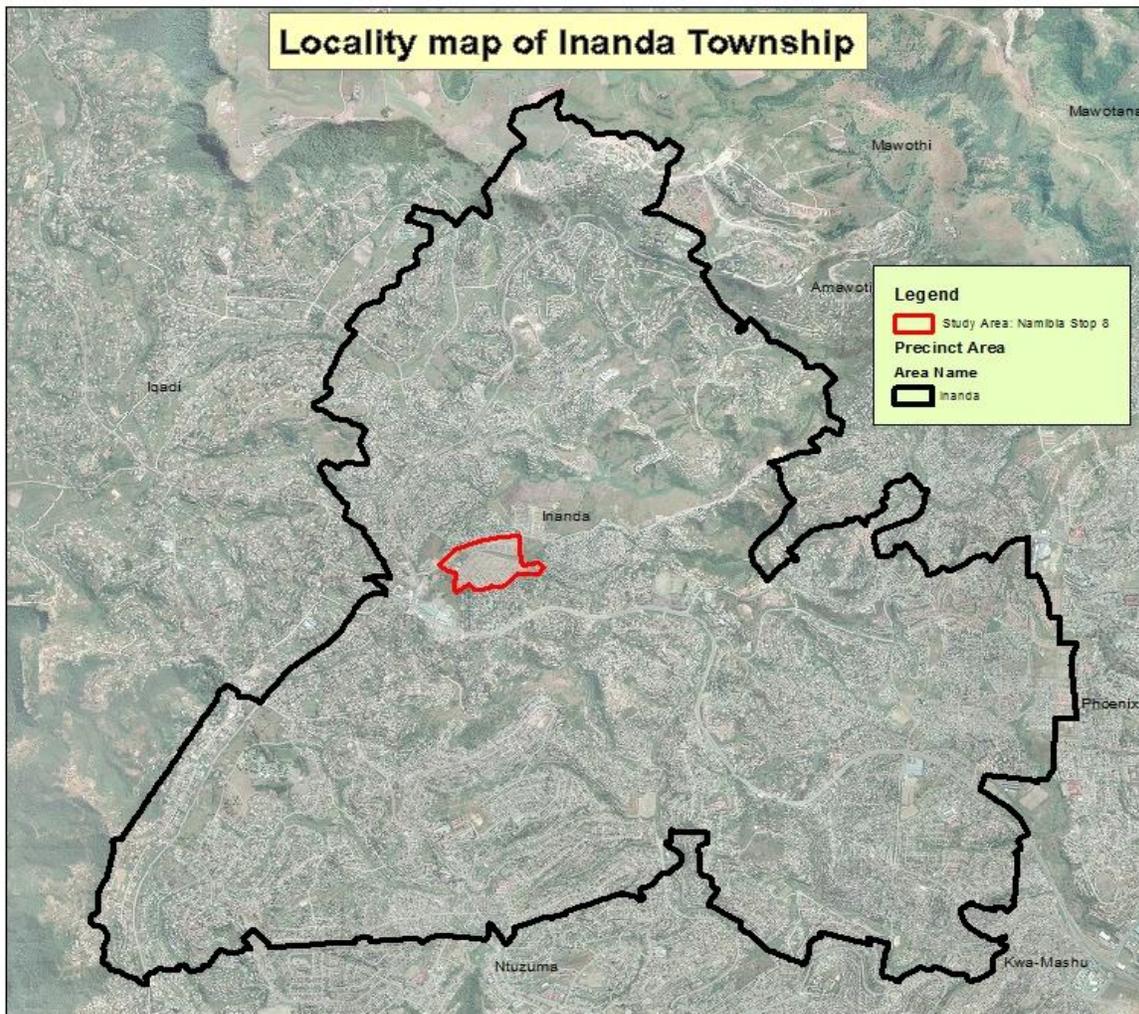
The case study of the research study is located in Inanda Namibia Stop 8. This chapter will provide the historical background of the case study, its geographical location in eThekweni Municipality, and will further provide the socio-economic profile of the area and state of development of Inanda as a whole with specific reference to Namibia stop 8 settlement. The case study is used to contextualise the research and in addition to this, a background of the case study area is provided.

Inanda, the oldest settlement in Durban, was established in the 1800s as a reserve for black South Africans, with an Indian population of reasonable size that resided there until the mid-late 1930s. At that point it was designated an area exclusive to black South Africans. This settlement predominantly comprises informal settlements with a huge housing backlog (DPLG, 2008).

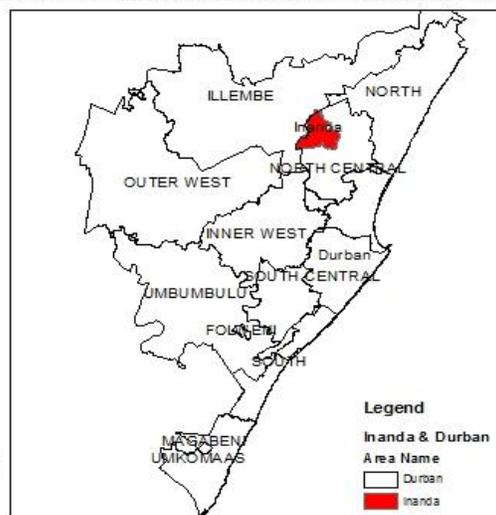
## **3.2 Geographical location of Inanda:**

The study was located in the Inanda Township in an area called Namibia Stop 8. It is in eastern KwaZulu-Natal, South Africa, situated 24km inland north from Durban. It is part of Umzinyathi, which is under the umbrella of eThekweni, the greater Durban Metropolitan Municipality.

Figure 5: Locality map of Inanda Township



Drawn by: Njabulo Zungu 211521479  
 Name of Drawing: Locality Map  
 Institution: UKZN SOBEDS



(Source: GIS, 2016)

### **3.3 Background of Inanda Township**

Inanda is an isiZulu name that means Pleasant Place. It is a township located north of KwaZulu-Natal 24 km inland from the Durban CBD. It is populated by mostly isiZulu speaking black Africans; however, it is also populated by Xhosas and people of other ethnicities. Inanda is also known as the home of the first president of the ANC, John Langalibalele Dube, who was also a major landowner in Inanda. It was a second home and place of operation for Mahatma Gandhi, and the birthplace of uShembe a Nazareth Baptist Church leader. Inanda was the place where Dr Nelson Mandela cast his vote in South Africa's first democratic election (Sithole, 2010). It is notorious for its high crime rate, with 164 murders in 2014 more than in any other township in the province and with a little over 1000 residents killed each year.

In the 1830s approximately, 185 years ago, KwaZulu-Natal was a Boer Republic called Natalia. The Republic came about due to several Boers acquiring farms for themselves including Inanda. These farms were then abandoned when the British took control of Natal in the year 1843 and the land subsequently fell into the hands of land speculators (Ulwazi, 2015). Many years later a few wealthy Christians from Inanda mission including the Gumede and Dube families and many Indian agriculturists bought the land from land speculators. The Dube family and other landowners were able to make a living out of farming crops specifically sugar cane. Unfortunately, discrimination by colonial imperialists and a racist government made it difficult for them to succeed in the agricultural sector (Ulwazi, 2015).

In the 1930s segregationist legislation unfolded and the entire area of private landholding in the Inanda area was rezoned as an African area in terms of the segregationist legislation. This was considered as a direct attack on Indian and other black landowners who became reluctant to invest further into their own farms (Ulwazi, 2015). By this time the Apartheid government had been in power for a decade and this matter dragged on in a state of uncertainty until the end of the 1950s when the Apartheid government turned its sights to black urban South Africans. The sudden attention on the blacks living in urban areas was calculated; the government was beginning to tighten up control of blacks

accessing urban areas and addressing growing informal settlements and forced removals, the state also responded by building townships around Durban (Ulwazi, 2015).

According to Ngceshu and Ncwane (2003), Inanda was a rural area until the 1950s. This changed due to drought and through Apartheid government policies that intentionally undermined the black people from rural areas. Ngceshu and Ncwane added that such pressures exerted by these situations created by the government were too much for black rural South Africans. As a result, they moved close to Durban hoping to escape poverty and seeking jobs in urban areas where they had no accommodation. Forced removals from Cato Manor in the 1960s did not help the situation either; it increased inhabitants in the urban area that also had to be accommodated (Ngeshu and Ncwane, 2002).

The forced removals had a significant impact on the Inanda area. The 1970s saw an influx of people from different rural areas, especially drought stricken areas. The 1980s saw Inanda changing from being a shanty town to a high density settlement with levels of unemployment (Ulwazi, 2015). During the forced removals from Cato Manor, residents who were employed were relocated to KwaMashu and those who were unemployed were made to leave the city altogether. Those who were unemployed and left homeless found refuge in Inanda. Inanda landowners who were also undergoing hard times due to drought were presented with an opportunity; they rented out plots of land for additional income rather than relying on crop farming. This was essentially the beginning of the urbanisation of Inanda (Ulwazi, 2015).

## **3.4 Socio-economic overview of Inanda**

### **3.4.1 Population**

Inanda Township has one of the highest township population in the province and is the oldest black settlement in the eThekweni metropolitan area, according to the 2011 census with approximately 158,619 people and approximately 39,105 households living in Inanda Township. According Ngceshu and Nwcane (2002) Inanda presents the most representative urban area in relation to culture and tribal diversities in the country. In addition to this it also houses foreign nationals from neighbouring countries such as

Swaziland, Mozambique and Lesotho to mention a few. About 55% of all households in the area consist of one to three members and in addition to this, 35% of the households accommodate four to seven people in their homes. Youth development must be a priority in the Inanda region and surrounding townships including Ntuzuma and KwaMashu; over 65% of the population is younger than 29 years, hence youth development is mandatory. The gender ratio in this area is relatively on a par with females representing 51% and males representing 49%, while 57% of the households are male headed in this region (Ngceshu and Nwcane, 2002).

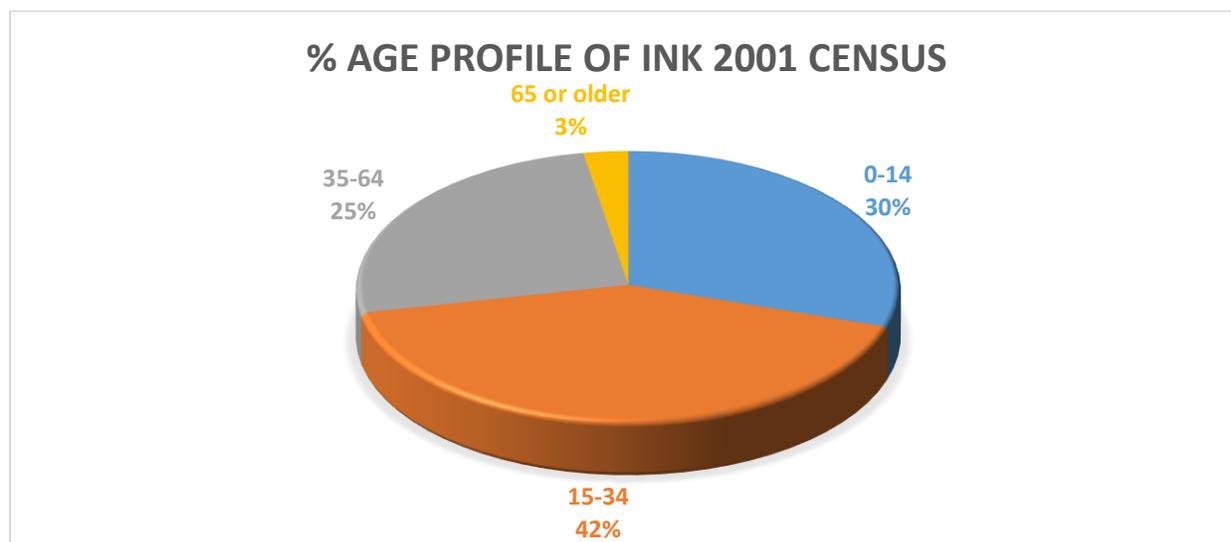


Figure 6: Age Profile

(Source: Ngceshu and Ncwane, 2012)

### 3.4.2 Infrastructure and Services

Regarding service provision in Inanda Township, Local government has made strides in providing basic services. With the exception of piped water, provision is within the norms of the average for urban area nodes. There are still households without basic services in Inanda as 26% of households are without electricity, 30% are without piped water, 2% are without waste removal services, and 67% are without fixed line telephones. Provision of educational facilities remains a challenge with one tertiary education facilities in the whole Inanda, KwaMashu and Ntuzuma (INK) area called Elangeni TVET College; however great strides have been made in primary and secondary facilities. The Department of Provincial and Local Government (DPLG) has made plans for the

establishment of two new hospitals of 450 beds each in the INK area and one of them will be located in Inanda (DPLG, 2008).

### **3.4.3 Unemployment**

The economic implications of the Apartheid era can be seen in present day Inanda. As mentioned earlier the unemployed individuals of forced removals from Cato Manor found refuge in Inanda. For some of these people their circumstances have not changed and poverty has been passed down from one generation to the next. In order to gain any benefits or advantages from an economy, one has to be an active participant in it. According to Ngceshu and Ncwane (2002), poor people can participate as labourers in an economy as this is usually their primary means of employment. However, when the poor are unable to gain employment they are sidelined by the economy and become outcasts in society. This scenario consequently results in unemployment which creates the perfect breeding conditions for poverty to entrench itself in households and communities (Ngeshu and Ncwane, 2002).

According to Trading Economics (2015), unemployment today stands at 25%, with a previous high of 30%. It is important to note that in South Africa, the unemployment rate measures the number of people actively looking for jobs as a percentage of the labour force and not those who have been discouraged and have stopped seeking jobs. Research conducted by the census and private research institutions indicate that unemployment is one of the leading socio-economic issues plaguing Inanda that needs special and immediate attention by the authorities and community leaders. In order for the economy of South Africa and Inanda's local economy to be stable, the economy's growth rate has to exceed the population growth rate. Townships such as Inanda that are plagued with poverty and unemployment need extensive government intervention in order to achieve this (Stiftung, 2000).

According to statistics provided by the DPLG, around 40% of the population of INK is unemployed with an additional 33% not economically active (DPLG, 2008). Moreover 75% of all households earn below R9,600 per annum, and 93% of the employed group

are employees (DPLG, 2008). In 2006 the unemployment rate of Inanda stood at 57% according to Urban-Econ, with Ntuzuma sitting at 50% while KwaMashu had the highest unemployment rate of 60%. The combined INK area's unemployment sat at 64% (Urban-Econ, 2006). As mentioned earlier the high unemployment level in South Africa and the Inanda area are directly related to poverty, failure to earn an income exacerbates the conditions presented by poverty and makes it extremely difficult for people to lift themselves out of poverty.

#### **3.4.4 Health**

Inanda Township suffers from similar health issues plaguing other townships surrounding Durban. Diseases such as HIV and AIDS, STDs and bacterial infections such as TB and cholera, are rife in Inanda due to the vast informal settlements located there. Informal Settlements are unplanned, have no provisions of health and sanitary services such as waterborne toilets, wastewater infrastructure. The lack of these services create an unhealthy environment for the communities, and a breeding ground for diseases mentioned above that fester in unsanitary conditions found in informal settlements where freshwater is exposed to and contaminated by wastewater and dumped waste refuse that runs along the alley ways and streams in the settlements (DPLG, 2008).

According to Maurice (2000), housing, access to fresh drinking water and sanitation are the three most critical factors that determine health. However, Maurice also mentions that it can be argued that sanitation and fresh water are potentially more important determinants if the position of prevention rather than cure is taken at the outset. For instance, during the 1980s a few areas in Inanda were severely hit hard by cholera due to the consumption of contaminated running water. According to Ngceshu and Ncwane (2002) this serves as an indication that the leaders and authorities in Inanda were not being responsible because of their failure to prevent or to take swift action against cholera. Ngceshu and Ncwane blame the fragmented character of the Inanda's health system for the situation explained above. As the majority of the residents of Inanda relied on the public health service, it was imperative that government had to improve health facilities, increase accessibility to the community of Inanda and surrounding townships. The idea

behind better health facilities and accessibility was to improve the general health of the population, which in theory would result in fewer workdays lost through illness, larger workforce, increased productivity, improved opportunities for well-paid jobs and later retirement age. Illness that results in loss of output regrettably goes unnoticed and consequently has an undesirable impact on economic growth.

### **3.4.5 Education**

DPLG has provided a brief overview of the levels of education in Inanda area and the greater INK area. According to DPLG, 34% of the population between 0 and 24 years of age do not have a formal education. Moreover, 64% of those who have enrolled in schools, only 22% of them matriculated. Furthermore, only 4% of those who matriculated went on to attain a tertiary qualification, while secondary school pass rates and university exemption rates are low (DPLG, 2008).

### **3.4.6 Crime**

Over the past decade Inanda township has emerged as one of the most violent township in eThekweni and can be further considered the most violent place in the whole eThekweni municipal area. This is according to crime statistics released by Crime Stats SA in 2011. Crime slightly decreased in 2014 from 2011 by 468 reported crimes. From 2004, however, crime had increased from 6478 reported crimes in 2004 to 7287 reported crimes in 2011 (Crime Stats, 2015).

Da Costa (2011) argues that the leading contributor to high crime rate in Inanda is alcohol abuse. Da Costa in her article points the finger at illegal shebeens that are in every corner of Inanda's main intersections. Before they became a problem shebeens were a place of social gathering and leisure where adults met after work to relax and have conversations before heading home. She further supports her argument by quoting Mbongeni Phewa who shares the same views on uncontrolled selling and distribution of alcohol. According to Mbongeni Phewa, cited in da Costa (2011), a chairman of Inanda community police forum, they are losing the battle against the illegal shebeens in Inanda despite their best efforts. Phewa also adds that shebeens operate 24 hours a day seven days a week, and this contributes to crimes committed within the neighbourhood A meeting of all shebeen

owners, legal and illegal was planned by the Inanda Community Police Forum with the intention of asking them to reduce their operating hours and close their businesses at 9pm. They were also in partnership with the KwaMashu Community Police Forum and developed coordinated efforts to combat crime and sit in during each other's Community Forum meetings (da Costa, 2011). This was in the hope of curbing the high crime rate in Inanda and surrounding townships.

Alcohol abuse and the abuse of socialisation spaces (shebeens) may be one of the leading causes of crime in Inanda; however, there are other prevailing contributors to crime in Inanda and the greater eThekweni region. The drug epidemic has a vise grip on the youth in Inanda and the greater eThekweni Metropolitan Municipality. According to NUMBEO (2015), the crime rate in Durban has increased in the past three years and sits at a rate of 80.91% and the rate of drug use and dealing sits at 69.64%, which NUMBEO considers high. The data and statistics provided by NUMBEO are based on perceptions provided by people who had visited their websites within the last three years. The rate range from 0% to 100% with 0% being perceived as very low and 100% as very high. Inanda has been hit very hard by the drug epidemic, which is due to a popular drug called 'whoonga' or 'nyaope', which is very cheap, widely accessible and simple to produce.

It has extremely damaging side effects and strong cravings that puts the user's life in danger and the community due to the user's willingness to do whatever he or she can to purchase the drugs by any means necessary. According to Juan Hull (2010) a whoonga user who has no income needs more than one hit to get through the day, and crime becomes an irresistible opportunity to fund the drug habit. A whoonga addict's crimes of choice are usually home invasion, robberies and other petty crimes (Hull, 2010). The local authorities and the local police are aware of the whoonga that is overwhelming the community. The police and the national addiction council say they are doing the best they can with limited resources; furthermore due to the high crime levels in Inanda, prioritising whoonga crimes is a challenge.

### **3.4.7 Local Economy**

Inanda Township is part of the INK economic node development initiative that aims to integrate these townships together by means of development of economic nodes and

social facilities. There are factors that help explain the economic characteristics of Inanda and surrounding townships, which are internal and external (DPLG, 2008). There are high levels of dependency on social grants in Inanda and the rest of INK due to the high level of unemployment in the area, 41% of the 25 to 65-year-old persons are unemployed and 59% of the total are economically active. Inanda is a residential area within the greater eThekweni municipal area, with the majority of Inanda inhabitants being employed outside the Inanda area and INK economic nodes. This external factor indicated that employment opportunities of INK and Inanda lay in the Durban metro which itself is experiencing low economic and job growth. Regarding internal factors, integration of informal and formal economic activities are limited within the area, which is dominated with retail and small businesses (DPLG, 2008).

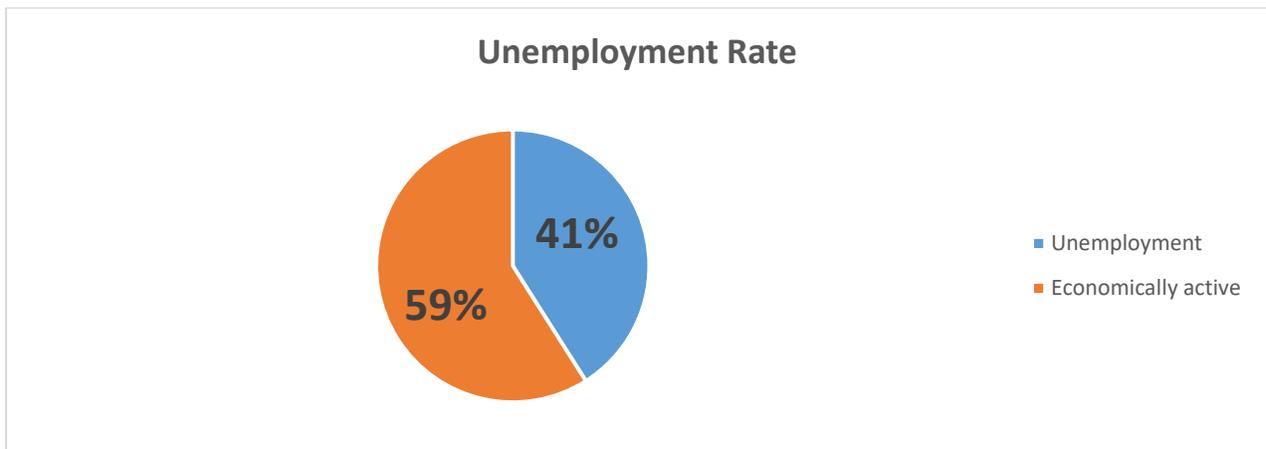


Figure 7: Pie chart showing unemployment rate

(Source: DPLG, 2008)

### 3.4.7.1 Tourism

Tourism presents potential for economic revenue and job creation in Inanda and the INK area. The best known tourist attraction is the Inanda heritage trail and the Shembe Church, which also includes the Gandhi Settlement, Ohlange institute. According to DPLG tourism in Inanda has not had the desired outcomes as expected. Tourism has been at a low and has generated few jobs and the industry itself has consisted of self-guided day travel. Furthermore, there are few restaurants or accommodation specially aimed at the tourist sector (DPLG, 2008). However, in more recent times residents are slowly capitalising on tourism and on their own communities with lifestyle bars and

lounges and restaurants that epitomise black culture in the Inanda Township. Moreover, local government and other stakeholders, committees and programmes have proposed developments that will help enhance the tourism industry in Inanda.

*Figure 4: Over The Moon Lounge and bar*



(Source: Google Images, 2015)

*Figure 8: Inanda Girls Seminary Boarding School*



(Source: Google Images, 2015)

## **CHAPTER 4: DATA ANALYSIS AND FINDINGS**

### **4.1 Introduction**

This chapter will present the study's findings of the research obtained from the residents of Inanda Stop 8, councillor and the project manager who is also the monitor of the upgrading project. It will further provide the above stakeholders' views or perception of the upgrading project on their lives, speaking of the living conditions in the informal settlement and during upgrading of Inanda Stop 8. The purpose of this analysis is to investigate and understand the socio-economic benefits to beneficiaries over the years through upgrading of informal settlements, in addition the living conditions before upgrading will be investigated for there to be a comparative analysis. Such findings will be presented with the aid of graphs and pictures to illustrate the discussion.

### **4.2 Socio-economic aspects of Inanda Stop 8**

#### **4.2.1 Gender profile of Inanda Stop 8**

The pie chart below illustrates the gender distribution of the participants who benefited from the upgrading. The chart depicts that 68% of the beneficiaries interviewed were female with 32% male. This gives a slight indication that there were more female headed households in the community with 36% of them aged over 60 years. This could be due to a number of factors however, one of the main reasons was that many of their husbands or partners were deceased either before upgrading or after.

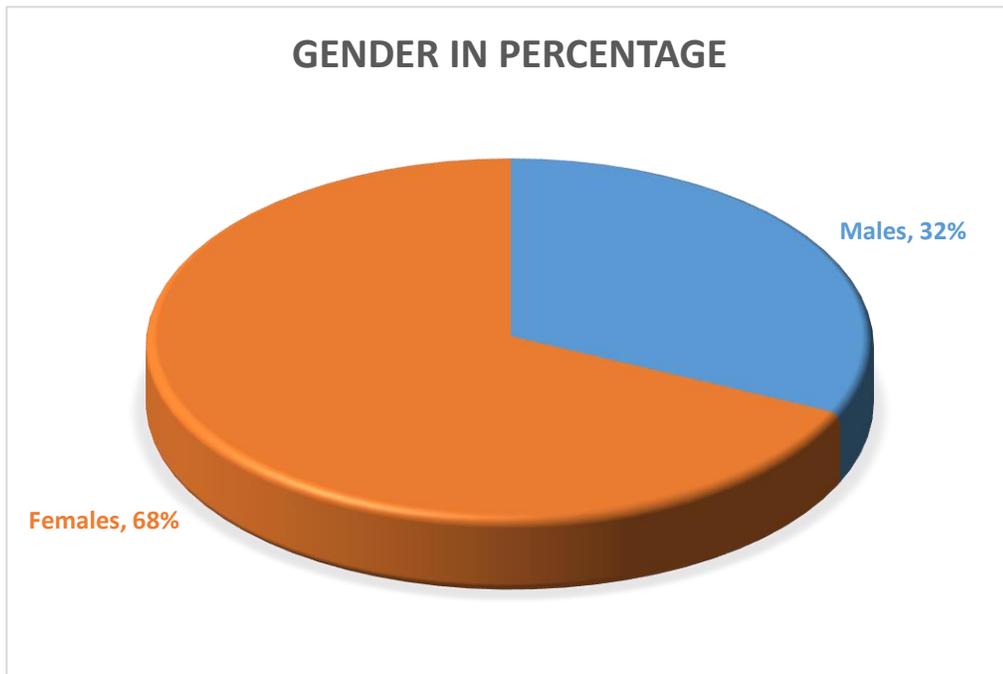


Figure 9: Gender Proportion

(Source: Author, 2016)

#### 4.2.2 Age of Participants

The age profile of the participants indicated that there was a high percentage of elderly beneficiaries above 60 years of age as shown in the table below with a percentage of 36%. The age group 40-60 years also represented 36% of the participants interviewed. Middle aged group 35-40 years represented only 12% while young adults represented 16%. Minors and those under 18 years had no representation in the study as there were no child headed households who benefited from the informal settlement upgrading programme in Inanda Stop 8. The table gives insight to family dynamics as well as there was a high rate of elderly persons heading households raising orphans and grandchildren with the likelihood of almost all of them being headed by females that represented 68% of total participants.

Upgrading projects provide community members with the opportunity of bettering themselves by participating and gaining skills and become employable. The high number of people over 40 years old and elderly pensioners who combined represent 72% of the

sampled beneficiaries seen on table 1, indicate that many who participated in the project are too old unemployable with the skills gained as they are past their prime and not suitable for laborious jobs. It further perpetuates unemployment in the community, as those who are employable are under represented with the youth at 16% and middle aged at 12%. The housing scheme in Namibia Stop 8 has fell short in increasing employment opportunities for the working able and creating a vibrant local economy through lost potential incomes from the unemployed working able beneficiaries.

**Table 1: Age Groups of Participants**

| Age Group | Number | Percentage |
|-----------|--------|------------|
| >18       | 0      | 0%         |
| 18 - 35   | 8      | 16%        |
| 35 - 40   | 6      | 12%        |
| 40 - 60   | 18     | 36%        |
| 60<       | 18     | 36%        |

*(Source: Author, 2016)*

### **4.2.3 Average household size**

The average household size in Stop 8 ranged from two to nine members with a total household average of five members per household. Just over 50% of households ranged above five members per household which was not consistent with the national household size of 3.4 members per household (Stats SA, 2012). Stop 8 had a higher household size compared to the national trend due to the nature of Stop 8 and the low income group family dynamics. Stop 8 is very populated area with multiple primary and secondary nodes, with a high concentration of informal trading and industries creating a perfect climate for inward migration from the peripheries. This bred informal settlements and unplanned development in the Stop 8 area resulting in mounting development pressure on Human Settlement and Planning authorities. More and more people were settling in Stop 8 with many bringing their immediate and extended families to reside with them due to the availability of vacant land; however, developable land has decreased over the years forcing many to locate on undevelopable and reserved lands. This has resulted in the relatively high household size in the area compared to the other urban areas in Inanda and surrounding townships.

Household size is an important factor in any housing development as it allows household members to have privacy and space within the comfort of their house. Size has a significant effect of household dynamics and social development. A large low-income family is more likely to live in cramped and small spaces, as informal settlements are usually less than the average size of a low-income subsidy house (RDP) with no ventilation, secure supply services and unsanitary conditions. Adults and children need their own spaces of privacy for dressing, studying and washing. Government low-income subsidy houses are 42m<sup>2</sup> to 50m<sup>2</sup> with two bedrooms and a bathroom with a water-borne toilet where family members can perform their own personal duties without interference (Gemmil, et al., 2003). However, since 50% of the beneficiaries have more than five members per household, the new dwellings are too small to suitably house all members, effectively falling short in providing sufficient privacy, space and comfort for the whole household for more than 50% of the beneficiaries in the study.

#### 4.2.4 Duration of stay and Ownership in Stop 8

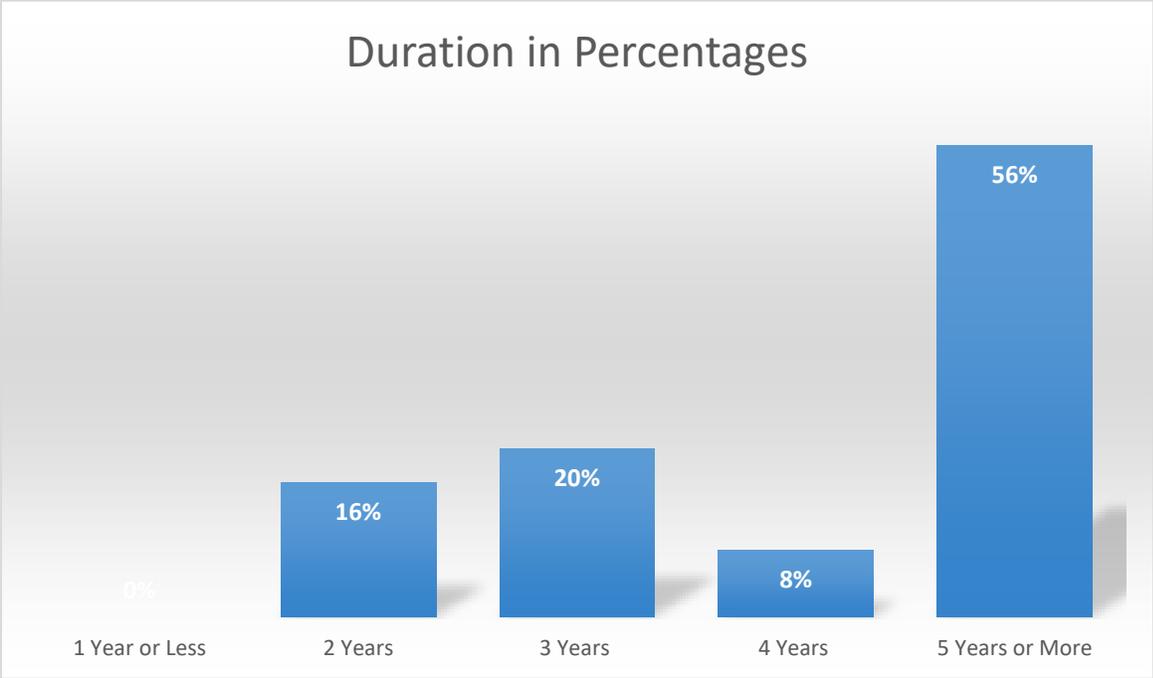


Figure 10: Bar Graph Showing Duration of Stay in Stop 8  
(Source: Author, 2016)

The above graph shows the number of years participants had lived in their upgraded homes in Inanda Stop 8. 56% of the residents had lived in their upgraded homes for five years or more, while less than 8% had lived there for four years. A combined 36% had lived between two and three years in their upgraded homes and with none of the participants interviewed having lived for less than a year in their homes. The participants commented that they were upgraded and moved in separate phases. The elderly and special needs residents were prioritised in the first phase ahead of the rest with others relocated from undevelopable lands and rezoned areas following a year or two later in the second phase and the rest in the third phase. This explains the difference of duration of stay in Stop 8. However, there were other factors that contributed to the differences in duration of stay in stop 8. For instance, a few beneficiaries had vacated and had either leased out their property or sold it after upgrading at some point from delivery. It is important to know how long beneficiaries had been staying in their homes. Socio-economic benefits from upgrading can be visible from the onset of completion, but there are also benefits needing to mature that are only visible years after occupancy, like social capital, financial prosperity, family dynamics, local economic growth and more. Therefore, it was necessary to know the duration of stay to adequately evaluate the benefits and their socio-economic impact on beneficiaries, community and the greater region.

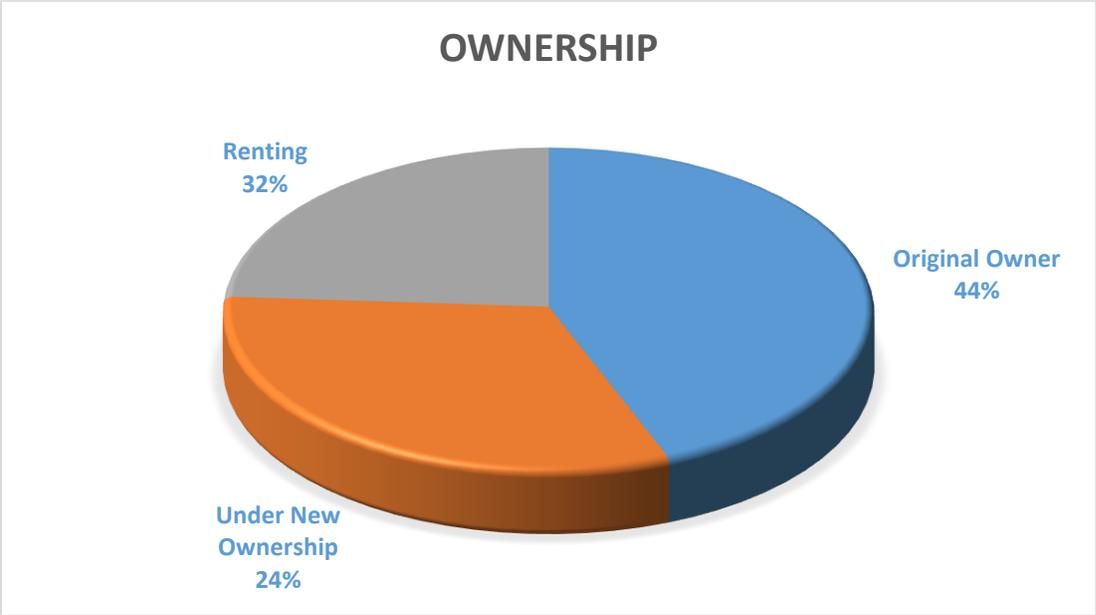


Figure 11: Chart showing types of occupancy

(Source: Author, 2016)

The above pie chart illustrates how many original beneficiaries still owned their upgraded houses after occupancy, houses under new ownership and the number of units leased by the homeowner. Only 44% percent of the original beneficiaries had held on to their upgraded houses with full freehold tenure. 32% of the houses in the study had changed ownership from the original beneficiaries to current owners. Ownership can change due to a number of reasons however, in this case when participants were asked why some did not hold on to their houses, many said it was due to financial reasons. They saw an opportunity to make lump sum of money from selling their homes. This begs the question of whether or not did the beneficiaries who chose to sell their homes benefited from the house scheme.

Only just 24% of the original housing stock had been converted to rental stock. These were leased out either by new owners or by those seeking to exploit the housing market. The data indicates that unauthorised transactions regarding ownership had occurred; selling of homes constructed under the UISP is prohibited until 8 years has lapsed (DHS, 2004). Hence, 32% of the houses in the study area were bought illegally, making the purchase agreements void. Moreover, the title deeds allocation process had only just commenced in 2015 for those residents who had moved in during the first phase in 2010 as the period for issuing title deeds is five years. Therefore, the 32% new owners had purchased their houses without title deeds.

As alluded to above, regarding benefits gained by beneficiaries in this section, findings show that beneficiaries did experienced benefits however, benefits are of an economic nature and short lived as the houses were not sold at market value due to the illegal sale. However, this also means the beneficiaries still own the house as the sale is not legally recognized even though they are not enjoying living in it. The finding also shows that 32% of the houses are being rented outed, which suggests that the original beneficiaries generate additional monthly income from renting to tenants.

Unfortunately, the limitations expressed in chapter one had the potential to distort the accuracy of the above data. A few of the participants were reluctant to answer the questions associated with ownership, raising the question as to whether they were honest with their answers.

#### 4.2.5 Economic prospects and household income

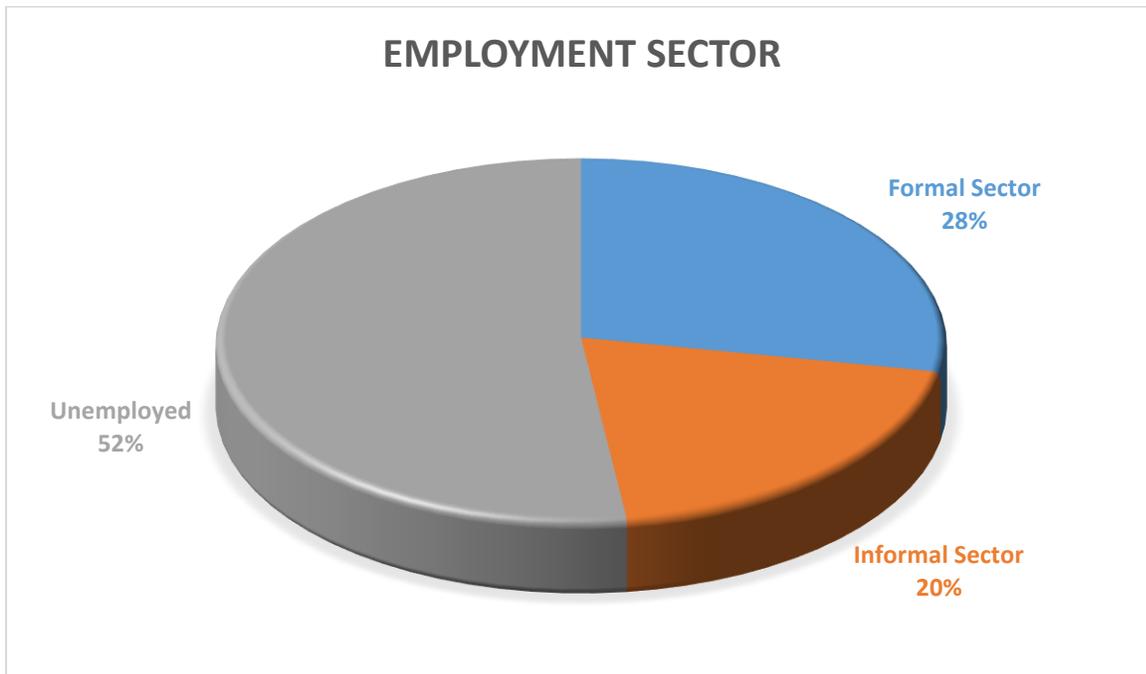


Figure 12: Pie Chart showing employment type

The above figure illustrates the employment status of the beneficiaries living in Stop 8, which was divided into three employment sectors; the formal sector of 28%, informal sector with 20% were beneficiaries either employed or operated unregistered businesses, and the third and last sector was the unemployed with a rate of 52%. Beneficiaries who were unemployed were actively seeking employment in the economy. The high rate of unemployment in Stop 8 was prevalent in the greater region of KwaZulu-Natal and South Africa. The government is facing a challenge in increasing employment opportunities in the Inanda area and the rest of the country. Nevertheless, according to eThekweni IDP the municipality has proposed and started implementing an integrated development programme called the INK integrated development that aims to strategically link the three townships with an integrated transport system, commercial facilities, social facilities, tourism and housing. This strategy not only provides economic opportunities for the local

residents but it will upgrade old infrastructure and services and develop new social facilities and new housing schemes such as social housing. Stop 8 was one of the areas strategically selected to develop and bolster economic prospects in the area. The UISP was the first stage of development in Stop 8 and will be followed by the provision of social facilities, development of an economic node to support the informal sector Small Micro Medium Enterprises (SMME) and social housing.

Under economic prospects beneficiaries were asked if they conducted any economic activities from their homes such as rental, commercial or any other type of home-based business to gain additional income. Only 39% from the survey used their homes to gain additional income, while the others did not have any additional income gained from using their homes. The findings have showing that housing has not been able to ensure that over 50% of the residents are employed in both formal and informal sectors. They are not economically productive, indicating further intervention is required. Interventions that will bring about sustainable social-economic opportunities for the community lasting long after the housing projects. Further to this only 61% did not use their homes for any economic benefits and in fact, when they sold, they did so illegally.

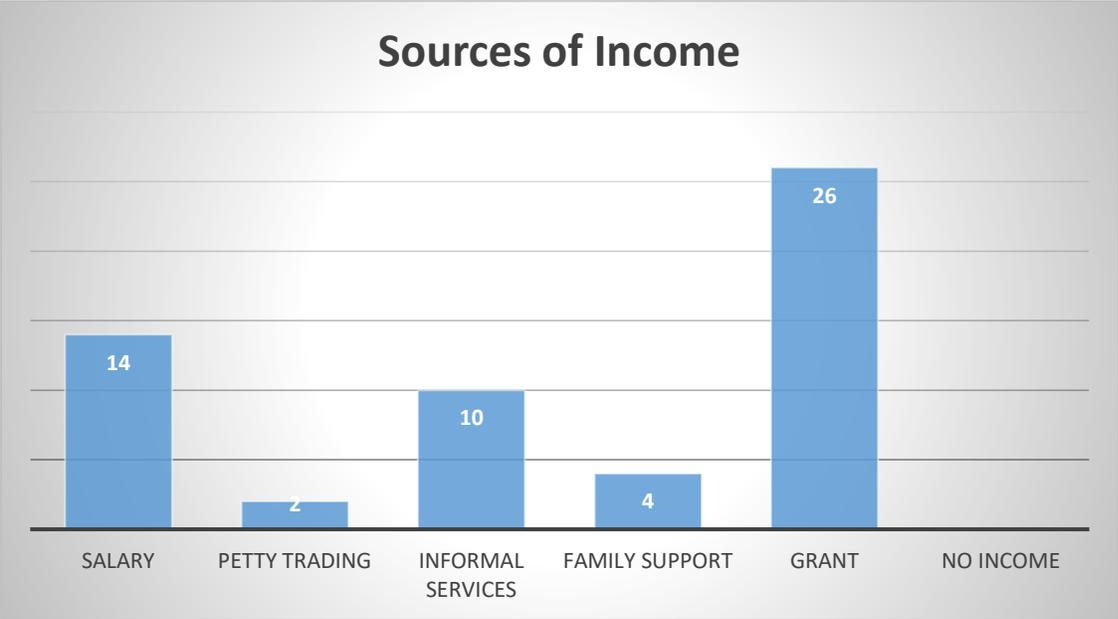


Figure 13: Bar graph showing types of sources of income

The bar graph above shows the six different sources of income beneficiaries that their households relied on. 14 of all beneficiaries interviewed relied on their monthly salaries for all their household needs and expenditures. Only two beneficiaries relied on petty trading, while 10 beneficiaries made their livelihoods under the category of informal services. Four out of the 50 beneficiaries interviewed relied on their family members and extended family to send them money monthly. An overwhelming 26 beneficiaries depended upon various state grants such as old age pension, child grant and disability grants, while there were no beneficiaries without any source of income. Many who initially had no job or a source of income went into the informal sector or applied for child grants. A few beneficiaries had more than one source of income, and the most consistent source of income for those households with multiple incomes was state grants. This can be explained by the large elderly age group of 36% receiving elderly state pension. The high number of those dependent on state grants was due to the high unemployment rate and poverty in the area and the greater region. Stop 8 consists of the low income group with the majority earning R50,000 per annum according to (BMR). The subsidy was ineffective in improving the unemployment rate in the area as many families depend on extended family, government grants and the informal services as sources of income. Hence the subsidy scheme failed to economically bring about change in the participants lives.

#### 4.2.6 Household monthly income in Stop 8

*Table 2: Household income groups in Stop 8*

| <b>Income Group</b> | <b>Number of Beneficiaries</b> | <b>Percentage</b> |
|---------------------|--------------------------------|-------------------|
| R0 - R300           | 4                              | 8 %               |
| R300 – R800         | 8                              | 16 %              |
| R800 – R3500        | 30                             | 60 %              |
| R3500 – R7000       | 8                              | 16 %              |
| R7000 <             | 0                              | 0 %               |
| <b>Total</b>        | <b>50</b>                      | <b>100 %</b>      |

The table above shows the different beneficiary income groups of the fifty beneficiaries interviewed. There were five income groups as shown above categorised from beneficiaries earning the least to most. There was a total of four out of the 50 beneficiaries

who earned between R0 and R300 equalling 8%. 16% of the beneficiaries had a household income of R300-R800. The category of R800-R3500 had the largest share of the beneficiaries with 60% amounting to 30 beneficiaries out of 50 having a household income in this category. About 16% of the beneficiaries belonged in the third category of R3500-R7000 a month household income, while the last category of R7000 and more had no representation, leading the researcher to believe that every household in the community was of low-income status with the highest between R3500 and R7000. The data further shows that 16% of the participants were undeserving of the subsidy as they exceeded the R3500 maximum income requirement. This discovery shows that the subsidy scheme is wasteful, as it does not fully reach the intended beneficiaries.

The R800-R3500 represented the low-income threshold in Stop 8 as most beneficiaries had a household income within this range. It showed that the community was of low-income status with no income to middle income group and middle class represented in the community.

Development centred on integration needs to be prioritised in Stop 8 and the greater area as it will emerge that different income groups, specifically the middle income, become the tax base of the community. This would improve the quality of infrastructure and services as the community will be able to command high levels of these services as they are able to afford them. According to an interview with the project manager on Namibia Stop 8 integrated development project, government plans to pull in the middle class in the area with credit link subsidies and social housing accommodation for those who desire to rent and not own, preventing illegal shack landlords from exploiting the rental market in the area.

## **4.3 Housing condition in Stop 8**

### **4.3.1 Housing conditions beneficiaries lived under before upgrading**

The pie chart below shows the proportion of the informal structures beneficiaries lived in before the informal settlement upgrading programme started. 26% of the beneficiaries

reported living in mud houses supported by logs and corrugated iron sheet roofs. 50% of the beneficiaries reported living in shacks, which were made from local materials and corrugated sheet iron, while only 12% reported to have been living in semi-formal structures which were brick and mortar structures that did not adhere to National Home Building Registration Council (NHBRC) standards. Many beneficiaries had no access to basic services, which included communal tap water and electrical supply for a long period until the late 1990s and early 2000s when eThekweni municipality intervened after residents received their security of tenure. However, these services were underwhelmed over time as the informal settlement increased and people were not paying for them. As a result, many newer residents could not fully utilise these services. According to the residents, 75% of the community had access to water and electricity and 25% had no access at all; they cooked on paraffin stoves and lit candles at night to study etc. Within the whole Stop 8 and Nambia settlement, one had access to sanitation services as there were no sewer mains to connect to. Each household built their own long drop pit within their yards and disposed of their human and solid waste at their own discretion.

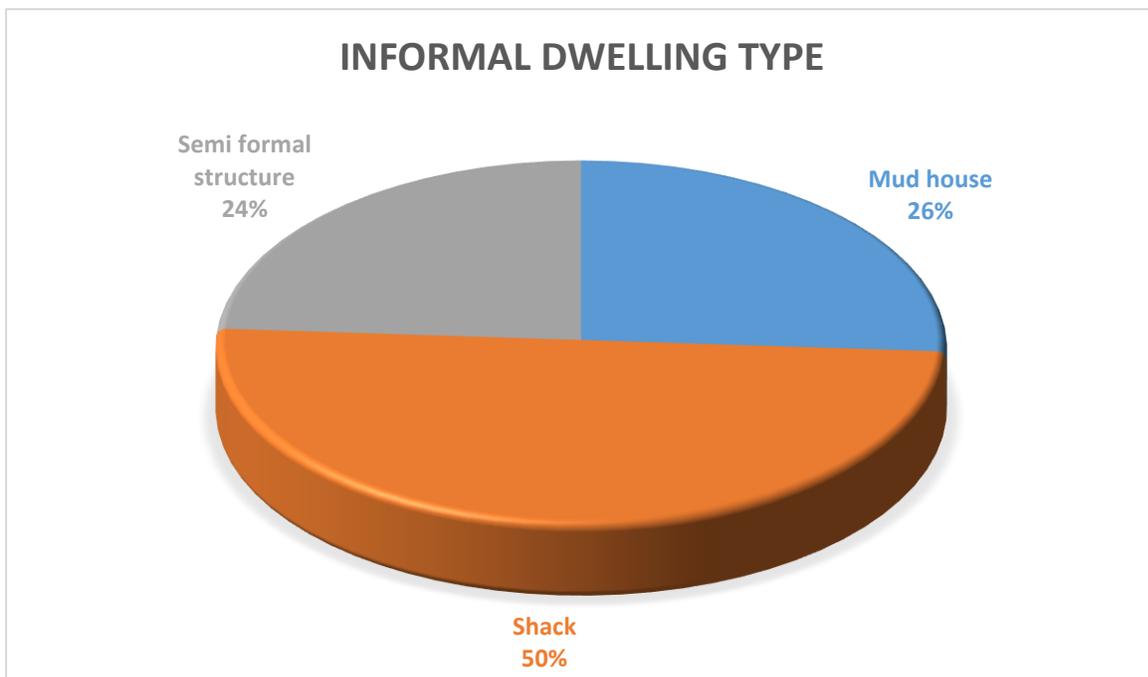


Figure 14: Pie Chart Showing Informal dwelling type in Inanda Stop 8

(Source: Author, 2016)

### 4.3.2 Living condition after informal settlement upgrading

According to the survey 69% of the beneficiaries reported to be living better off than previously, suggesting their well-being has improved. Beneficiaries expressed that they have gained peace of mind since they do not have to worried about heavy leaks, mud and damage to property when it rained and dampness that lead to respiratory complications. Moreover, one beneficiary had expressed that an in house bathroom and toilet had restored some dignity as the community and their household members can perform their daily private duties out of the public eye.

31% disagreed stating they were not happy with their subsidy houses and were adamant there had been no significant difference or improvement in their living conditions. This maybe due to the fact that the benefits they had anticipated had not materialised or taken effect in their lives. Furthermore 82% of the 31% of beneficiaries who reported no improvement in living conditions, expressed dissatisfaction with the final product of upgrading which did not meet their expectations. This dissatisfaction emanated from comparing government housing to FEDUP saving scheme houses build by uTshani fund and community members, which were larger and had quality finishings.

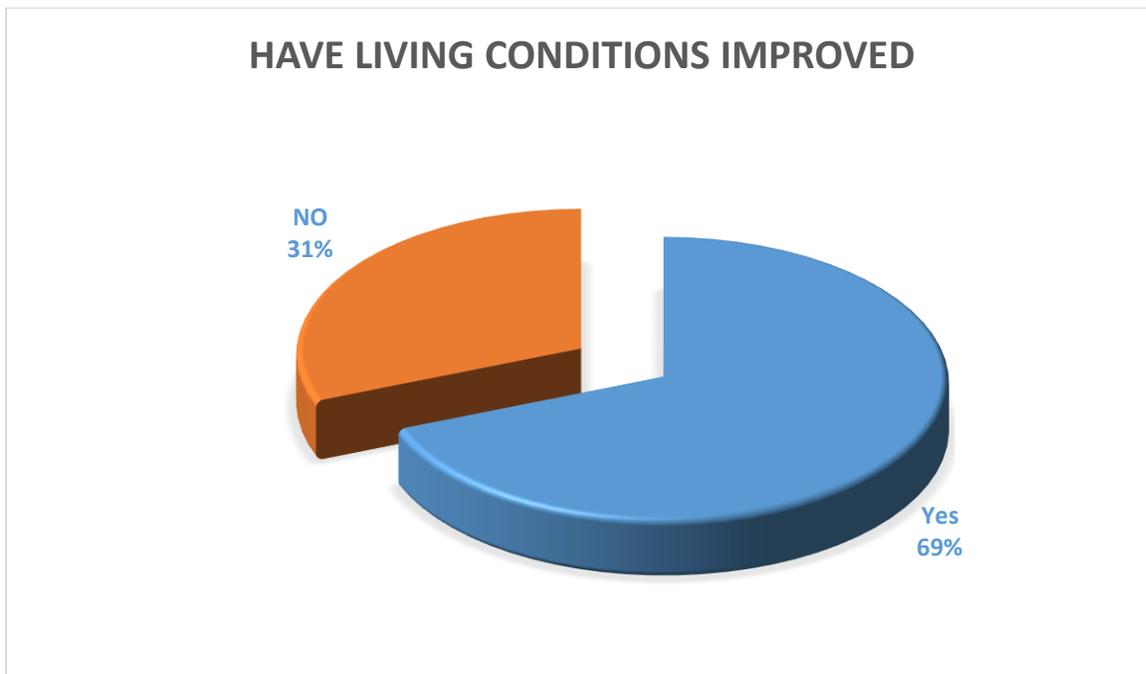


Figure 15: Pie chart showing beneficiaries opinion of improved living conditions

(Source: Author, 2016)

### 4.3.3 Services and Amenities provided

eThekwini Municipality along with the local council provided the community with the following services and amenities shown in table 3:

*Table 3: Table showing services and amenities provided in Stop 8*

| <b>Services</b>  | <b>Amenities</b>  |
|--|---|
| <ul style="list-style-type: none"><li>• Water</li></ul>                | <ul style="list-style-type: none"><li>• Primary School</li></ul>              |
| <ul style="list-style-type: none"><li>• Sanitation</li></ul>           | <ul style="list-style-type: none"><li>• Tea room (Convenient store)</li></ul> |
| <ul style="list-style-type: none"><li>• Electricity</li></ul>          |   |
| <ul style="list-style-type: none"><li>• Solid waste disposal</li></ul> |   |

(Source: Author, 2016)

The above table shows the services and amenities provided by the UISP. The programme delivered all basic services mandated in the Housing Code of 2009 and according to the survey beneficiaries were satisfied with them. However, there was one notable complaint made about the exposure of a sewer pipe running along either side of the doorway. The beneficiary complained about the awful smell from the exposed manhole that had caused her health problems over the years and had made daily living and eating unpleasant. Although complaints had been lodged, the municipality and the local council had done nothing. Despite this complaint, there was a general consensus among beneficiaries that the service delivery was satisfactory.

Referring to table 3 above under amenities, one Primary School and a Tea room was provided for the community. According to the survey, beneficiaries were not satisfied with the lack of amenities provided. Stop 8 was in need of a number of amenities such as a clinic, recreational area and elementary educational facilities. As 36% of the population were over 60 years of age, it was imperative for there to be a nearby clinic within the neighbourhood and neighbouring communities within a walkable or reasonable distance to cater for the elderly and young, as they needed monthly check ups and urgent care. All beneficiaries who had children complained about their children playing in unsafe

spaces including roads because they were no recreational spaces for them to play in and leisure areas for the whole community to enjoy.

The beneficiaries expressed that until they were provided with a local clinic within close proximity, a recreational area for children and families to enjoy, an elementary school as toddlers had to travel long distances with public transport to go to the nearest elementary school, their neighbourhood was not complete. eThekweni had responded to the community regarding their complaints and alluded to be gearing up to building a clinic in one of the neighbouring communities and a recreational area for everyone to enjoy, however it would take time and a collective effort from stakeholders to deliver.

## 4.4 Area of life upgrading has improved

### 4.4.1 How has upgrading of your home and community improved your quality of life?

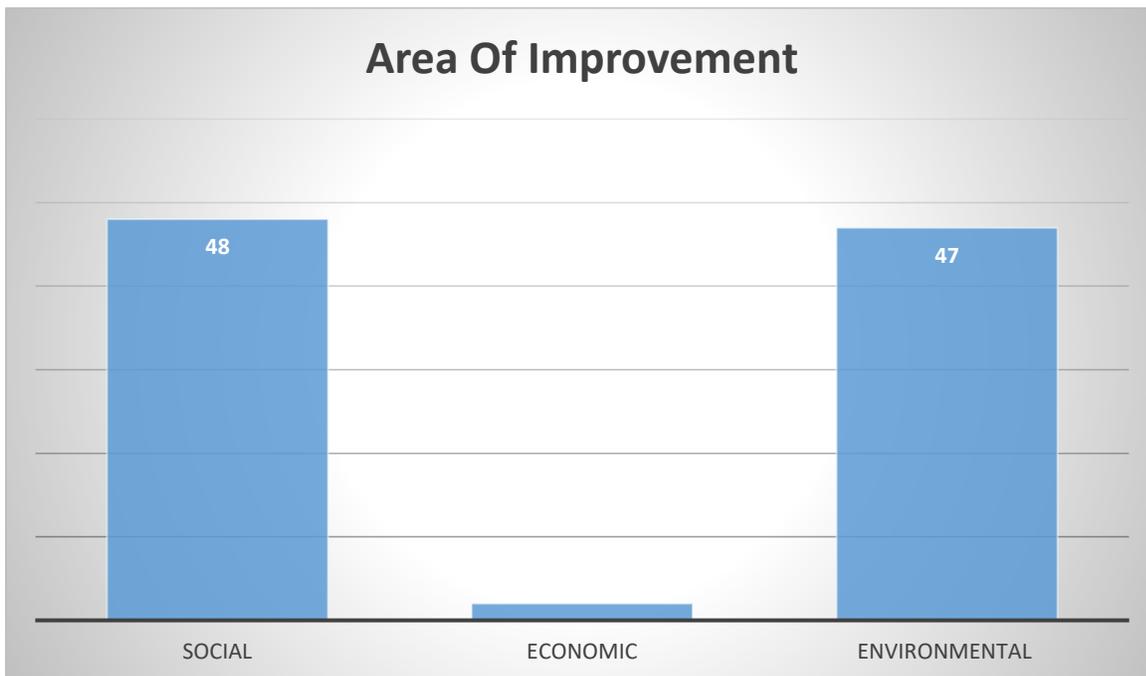


Figure 16: Bar Graph showing are of improvement in quality of beneficiary's lives

(Source: Author, 2016)

Beneficiaries were asked by the researcher to identify spheres or areas in their lives where upgrading had had a positive impact. However, undesirable impacts are also be

discussed this section. The improvements were categorised into three main and important spheres, which were the most critical constructs of society, social, economic and environmental. According to the survey, 48 out of 50 beneficiaries had a good experience in one way or another in the social sphere of their lives and the rest of the community. These spheres speak to mainly social capital or networks, the relationships beneficiaries had among family members, the community and communal property. The beneficiaries reported that social ties and bonds among household members and the community had not been disrupted, instead had grown stronger through the upgrading of their informal settlement. They were happier and cheerful with each other because they were living in an environment more conducive to social coherence and tolerance for one another. Stress levels, anxiety and tension had drastically decreased with community members being more willing to work together in tackling issues.

In contrast, two out of a total 50 beneficiaries had not experienced any economic or financial improvement in their lives brought by the USIP. The main concern raised was the lack of economic opportunities in the area, specifically jobs. According to the local council there had been a number of projects besides the UISP that were being implemented to create jobs for the locals, however one local expressed the feeling that there were projects being undertaken in Stop 8 but contractors overlooked their local labourers and hired outside the community who already had experience and good workmanship. Contractors did this to avoid training the locals, as they did not have the necessary skills to execute the jobs. According to the issues raised above, the economic prospects of Stop 8 were promising, however they were being stifled due to lack of jobs for locals.

The environmental aspect had positive responses from beneficiaries as it had 47 beneficiaries claiming their environment since upgrading was significantly better than it had been. It was a clean more spacious environment created by an adequate layout design for Stop 8. As a result, the municipal waste refuse vehicles were able to access the settlement and collect all refuse from upgraded homes in the settlement. Residents were less exposed to harmful bacteria and diseases from unsanitary conditions in

informal settlements, furthermore due to the formal planning the environment was more manageable with reservoirs, and environmentally sensitive areas identified and protected. Beneficiaries reported they desired that land parcels be set aside for subsistence farming for the whole community.

#### **4.4.2 Functionality and household dynamics**

Beneficiaries were asked to comment on the functionality of their houses, whether the dwelling served their household needs and the level of satisfaction regarding functionality. It also spoke to the household dynamics, if all household members were accommodated, lived under one roof or was the dwelling too small to accommodate the whole household affecting living arrangements. When beneficiaries were asked if their upgraded houses served their household needs, 56% said that their house did serve their household needs and 44% disagreed. Those who responded with a yes said their house was functional and they had modified it to suit their needs with additions to the original structure for additional space. Respondents who stated no, expressed their dissatisfaction with the finishings of the dwelling. They said it was of poor quality material, which made it look incomplete. There were also grievances about space citing the bedrooms were small and too few to accommodate the whole family. These issues were due to the fact that many households had over five members cramped under one roof and their inability to modify, extend and put in their own final finishings due to a limited household income and high unemployment.

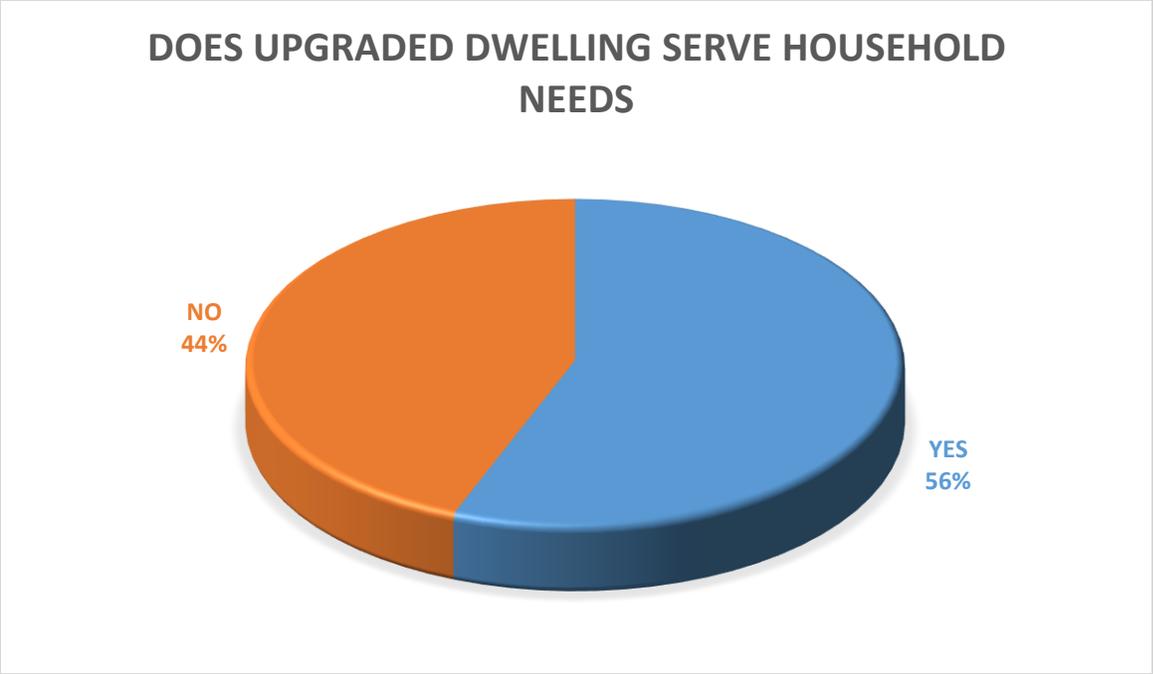


Figure 17: Pie chart showing if dwelling serves their household daily needs

(Source: Author, 2016)

### 4.5 What Stop 8 community values the most since Upgrading

Beneficiaries were asked what they valued most between social networks, accessibility, and employment opportunities regarding their new neighbourhood post-upgrading of their dwellings. Beneficiaries reported that they valued the social networks they had developed with each other and accessibility as public transport was efficient as many relied on it to travel in and out of Stop 8. One of the few reasons they valued social networks among others was due to the bonds developed from helping each other through difficulties before upgrading and after. Very few chose economic opportunities as they were few and far between in Stop 8. Residents had to travel outside the community to the Durban CBD and Durban North to seek employment and many of those employed worked outside the township.

## 4.6 Professional Stakeholders of the Upgrading Project in Stop 8

### 4.6.1 Project Manager/Project Monitor Interview

Project manager in charge of the informal settlement upgrading project was a private consultant hired by eThekweni municipality with over 25 years' experience to undertake the integrated development project on behalf of the municipality. The project manager also doubled as a project monitor as it was his task to monitor the development progress and inspections. As the P.M he will provide great insight on the project, from its desired objectives vs the real impact the UISP has had on the community in relation to the socio-economic aspects listed in the previous chapters.

*1. What are the objectives of the project in Inada Stop 8?*

The project manager/monitor's response was that the project was to provide better living conditions for people through provision of adequate housing by means of:

- Incorporating the aspirations of beneficiaries
- Introducing formal business platforms and opportunities to support the SMMEs in the informal sector.
- Social housing for tenants who did not desire to own preferring to rent or those who did not qualify for a low income housing subsidy grant and did not earn enough to qualify for a home loan.
- Provide access to earners with site and services and a credit-linked subsidy.

This project once it is fully complete will accommodate new and old low-middle income classes and mixed development for the whole community to be self-reliant and sustaining, economically, environmentally and socially.

*2. What were the socio-economic and living conditions in Stop 8 before upgrading?*

The area was rife with informality from informal trading to informal settlements. This was a result of land owners leasing land to shack dwellers creating an informal tenure for dwellers. Consequently, over years the settlements densified while sprawling making living conditions difficult with no basic services and social facilities in the settlements, however dwellers were illegally connecting electricity and water from existing services

and infrastructure which were working below capacity. The informal settlements were unsanitary, TB and HIV/AIDS plagued the settlements and the greater area as informal settlement communities were easily exposed to and marginalised by other formal settlements. He added that informal settlements cultivated the community's social ills and problems. With specific reference to poverty, unemployment and crime, from the project manager's observations there was a correlation between densification and sprawling of informal settlements and increased crime rate. It became easier for illegal activities to go unnoticed in informal areas as it was difficult to police in unplanned development.

3. *What was the role of the beneficiaries/community in the development?*

The beneficiaries' role/s was limited to Project Steering Committees (PSC) under the Social Compact Agreement (SCA) signed by the PSC. The PSC was made up of elected members of the community who represented the interests of the community in the development as a major stakeholder. The community communicated through the PSC protecting and addressing all different interests the community had ensuring a transparent and progressive project.

The PSC however was a primitive form of community participation as community engagement was at a tokenism level. Critical decisions that affected the community were taken by a few individuals, entities, professional stakeholders or local council without actively engaging with the community, but instead with the PSC members. According to the project manager, this form of participation was not easy to manage and presented a few challenges for him. He had difficulty controlling egos and special interest from other stakeholders who had more weight than the community representatives and the community had limited influence in the project. *"it is important to note that this form of community participation of the PSC and SCA are focused on quantity, providing as many homes as possible from the strained budget. This limited the beneficiaries' options and influence in the project as many compromises were made to accommodate as many beneficiaries as possible"*.

4. *How do upgrading projects and integrated developments improve beneficiaries' economic prospects?*

The government and tender committee prioritised local contractors in the area. In addition, before the development begins, training programmes to train local labourers in construction of RDP units and other social facilities are done. This helps with developing a skill set suited for the construction industry making it easier for locals to get jobs in the industry after the development. Furthermore, it not only provides skills transfer and competence in construction but also encourages social activities when they teach others what they have learnt and the experience gained will open more opportunities for them in the future.

What could be done for the next upcoming developments in the area is a short sustainable livelihood programme to teach residents about the livelihood opportunities available in their community and using their homes to gain a sustainable livelihood. The programme must teach the residents to view their houses as an asset, financial asset, a commodity and a business premises.

*5. What aspects of the project dealt with the socio-economic issues of the beneficiaries?*

Stop 8 development has many facets which are implemented in phases. *“The first phase has been complete which was the upgrading of informal settlements in the area. The other two phases which are left will introduce social housing and develop the economic nodes located in Stop 8 helping to formalise the informal trade business in the area bolstering the local economy and livelihoods”*. The whole project combined integrated the three phases effectively making the Stop 8 a true sustainable human settlement with all necessary social amenities and service infrastructure provided.

According to the project manager such projects go beyond creating short term jobs for the locals but teaches locals trades and skills in the construction industry for people to sustain themselves after the life cycle of the project is complete. Above and beyond these projects the aim is to alleviate poverty in the area that causes numerous social issues in the community such as joblessness and depression which trickle down to crime, health and wellbeing. The development of social facilities that serve the people’s needs such as health centres, recreational areas, educational facilities and multi-purpose facilities help the wellbeing and quality of life of an individual in a community while giving them a sense of belonging and ownership in a community and its property.

6. *What were the socio-economic benefits beneficiaries and the rest of the community experienced from the upgrading project?*

*“As the project is not 100% complete, it would be difficult from my side to provide you with an accurate answer. Some critical parts of the project are still underway such as social facilities and the fact that some benefits need time to mature before they can be experienced by the beneficiaries and the community”.* In as much as this may be true, there were benefits to be found immediately after upgrading such as access to services and infrastructure beneficiaries previously had not had. The project manager added to his initial response stating *“beneficiaries gained security of tenure, they officially are legal property owners and have the right to access services and adequate housing. Beneficiaries now have an adequate house which shelters them from weather elements, sense of belonging and space in the community along with peace of mind”.* As beneficiaries had legal rights to their properties, they had more options and opportunities regarding income generation. Home enterprise was one of the best ways to generate income from a house; beneficiaries could now operate businesses efficiently in an adequate house with service connection rather than in an informal settlement, as space was limited and not business friendly. Beneficiaries having their own fenced lawns and well-designed neighbourhood layout helped reduce crime with very few hidden spaces allowing easier policing of the area.

#### **4.6.2 Ward Councilor of Stop 8**

The role of the ward councilor is to bring about and facilitate the development of his community and its people. He advocates, protects and teaches his community about their rights while reporting information and issues that affect the community to necessary authorities and ensuring that basic services are being provided. The ward councilor of Stop 8 is Sduduzo Khuzwayo who insisted to be named in the research was born and raised in Inanda. He had been politically active in Inanda for over 14 years and had been serving Inanda Stop 8 as a councillor for the past 3 years. He was overseeing the whole project and every other project that is to come in Stop 8, due to his standing and awareness of his communities and their needs, he will provide insight to the realities his people face before, during and after upgrading.

1. *What socio-economic issues did the councillor's office identify in the informal settlements before upgrading?*

According to Mr Khuzwayo, the community in Stop 8 Inanda lived under harsh conditions in informal settlements. *"Some informal dwellers had no access to electricity while others had illegally unsafe electrical supply. Communal standpipe water supplied every 200m radius, with no sewer connection and back yard long drop toilets. Many residents lived in cramped conditions with more than five household members sharing a single room in a hazardous and unsanitary environment"*. Coupled with this, many of the residents of Stop 8 had no employment and there was a high rate of welfare dependents who relied on grants as their only source of income.

2. *What steps did the council take to address these issues?*

The council collaborated with necessary government departments who were tasked to deal with various issues. The Department of Human Settlement was tasked to deliver housing in Stop 8 in collaboration with eThekweni municipality as the implementer promoting relevant programmes that would help the community.

3. *Has the upgrading improved quality of life for the beneficiaries now and how?*

Mr Khuzwayo believed that the upgrading had had a significant improvement in the beneficiaries' lives as many gains had been made to improve living conditions through the delivery of housing. Beneficiaries now had access to clean drinking water, safe electrical supply, water-borne toilets and a sanitary sewer system effectively improving health, reducing exposure to diseases and increasing life expectancy. Apart from services and infrastructure, beneficiaries now had various opportunities to generate income using their homes.

4. *Has there been any improvement in the following: Crime levels, health and sickness, unemployment, skills and social networks?*

Mr Khuzwayo responded by stating *"according to my observations, crime levels have dropped slightly however I cannot necessarily draw a direct link with to which aspect of the development lead to the reduction but many people are less tolerant of criminals and their illegal activities and criminals know that now"*. He further stated that provision of health facilities and a mobile clinic helped attend to the elderly and the sick while the provision of sanitary conditions had reduced illnesses and diseases easily contracted

from vile living conditions. Regarding the upgrading process, Mr Khuzwayo admitted that a few had benefited such as the contractors, subcontractors and labourers. Regarding skills programmes, skills transfer was minimal at best, as there were a few oversights and poor coordination and implementation of the programme. However, he assured the researcher that in the next upgrading phases they would learn from previous mistakes and train the labour force in a variety of artisan skills becoming the first beneficiaries to truly benefit economically. Speaking of social ties and networks, these had not been disrupted and had in fact improved, despite some having had to relocate. Improved living conditions and wellbeing had brought a spacious and friendly atmosphere to the area; residents were helpful to each other and protective of each other and their properties including public property.

# CHAPTER 5: Summary of Findings, Conclusion and Recommendations

## 5.1 Summary of findings

The findings presented in chapter four revealed that there were benefits that beneficiaries had experienced from the upgrading of their informal settlements in Stop 8. According to the data, 56% of the beneficiaries had lived in the area for more than five years post-upgrading giving them ample time to experience some benefits from informal settlement upgrading and improved living conditions and a sanitary environment. Notable benefits picked up in the study consisted of access to clean drinking water in the house, safe prepaid electrical supply, water-borne toilet with sewer system, access to social facilities and inclusive transport networks. The notable benefits are consistent with the wellbeing theory as the benefits mentioned above are of social aspects and improved living conditions through the access of basic services and infrastructure. The study did not find notable economic benefits that are mentioned in the neoliberal theory such as economic growth as a macro and micro level, creation of sustainable jobs and a viable low income housing market.

In as much as the above is true there was still dissatisfaction among beneficiaries who did not feel any real improvement in quality of life. Many felt they had not gained any skills or employment from the upgrading, with the unemployment rate of 52% among the beneficiaries it justified their dissatisfaction of the outcome of the upgrading, as they were lead to believe that they would all have jobs, and the economic prospect of their community would drastically improved due to the upgrading project. eThekwini municipality and the Department of Small and Local Business Development collaborated in developing the informal trade sector of Stop 8, providing support for local businesses to flourish by creating an economic node and platforms for businesses to operate, from container stalls, salons, vendors, whole sale suppliers and more. This was an attempt to bolster the local economy through enterprises, which would in turn create jobs for the locals. However, this was still to be realised, as this phase of the development had yet to

fully take off and many informal traders were still unwilling to conform and pay for trading platforms.

The study has found that economic benefits are absent or limited to a few but more social and wellbeing benefits amongst the majority. It seems to indicate that the upgrading programme had success in improving wellbeing of beneficiaries but had failed dismally in improving income. This was ironic as most beneficiaries located to Inanda stop 8 for economic reasons above the social. Consequently, beneficiaries are not likely to increase their income and achieve upward mobility in the housing market through the programme as it would have failed to significantly address the poverty in the community.

### **5.1.1 Housing conditions of the beneficiaries of the study**

The study found that informal settlements in Inanda Stop 8 had diverse typology of informal housing structures. Housing typologies varied from shack dwellings made from corrugated iron sheets, mud houses and semi-formal or dilapidated structures unsuitable for habitation. The typologies themselves presented different household dynamics, which should be considered in the upgrading processes. Shacks, which represented 50% of the housing typologies in the area, had household members sharing rooms in cramped conditions who had migrated to Inanda from different parts of the region looking for an affordable place to stay close to work; moreover, many of them started families over the years exacerbating the situation with multiple shacks for one household. The research found that 25% of the residents lived without any form of municipal services and infrastructure, they relied on paraffin stoves and candles which posed a hazardous risk to the whole community. The other 75% had provisional services from the municipality as soon as they received their legal status and security of tenure; however, electrical supply was limited and unreliable. Water service was in the form of communal stand pipes within a 200m radius while sewer and waste removal services were absent. This took its toll on the residents as they were exposed to numerous bacterial diseases and dangers.

Beneficiaries were asked to describe the conditions they were living under after upgrading and the results were mixed despite all having received the same services and dwelling

type. All beneficiaries interviewed had received adequate housing with all basic services including water, electrical supply, waste disposal and sewer services. The data showed that despite government intervention some residents were still unsatisfied with the upgrading, as mentioned before they appreciated the services, however, they had expected more than they had received. For instance, they complained about the houses being too small for their households and not functional, and the houses did not fully serve their household needs in respect to accommodation size and layout. Despite this, 69% of the residents perceived their living conditions to have improved along with their quality of life and wellbeing. One common grievance beneficiaries expressed was that even after upgrading they were still awaiting social facilities such as clinics, recreational spaces and additional educational facilities. The councillor and the project manager reassured the researcher that social facilities were on track and would be delivered to the community in due course.

The crux of the issues on the plight of the beneficiaries was economic. They wanted jobs as 52% of the beneficiaries were unemployed and had only one source of income, which was state grants. This form of dependency was common among the poverty stricken South Africans and upgrading programmes had great potential in alleviating poverty by providing jobs and promoting income generating strategies and self-reliance in the community. The above could have been possible if the informal settlement programme was implemented through community driven intervention programmes thereby fulfilling the BNG Policy objectives of allowing beneficiaries to order their own development via ePHP bolstering the local and regional economy.

### **5.1.2 Area of life upgrading has improved dwelling functionality and household stability**

Beneficiaries were given three options to decide where upgrading had significantly improved between social aspects of life, the economic aspect or the environmental aspect. Beneficiaries were narrowly split between social and environmental stating their social ills had slightly decreased, and social capital was stronger than it had ever been in their community. As mentioned earlier, upgrading had provided many with a new lease

on life, they were hopeful and optimistic about life. In contrast, only 1% of the respondents claimed to have experienced economic benefits or monetary gains from upgrading. This presented a grave concern as one of the main BNG policy objectives of job creation was not being realised by the project. Beneficiaries claimed their income had not increase while their expenditure had increased to cover electrical and water bills they previously had not had to pay living in the informal settlements. This was supported by the wellbeing theory which suggests informal settlement dwellers spent less of their income on housing and more on other needs such as food and clothes. However, when there was an adequate house they allocated more of their income to housing as they were obligated to pay for services such as water, electricity and rates, consequently spending less on food, clothing and other essentials. This was a problem as 56% did not have employment and 60% survived on less than R3500 a month and with only 39% using their homes to generate income.

The study sought to ask if the dwellings were functional and served household needs, but found conflicting answers. Only 56% said they were satisfied with their dwellings and that it served their household needs. It may not have been so initially, but after occupancy some beneficiaries had made alterations and extensions to their dwellings to suit and serve their household needs. This was outlined in the HWP that beneficiaries were expected to improve their dwellings according to their needs and at their own pace within NHBRC standards. It further explains that the initial dwelling was merely a starter house on which beneficiaries expanded (HWP, 1994). 44% expressed dissatisfaction as the dwellings did not meet their expectations, which were bigger rooms, quality finishing's, and bigger plot sizes. Household size was significant in this aspect as larger households expressed their dissatisfaction with room sizes and plot size as they found it difficult to accommodate their whole household comfortably in one dwelling. The issue of being able to afford to add on to the dwelling presented itself in the findings, as 60% of the households earned between R800 and R3500 and over 84% earned less R3500 which they insisted was barely enough to survive on and save for increasing their dwelling size.

### **5.1.3 What beneficiaries hold most valuable from upgrading**

Beneficiaries value what brings or has positive change and improvements in their lives, they valued the fact that they had a better, cleaner and developed community with adequate housing. Upgrading has improved their wellbeing as they had access to services, amenities and a clean environment that are all positive socio-economic indicators. The researcher identified three crucial indicators beneficiaries had to choose between to assess which had the most positive impact on their community from upgrading. The findings show that residents valued social networks above economic opportunities and accessibility – transportation. The findings also revealed that many expressed their grievances with the lack of economic opportunities when responding to this section, alleging the authorities had not done enough to respond to the economic circumstances of the people of Stop 8. However, the councillor's office responded to this as well stating that beneficiaries needed to have patience as they were in the final stages of initiating the development of an economic node in the area. Skills development and training programmes had been improved from the first programme implemented in the upgrading, which had failed to develop and enhance skills; furthermore, they would hire local labour and subcontractors from Stop 8 and teach residents income generation and sustainable livelihoods strategies.

## **5.2 Conclusion**

Informal settlements upgrading programmes focus on the provision of basic services to improve the wellbeing of poor communities. This includes a variety of infrastructure interventions undertaken in concurrence with social interventions such as formalising informal areas through security of tenure (Field and Kremer, 2005). Additional infrastructure improvements included housing, electrical supply, telecommunication, sanitation, waste collection, access roads, footpaths, storm water drainage and social facilities. Social improvement consists of social capital, improved health and educational services and skills and training programmes that speak to income generation and sustainable livelihood strategies (Field and Kremer, 2005).

In summing up, the research study presented findings relating to the evaluation of socio-economic benefits that can be gained from low income housing subsidy's informal settlement upgrading programme in Inanda Namibia Stop 8. The study found that beneficiaries gained from upgrading in the general sense and from housing policies such as the HWP and BNG's comprehensive policy that states that "*South Africans will have access to a permanent residential structure with secure tenure, ensuring privacy and providing adequate protection against the elements; potable water; and sanitary facilities including waste disposal, and domestic electricity supply*" (DoH, 1994). The BNG policy objectives highlight their intention of developing the landscape of poor communities by providing opportunities and improving lives.

The gist of the matter lies with the intentions of the USIP on how it aims to impact the landscape, community and the individual. According to Abelson (1996), upgrading consists of social, economic, physical, organisational and environmental improvements in a community and neighbourhood, which usually includes the following components:

- Regularising security of tenure through property mapping, titling and registration,
- Installing or improving basic infrastructure, including water, sanitation, waste disposal collection, storm drainage, electricity supply and telecommunications,
- Removal or mitigation of environmental hazards,
- Providing incentives for community management and maintenance, Constructing or rehabilitating community facilities such as nurseries, health services, community centres,
- Home improvement, including material upgrading, new construction, and expansion of existing structures,
- Improving access to health care and education as well as social support programmes to address community issues such as crime and substance abuse,
- Enhancement of income-earning opportunities through training and micro-credit,
- Crime control.

The above ideals lay the foundation on which socio-economic benefits can grow in an ideal setting of a typical informal settlement upgrading programme. Nevertheless, implementation is key if upgrading projects are to truly benefit the community in all points

mentioned above. Below are the socio-economic benefits beneficiaries have experienced from the informal settlement upgrading in Inanda Stop 8:

- Formalising and securing tenure,
- Adequate house, including services, amenities and infrastructure,
- Improved social networks and cohesion,
- Improved health through less exposure to unsanitary conditions and disease,
- Crime control and social ills,
- Wellbeing and improved quality of life.

In conclusion, it should be noted that each beneficiary's experience was assessed and grouped accordingly from pre and post upgrading and totals measured against the percentages for the overall community. It is further noted that the study found benefits such as economic opportunities from upgrading in Stop 8 absent or very minimal at best. Residents reported lack of job opportunities with many not involved in any income generating activities. High numbers of state grant dependents reiterated the lack of economic opportunities and the programme's failure to generate sustainable jobs. In hindsight of the above the study concludes that the majority of beneficiaries lives had changed for the better despite some having expressed their dissatisfaction of the final product of their dwelling.

The research finds that informal settlement upgrading programmes are one of the government's key interventions in addressing informal settlements, balancing the injustices of the past, revitalizing the economy and the fight against poverty in South Africa. The research has given enough evidence to warrant the continuation of the low income subsidy grants as they finance upgrading projects which poor South African communities and households desperately need. The research has also discovered that the programme has limitations that cause it to fall short in some important areas such as sustainable employment and project cost recovery in reference to the case studies provided by the research. Additional interventions are required that are directed at improving and creating economic opportunities in poverty stricken communities. Nevertheless, the challenges and shortfalls do not warrant UISP a complete failure as it has reached great strides in transforming the urban landscape of the country by improving

living conditions and wellbeing of the poorest of the poor. However, the programme should be redrawn to directly deal with and strengthen social and wellbeing aspects while allowing another programme to address economic aspects in communities. This would allow the programme to be efficient and direct through clear objectives and sound monitoring practices, minimizing wasteful expenditure and political undertone.

## **5.3 Recommendations**

The South African government has taken great strides in addressing informal settlements and alleviating poverty through the delivery of housing using UISPs. The implementation of the upgrading components has materialised for many of the beneficiaries in Inanda Stop 8. The study concluded that there were socio-economic benefits for beneficiaries in upgrading and found that beneficiaries had not had the same experiences with these benefits with some not having experienced them. The dissertation will hereafter highlight the research's positives and negatives, commenting and providing recommendations according to the research findings and the study's main objectives listed in the chapter one.

### **5.3.1 Untapped socio-economic benefits**

One of the research objectives spoke to establish and assess the socio-economic benefits beneficiaries had experienced from upgrading and the study findings showed that property rights and tenure were the first step to improving living conditions, creating wealth and wellbeing for beneficiaries as it was a social, financial and income generating asset. It is crucial that beneficiaries know and understand these forms of asset for them to tap into the potential that upgraded housing has.

Beneficiaries were given security of tenure and full ownership of their upgraded dwellings. They were introduced to the formal housing market and had the legal right to sell their property or borrow against it. According to Gordon et al. 2011, when property is traded, the financial value of the transaction goes towards household wealth, which can be used to further progress up the housing ladder or serve household needs. Moreover, homeowners had the right to operate enterprises within their properties using the

dwelling's utilities providing opportunity for additional sources of income. Ideally the programme advocated for all the above but many beneficiaries had not seized such opportunities. This is due to lack of awareness by the beneficiaries and lack of programmes teaching beneficiaries about the opportunities their new houses can make for them, and how to get the best out of upgrading components. The research study recommends that the eThekweni municipality and the Department of Small Local Business Development conduct short workshops for beneficiaries before occupancy, on maintenance and economic opportunities a house can provide for them. The initiative will help spark an entrepreneurial spirit with generation of additional income in the community, less dependence on state grants, a vibrant local economy, alleviate poverty and increase household income.

The BNG recommends that once the above programmes have been concluded beneficiaries should realise the policy objectives, which ensures that the property will be perceived by all as an asset for wealth creation and empowerment to a better standard of life (DoH, 2004).

### **5.3.3 Functionality and use value**

As mentioned above, an important objective of the BNG housing policy was to ensure that property can be accessed by all as an asset for wealth creation and empowerment (Department of Housing, 2004). It is safe to say the dwelling itself is a form of benefit which the beneficiary enjoys, however one the study's objectives was to assess if the dwelling served household needs whether it was functional for households which includes the impact it had on household stability.

Gordon et al. (2011) agree with the study findings as they argue housing is a social asset that provide a social safety net for family members (Gordon et al., 2011). In this way a house is used as a shelter and where household relations are constructed. Furthermore, it contributes towards citizenship building in that it offers the members of the household an address thus linking them with the system of local governance (Gordon et al., 2011). In addition, neighbourhoods consolidate around housing units, which provide access to

all other social benefits including networks, community support, social security and so on (Gordon et al., 2011). This provides suitable conditions under which to establish households and allow other activities to be carried out by the members, the success of which depends largely on good household relations.

Indeed, housing in itself is a benefit that spawns other benefits beneficiaries can enjoy. However, it begs the question as to whether the dwellings and amenities provided served beneficiaries' household needs. The findings presented a strong case that the houses did not fully respond to their needs. Only 56% of all households interviewed reported to be satisfied with the functionality with their homes responding to their needs. Less than a third of those had modified their dwellings to accommodate their whole household. While the 44% that responded negatively earned too little to afford modifications while others had over five household members hindering living arrangements. Government's options in providing responsive houses is limited as the HWP says it provides starter houses including all auxiliary services and amenities which the beneficiary will increment over time with their own savings. Nevertheless, local government with the aid of Non-Governmental Organisations (NGOs) facilitate active community driven participation where the people take charge of the development through enhanced PHPs advocated in the BNG policy framework. Professionals must work with the community and NGOs as equal stakeholders through meaningful consultations and not tokenism participation and consultation in upgrading with final decisions being made by the people.

#### **5.3.4 Economic prospective from upgrading**

The study findings revealed the harsh economic realities of Stop 8 and the project's inability to fully counter the lack of sustainable economic opportunities for the community. Only a percentage of the beneficiaries benefited economically during and after the upgrading project. Lack of job creation and enterprise from the upgrading project exposed the fact that the upgrading project financially benefited every other party besides the community. One of the beneficiaries enlightened the researcher stating that many of the labour and subcontractor jobs were given to people outside the community of Stop 8 who already had skills and the knowledge to undertake the task, bypassing training

programmes. Moreover, during the study, the councillor had admitted that they poorly implemented skills and training programmes for local labourers that were part of the project skilling them in one to two job specification. Beneficiaries should be trained in a variety of skills so they could have more than a single trade to live off in future.

According to Housing Policy, informal settlement upgrading presents an ideal vehicle to provide indirect and direct jobs in the built environment, alleviating poverty for poor communities across the country. However, this was not necessarily the case as findings show that benefits were limited with specific reference to the economic benefits. In fact, the households actually have multiple streams of social support income, as the housing product itself is economically unproductive for the vast majority. Further government and non-governmental interventions are still required that will directly attempt to improve economic prospects of in conjunction with social programmes poor communities.

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Commissioned by Habitat for Humanity International/EMEA Office Bratislava,  
Slovakia.

# **APPENDICES:**

**Informed Consent Form:**

**UKZN HUMANITIES AND SOCIAL SCIENCES RESEARCH ETHICS  
COMMITTEE (HSSREC)**

**APPLICATION FOR ETHICS APPROVAL  
For research with human participants**

**INFORMED CONSENT RESOURCE**

Information Sheet and Consent to Participate in Research

21/10/2015

Sawubona

My name is Njabulo Zungu 211521479 doing Masters of Housing from School of Built Environment and Development Studies in the University of KwaZulu Natal

**My contact details are:**

Email: zungunjabulozn@gmail.com

Cell: 0724025698

**The contact details of my supervisor are:**

Email: ojoaromokudu@ukzn.ac.za

Cell: 031-260 2427

**Specific Enquiries (HSSREC Research Office contact details):**

Research office, Westville Campus

Govan Mbeki Building

Private Bag X 54001

Durban

4000

KwaZulu Natal, SOUTH AFRICA

Tel: 27 31 2604557 - Fax: 27 31 2604609

Email: [HSSREC@ukzn.ac.za](mailto:HSSREC@ukzn.ac.za)

You are being invited to consider participating in a study that evaluated the socio economic benefits of *In-situ* upgrading using a Inanda Namibia stop 8 as the case study.

The purpose of this study is to investigate the socio economic benefits of upgrading for beneficiaries, to what extent has the upgrading improved their lives socially and economically in real terms, furthermore to establish whether or not the unsustainability of the housing programme is justifiable due to the impact it has on the South Africa's informal settlement dwellers and the creation of sustainable human settlements. Other expected

participants to enrol are beneficiaries/residents of Inanda Namibia, project manager/monitor and the councillor of ward 56. The duration of your participation if you chose to enrol and remain in the study is expected to last no longer than two hours.

**Description of the project:**

The primary objectives of this study are:

1. To determine the socioeconomic benefits of informal settlements upgrading programme in Inanda Namibia at household level to settlement level and to what extent.
2. Determine whether the quality of dwelling and functionality have meet the use value of beneficiaries
3. To provide Municipalities with insight of household benefits and expectations and recommendations for policy and programme implementation.
4. To determine if social cohesion and social capital has improved after informal upgrading
5. To determine if beneficiary's socioeconomic circumstances have improved due to informal upgrading programme.
6. To determine if the programme has had any positive or negative effects on household stability and to what extent.

**The core research questions are:**

1. What has been the impact of quantum (social capital) of Housing on individual households?
2. How did the housing subsidy programme set out to achieve the socio economic factors of the beneficiaries?
3. Are there any challenges hindering socio-economic improvements of households?
  - a. Can the identified challenges be fixed and mitigated to make the programme more sustainable for the state and more impactful for the end user and communities?

4. Are beneficiaries unreservedly better off from the results of the housing subsidy programme?
5. What has been the impact of quality of housing on individual households, is it functional and meet the needs of the households (use vale)?
6. How has household stability improved post occupation?
7. What are the current attitudes of the beneficiaries towards their houses (sense of ownership and pride vs unappreciative and entitlement and dependency mindset)?
8. What are the current behaviour patterns of the owners (uses of the houses)?

**Interviews:**

- ❖ The interviews will take place once you have been contacted, informed of the parameters of the research, have read over the informed consent form, and have signed the consent form.
- ❖ Interviews will be conducted and responses documented (interviews may be recorded)
- ❖ The time required will depend on the nature and depth of your responses
- ❖ Participants may be contacted again to elaborate on a response or for clarity

**Risks or discomfort:**

There are no potential risks or discomforts that will be associated with the research process.

**Benefits of this study:**

There will be no direct benefit to you for taking part in this study. The benefits of the research will contribute towards an existing body of knowledge.

**Compensation:**

There is no form of compensation for you.

**Voluntary participation and withdrawal:**

Participation in research is voluntary. You have the right to refuse to be in this study. If you decide to be in the study and change your mind, you have the right to drop out at any time. You may skip questions whenever you decide, you will not be disadvantaged in any manner.

**Questions, Rights and Complaints:**

If you have any questions about this research project or any concerns about your rights as a research participant in this study, please feel free to contact me (see contact information at the beginning of the document) or the HSSREC.

UKZN HUMANITIES AND SOCIAL SCIENCES RESEARCH ETHICS  
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4000  
KwaZulu-Natal, South Africa  
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**Confidentiality:**

As the primary focus of the research is to document opinion on, and perspectives and opinions of low income housing construction related challenges and their impact on completing the projects on time there is no need for confidentiality unless you (the interviewee) request such anonymity (see below). The research is of public interest and most of the themes are in the public domain.

**Consent statement:**

Do you give your consent for: (please tick one of the options below)

Your name, position and organization, or

Your position and organization, or

Your organization or type of organization (please specify), or

None of the above

To be used in the report?

I..... (Full names of participant) have been informed about the study entitled 'A critical evaluation of socio-economic benefits of *In-situ* upgrading programme. Case study of Inanda Namibia Stop 8' done by Njabulo Zungu.

I understand the purpose and procedures of the study, and have been given an opportunity to answer questions about the study and have had answers to my satisfaction.

I declare that my participation in this study is entirely voluntary and that I may withdraw at any time without affecting any of the benefits that I usually am entitled to.

If I have any further questions/ concerns or queries related to the study, I understand that I may contact the researcher at the contact details provided. If I have any questions or concerns about my right as a study participant, or if I am concerned about an aspect of the study or the researchers then I may contact:

UKZN HUMANITIES AND SOCIAL SCIENCES RESEARCH ETHICS  
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4000  
KwaZulu-Natal, South Africa  
Tel: 27 31 2604557- Fax: 27 31 2604609  
Email: HSSREC@ukzn.ac.za

I hereby provide consent to:

|   |        |
|---|--------|
| Audio-record my interview/ focus groups           | YES/NO |
| Video-record my interview/ focus group discussion | YES/NO |
| Use of my photographs for research purposes       | YES/NO |

SIGNATURE OF PARTICIPANT

DATE

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SIGNATURE OF WITNESS

DATE

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Please write your email address below if you wish to receive a copy of the final research report:

**Questionnaire 1 : Beneficiary household survey.**

*Preliminary Questions:*

1. Gender?

|   |   |
|---|---|
| M | F |
|   |   |

2. Age of Participant?

|     |       |       |       |     |
|-----|-------|-------|-------|-----|
| >18 | 18-35 | 35-40 | 40-60 | <60 |
|     |       |       |       |     |

3. How many household members live with you?

4. Are you the owner?

a. Yes

b. No

5. Original beneficiary of the house?

a. Yes

b. No

6. How many years have you occupied the house?

|    |   |   |    |
|----|---|---|----|
| -1 | 2 | 3 | 5+ |
|----|---|---|----|

7. Are you employed

|          |            |            |
|----------|------------|------------|
| Formally | Informally | Unemployed |
|          |            |            |

8. Have any source of income?

|      |        |               |                  |                           |        |
|------|--------|---------------|------------------|---------------------------|--------|
| None | Salary | Petty trading | Informal service | Family support or friends | Grants |
|      |        |               |                  |                           |        |

9. Household monthly income?

|         |           |                |                |        |
|---------|-----------|----------------|----------------|--------|
| R0-R300 | R300-R800 | R800-<br>R3500 | 3500-<br>R7000 | R7000+ |
|         |           |                |                |        |

Beneficiary Open Ended Questions:

1. Where is your place of birth?

|        |             |            |             |               |
|--------|-------------|------------|-------------|---------------|
| Inanda | Greater DBN | Within KZN | Outside KZN | International |
|        |             |            |             |               |

2. What were the conditions did you live under before upgrading?

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3. Describe the conditions you and your family are living under now in your upgraded house?

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4. What was your expectation of the in-situ upgrading project over yourself, family and community?

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5. What amenities and services have been provided?

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6. Were you allowed to participate in the upgrading processes?

|     |    |
|-----|----|
| Yes | No |
|-----|----|

|  |  |
|--|--|
|  |  |
|--|--|

7. What role did you play during upgrading?

| Labourer | Monitory | None | Other |
|----------|----------|------|-------|
|          |          |      |       |

8. Are you satisfied with the role you played and amount of participation you had in the upgrading? Please explain your answer.

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9. Have you gained skills, employment or created sources of income since occupancy? Please give explanation for your answer.

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10. How has the upgrading of home and community improved your quality of life?

1. Socially, Economic and Environmentally

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11. How does the social networks you have now compare to the one you had before upgrading, has it been disrupted, grown stronger or other? Provide explanation for your answer.

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12. Do you experience any challenges in your upgraded house or community facilities? If yes what are those challenges.

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13. Does the house serve your household needs?

|     |    |
|-----|----|
| Yes | No |
|-----|----|

14. Is it functional and meet your satisfaction levels and to how does it meet or fail to meet your needs and the household?

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15. Do you and your household live under one roof?

|     |    |
|-----|----|
| Yes | No |
|-----|----|

16. How was the living arrangement before upgrading in comparison to the current?

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17. Do you sublet portion of your dwelling?

|     |    |
|-----|----|
| Yes | No |
|-----|----|

18. Do you operate any commercial activities from your home?

|     |    |
|-----|----|
| Yes | No |
|-----|----|

19. What do value in your neighbour community now? Please give an explanation for answer. A) Social connections, b) Accessibility, c) Employment opportunities, d) Other

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**Questionnaire 2: Project Manager.**

1. What were the socioeconomic living conditions in Stop 8 before housing development?

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2. What were the objectives of the housing project in Inanda stop 8?

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3. Which of the objectives were achieved and which of the objectives were not achieved?

1. Reasons to why the objectives were not achieved

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4. What was your role in the project as project manager/monitor, please provide brief steps?

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5. What role did the beneficiaries play in the project?

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6. In your opinion was the their role adequate?

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7. Were there any elements or aspects of the project that dealt with socio-economic issues of the beneficiaries? e.g provision of facilities to help tackle issues.

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8. From a monitoring aspect what were the socio-economic benefits of the housing project for the beneficiaries and rest of the community?

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9. What are the pros and cons of the upgrading experienced regarding beneficiary's socioeconomic aspects?

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10. From your observation, are beneficiaries satisfied with their houses?

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11. Have you received complaints from beneficiaries or councillor regarding their houses or in-situ upgrading in general, if so state them and their reasons?

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**Questionnaire 3: Local Councillor.**

1. How long have you served this community as a ward councillor?

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2. Place of origin?

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3. What was your role in this upgrading project for the stop 8 settlement?

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4. What were the socioeconomic issues in the informal settlement?

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5. What were the living conditions for beneficiaries before the project took place?

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6. Has the upgrading project improved the quality of life of the beneficiaries and how?

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7. Has a viable housing market been created from this housing project in Namibia?

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8. Has there been an improvement of crime levels, health and sickness, unemployment?

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9. In your opinion has the project disrupted or improved any social networks formed by the beneficiaries and community before the project?

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10. How has the whole community of Inanda Beneficiaries benefited from the upgrading?

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11. Was there a programme in place to develop and transfer skills, knowledge and training for the beneficiaries and community during upgrading?

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12. Were there any follow up programmes to teach household how to maintain, further increment dwelling etc.?

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13. What has been the impact of \_\_\_a\_\_\_\_\_ on households (and community if applicable)?

a. Quality of housing regarding design and functionality.

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