

# UNIVERSITY OF KWAZULU-NATAL



Exploring the Housing Allocation Policy for Subsidised Housing for low-income beneficiaries in South African Cities: A Case Study of eThekweni Municipality, KwaZulu-Natal, South Africa

NKANYISO THOBANI SHANGE

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## Abstract

The post-apartheid era (1994) in South Africa, saw the development of legislations, policies and procedures directed towards redressing the socio-economic imbalances caused by the Apartheid government. In its objective to address the illnesses of the country, the ANC government tackled the housing sector with its first reconstruction policy aimed at delivering low-income housing with no detailed plan of distribution. Municipalities later developed policies, bylaws and guidelines responding to the need of having allocation guidelines in place to govern and inform housing allocation. This study explores the extent to which the eThekweni Municipality administers its housing allocation process for low-income housing. The study addresses four main objectives; the first objective explores how subsidized housing is allocated to low income beneficiaries in eThekweni Municipality. The second objective assesses the role of role players in the implementation and allocation of subsidized low-income houses in eThekweni Municipality. The third objective examines the level of community member's participation regarding the allocation of houses, including low-income housing through the eThekweni Cornubia Housing Project. The last objective unpacks the challenges that contribute to the outcry of people during the housing allocation process in the eThekweni Municipality.

The study adopted a qualitative research approach for the collection of information through semi-structured interviews conducted with key informants involved in low-income housing allocation in eThekweni Municipality and Cornubia housing project. The information gathered from the interviews was analysed using thematic analysis. After analysing the information, the results revealed that the present allocation processes are a result of path dependence and lack of institutional transformation. Furthermore, most role players obscure the integrities of the housing allocation process therefore creating confusion, frustration, mis-information and assumptions of corruption for the public. Consequently, the study concludes that eThekweni Municipality's allocation process is a result of institutional layering, where a gradual shift in the allocation of low-income housing, has occurred but without changing existing institutional arrangements. Institutional conversions occurred only in response to the post-apartheid policies. The study recommends that the government should focus on building the character of municipal officials, as this will curb most issues emanating from the administration of the housing allocation process.

## Declaration

I, Nkanyiso Thobani Shange confirm that this study is my own original work. I also confirm that the work has not been previously submitted to any institution for the same purpose. Works that have been taken or adopted from other sources have been rightfully acknowledged.

Author:

Nkanyiso Shange

Date:

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Supervisor:

Dr Sithembiso Myeni

Date:

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## Acronyms and Abbreviations

ANC	African National Congress
BNG	Breaking New Ground
CBD	Central Business District
CMDA	Cato Manor Development Association
COSATU	Congress of South African Trade Unions
DoH	Department of Housing
GEAR	Growth, Employment and Redistribution
GNU	Government of National Unity
HPF	Homeless People's Federation
HDD	Housing Demand Database
HDA	Housing Development Agency
HSS	Housing Subsidy System
HI	Historical Institutionalism
IDP	Integrated Development Plan
IDT	Independent Development Trust
MoU	Memorandum of Understanding
NBI	National Business Initiative
NHBRC	National Home Builders Registration Council
NHC	National Housing Code
NHFC	National Housing Finance Corporation
NHF	National Housing Forum
NHNR	National Housing Needs Register
NHSDB	National Housing Subsidy Database
NURCHA	National Urban Reconstruction and Housing Agency
RCI	Rational Choice Institutionalism
RDP	Reconstruction and Development Programme
SANCO	South African National Civic Organisation
SI	Sociological Institutionalism
UISP	Upgrading of Informal Settlements Programme
UF	Urban Foundation

## **CHAPTER ONE: INTRODUCTION AND BACKGROUND OF THE STUDY**

### **1.1 Introduction**

An overview of this chapter is provided for the entire study and its organisation. The first section of the study provides the background of the study through a broader literature review on housing allocation and institutions. This chapter aims to express the need to study the National Housing Allocation Policy's application through the lens of the eThekweni Municipality as a third sphere of government. The chapter outlines the background of the study, the research problem, the significance of the study, the research objectives, motivation for conducting the study and the structure of the research.

In this study the researcher argues, using institutionalists' theoretical claims, that problems in the allocation of housing for specific housing programmes have been documented well. But there are few studies which highlight the importance of institutions in explaining and providing answers to the emergence of housing allocation in post-apartheid South Africa. This study focuses on the Integrated Residential Development Programme, which delivers housing units for people in Greenfield housing projects. This allocation is done on the basis of people being selected on a waiting list, database systems or subsidy application processes.

The researcher maintains that the main causes of delay on affordable housing delivery include "turfs and fractions" among beneficiaries and local agencies that emanate from the contestation that takes place amongst institutions. Institutions can constrain and superimpose conditions of possible mobilization, access and influence (Leicht and Jenkins, 2009). Therefore, without sufficient collaboration among institutions, agencies will provide unclear information that causes obstacles in the application process, review process as well as the verification process. There is also lack of transparency and communication, which leads to misinformation, confusion and lack of public participation in the housing allocation process. The process is merely a top-down approach, highlighting housing investments inputs mostly and it lacks the input of local community members as well as the media.

## 1.2 Background and Problem Statement

Housing allocation is not a new phenomenon – therefore, issues associated with housing allocation are not new, but have been in existence for many years. Spicker (1983) identified a few problems faced by local authorities from the 1960s until the early 1980s - including the shortage of housing and housing supply not matching the demand (Spicker, 1983).

For more than 20 years, the eThekweni Municipality had a housing allocation policy in place, drafted prior to local government elections in December 2000, which marked the beginning of the Unicity. The study delineates eThekweni Municipality as a formal institution, which forms part of the sphere of government (national, provincial and local government). The study focuses on the local government sphere as an institution, created for functional reasons where housing development and administration are the concern. The Housing Act 107 of 1997 states that a municipality serves as a developer where housing development is concerned (DoH, 1997).

The long history of the housing allocation policy calls for a historical research to unpack the processes and procedures at municipal level behind low-income housing allocation in order to understand how the municipality as an institution allocates low-income housing to the poor, as well as assessing the qualifying criteria of becoming a beneficiary. The above may further contribute to our understanding of how institutions were created and how policies were formulated and enforced. It should be borne in mind that institutions have the ability to regulate and limit people's access, interests and attaining of state goods. In its current state the local government is obligated to allocate houses in a manner that is transparent, fair and equal, while faced with an ever-increasing demand, with a possibility of irregularities within the allocation process (Burgoyne, 2008).

In Grove *et al.* (2007), it is found that a research problem refers to a statement summarising a problem as well as identifying gaps that are existing in the body of knowledge and understanding within a particular field of study. In South Africa, low-income housing provision is a constitutional mandate from the national government to provincial and local governments.

The national government's role in the delivery of subsidized low-income housing is to formulate policy, norms and standards, which aid in the delivery process for the implementation of the National Housing Programmes. The Province's role within this quest of low-income housing delivery is to devise policies at province level, which will respond, inform and align to National and Local government policies and by laws. Local Municipality's roles are stipulated in the Housing Act 107 of 1997, as part of their function within their area of jurisdiction. Municipalities are mandated to promote and approach development planning in a manner that is integrated; by using national and provincial housing legislation, thereby ensuring that citizens have access to adequate housing. Thus, all local municipalities are required to take the responsibility of identifying land suitable for housing development, build low-income houses, monitor and facilitate the application process for housing subsidies, develop its own housing applicants database and allocation procedures for beneficiaries (Tissington, 2011).

Therefore, in aligning itself to the new housing mandate of the Constitution in 1996, eThekweni Municipality developed its first housing allocation policy in 1996. The allocation policy has been modified over time, following the shifting demand for subsidized housing in the municipality. The 1996 Constitution initiated a reformation approach to subsidized housing delivery, affecting and demanding change in the distribution of resources and delivery of low-income housing. This change sought to deracialize and democratise subsidized housing (Mamdani, 1997); and prioritise the redistributive agenda which seeks to address the imbalances of apartheid considering that local authorities under apartheid were deeply embedded in the racial landscape (Myeni, 2012).

However, this initiative failed to consider the extent of the housing demand in terms of the distribution of units. The initiative focused on giving people subsidized housing and less on the how, which resulted in the formation of waiting lists (people waiting for housing). Studies on assessing housing institutions in South Africa show that information on waiting lists developed by the municipalities were inconsistent therefore creating gaps in the data. This caused confusion and discrepancies in

those municipalities and contributed to the continuing uncoordinated and inconsistent management of the housing backlog (Burgoyne, 2008).

eThekwini Municipality in its first housing allocation policy strived to facilitate a housing development project that is fair, transparent, equitable and inclusive in the selection process. In terms of access, eThekwini Municipality projected that the allocation policy will not be implemented in such a way that will delay projects, and that it will not contribute to further administrative hurdles, but will enhance easier access to housing opportunities.

However, observers of institutions found that the principles guiding the housing allocation policy to be muted on the ground. As a result, there seems to be a housing administration problem. The housing allocation process remains for many, an ambiguous and misperceived landscape, as for many years; there is still a shortage of houses. Tissington *et al.* (2013) confirmed that housing allocation holds misinformation and confusion, and has thus led to service delivery protests. On the ground, problems emerge due to lack of communication, information and transparency towards intended beneficiaries, therefore leading to frustrations and impressions of corruption within the municipalities. According to Watch (2013), the long wait for housing has led citizens engaging in service delivery public protests, while others took occupation of government-subsidized houses legally, a process that is known as housing invasion.

The main problem the study seeks to address is how eThekwini Municipality administers the national housing allocation policy within its jurisdiction in order to achieve an allocate outcome that is fair, transparent and equal, considering the continuing high demand for housing, in the context of limited resources.

### **1.3 Aim and Objectives**

The main aim of the study was to examine the eThekwini Municipality allocation policy for low-income housing and provide recommendations to improve the process. In particular, this study sought to examine this policy by investigating the extent to which housing policy reforms benefit the poor, against the constraints that the municipality has, as well as the contested terrains for housing as an “asset” in South

Africa. This dissertation provides an opportunity to understand housing policy, by examining the challenges faced by the municipality through the lens of the poor, in light of the history of institution making and housing allocation. The objectives of this study are as follows:

- To explore the allocation of houses to beneficiaries of low-income housing in eThekweni Municipality.
- To assess role players implementing and allocating houses in the eThekweni Municipality.
- To examine the level of participation among community members in the decision regarding the allocation of houses, including low-income housing through the eThekweni Cornubia housing project.
- To unpack the challenges that contribute to the outcry of people during the housing allocation process in the eThekweni Municipality.

#### **1.4 Research Question**

The researcher posed the following question:

To what extent has, the eThekweni Municipality administered the national housing allocation policy in order to allocate low-income housing to beneficiaries in a fair, transparent and equal manner, considering the unending high demand for housing, in the context of limited resources?

##### **1.4.1 Sub-Questions**

- What is the process of allocating low-income housing to beneficiaries in eThekweni Municipality?
- Who are the role players responsible for implementing the housing allocation policy, and what role do they play, and what are their responsibilities in the allocation of houses?
- To what extent are community members involved in housing allocation in eThekweni Municipality?

- What challenges emerge during the process of allocating houses in the eThekweni Municipality?

### **1.5 Motivation for the Study**

Housing allocation in South Africa has been overshadowed by inefficiencies, turfs and fractions, as well as opaque information provided by institutions. This causes problems when it comes to the application and verification processes due to information mismatch or not aligning when cross-referenced with other government systems. These problems were a result of the lack of collaboration among institutions entrusted with the mandate of delivering houses to citizens – namely the local, provincial, and national governments.

Xiang-Cai (2015) provides an analysis of challenges of housing allocation that is systematic. In this analysis, Xiang-Cai identifies concerns that cause inefficiencies and injustice in the allocation of housing. His findings have brought to light the fact that bureaucratic structures in government are an obstacle in the allocation of housing. Xiang-Cai (2015) found that local government officials subject themselves more to the bureaucratic and hierarchical systems of their supervisors rather than responding to local residents' needs. He further states that there is an absence of public scrutiny within governments, and that this has motivated poor performance to the extent of corrupting and manipulating the process of housing allocation. Therefore, against Xiang-Cai (2015) systematic analysis, this study scrutinises the housing allocation policy, through the lenses of the eThekweni Municipality.

### **1.6 Structure of Research**

Chapter One introduces the study by outlining the background and problem statement of the study. It outlines the aim and objectives of the research, motivation and structure of the research. Lastly, the chapter outlines the approach followed in conducting the study.



Chapter Two presents the literature on low-income housing allocation and the theoretical perspective. The chapter begins by highlighting key concepts, which underpin the research. Secondly, it presents a theoretical construct, focusing on the historical perspective of low-income housing, as it attempts to provide a critical understanding of policies, in view of contemporary issues around low-income housing allocation. Lastly, it interrogates literature on South Africa's housing history, allocation nature, role of institutions, as well as common challenges.

Chapter Three discusses the research design and the justification of the selected method adopted, and outlines the data collection methods. It will also provide an explanation on the relevance, validity and reliability the study, and discusses the ethical considerations, as well as the data analysis techniques.

Chapter Four provides a brief discussion of eThekweni Municipality and Conurbia as the case studies. This chapter focuses on the history of Cornubia, its location and socio-economic conditions. The chapter highlights transformation of the institutional arrangement of eThekweni municipality and its housing allocation strategies. This chapter takes the reader into the context of the study and describes the development of the first allocation policy formulated by the municipality, as well as the outcome of housing allocation projects, informed by the first allocation policy.

Chapter Five presents an analyses and interpretation of the study's findings. The researcher also responds to the objectives and the question of the study in this chapter.

Chapter Six concludes the study and makes recommendations for future research, based on the constraints identified in the allocation process. The researcher also reflects on the findings presented in Chapter Five.

## **1.7 Conclusion**

This chapter gave an overview of the study's objectives in the exploration of eThekweni's subsidized low-income housing allocation. The researcher's motive for conducting this study is fueled by the ineffective bureaucratic and hierarchal systems within local governments, which need to be assessed in the absence of public

scrutiny. The success of the study is guided by the objectives, research question and subsidiary questions. The chapter also presented a structure, which captures the configuration summary of all the chapter of this research.

## **CHAPTER TWO: THEORETICAL FRAMEWORK AND LITERATURE ON HOUSING ALLOCATION**

### **2.1 Introduction**

The previous chapter outlined the background to the study, problem statement, motivation and purpose of the study, as well as the objectives, which the study seeks to address. This chapter is organised into four parts. The first part focuses on key concepts, which are necessary in aiding understanding of the subject under study. The second part focuses on the theoretical framework. The third part constitutes a review of literature on housing allocation. Its focus is on drawing the reader's attention to the process of housing allocation; including administration, policy implementation and challenges encountered in the implementation process. The chapter concludes with three main sections, which the researcher used to highlight critical issues underpinning the study.

### **2.2 Conceptual Framework of the Study**

This section focuses on different concepts necessary for aiding understanding of the subject under study. These concepts are institutions, housing, low-income housing, allocation, transparency and accountability. The concepts are crucial for this study as they guided the researcher in terms of understanding the research problem; and mainly, what the research project was all about, and what the study would be looking into. The section below discusses the first concept that this researcher engaged during the course of this research.

#### **2.2.1 Institutions**

The concept "institutions" has been defined differently by different schools of thoughts. There are three schools of thought which define the paradigm 'institutions', these are namely, sociological, rational-choice and historical institutionalism. These schools of thought were emerged in the 1960s and reappeared in the 1990s, with

each having a distinct definition of institutions (Ganeshalingam, 2011). The three schools of thought define institutions in a broad sense, directed by their different epistemological positions.

According to DiMaggio and Powell (1991), sociological institutionalism defines institutions as social relations or behaviours that become less significant due to anticipation. Keohane (1988) outlines that rational-choice institutionalism, describes institutions as established laws or practices (either formal or informal) that take the form of customs, traditions, rituals, methods, policies, notions, rules, habits or systems. Meanwhile. According to Sehring (2009), historical intuitionism perceives institutions as procedures that are formal and informal. Historical Institutionalism also regards institutions as conventions and norms rooted in organisational structures (Sehring, 2009). These approaches are detailed in this chapter under the theoretical framework.

From these definitions, it is clear that institutions (formal or informal) restrict and control the behaviour of people, through policing individuals to abide or respond to the rules and regulations appropriately. According to Hodgson (2004), people may frequently want to avoid payment of taxes and speed limit breaking if there is a policing system in place. In the absence of a policing system, the law is likely to be made ineffective through manipulation, infringement and corruption (Hodgson, 2004).

Formal institutions are established by the state in the form of rules, regulations, policies, norms and standard etc. Informal institutions on the other hand come from the society and people on the ground, and these are unrecognized self-enforced rules and norms which help monitor and regulate the informalities in societies (Sehring, 2009). Therefore, the study sought to explore the policy (as a documented practice) for allocating low-income housing, and the definition provided by historical institutionalists, which allow us to see the policy as a formal institution. Without institutions, people (officials and beneficiaries) cannot ensure governance – as such, they need policing instruments to guide them.

This study adopts the definition provided by historical institutionalists, which perceives institutions as formal and informal procedures, norms, routines and conventions within an organisation's structures of polity (Nemakonfe, 2016).

Moreover, Historical Institutionalists see institutions as initiators of path dependent processes, that which newly created institutions influence to bring about new political possibilities by making some more likely and ruling out others (Hall & Taylor, 1996). In addition, Historical Institutionalists also highlight institutions as sets of established laws or practices (either formal or informal) that influence the behaviour of actors; in this context, stakeholders. In some cases, Historical Institutionalism (HI) create actors. Formal institutions are documented practices used to guide and govern a process or ensure efficient administration. Informal institutions are unwritten rules followed outside formal channels to achieve policy objectives or administrative imperatives (Estrin (2011). The section below discusses housing.

### **2.2.2 Housing**

Different theories within the housing discourse, such as the Marxist, liberal and positive views theories define housing differently. The Marxist theory defines housing as a commodity, a fixed good and a necessary good (Soliman, 2004). It is a commodity in the sense that in the market, housing is used as an exchange-value, with a price tag on it. As a fixed good, it is located on land, by virtue of the fact that land is a scarce resource that cannot be reproduced; and this makes it an immovable, valuable structure, where tenure is secured through obtaining legal rights to property (Soliman, 2012). As a necessary good, it is a means of subsistence, as it provides shelter at a cost (Soliman, 2012).

Liberal and positive view theorists share similar descriptions. The liberal theorists define housing as a verb, rather than a noun. It is not just shelter. It is a process and an activity, based on self-help – due to other options not being attainable (Burgess, 1978). People rely on their efforts and social networks to engage the self-build process (Soliman, 2012). The positive view theorists perceive housing as a component of socio-economic processes; a process that is vital in the socio-economic development of an area. Unlike liberalists, the positive view theorists see housing as a process that is constantly changing, to ensure the fundamental socio-economic development of an area; and not just one person (Soliman, 2012).

Housing policy in South Africa focuses on improving the socio-economic issues, faced by many of the people in the country. Therefore, the housing policies of the country take into account the viewpoint of the positive view theorists. This means that housing institutions (local government) exist to facilitate the realisation of socio-economic development; by employing housing as a tool to ensure that the people's lives are improved. Kumar (2001) provides a comprehensive definition, linked to the view of the positive view theorists, which the researcher adopted for this study. Based on Kumar (2001) understanding of housing, the term encompasses components needed to produce a dwelling (and these are land, finance, materials for building and labour). Housing also requires physical elements for its functionality and these are water, sanitation, electricity, drainage, roads as well as social infrastructure which includes health facilities, educational facilities, open spaces in the form of parks, police stations, transportation and religious facilities etc.), which focuses on socioeconomic issues. The section below discusses subsidised low-income housing.

### **2.2.3 Subsidised Low-income Housing**

The concept subsidised low-income housing was made popular through housing policies in South Africa over the years. Thus, the Government of National Unity (GNU) under Nelson Mandela's administration in 1994 promulgated the White Paper on Housing. On the other hand, Thabo Mbeki's administration in 2004 promulgated the Breaking New Ground (BNG) policy. BNG as a phrase, is used to refer to fully-subsidised housing produced under the framework of the policy created as a replacement amendment policy of the Reconstruction and Development Programme (RDP). The RDP also built subsidized low-income housing for people with a total income below the standard defined by the state, but its focus was on reconstructing the nation and addressing the imbalances caused by the Apartheid regime. To receive subsidised low-income housing, one had to meet the qualifying criteria for low-income earners.

Municipalities identified this group of people as eligible beneficiaries because of their income bracket. Their combined household income should be below R3 500 per month for them to be considered as qualifying beneficiaries of the housing subsidy.

Subsidized low-income housing also refers to fully subsidized houses allocated to people from informal settlements, those living in overcrowded backyards, and to those with special cases such as the elderly, woman headed household of dependents with disabilities, child-headed households and military veterans. Next, the section discusses the concept of housing allocation.

#### **2.2.4 Housing Allocation**

According to Tissington *et al.* (2013), housing allocation is a process that entails distributing subsidized low-income housing opportunities to intended beneficiaries. These beneficiaries can either be eligible or non-eligible and this process includes their registration, selection and subsidy application. Haffner and Hoekstra (2006) define housing allocation as a process that entails registering people who need housing on a waiting list or database. They are then identified as housing candidates, applicants who are awaiting to be assisted with their housing need. These housing candidates have to meet some eligibility criteria for them to be included in the database. The outcome of the housing allocation process is a house, through which a citizen may claim membership to an inclusive polity (Patel, 2015).

Housing allocation is the last process in any housing project that includes awarding someone ownership (tenure) of a newly- built housing unit. For subsidised low-income housing, this is where the state (through devolving powers to municipalities) and its citizens interact closely (Patel, 2015). It must be noted that subsidized housing allocation also includes units built under the Upgrading of Informal Settlement Programme. These are re-planned settlements of demolished shacks with replacements of subsidized low-income housing units with complete services (electricity and water) and some form of legal tenure (Patel, 2015). This study considered both definitions, as both identify housing allocation as a process undertaken to grant qualifying individuals with housing. Thus, the focus of the study was on the housing allocation policy - hence the researcher concentrated on the allocation policy for low-income housing under the eThekweni Municipality. The following section discusses housing eligibility.

### **2.2.5 Eligibility**

The word eligible refers to a state of having the right to do or obtain something through satisfying certain conditions. This “state” has to fit into something, to be chosen, to be worthy or desirable. Eligibility also refers to meeting a particular stipulated requirement in order to qualify for something. According to the DoH (1994), the term “eligibility” applies to all citizens of South African earning a monthly income (joint spouse) below R3 500, identified as suitable for state subsidy assistance in the foreseeable future. Tissington (2011) definition is in line with this definition when he asserts that to be eligible means to be part of a group of people deemed suitable for housing assistance by government. The researcher adopted, for the purposes of this study, all the definitions provided above, as, according to these definitions, eligibility is as a standard or criteria used to measure or identify a group of people deemed suitable to obtain state assistance in terms of receiving subsidised low-income housing. The section below discusses housing policy

### **2.2.6 Housing Policy**

According to the Homeless Hub Institution, housing policy is perceived as measures put in place to govern and regulate the direction of housing development. These measures include legislation and delivery programmes, which influence housing supply, availability, housing standards and urban planning directly and indirectly (Homeless Hub, 2017). These measures are designed to control, modify, quantify and price the quality of housing produced for ownership. Andersen (2012) on the other hand perceives housing policy as government’s initiative that influences and affects the supply, quality and price of dwellings in the market as well as manage its distribution to households. Housing policy is employed to regulate housing issues, define rules for actors involved in housing production. It distinguishes the role of different actors and safeguard the role of professionals in housing development (Homeless Hub, 2017).



Housing policy provides instruments that support beneficiaries to acquire houses. It provides support financially to consumers, it also directs and controls the rent/price or access to dwellings, as well as institutions and rules for the financing of dwellings (Andersen, 2012). Housing policy guides the distribution of housing subsidies mostly given to low-income households who are in dire need. According to Andersen (2012), a housing subsidy is a form of funding given on the bases of a person's need for housing. It is determined by the income level and the person's need for shelter.

According to Cobban (1993) the findings of a study he conducted in Indonesia revealed that housing policy emanates from the need to guide housing delivery. It then becomes the responsibility of the City Council to address the housing issues of its citizens. The different forms of housing policy enable City Councils to address housing issues; which include marketing policies on housing, rental policies for housing, land policies and ownership policies for housing. Housing policy is also, governed by principles that ensure its feasibility. Housing policies must be relevant and contribute towards the solution. They must be realistic and keep pace with housing demand; and must not be financially debilitating. Policies must also contribute towards human development by fostering full realisation of individual potential.

### **2.2.7 Governance**

Governance constitutes the manner in which a country, organisation or company is governed or managed. According to Mark (2013), governance includes all the processes involved in administrating, whether this is done by the government or a social system (e.g. a family or an organisation) as an entity. This is done through laws and regulations of an organised society. Governance involves interaction processes and collective decision-making among actors regarding a particular issue. This type of interaction leads to the production of institutions and norms (Wiesmann and Hurni, 2011). Governance also constitutes the issue of accountability through holding and regulating the spaces with rules and norms that are structured and can be sustained (Mark, 2013). In its different forms, governance yields many different outcomes in the process.

For example, governance may take the form of a non-profit organisation or a government. These two institutions through governance are able to achieve their set goals because they put structures in place to help them monitor, regulate, direct and motivate them to attain what they seek to achieve (Mark, 2013).

External actors have the power to influence the decision-making process in terms of governance. These include the elite, political parties and non-government organisations, and the media (Wiesmann and Hurni, 2011). There are many types of governance systems, which include governance as a process, which refer to the processes of formal and informal institutions (Wiesmann and Hurni, 2011). There is also private, non-profit, global, environmental, regulatory governance and many more types. In this study, the researcher adopts governance as a process, by virtue of the fact that the objective of the study was to explore the housing allocation processes of eThekweni Municipality. The next section focuses on the theoretical framework adopted for this study.

## **2.3 Theoretical Framework**

The focus of this section is the theoretical framework of the study. Its purpose is to enable analysis and interpretation of the data on subsidised low-income housing allocation. The section firstly provides an overview of the approaches of new institutionalism; consisting of three approaches – rational choice institutionalism, sociological and historical institutionalism. The overview also covers a detailed theoretical construct, origins of the theory, and the dynamic nature of policies on its visibility and traceability. The historical institutionalism approach also illuminates the relationship between housing institutions and their historical background, and shed some light on the institutional setting, using path dependence and critical junctures.

### **2.3.1 New Institutionalism**

New institutionalism is a theory that focuses on the manner in which institutions interact, and how their interaction affects society. New institutionalism gives a glimpse view of institutions by explaining why and how institutions emerge in the way

they do within a given context (DiMaggio and Powell, 1991). New institutionalism posits that for institutions be functional, there should be an open environment, consisting of other institutions. This is because institutions are therefore, organisations must do the best they can to survive and gain legitimacy. For this to happen, they need to do more than succeed economically: they need to establish legitimacy within the world of institutions.

Different scholars are of the view that the significance of institutional theories in this study lies in the fact that they help in exploring how institutions constrain individual choices and actions through their structures, rules and norms when participating in the allocation of subsidised low-income housing in metropolitan cities. These agents consist of municipal officials, ward councillors, beneficiaries, as well as other institutional bodies involved in the allocation of subsidized low-income housing. Some theories – such as the institutional theory; believe that individuals can be influenced through institutions to (a) act out of sense of duty, or in a manner of being responsible to what they supposed to do (here we refer to normative institutions, also referred to as historical institutionalism). (b) Institutions can influence individuals to maximize their benefits similar to rational choice theory.

### **2.3.1.1 Origins of New Institutionalism**

According to Ganeshalingam (2011), new institutionalism within the study of political science did not originate in the field of European Union Studies. It is a reflection of a gradual reintroduction into a large body of theories (such as Marxism, Neorealism, Pluralism and Behaviourism) where institutions have been absent or epiphenomenal.

There are three types of new institutionalism approaches which are primary. They were developed in the 1960s, each having a different definition of what are institutions, as well as an account on why these are important in the study of politics (Ganeshalingam, 2011). These approaches are historical, rational choice and sociological institutionalism. They emphasises how important institutions are for social, economic and political outcomes.

As outlined in this section, they differ in their definition of institutions and the relationship of assessment between institutions and actors, their explanation of

genesis, as well as the change of institutions. However, it is difficult to draw out a clear distinction between them. All three aim to elucidate institution's roles in the determination of social, political and economic outcomes. However, different scenarios are painted of the political world (Hall and Taylor, 1996).

### **2.3.1.2 Approaches of New Institutionalism**

Meyer and Rowan (1977) are the first proponents of new institutionalism. Meyer and Rowan (1977) put forward the first definition of new institutionalism, and perceives it as the interaction of different institutions in an organisation or society. DiMaggio and Powell (1983) believe that structures of organisations begin from state and businesses applying restrictions upon the organisation. Sometimes these restrictions have similarities and this is called 'Institutional isomorphism', which originates from attempts of organisations to accomplish sensibility with unpredictability and limitation (DiMaggio and Powell, 1991).

**Rational choice institutionalism** (RCI) emerged from political science and focuses mainly, on new institutional economics. From this perspective, institutions enable strategic interactions by enhancing chances of anticipating people's behaviour (Sehring, 2009). In this way, transaction costs and control are eliminated and a framework is provided which directs expectation, offers incentives and sanctions and limits choices actors can make (Sehring, 2009). This approach has been effective in provoking behaviour but it fails to explain the perpetuation of dysfunctional institution and neglects the social construction of preferences (Sehring, 2009).

Rational choice will shed some light on how people use local government as an institution to maximise their needs – as well as how the constrains, in the form or rules, restrict them from attaining what they want, or influence their behaviour. Therefore, the study sought to unpack the involvement of beneficiaries in decisions regarding the allocation process. Rational choice institutionalism in this regard, will make it easy pinpoint their decision and intention for participating. The process of allocating houses is controlled by many rational actors, who seek to benefit from it. According to Leftwich (2004:7), wherever people are, they act as rational agents,

who calculate in reasoning for their own interests and advantage. They tend to choose what is best for them so that they'll achieve their desired ends, under circumstances where their resources are scarce – and their wants are many. In short, there is a calculation of changes over time. Leftwich (2004) gives a summary to the effect that institutions are a market place where people seek to maximise their interests and benefits and minimise costs.

**Sociological institutionalism** reveals how institutions impact the orientation (perception and preferences), interests and people's objectives in a manner in which solutions are sought (DiMaggio and Powell, 1991). This approach considers social institutions, which include family, education, religion, economic and political institutions (Hecter *et al.*, 1990). The municipality is a social institution, which administers, regulates and governs development within its area of jurisdiction. The municipality also distribute resources – by virtue of the fact that it is a formal institution of government, which is involved in governing and setting rules of conventions; which further govern aspects of the behaviour of their members. The researcher was able, through applying principles of sociological institutionalism, to explore how the municipality influenced the orientation (preferences and perceptions) of officials and role players in the allocation of houses for beneficiaries.

**Historical institutionalism** (HI) is concerned with “bringing the state back in”. The focus of this approach is to ensure that politics (processes) and polities (institutions) interact for policies (outcome) to be explained and understood. Historical Institutionalism's focus is based on the hypothesis of development being path dependent and once institutional structures are established remain so for a long time due to resistance and constrains of options for change (Sehring, 2009). Historical Institutionalism emerged from the critiques of the conventional group theories of politics and rational choice institutionalism was a reflection of the successful import of microeconomics axioms in the political science arena (Ganeshalingam, 2011). Sociologists, on the other hand, were also interested in the culture and practices of organisations in institutions when it came to moulding interests, identities and preferences of actors (Ganeshalingam, 2011).

Historical institutionalism state that initial policies or processes have a major influence on current policies and techniques of executing or implementing policy. Through sociological institutionalism, the study tries to understand how low-income beneficiaries respond to the implementation of the housing allocation policy and the impact the policy has on beneficiaries (DiMaggio and Powell, 1991).

**Path Dependence and Critical Juncture** are the lenses through which historical institutionalism perceives that the interrelation of the past and future. Path dependence gives an explanation why institutions continue as well as their persistence to change. For instance, a path is created every time institutions structure a response to a new challenges, as a result, that solution is thereafter used as the bases to solves or approach all similar problems the same way (Marshall and Alexandra, 2016). It accounts for the manner in which choices are made during a key turning point or how critical juncture can trigger the subsequent sequence of events, including further institutional choices, which follow a relatively stable pattern (Marshall and Alexandra, 2016).

Using path dependence, the researcher was able to trace the manner in which the eThekweni Municipality has, in the past; allocated subsidised low-income housing, thus comparing it with how the process is being implemented at present. According to DiMaggio and Powell (1991), in path dependence history matters; therefore, past challenges and decisions are very much influential to current challenges and decisions. This enabled the researcher to understand how current problems and issues with the allocation of low-income housing emerged; as well as unpack their point of inception.

According to Sehring (2009), critical junctures are perceived as moments in time which substantial changes took place. This can be points where several incidences come together to make change possible. Critical juncture enables researchers to revisit earlier events or changes that had an influence on the allocation process of subsidised low-income housing. During critical junctures, novel conditions "disrupt or overwhelm the specific mechanisms that previously reproduced the existing behaviour" (Sehring, 2009). According to Sehring (2009), it is possible that current allocation procedures and implementation methods are founded on methods, which

were successful in the past. Therefore, historical experiences are important, because they trace the origins of contemporary issues – whether these issues are based on events that took place previously.

The difference between these three approaches is that distinct rational choice institutionalism is more concerned with the decisions of individuals; as well as the choices they made regarding the institution, by virtue of having vested interests – and making rational decisions, based on this fact. Sociological institutionalism, on the other hand, focuses on the manner in which institutions impose themselves on individuals, and unlike rational choice institutionalisms, sociological institutionalism binds individuals to a common goal or value. Individuals are not able to pursue their personal interests, but the common interest of a group (Sehring, 2009). The question that remains is *where do preferences come from?* Historical institutionalism pays attention on the history of institutions, their importance, as well development over the years. It seeks to unpack the sequential realities that existed before – leading to contemporary issues. For example, if actors were to engage a contract, sociological institutionalist will reason, based on values and common goals before accepting the terms. Rational choice institutionalists will not enter into a contract unless they will get something out of the agreement. Also, historical institutionalists will look into the past to determine how best to engage with the contract (Ganeshalingam, 2011).

In this study, the researcher drew from all three approaches (rational, sociological and historical institutionalism) in order to understand fully the dynamics involved in the allocation of subsidised low-income housing. The municipality (as an organisational institution) administers the national allocation policy (an institution that guides the procedure) when allocating housing to low-income beneficiaries.

Historical institutionalism uses an inductive methodology, not deductive. This involves the search for patterns, observations and the development of explanations. Therefore, the sought to look into the procedure of allocation, role players, challenges, and the nature of beneficiary participation during the allocation process. The methodology used in historical institutionalism enabled the researcher to unpack the objectives of the study. Using this approach also generates meaning from the

data collected in order to identify patterns and relationships that would inform recommendations. It is through learning from experiences that patterns, resemblances, and regularities in experiences are observed in order to arrive at conclusions. Therefore, through using the inductive approach, the researcher was able to look into completed housing projects, observe allocation patterns, develop explanations through a series of hypotheses, and make recommendations.

### **2.3.1.3 Visibility and Traceability of Policy**

Policies require the researcher to pay critical attention to their provisions and discern what the main objectives of the policy entails and should not be interpreted in a narrow sense. Pierson (1993) states that the lack of information creates space for the manipulation of policy design. He further alludes to the fact that policies should be interpreted from the point of view of interest groups; such as politicians, officials and role players; as well as political entrepreneurs. This is influenced by steps taken by policymakers, including the redesign of policy, to modify or prevent public awareness of their actions, depending on whether or not they expect those actions to be popular (Pierson, 1993). According to Arnold (1990), for public policies to generate responses from the public, there must be visibility and traceability on policy outcomes. In this case, visibility refers to the discernibility and awareness of aspects such as a situation or problem, and the extent to which it is seen or noticed by other people (Collins, n.d.).

According to Valelly (2009:72), policies that distribute benefits to a group of people in a single package are more likely to be visible or recognized than policies that distribute benefits widely and occasionally. Thus, it would be interesting for the researcher to investigate the nature of the eThekweni housing allocation policy – in terms of its provision being visible to the people on the ground. Traceability on the other hand, refers to the evidence that is available; and that suggests that the outcome is connected to the action of another; or that the outcome is connected to the other aspect. In the case of housing allocation, beneficiaries must be able to link allocation policy outcomes to governmental actions (Valelly, 2009). Pierson (1993) states that traceability involves two aspects. The first one is whether visible



outcomes of the policy can be linked to government policy, and whether those policies can be linked to someone who can be given credit for them or blamed for their failure or ineffectiveness (Pierson, 1993).

The next section presents the literature on low-income housing allocation; and focuses on the nature of low-income housing allocation, roles, as well as common challenges experienced in the process of allocation. A historical overview of low-income housing is thus, chronologically outlined first – followed by its history, nature, roles and challenges.

## **2.4 Literature Review on Low-Income Housing Allocation**

This section of discusses the literature on housing allocation, administration and procedures. This section constitutes five aspects. The first aspect discussed is in relation to the historical overview of low-income housing in general, followed by a historical outline of subsidised housing in South Africa. The third aspects entail the nature of low-income housing in South Africa, which gives us an overview of the multiple dynamics and role players involved in the allocation of subsidised low-income housing in South Africa. The fourth aspect reviews the institutional structure of local governments, which focuses on the historical administration structures of local governments and how they emerged. The final aspect is about common challenges around housing allocation; which enabled the researcher to identify existing problems on the ground. In addition, the researcher also, explores, in this chapter how other countries have engaged the process of allocating subsidised housing to poor people –and how best they manage the process to make it transparent and acceptable to everyone.

### **2.4.1 Historical Overview of Housing Allocation**

Local authority was never made for the poor, but it is the only prospect option of adequate housing available for many who cannot afford (Spicker, 1983). Since the 1930s, London has experienced an increasing call to provide low-income housing

but local authorities were given the freedom to determine the qualifying criteria, and to allocate dwellings according to priority.

Housing allocation by the London City council has been in existence for decades. The origins of local authority housing allocation dates back to urbanization caused by the 19<sup>th</sup> Century Industrial Revolution. This was the first local government housing project in the world and its purpose was to eradicate the slums of London in the final decade of the 19<sup>th</sup> century (Haines, 2008). The slums had nearly 6000 people who were crammed into the packed streets with one child in four dying before their first birthday.

The First World War, which took place between 1914 and 1918, gave way to the first government housing project, as it indirectly provided a new motivation for the provision of local authority housing (Hollow, 2011). This was due to the alarming poor physical health and living conditions of many urban recruits to the army (Hollow, 2011). In 1916, 41% of conscripts were unfit to serve. This led to a campaign, which came to be known as “Homes-fit-for-heroes” –and in 1919 the government first compelled councils to provide housing, through the provision of subsidies, under the Housing 7 Town Planning Act (Addison Act) of 1919 (Haines, 2008). Following this move, local authorities throughout the world began to pilot housing projects – some of the projects were piloted in Europe, while others were piloted in in the United States in the 1930s; and much more after the Second World War II.

During the 1930s that the world found itself in a state of slum due to the Great Depression, which saw governments coming up with interventions and the initiation of the first subsidised low-income housing project (Center, 2015). The Great Depression was characterised by large-scale unemployment and wage cuts. These events provoked industrial workers to respond by embarking on strikes and forming industrial unions. They fought for unions to be recognised, higher wages; and benefits such as unemployment compensation (Davidson, 2009).

Government intervention was in the form of welfare programme such as Food stamps, Rent vouchers, Medical aid and Public housing etc. Through the United States Housing Act of 1937 the world saw the realisation of the first subsidised low-income housing project in the United States of America. This was the beginning of a pattern, which continued throughout the post-WWII period. The government has

continued to do what business could or would not do by itself – resulting in the long period of growth (Cleaver, 2011).

According to Elliott (2014b) 80% of Britain's population in London rented housing in the private market during the First World War. Due to the surging concerns by Prime Minister David Lloyd George pertaining to the poor conditions of the houses, land was provided to build council housing for veterans, known as homecoming 'Tommys'. Thus, housing subsidies were sanctioned through the housing act of 1919 to local authorities for the construction of these houses (Elliott, 2014).

It was in this period (1920s to the 1940s) that most governments around the world started accessing the market. For most countries, government's penetration into the market was the outcomes of private sector to provide housing for low-income families of people who were unable to afford market prices.

#### **2.4.2 Institutions of Subsidised Low-income Housing in South Africa**

According to Gigaba and Maharaj (1996), the spatial location of housing in South Africa has been racially determined. These forced millions of black urban poor communities to invade land not allocated to them to construct their own living and dwelling spaces in squatter settlements. It was also found that, around this time - 1990s in South Africa about seven millions of people lived in squatter settlements and two million were living in eThekweni Municipality (Gigaba and Maharaj, 1996).

During apartheid segregation laws forced black people to move to the outskirts of the city designating areas near the city for white people only. The formation of non-white race townships was established with blacks, coloureds and Indians, as per the Population Registration Act 30 of 1950 and the Group Areas Act 41 of 1950. Thus, townships served as a government strategy to segregate non-whites (black, Indians and coloureds) from each other and locate them in the periphery of the white demarcated areas, which were in the urban areas, close to the central business district (CBD).

Housing provision for the poor has been in place even before 1994; but the nature and provision thereof, did not target low-income earners. Before 1994, local authority housing was meant for whites only, and was characterised by the spatial segregation policies of the apartheid regime. Its focus and pattern was to separate ethnic groups according to their race, and excluded blacks and other non-white groups from accessing housing in urban areas (Christopher, 1984).

#### **2.4.2.1. The National Housing Forum (1992 – 1994)**

The National Housing Forum (NHF), held between 1992 and 1994 marked the beginning of a new era for the housing terrain in South Africa. The NHF was formed to create a political space to debate issues regarding who would provide housing, as well as the manner in which they would go about doing this. A number of institutions, the Mass Democratic Movement (the African National Congress (the ANC), the labour movement (COSATU), and the civic movement) to be precise, were members of the NHF, and so were the profit-making sector (business, mining and industry), the private sector (Urban Foundation), and the Homeless People's Federation/People's Dialogue. The Mass Democratic movement, advocated for democratisation<sup>1</sup> and redistribution, with the state constructing mass housing.

According to Huchzermeyer (2001), such housing provision was understood as a basic human right, and not a commodity. Private tenure was considered to be exploitative and, therefore, deemed inappropriate for the poor. This meant that beneficiaries were going to be allocated houses or organised through various tiers of democratically elected civic committees, where this form of distribution would be dependent on a system of communal land holding practices. Through the NHF a solution was devised for providing houses to the needy in post-apartheid South Africa (Huchzermeyer, 2001).

The forum brought, for the first time, the realisation of the nature of subsidised low-income housing, moving forward in the new South Africa. The forum agreed that in

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<sup>1</sup> Democratisation is the act of making something democratic, an introduction of a democratic system or democratic principles. See GAMBLE, J. 2016. Comparative Politics. Available: <https://quizlet.com/127428571/comparative-politics-flash-cards/> [Accessed 11 May 2018].

order for people to get assistance, they must first meet the eligibility criteria, which was set at less than R3 500 per month, joint income. It was after the forum was established that the government of South Africa launched the National Housing Subsidy System, which is the main role player in the allocation of low-income housing in South Africa (Tissington, 2011).

Tensions existed amongst institutions involved in the discussion, and these tensions shaped the housing policy. There was no coherent view as to what form the policy would take, as the various stakeholders had their personal constituencies to defend (Huchzermeyer, 2001). The influence of the policy came from three strands of thinking in the early 1990s - (i) the community and labour force (Mass Democratic Movement); (ii) the Homeless People's Federation (People's Dialogue Alliance); and (iii) the private sector (Urban Foundation) (Huchzermeyer, 2001). Each sector was located in a different segment of society and each responded differently to the housing injustice caused by the policies of the National Party. In essence, the forum comprised both collaborators and resisters of the apartheid housing systems in South Africa.

#### **2.4.2.2. Institutions and the development of the Housing Policy**

According to Huchzermeyer (2001), it was the UF that influenced thinking for the development of a policy for housing. The results were monolithic mechanisms of policy through a once-off capital subsidy. Though not directly referring to South African National Civic Organisation (SANCO), Smith (1992:217) highlighted that the NHF negotiations were excessively influenced by powerful people with vested interests, through the Urban Foundation. Rather than engaging with the reality of the poor, it imposed a strictly controlled, technocratically defined development. This came from the programme designed by Jan Steyn (Chairman of the Urban Foundation). Who was later charged for its implementation through the IDT for which the state made available the R2 billion grant (Nuttall, 1997).

Huchzermeyer (2001) highlights that the once-off capital subsidy approach, which delivered housing through the moulding of the self-help approach, using its own neoliberal framework which was highly influenced by the World Bank. This

framework could not be sustained by state subsidies but depended on free markets, individualism and payment from users. Loans from the World Bank require countries to have cost recovery plan to pay back the loans and if housing was to be constructed through these loans, it would have to be affordable to the poor. Affordability was foreseen to be achievable either through site and services or slum upgrading which deals with inadequate and illegal housing tenure and infrastructure conditions (Huchzermeyer, 2003).

According to Huchzermeyer (2001), the IDT's plan was to strategically influence the housing policy of South African in its favour through National Housing Forum. This is evident through their proposed programme of mass scale delivery which can only be achieved through a once-off subsidy. This mass scale delivery programme is still prominent to date in the contemporary methods of delivering subsidised low-income housing. Through the creation of the National Business Initiative (NBI) the private sector was able to ensure continuity of influence over the making of housing policy. This organisation supported the informal settlement intervention of the capital subsidy (Huchzermeyer, 2001).

Therefore, at a critical juncture, this crossroad was fraught with problems; that is, it was not engaged critically, and lacked robust scrutiny. This method of delivery is still prominent to the ANC government with little tweaks that have no thorough impact on the spatial location or patterns of housing delivered but instead perpetuates the apartheid regime's segregation patterns (Roisman, 1995).

The greatest threat to the IDT affairs was the South African National Civic Organisation (SANCO), whose mission was to democratise housing finance to the extent of proposing for the blending of government and private sector funds to finance housing in a housing bank. SANCO's aim was to create a long term plan for housing finance which was against the once-off subsidy. The ANC's RDP encompassed many of SANCO's concepts such as housing banks and the right to housing (Huchzermeyer, 2003).

The ANC's position was influenced by both Marxist and Positive viewpoints in terms of improving poor socio-economic conditions that stemmed from the colonial and apartheid era policies. The ANC had a centralised vision for the state which was aimed to ameliorate apartheid's induced inequalities (Huchzermeyer, 2003). The

concept of civil right to housing was seen as being compatible to the universal entitlement of the once-off capital subsidy (Huchzermeyer, 2001). Although the civil right to housing concept was dismissed by the IDT, the individual subsidy was intended for an increase to allow for the construction of the “top-structure” as a reflection of a township house. the once-off product-linked subsidy concept was supported by the ANC and its alliances because its pledge was to deliver one million houses within their first five years (1994-1999) of government (Huchzermeyer, 2003).

The private sector (business, mining and industry) dominated the discussion, due to their combined financial power, and they advocated to keep housing and land commodified as it was vital for economic growth (Huchzermeyer, 2001). Its focus was to enable individuals to attain freehold titles for economic and political stability (Khan and Thurman, 2001). This concept was promoted by the private sector as a means for the poor to escape poverty but it was evident that it perpetuates segregation dormitory developments which are poverty traps (Huchzermeyer, 2001).

Beneficiaries have expressed dissatisfaction of the delivered product and processes (Ssekibuule, 2012). According to Huchzermeyer (2003), the private sector had distanced itself from the 1990 proposal which was promoted through the Urban Foundation and its blanket promotion of home ownership. The private sector, banks in particular, pulled out after realising that the policy was not feasible as the majority of the homeless are not employed and therefore unable to pay back the loans.

The Homeless People’s Federation/People’s Dialogue interest was that the housing policy should advocate self-help principles and the government should assume the facilitation role through the mobilisation of resources towards assisting the poor solve their housing issues. Although similar to that of the World Bank, the nature of housing delivered under this federation was highly dependent on cooperative saving, donations, government funding and release of land (Millstein *et al.*, 2002).

The Memorandum of Understanding (MoU) made it possible for the government to develop a housing provision framework which enabled the private sector to apply for subsidies on behalf of beneficiaries and communities. The approach was criticized as it was perceived as a threat in perpetuating the endemic flaws in the South African housing market. However, in Huchzermeyer (2001), it is found that there was

a consensual in the MoU, which was reached based of South Africa's transition pace, in which the private sector had powerful leverage over the National Party and the incoming ANC government,

The municipality tasked the private sector to be a developer; while the local authority had to allocate individuals to their respective, newly-built houses (Gordon *et al.*, 2011). Regarding the type of housing to be delivered, an agreement was reached to deliver housing through a once-off capital subsidy scheme to benefit households earning less than R3500 per month (Gordon *et al.*, 2011). Households bought their desired houses through the subsidy as it was linked to individual's ownership.

#### **2.4.2.3. The Reconstruction and Development Programme (RDP) and Housing Institutions**

The RDP is a South Africa socio-economic policy framework that was drawn up and implemented by the ANC government between 1994 and 1996 (O'Malley, 1994). It was in the development of the RDP that the country realised its first low-income housing project. The RDP's aim was to address the social and economic illnesses in the country with its keys aspect of linking reconstruction and development. The country's social and economic problems (housing backlog, unemployment, inadequate health care and education and a failing economy) were connected and the RDP's proposal was to address them through public works (building houses and provision of services that would create employment). The five key programmes were: meeting basic needs, developing human resources, democratising the state and society, building the economy and implementing the RDP (Knight, 2001).

The Reconstruction and Development Programme described the nature of subsidised low-income housing that was delivered after the NHF negotiations. As a minimum, the subsidised low-income housing structure had to provide protection from the different weather conditions. It also had to be durable with reasonable living space and privacy (Bond and Khosa, 1999). The units had to provide secure tenure in a variety of forms and the upgrading of existing housing had to be accomplished with these minimum standards in mind (Bond and Khosa, 1999).



Delivery systems and administrative procedures lay in the hands of the Provincial and Local governments while the financing role rested on the central/national government (Ndandani, 2015). Administration was simple, quick, cheap and transparent. There was support for community participation and corruption prevention. There was no form of discrimination against anyone of any kind (Ndandani, 2015).

Communities were meant to directly benefit through employment, training and awarding of contracts from these programmes. Capacity building was key for participation as well as funds for community-based organisations which had to be available. Reorientation of educational institutions had to take place in order to provide the skills needed for development.

The RDP subsidy was financed through the blending of government funds and those of the private sector commercial banks. Scrutiny had to be given to the way subsidies were being provided in order to reduce corruption, promote transparency and eliminate gender discrimination. Instruments (such as compulsory repayment of subsidies upon transfer of property and time limits on resale) were introduced to avoid speculation and property raiding (Bond, 2000). The RDP also outlined that finance should be sourced from commercial banks by encouraging them through the use of legislation and incentives to make credit and other services available in low-income areas. Redlining and other forms of discrimination by banks was to be prohibited and interest rates were to be kept as low as possible through the implementation of the Housing White Paper which aimed at ensuring participation of emerging black contractors through the provision of financial assistance (Bond, 2000).

The RDP also made it possible for institutions such as the National Home Builders Registration Council (NHBRC) to be created, to represent and protect the interests of housing consumers through the provision of a warranty against defined defects of newly built homes. There is also training which the NHBRC provides and capacity building which promotes and ensures compliance with standards of housing construction in the home-building environment (NHBRC, 2012).

The Housing Development Agency (HDA) was established in 2009 by an Act of Parliament in 2008 and is accountable through its board to the Minister of Human

Settlements (HDA, 2017). The HDA identifies, acquires, holds, and develops land that is either state or privately owned for residential and community purpose. The National Housing Finance Corporation (NHFC) role provides access to affordable housing finance for RDP projects through the private sector's financial assistance. The National Urban Reconstruction and Housing Agency (NURCHA) provides finance which is seen as a bridge that enables contractors to building RDP houses as well as infrastructure and community facilities.

#### **2.4.2.4. The Government of National Unity and White Paper on Housing 1994**

The ANC-led government under the Government of National Unity (GNU) adopted the White Paper on Housing after the historic 1994 democratic elections. Their policy and the Housing White Paper were influenced by the ANC's election manifesto, which culminated in the RDP, and hence the houses built under this policy are generally referred to as "RDP houses". The aim of the RDP was to integrate the approaching subsidised low-income housing with existing communities thus creating viable integrated settlements. This meant that new residents within the community could access opportunities, infrastructure and services on a progressive basis. Due to the socio-economic conditions within the country, the goal was to enable the poor to participate in the market by using low-income housing as an asset (Tissington *et al.*, 2013). The idea was to integrate the newly built housing with the existing residential structures, connecting them to the already existing bulk infrastructure of potable water, sanitation, waste water disposal and electricity supply.

#### **2.4.2.5. The Constitution of South Africa**

The Constitution of South Africa is the first established non-racial institution that contributes to the process of housing delivery that leads to the allocation of subsidised low-income housing to all South Africans. According to Section 26 of the 1996 Constitution "everyone has the right to have access to adequate housing and the state must take reasonable legislative and other measures, within its available

resources, to achieve the progressive realisation of the right to housing” (South and Juta, 2011). Housing serves as a constitutional right in South Africa.

The 1996 Constitution enables the poor to be morally and legally assisted with the need for shelter. Therefore, under the 1996 Constitution we saw the development of the Housing Act of 1997, which sets out the roles and responsibilities of how the poor would be assisted. It was further provided in the 1996 Constitution that local government should play the most important role in the provision and allocation of housing to its area of jurisdiction. According to Tissington (2011), section 153(a) of Chapter 7 of the Constitution, highlights the fact that local governments should take full on responsibility to administrate, budget and plan according to the needs of the community, as well as promote economic development in communities.

#### **2.4.2.6. Growth, Employment and Redistribution**

The RDP failed to deliver the expected outcomes in terms of economic growth. This affected housing development and the policy itself which came from the fiscal constraints influenced by the poor fiscal and economic legacy inherited from the Apartheid regime’s fifty years’ segregation planning. The ANC government also lacked the ability to integrate the RDP as a guiding principle for the country’s socio-economic policies and ignored gathering new taxes, rather focusing on fiscal prudence and the reallocation of existing revenues. The ANC government introduced the Growth, Employment and Redistribution (GEAR) as a macroeconomic policy framework to stimulate economic growth due to the constraints emerging from the RDP. Economic stimulation was required to provide resources to meet social investment needs.

The policy encompassed most of the social objectives of the RDP but was also aimed at reducing fiscal deficits, lowering inflation, maintaining exchange rate stability, decreasing barriers to trade and liberalising capital flows. As a five year plan, GEAR aimed to strengthen economic development, broaden employment and redistribute income and socioeconomic opportunities for the poor (Knight, 2001). GEAR’s adjustments to fiscal policy had an impact of government’s expenditure

which reduced funds and affected government's capacity to expand the subsidy scope in the housing policy (Knight, 2001).

The capital subsidy failed to deliver housing in a progressive manner. It was Joe Slovo who saw housing as an incremental approach (Huchzermeyer, 2001). The capital subsidy product was perceived as a gradual improvement through progressive realisation. However, the housing product delivered by the capital subsidy fell short due to its lack of producing a dignified unit with privacy and living space defined as the RDP (Huchzermeyer, 2001). The government was therefore required to ensure that technical assistance was locally available, in order for people to be able to add to their starter houses.

#### **2.4.2.7. The Breaking New Ground (2004 to date)**

The Breaking New Ground (BNG) Policy came with a new approach to housing delivery that supported mass production. BNG recognised that the existing housing programme was in denial of the upgrading of informal settlements. Its aim is to address the policy's perception of informal settlements from one of neglect to one of integration and cooperation (Gordon *et al.*, 2011). The BNG came with a full subsidy, whereas initially beneficiaries had to contribute a certain amount towards their awarded housing subsidy because the government wanted people to be responsible. BNG believed that the initial process affected a person's ability to receive a house.

The amendment of the BNG policy supported informal settlements upgrading and maintained community networks, minimized disruptions through phases and enhanced community participation (Gordon *et al.*, 2011). The BNG policy was influenced by the National Housing Code (NHC), initially the policy's intentions were interpreted to eradicate informal settlements rather than upgrading them (Gordon *et al.*, 2011).

Private developers were granted leading role through the RDP in the delivery of housing in a supply-driven framework. The BNG's approach was more of a process that is demand-driven. Municipalities were given a new mandate to administer all housing programmes within their jurisdiction by fully utilizing resources made

available to them. The document assumed that municipalities would proactively take up their housing responsibilities given clear guidelines and resourcing from the national sphere.

### **2.4.3 Nature of Subsidised Low-Income Housing Allocation**

According to Huchzermeyer (2001:310), the state of subsidised low-income housing was characterised by different types of issues. As highlighted in the historical context, subsidised low-income housing in South Africa was configured under unfavourable conditions imposed upon the 1994 National Housing Forum discussions, during which the preconditions of the nature of low-income housing were defined (Huchzermeyer, 2001).

The South African government committed itself to deliver housing to all its citizens through the 1994 Housing White Paper and provincial and local municipalities adopted housing waiting list systems to ensure fair allocation of subsidized housing (Tissington *et al.*, 2013). There were attempts from province and local municipalities to merge housing waiting lists after 1994 to create a consolidated list with all beneficiaries (Tissington *et al.*, 2013). For people to be part of the list, they had to complete an application form with their personal details (age, ID number, gender, dependants, etc.), thereafter, they were issued with a receipt called a C-form which had the applicant's registration information. Initially the waiting list was assumed to function on a 'first come first served' basis, i.e. the assumption was that people are allocated according to their names; however location also became a relevant factor later (Tissington *et al.*, 2013).

In this section we seek to uncover the different contemporary dynamics that shape the nature of subsidised low-income housing allocation; that is the administrative decentralisation of low-income housing focusing on the Housing Act of 1997, the political dynamics and explore the nature of beneficiary participation during housing development, and the nature of allocation within the development and upgrading of informal settlements.

### **2.4.3.1. Administrative Decentralisation**

Low-income housing development in South Africa is characterised by administrative decentralisation. Administrative decentralisation refers to the transfer of government responsibilities of planning, public function and financing from central to local government. There are three forms of administrative decentralisation – deconcentrating, delegation and devolution (Myeni, 2017). The delivery and allocation is the responsibility of national, provincial and local government spheres. The responsibility of planning, financing and administration rests on these three spheres, as well on its agencies and semi-autonomous bodies involved.

Deconcentrating in government is essentially making central decisions less central, and this is achieved through delegation which is about giving someone your duties, responsibilities, authority and power so that they may act on your behalf. Devolution is the transfer of some authority or power from a central organisation or government to smaller organisations or government departments. The responsibility is deconcentrated through devolution from the national government to provincial and local spheres. Should local municipalities lack capacity, they may choose to delegate some of their responsibilities to provincial or outsource through a tender process.

According to the Housing Act Section 2(1) of 1997, spheres of government need to prioritise poor people's housing needs in terms of housing development. Through the formulation of housing policy, the national government must develop and facilitate the development of sustainable housing processes. Provincial government's mandate was to create enabling environments by promoting the provision of adequate housing and allocation of housing subsidies to municipalities.

The Provincial government must create an enabling environment by promoting and facilitating the provision of adequate housing within its area of jurisdiction, which includes housing subsidies allocation to municipalities. The local government on the other hand is to take necessary steps within the framework of to ensure that the constitutional right to housing is realised. It can only do this through pursuit of housing development, issues of land being addressed and provision of services and infrastructure (Tissington, 2010). The administrative decentralisation is evident in a sense that the national, provincial and local governments have established the

Housing Subsidy system in order to facilitate the sustainability of housing allocation in the country. This system enables the national government to monitor the housing waiting list, allocate beneficiaries and provide various tools to aid project planning and management. It is one of the ways government decentralises the responsibility of housing development.

It is said that through administrative decentralisation the development process is able to take place faster. Local governments in developing countries usually experience problems such as the frequent change in the local government structure due to political power changes at national level and this may be an obstacle when it comes to housing allocation (Mollah, 2007). Local governments are completely dependent on national government officials, and there is also the problem of misuse and misappropriation of development funds and the absence of people's participation in the development projects undertaken by local governments (Mollah, 2007).

#### **2.4.3.2. An Opaque and Political Allocation Process**

One of the well-known publications that best describes the condition of subsidised low-income housing allocation in South Africa is the "Jumping the Queue" publication, by Tissington *et al.*, (2013). They confirmed that the nature of subsidised low-income housing allocation in South Africa is opaque. Beneficiaries are not well informed when it comes to the allocation of housing; the processes are believed to be technical and banal and this causes frustration to beneficiaries due to the lack of explanation from government. In their study it was revealed that the public protector delineated that approximately 10 per cent of all complaints received during 2011/2012 were pertaining or related to maladministration and the delivery of low-income housing (Tissington *et al.*, 2013).

According to Tissington *et al.* (2013), the major source of frustration around housing allocation is due to lack of information, transparency, communication and information sharing between government institution as wells as communities waiting for housing assistance (from municipalities and province to communities). This lack of policy

communication transparency in the housing allocation process often resulted in communities alleging corruption (Tissington *et al.*, 2013).

#### **2.4.3.3. Interest groups, Politicians and Officials**

Housing allocation is highly influenced by different actors - politicians, officials and interest groups. Rodrik (2014:206) observed that 'formative moments' (i.e. critical junctures) can also be triggered when those in powerful positions implement new ideas of reformation. This often happens not only when vested interests are defeated, but when different strategies are used to pursue those interests, or when interests themselves are redefined. Marshall and Alexandra (2016) pointed out that this perspective recognises that stakeholders' vested interests around institutional change are artefacts of mental models about their identity.

In addition there are also decisions made by political actors that are reactions and strategies to certain incentives rather than directly determined by institutions (Marshall and Alexandra, 2016). These decisions made by actors are rational with respect to the setting of institutions, due to actor's objectives and intension partly come from institutions that affect actor's perceptions and priorities.

It is the officials and politicians who are supposed to be accountable for housing policy at all levels of government. However, they created an impression that housing allocation is a rational process that prioritises people with the greatest need for housing assistance more than those who have been waiting for housing assistance for a long period (Tissington, 2011). Housing allocation is perceived as a rational process through the ideologically charged concept of 'the waiting list' and 'the housing queue'. Politicians and officials also seek to benefit from the housing development process. In some cases officials attempt to influence policy in their favour, as Xiang-Cai (2015) highlights in the issues surrounding officials being involved in briberies and malpractices. According to Tissington *et al.* (2013) the maladministration has filtered in the housing allocation process through officials giving authority for councillors to intervene and interfere with state affairs by giving them power to determine who accesses housing in their area of jurisdiction and who does not, and this makes the process political.



#### **2.4.3.4. Beneficiary Participation - Waiting Lists and Demand Databases**

According to Spicker (1983), there are several restrictions in the housing waiting list. The most commonly found is the residential qualification, which gives preference to people living within the area. The favours established residents over newcomers - a practice frequently condemned by central government. Spicker (1983) further highlights that certain groups given priority over others. In the case of South Africa's National Housing Allocation Strategy, where there is a database (National Housing Needs Register (NHNR) demand database), housing is taught to be allocated on the bases of "first come first served", the earliest date on which application for housing assistance will be made. The second group prioritises vulnerable groups such as families with children and women-headed households with. The last group is a category of poor and disabled beneficiaries, either with disabilities or residing with a disabled family member, as well as the aged (persons of the age 60 and above, and for males 65 years or older) (Tissington *et al.*, 2013).

The housing waiting list system, selection criteria and allocation process has caused a lot of confusion and brought anger among beneficiaries. And this uncertainty of people receiving housing assistance and others not getting housed has led people to have a perception of corruption even if there is no corruption involved. This lack of understanding from community members and beneficiaries of how the allocation process works can be coupled with the lack of clarity from the government of houses either being allocated on a 'first come, first served' basis or based on a 'waiting list' (Tissington *et al.*, 2013).

Tissington *et al.* (2013) confirmed the existence of three different housing waiting lists, counting the national's housing database, the province and the municipalities. Adding to the confusion, there are also project-based housing lists that are compiled for different project areas for beneficiaries. In practice there are multiple strategies used to allocate housing, however, many beneficiaries in need of housing still assume that 'waiting lists' reflect a chronological prioritisation of accessing housing (Tissington *et al.*, 2013).

These strategies are based on the government's use of multiple database systems or 'waiting lists'. Due to the capturing and verification process that needs to take place, the government had created the Housing Subsidy System. The intention was to manage and monitor the process but it leads to confusing and frustrating people. And the major impact of this frustration is that it leads to distrust in the local authority and state as well as accusation of corruption, violent protests, invasion and occupation of incomplete or unallocated housing units. It also goes to the extent of broader protests against ward councillor's, vandalism of public buildings or roads.

#### **2.4.3.5. Informal Settlements – *in situ* upgrading**

In Tissington *et al.* (2013), it was found that the housing allocation policy is implemented at municipal level, although the demand database and other allocation policies have been identified at the national and provincial levels. Many people have faith and believe in the existence of a waiting list. In Gauteng, the housing policy's focus has shifted from the waiting list allocation system to a location based allocation system which is usually suitable for *in-situ* informal settlement upgrading. This shift was intended to benefit people not to relocate to Greenfield developments and have their units built where they are informally occupying. However, it seems it may cause tension among those who have been waiting for many years (Tissington *et al.*, 2013).

According to Tissington *et al.* (2013), it is found that the Informal settlement upgrading programme does not use the Housing Demand Database (HDD). However, through the use of existing stands people are identified. The mixed approach has been applied in the case of the Lufereng *in situ* upgrading project and some beneficiaries were taken from the HDD. Generally, in *in situ* upgrading projects, project managers have to check the waiting lists they receive from the community against the HDD.

The nature of UISP allocation is different as security of tenure is awarded during the project at the discretion of the MEC (Tissington, 2011). People are allocated housing during Phases 1 to 3, and are granted either a rental agreement and/or Commodatum which is a form of a complimentary loan for site occupation.

The National Norms and Standards serve as a guideline for the creation of serviced stands under the UISP. Access to stand sizes should come about after local government and the residents have come to an agreement (Tissington, 2011).

#### **2.4.3.6. Housing Allocation and Legal System**

Zhang (2011) demonstrates that law is an effective instrument that achieves distribution of affordable housing in a fair manner. To attain this, elements within the legal system needs to function accordingly, for instance, affordable housing legislation, housing law enforcement, sanction on wrongdoings and judiciary (Zhang, 2011). There should also be an authority accepting applications which involves three phases of verification, (i) preliminary examination and review; (ii) system supervision for housing security; (iii) and administration and inspection after approval. These steps ensure that the allocation of housing is fair and just (Zhang, 2011). Moreover, the judiciary processes grants remedies if the right is violated, which includes both criminal and administrative procedures involved in the wrongdoings.

The initial types of sanctions for the wrongdoings (administrative sanction) should focus on any fraud activities from both applicants and administrative officers. Meanwhile, the criminal sanction is involved because of applicants who commit fraud and officials who commit briberies and malpractices. A study on the allocation and distribution in China's affordable housing development, placed emphasis on fairness and justice of its distribution as a goal. However, the argument is mainly derived from the rationale of several philosophical theories rather than from empirical research or analysis.

The process involves a set of allocation criteria that need to be met by applicants. The applicant has to be a South African citizen, legally able to contract, must have never received a government-subsidised house and have verifiable income. The criterion assesses applicant's application to determine if the applicants qualify for a government-subsidized house or not. The qualifying applicant are thereafter placed (Malete, 2014). The municipality receives all the required documentation, checks them before submitting the application forms for beneficiary administration. The allocation system is facilitated by the database called the National Housing Needs

Register, which captures and stores details of applicants waiting for housing (Malete, 2014).

Municipalities across South Africa have been able to establish their own housing allocation strategies. These strategies are put in place to facilitate the allocation of subsidised low-income housing. The allocation processes are achieved through systems such as the National Housing Needs Register which are carried out to identify credible beneficiaries for housing projects undertaken in terms of the IRDP and UISP (Tissington, 2011).

#### **2.4.4 Structural Transition of Local Governments**

The nature and structure of local government is influential in the delivery and allocation of housing to the people. The nature and structure of local government has been in a state of evolution over time, dating back to the 1900s to the Union of South Africa. The outcome and nature of housing allocation was determined and defined by the existing and ruling structure of governance in that era. The local government defined the terms and conditions of allocation through the Apartheid City Model.

The evolution of local authorities' institutional structure in South Africa dates back to the establishment of the South African public service made possible by Jan van Riebeeck in 1652 through the trading enterprise with the Netherlands (Wittenberg, 2013). The formation of the Union of South Africa in 1910 allowed the first uniform structure of government and it is where the nature of housing allocation was first realised through government housing. The Union era was characterised by land dispossession which was accomplished through segregation (Wittenberg, 2013). Nature of housing allocation was exclusionary, and government delivered and allocated people according to their ethnic groups subjecting itself to discriminatory policies. The Apartheid government consolidated its grip by removing people who had survived land dispossession through the passing of segregation laws, moving them to the outskirts of the city (Wittenberg, 2013).

#### **2.4.5 Common Challenges in Housing Allocation Policy**

There are common challenges within the allocation of housing. The bureaucratic structures are one of the most common issues that underpin policy implementation. Xiang-Cai (2015) states that bureaucratic structures are one of the obstacles in the allocation of housing in Chinese government. The rise of problems in housing allocation in China is the fragmentation of its intergovernmental structure. The hierarchical and bureaucratic systems within local governments respond more to the commands of the supervisor more over the housing needs of local residents. The absence of public scrutiny has given rise to poor performance or even corruption in the process of housing allocation (Xiang-Cai, 2015).

There are two fundamental characteristics with an organisational bureaucratic structure. Firstly, it is made up of levels of management which makes it hierarchical, having subordinates at the lower level answering to high levels. Second, what gives the organisation authority is its governance process of using its set of objectives, procedures and rules. This is also known as the rational-legal authority as coined by Max Weber (Matikiti, 2016). Government bureaucratic structures are usually made up of three main bodies, the Judiciary, the Executive and Legislature. This is also the case in China, where spheres of government were established at three levels: the provinces, autonomous regions, and special municipalities.

Through bureaucracy, housing allocation is administered in one of the three public administration approaches; managerial approach (through traditional public management or new public management), political approach or the legal approach (Matikiti, 2016). The system of housing allocation is based on principles of hierarchical authority. According to Matikiti (2016:9) there is division of labour, with tasks being divided among those who make up the organisation. The managerial approach housing allocation is based on job specialisation, and each municipality has a housing administration/allocation unit within its departments to ensure each job position is explicitly defined and division of labour maintained (Matikiti, 2016). Beneficiaries are viewed as customers, they are served and not processed.

In the political approach, administrators are politically motivated, politics and administration are not separated and there is focus on representativeness, responsiveness and accountability, and decision making is incremental (Matikiti, 2016). The housing allocation process is dependent upon the political circumstances of the time with a divided government. The interests of an individual either official or beneficiary are aggregated with the organisation or party to which they associate themselves with.

The legal approach on the other hand consists of administrators who apply the law and there are three sources of legal influence; administrative law, judiciary law and constitutional law (Matikiti, 2016). Municipalities use by-laws to help guide their administration of housing, the judiciary uses Acts to define the roles and responsibilities and the country uses the Constitution to define the rights of its citizens.

Transparency is one of the common challenges in housing allocation. According to Tissington *et al.* (2013), transparency in subsidised low-income housing allocation has to do with information sharing and communicating with stakeholders regarding the whole process of housing development. This involves not hiding anything from the public and beneficiaries, and it is characterised by the lack of hidden agendas and conditions, accompanied by the availability of all the information required for collaboration, cooperation, and collective decision-making (BusinessDictionary, n.d.). Xiang-Cai (2015) states that the main cause of municipal government low effectiveness on housing allocation, including the “turfs and fractions” of local agencies without sufficient collaboration, is opaque information across agencies and this gives rise to obstacles in application review and verification. If the bureaucratic structure is not well-informed about the product it is supposed to give or process to its customers or people, it is ineffective and unsuccessful in achieving its objectives.

Tissington *et al.* (2013) elaborated that whether beneficiaries and community members are registered to receive a house from the municipality or not, due to the lack of communication, feedback and transparency they are led to frustration due to not being well-informed regarding the housing project. It creates an impression that there is corruption leading to public protest, often in the form of unlawful occupation of publicly funded and constructed houses. Such issues are a result of government's

lack of making citizens aware and the use of cooperative government principles in the Constitution which includes all spheres of government should instil and practice effective, transparency, accountability and coherent government (Tissington, 2011).

Policy feedback is also one of the issues which suggests that policies have the ability transform the political landscape in fundamental and varied ways. Policies, in this view, are not just political objects but forces within the political arena that reconfigure power and reposition actors in political relations by shifting their interests, understandings,, identities and preferences (Moynihan and Rosemary O'Leary, 2014). Policy feedback is considered to be a complex, contested and contingent question, and needs to be studied not only from the perspective of positive feedback, but negative feedback as well. Strong positive feedback is constructed when distinct interests, identities and coalitions unite in enduring and creative ways, and is usually a driver for stability. Negative feedback, on the other hand, is considered a powerful driver for change. According to Patashnik and Zelizer (2009:33), there are three reasons for weak policy feedback - weak policy design, inadequate or conflicting institutional support, and poor timing.

Weak policy design can be attributed to low per-capita resources, information problems and negative social construction. Conflicting institutional support is associated with absent state functions, multiple conflicting networks and conflicting governance structures. Poor timing can be explained by incompatibility of policy with the governing norms of the day (Patashnik and Zelizer, 2009). The integration of these two types of policy feedback – positive and negative – can help us identify the need for either incremental or drastic policy changes (Saddi *et al.*, 2017). Additionally, “The absence of feedback can be the result of accident or bad luck, but it can also be a product of strategy or design” (Patashnik and Zelizer, 2009).

## **2.5 Conclusion**

This chapter covered the three critical sections – conceptual framework, theoretical framework and literature review. It defined and discussed theories and concepts, which underpin the study. These concepts covered institutions, housing, subsidised low-income housing, housing allocation, eligibility, housing policy and governance.

In each concept a definition that was adopted in this study was covered. The theory presented would enable the research to explore and evaluate the area of housing allocation. The theory discussed is new institutionalism; and is encompassed by three approaches (sociological institutionalism, historical institutionalism and rational choice institutionalism).

The theoretical framework provided an institutional perspective to assist us scrutinise and examine the research problem. Through the historical, rational and sociological approaches the study would explore the issue of housing allocation. The historical institutionalism approach was discussed as it was assumed that it will assist in understanding how the issue of housing allocation emerged, how it was managed and how it has changed over time. Actors involving their intentions and interests in relation and towards local authority housing allocation were discussed. The paper discussed the sociological approach for the sake of exploring how the municipality influences the orientation (preferences and perceptions) of officials, role players in the allocation process and beneficiaries.

The reviewed literature highlighted the history of local authority in housing. This helped understand how local authorities historically administrated and delivered housing to low-income households. It also discussed subsidised housing in South Africa, its characteristics and nature of implementation. This helped to highlight the possible sources of the outcry, misinformation and confusion that is cloaking the allocation process. The historical structure of South African local governments was discussed to help us understand how they structurally operate during the allocation of low-income housing to beneficiaries over time.

The chapter discussed common challenges of the allocation of housing. This helped to identify the nature of problems that arise when allocating housing, their impact and potential influence to the outcry, misinformation and confusion around housing allocation. The next chapter covers the research design and methodology used for the study and outlines the approach and data collection methods used in the collection of the data.



## **CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY**

### **3.1 Introduction**

Chapter two focused on key concepts of the study, the theoretical framework and the review of literature on housing allocation, aimed at drawing the reader's attention to the process of housing allocation. The aim of this chapter is to present the research approach and methodology of the study. The chapter covers and discusses the research design, methodology, limitations of study, validity and reliability as well as data analysis. The chapter explains how data was collected and what approach was used to collect the data for the study. The research was conducted through qualitative interviews with different stakeholders – such as officials, ward committee members and beneficiaries. The chapter is manifold; first, it focuses on the research design, which contains a deliberation of the mixed methods approach. Second, it focuses on data collection methods, sampling techniques and the profile respondents. Third, it discusses the limitations of the study. Lastly, it discusses issues of validity and reliability as well as data analysis.

### **3.2 Qualitative Research Approach**

The research approach guides the collecting and analysis of data collected in such a manner that answers the research questions. The research approach connects the conceptual framework to the research methods and the data collection methods. The researcher used qualitative research approach for the study's data collection. Qualitative research is discovery oriented and its approach is holistic. Qualitative research captures and discovers meaning, with concepts in the form of themes, motifs and generalisations. Qualitative research aims to rather find understanding in exploration of a phenomenon about which little is yet known, as well as gaining more in-depth information about the patterns of meaning related to the chosen situation (Creswell, 2003). Qualitative research is exploratory research used to gain understanding of underlying reasons, opinions, and motivations.

The study's objective is to explore eThekweni municipality's housing allocation process. This helps develop ideas or hypotheses for potential quantitative research. Qualitative research uncovers patterns in opinions and thought, and gives a deeper understanding of the problem. The logic of qualitative research is a "bottom-up" inductive logic, rather than a "top-down" deductive logic. Based on the inductive logic, the procedures of qualitative research aim to generate a theory or summary in terms of a naturalistic observation on the study. In this sense, the inductive logic of qualitative research helps the researcher to understand the targeted individuals, groups, or situations to obtain additional details and knowledge on the research topic (Xiang-Cai, 2015).

The qualitative research approach is linked to the Historical Institutionalism theory used in this study because it uses an inductive methodology that involves the search of patterns, naturalistic observations, interviews and the development of explanations as reflected in 2.3.1.2.4 the difference between the three approaches above. According to Williams (2007), the methods of collecting data for qualitative research are less structured or semi-structured techniques because new theories are built and formulated through the methods. This is reflected in the data collection methods in 3.2 qualitative research approach above. Qualitative research can also be described as an effective model that occurs in a natural setting that enables the researcher to develop a level of detail from being highly involved in the actual experiences (Creswell, 2003).

### **3.3 Case Study Approach**

This study uses the case-study approach due to its in-depth investigative nature to explore and unpack a problem. Data collection is achieved using variety of sources and several methods. The main characteristics of a case study approach are that it is narrowly focused, provides a high level of detail, and is able to combine both objective and subjective data to achieve an in-depth understanding, in this case, the implementation of eThekweni municipality's housing allocation policy in the Conurbia housing project as the study area. Qualitative research can be conducted in several different ways, however, according to Leedy and Ormrod (2001) it is recommend that

these five be the main: case studies, grounded theory, ethnography, content analysis, and phenomenological. According to Creswell (2003), these methods meet different needs. For example, case studies and the grounded theory research explore processes, events and activities. Ethnographic research on the other hand analyses behaviours of individuals and groups in cultural-contexts. Phenomenological is the study of structures of consciousness as experienced from the first-person point of view.

This research, uses the case-study approach, explores eThekweni's housing allocation policy in depth and uses the Cornubia housing project as a case study to gather findings to justify validate and verify the objectives of eThekweni's housing allocation policy. The case study was bounded by time and place. The Cornubia housing project has been running for five years. The data was collected through the triangulation approach making it extensive by drawing from multiple sources such as naturalistic observations, interviews, documentary analysis, life history and visual materials. Triangulation assisted to validate data collected through cross-verification from two or more sources. The researcher also spent time on-site interacting with the people in Cornubia and municipal officials exploring eThekweni municipality is housing allocation policy.

### **3.4 Research Methodology: Data Collection Methods**

Qualitative research uses different data collection methods, which vary using unstructured or semi-structured techniques. Focus groups, interviews and observations are common methods in qualitative research. The size of the sample is usually small and the number of participants are usually selected for a specific quota (Wyse, 2011). Most studies contend that a case study's strength lies in the multiple methods used to collect data. This study used the triangulation approach. According to Bless (2013), the triangulation approach entails research techniques such as in-depth interviews, naturalistic observation and document analysis. However, the purpose is not necessarily to cross-validate data but to capture different dimensions of the same phenomenon.

### 3.4.1 Interviews

The study used semi-structured questionnaire instruments containing both open-ended and closed ended questions. This data collection method is possibly the widely used method in qualitative research. Interviews are used as the core method of collecting data for this research. Interviewing provides the means to explore the meanings and actions of the interviewee(s), and assist in understanding sensitive, thereafter trust is developed – people now disclose more than they would on an anonymous questionnaire (Myeni, 2012). This possibly involves information about the decision-making process about housing allocation, processes that are not for disclosure. It also involves the inclusion and exclusion of certain housing beneficiaries during housing allocation processes and procedures, and the abuse and manipulation of the allocation process in order to benefit from it. Interviewing enabled the researcher to discover information that cannot be directly observed or located or recorded (Myeni, 2012).

Open-ended questions helps the researcher to gain understanding of the interviewee's perceptions regarding the subject of the study (Myeni, 2012). Open-ended questions allow for a greater understanding of complexities by proving a more amplified interview. Bless (2013) opined that for social issues, interviews enables people to confide freely, and diaries, personal documents and observation are useful. This in turn assisted in attaining in depth knowledge of respondent's views and perceptions. There are many advantages and disadvantages in using interviews to collect data. The advantage is that in-depth interviews are flexible, timesaving and informative. When it comes to collecting data, as the interviewer is in control, they are able to steer the interview towards their intended direction. The interviewer was also able to control the interview not to go off topic, direct it back, or zoom closely to a certain point. There is a high response rate (unlike surveys and questionnaires) to questions, and respondents usually enjoy talking about their opinions and ideas. Twenty interviews were conducted encompassing a total of fourteen respondents, five officials and one ward councillor.

### **3.4.2 Naturalistic Observation**

The researcher used naturalistic observation to assess the behavioural aspect of participants in relation to the allocation of subsidized low-income housing. The researcher used this technique of observation due to its unique feature of highlighting the spontaneous behaviour of participants in natural surroundings. Naturalistic observation enables the researcher to record what they see in whatever way they can. In a case study like the Cornubia housing project, naturalistic observation is used to help the researcher to generate new ideas from the patterns of behaviour people respond during allocation. Naturalistic observation gives the researcher the opportunity to study the total situation before suggesting new avenues of enquiry, which were not thought of before.

The researcher acknowledges the lack of scope, which comes with the use of naturalistic observation. However, the main objective of the study pivots on the micro scale and the use of the triangulation approach (using interviews, documentary analysis and life history techniques) increases the accuracy and validity of data collected. Therefore, observations conducted on a micro scale are an advantage for the study, as the implementation of eThekweni Municipality's allocation policy is a replica of all subsidized housing projects.

### **3.4.3 Documentary Analysis**

The study also used documentary analysis, which analysis secondary information. This information is usually obtained from books, news articles and accredited journals, which are examined to form both the literature review and theoretical framework. Numerous document sources contributed towards the research addressing information gaps from the case study. Documents such as files and project reports were analysed to gain better perspective of the study. Some of the documents that were analysed include government sources, which encompassed three types of records, employed, drawn from the three spheres of government.

Documentary analysis was used to analyse public records such as government documents of their ongoing housing activities. These included annual reports, Integrated Development Plans (IDP) and housing allocation policies. Document analysis is a social research method and an important research tool in its own right, and an invaluable part for most methodological triangulation schemes that involve using more than one option to gather data such as interviews, naturalistic observations, questionnaires, and documents (Alkharang, 2014).

The main advantage of using document analysis is that there are few costs involved other than staff time and it overcomes the difficulties of encouraging participation. The only disadvantage is that it is not suitable for evaluating people's opinions, needs or satisfaction with services and some documents may not be available for public consumption due to their sensitivity.

#### **3.4.4 Life History**

The study also used the life history approach where people are asked to document their life over a period. It is a personal account of their life, using their own words and personal time lines. Life history information challenges the researcher to understand individual's attitudes and behaviours, their background information concerning their origin before being allocated or considered for allocation. This technique was used in conjunction with other methods discussed above. There are various advantages of the life history method and these include the revelation of a participant's past, culture and way of life. This gives the researcher a perspective of the participant's life background, as well as the process they engaged in to be a housing project beneficiary.

The life history approach assisted the researcher in putting individual's experience in the broader context of the study. The method demonstrated to the researcher that the eThekweni Municipality's selection criteria is determined by a needs assessment as stipulated on their Allocation Policy. From the background stories people shared regarding their whereabouts before coming to Cornubia, there was a sense of understanding of how eThekweni Municipality uses its Allocation Policy to select people according to their housing need. The life history also demonstrated the

possibilities of tracing and comparing the root problem of maladministration, lack of transparency, beneficiary involvement and communication among different groups of people are high. This is influenced and picked up in the meanings individuals attach to their life experiences. The life history research method was valuable in affirming existing policy information. Within individual's life stories, it was possible to pick up the pattern of approach used by the eThekweni municipality in their allocation of subsidised low-income housing.

### **3.5 Sampling Technique: Non-probability**

The non-probability sampling is the opposite of probability sampling, where one cannot calculate the odds of choosing a population. There are four types of non-probability sampling techniques, these are, convenience (accidental) sampling, snowball sampling, purposive and voluntary sampling (Patel, 2017). This study used purposive sampling, due to its unique sampling technique of selecting participants through judgement of serving purpose in the study, in the case expertise insight, which will yield a positive outcome.

#### **3.5.1 Purposive sampling**

Purposive sampling involved the selection of participants based on their knowledge and occupation within the institution. These key informants were significant to the study as their involvement was crucial in achieving the objectives of the study. Purposive sampling is based on the judgement of the researcher, and it is characterised by the typical attributes of the population. The residents were targeted based on who the researcher's perspective of importance and who could contribute valuable information towards the study's objectives. The sample comprised of five municipal officials, of which all five were from the Human Settlements Allocation unit, two politicians (the ward councillor and committee member) and thirteen housing beneficiaries as illustrated on table 3.1: Profile of Interviewees below.

### 3.5.2 Sample Size

The sample size was characterized of different participants from three sectors, namely officials from the municipality, politicians and beneficiaries. The municipal officials group comprised of a Senior Allocations Officer, an allocation officer, an allocation assistant subordinate and a communication unit official. The Human Settlements Unit is responsible for the allocation of subsidised housing. Their involvement was based on being key informants in the objectives of the research. The municipality's role in the interviews was to provide information to the researcher regarding the housing allocation policy and how it is implemented, and to highlight common challenges they experienced over the years.

**Table 3.1: Profile of Interviewees**

Participants	Department/Profile	Gender		Interviewed Participants
		Male	Female	
Municipal Officials (Senior & Subordinates)	Human Settlements Allocations Unit	2	3	5
Politicians	Ward Councillor & Committee Members	2	-	2
Beneficiaries	Community Member	5	8	13
<b>Total</b>		9	11	20

The involvement of the ward councillor and the ward committee was crucial to the study as they were resourceful with background information of the case study. The incorporation of officials and community members provides the researcher with substantiation evidence information, which may be verified against the housing allocation policy.



### **3.6 Data Analysis**

The study used content analysis to examine data. In Webber (1990), it is found that content analysis utilises a set of procedures and processes to make valid inferences from text. It is a formal methodology that seeks to discover, uncover or answer a question. It seeks to uncover unknown qualities about data collected and trace patterns in the content (Webber, 1990). Drawing from Webber (1990), formal methodology of analysis, which seeks to discover and uncover unknown qualities of the study or answer and trace patterns in the data collected. The researcher familiarised himself with the analysed data before starting the thematic analysis. Data for this study was captured in the form of words, graphs and images taken from documents, naturalistic observations, interview transcriptions and people's life historical stories. Themes were generated from the data collected and the data formed a consistent picture due to the organisation of data. Thus content and themes were derived from the main objectives and questions of the study.

### **3.7 Validity and Reliability**

Reliability and validity in qualitative research are measured in different ways. According to Creswell (2007), in qualitative research validity is when a researcher examines the accuracy of the findings by cross referencing and comparing the data collected from other sources to verify truth and correctness. During data collection the researcher had to ensure the collection of data was in a reliable way using a common instrument which was the interview questionnaire. The data presented by the researcher was valid and the researcher regularly checked that the responses and perceptions of eThekweni municipality officials as well as phase one residents of the Cornubia housing project were transcribed and interpreted accurately.

### **3.7.1 Validity**

According to Brink (1993), it is found that validity refers to the ability of an instrument to measure something it was designed to measure. The researcher used self-evident and pragmatic measures in testing validity of the data collected. Self-evident measures involved face validity (validity of the observer) and this was achieved through asking experts to evaluate the instrument's intent (Nalzar, 2012). Participants partook in the study's interviews willingly, after being approached to participate and were asked a series of questions to ensure legitimacy and confirmation of answers using other research sources. The collected data was consistent over time.

### **3.7.2 Reliability**

The definition of reliability is the consistency and accuracy an instrument measures a variable. Validity on the other hand, is the use of the legitimate and correct instrument when measuring a variable (Brink, 1993). In the process of data collection, the researcher used probing questions to produce truthful responses from residents and community leader. The results of the study were reproduced under a similar methodology with other participants within the phase one project which therefore affirms the research instrument to be reliable. The recorded data was transcribed and field notes were taken to ensure accurate responses were collected.

Overall, in this research, accuracy and validity was ensured through the researcher's comprehension of the meanings, experiences and analysis of respondent's viewpoint. Respondents were also interviewed using a questionnaire for purposes of clarifying contradictions. This also helped the researcher to retrieve in-depth evidence in answering the research questions. Participants took part in the research willingly and were informed of their rights as well as the freedom to withdraw from the study at any stage should they seek to do so. Brink (1993:37) suggests that if the researcher makes clear the nature of the research to respondents, the validity of data collected shall increase. For example, while the researcher is conducting the research in that specific area and the reasons for the study undertaken, how the

researcher collects data and what was be done with the data that will be collected (Brink, 1993:37). Informed consent forms were given to participants prior to conducting the interviews to confirm that the researcher is only conducting the research for the purpose of completing their dissertation at a recognised tertiary institution.

### **3.8 Limitations of the Study**

It is important to highlight that the research had possible limitations. Over the duration of collecting data for the study, the research experienced various problems. The researcher experienced some financial constraints and this affected the data collection duration period due to the limited travelling funds available to visit the study area. The initial intention was to analyse the data using software such as Nvivo, however challenges such as access to the software were not overcome and the data was analysed manually. Whilst this might be considered as a limitation, the manual approach enabled the researcher to become immersed with the collected data.

Another challenge was the audio recording of interviews with officials. Some interviewees were nervous and did not want to jeopardise their positions or risk being captured on audio giving out sensitive information to the public. This was a disadvantage, as it required the interviewer to immediately transcribe the data and fill gaps on the written data to maintain validity. This was time consuming and took longer to complete. In addition, due to purposive sampling being used in the study, the findings on the extent to which eThekweni municipality administers the allocation of low-income housing according to the national housing policy cannot be generalised to other populations. Despite these limitations, the study has discovered valuable findings regarding eThekweni municipality's approach to the allocation of subsidised housing to low-income beneficiaries in Cornubia.

### **3.9 Ethical Considerations**

In the light of the confidential information obtained in this research, it is the responsibility of the researcher to ensure that ethical standards are adhered to. The questionnaires did not inquire about participant's identities during data collection and analysis of data in respect of their confidentiality. Protection measures were applied through making the participants aware verbally of the nature and purpose of the interview and in a cover letter, and the participants were assured confidentiality through their names not being mentioned on the questionnaires.

The answers participants offered were treated with confidentiality and their identities would remain confidential (as shown in instructions section of the questionnaire in Appendix 1 & 2 and the informed consent form giving a background to the interview questions of participants in Appendix 3). The interview questionnaires had to undergo the University of KwaZulu-Natal's Research Ethics Committee. This is where inspection and scrutiny over the study's intentions is considered in terms of its feasibility and ethics before approval for data collection is granted (see letter of clearance and approval from the Committee, in Appendix 4).

### **3.10 Conclusion**

This chapter covered the research design and methodology of the study. The chapter was manifold, first outlining and defining the qualitative research approach that the research used. The chapter also highlighted the case study approach due to its study area and outlined methods used to collect data which included interviews, documentary analysis and life history approach. The chapter encompassed sampling techniques used under non-probability sampling, this involved purposive sampling due to the nature of the study being dependent on Municipal official's expertise regarding Housing allocation. The chapter also covered validity and reliability as well as limitations of the study and lastly ethical considerations undertaken by the research during the data collection. Chapter four draws the reader's attention to the research's case study. It looks into the Cornubia housing project as the study area and eThekweni municipality as the case study.

## **CHAPTER FOUR: HOUSING AND GOVERNANCE IN ETHEKWINI MUNICIPALITY**

### **4.1 Introduction**

Chapter three focused on the research design, data collection methods, sampling techniques, limitations of the study as well as issues of validity and reliability and data analysis. This chapter is the first chapter in this dissertation to provide study findings through the case of Cornubia. The intention of this chapter is to argue how institutions changed over time. The chapter first provides a historical description of the study area (Cornubia), followed by a description of the socio-economic conditions in the area. Secondly, the chapter gives an overview of how local government structures in relation to their housing administrative capacity and governance over time. Thirdly, the chapter provides an explanation of how eThekweni Municipality has been allocating low-income housing during the early days of democracy dating back to its first housing allocations policy. Lastly, this chapter also considers the efforts that were made by government of making the allocation process transparent, equal and fair. The chapter includes maps used to depict the context of the study area; the location, facilities and employment opportunities surrounding the study area. Figure 4.1 illustrates the location and context of the Cornubia housing project within eThekweni municipality.

### **4.2 Cornubia Housing Project as the Area of Study**

The Cornubia housing project is a Greenfield project situated in eThekweni Municipality and it comprises relocated beneficiaries. The housing project is a mega project, and thus implemented through the Integrated Residential Development Programme (IRDP), characterised with phases before its completion. The IRDP was a replacement of the Project Linked Subsidy Programme. The IRDP provides for the planning and development of housing projects that are developed in phases through planning.

eThekweni Municipality is located on the East Coast of KwaZulu-Natal, South Africa. The area of the municipality is 2 555 square kilometres (Naidoo, 2014), and is home to some 3.7 million people in 2016 (eThekweni IDP, 2017). The population is 3 723 435 as of 2017, of which 74 per cent are black African (Naidoo, 2014). The eThekweni Municipality has delivered approximately 180 000 units and currently developing 25 000 units in the Cornubia development.

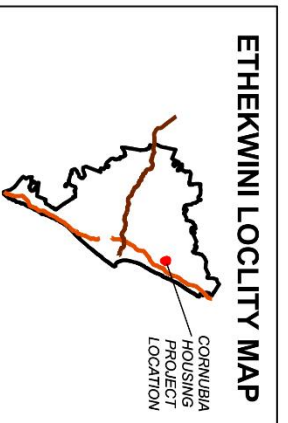
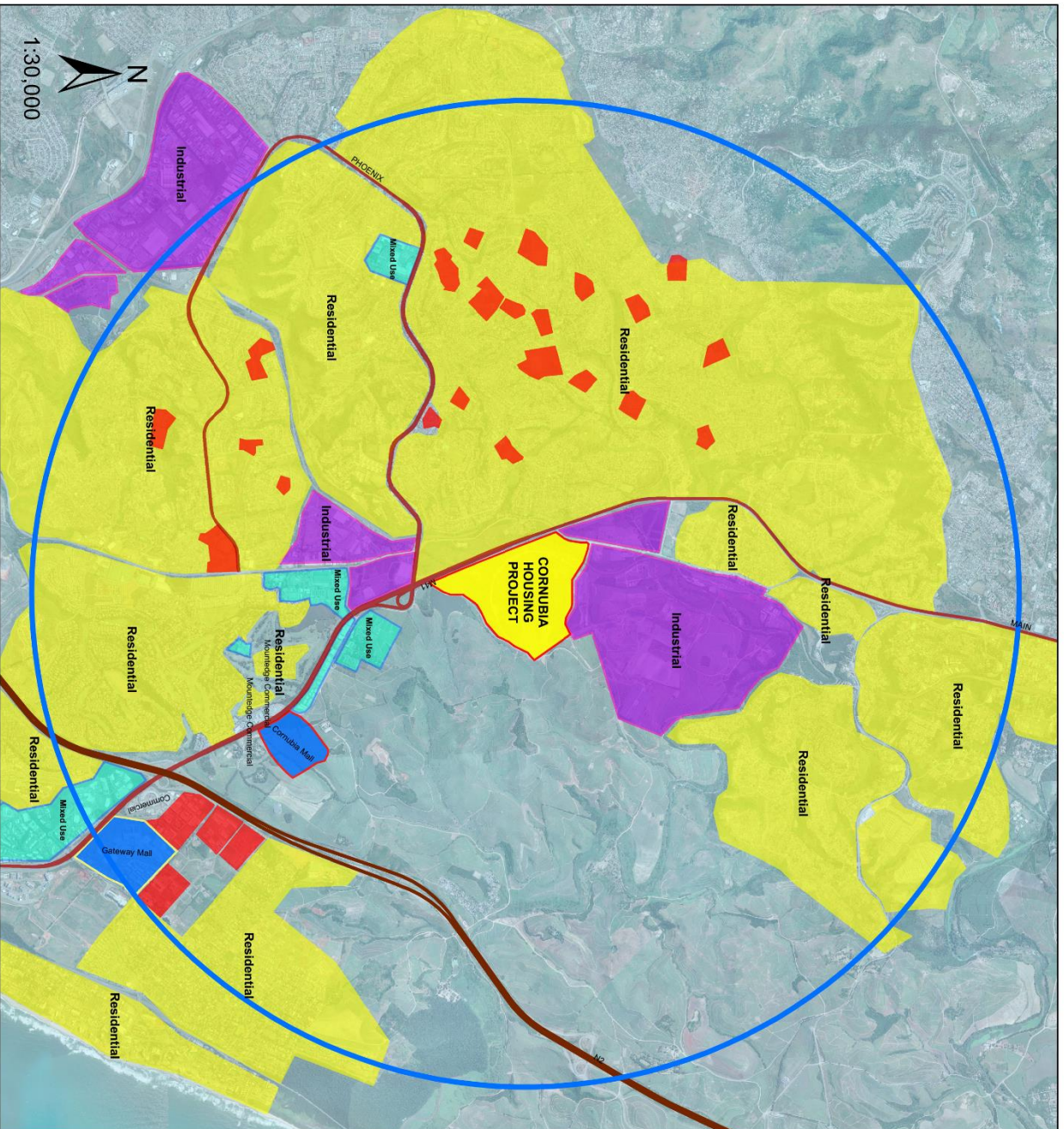
The municipality is currently experiencing a housing backlog of just over 392 000 as of January 2016 with a quarter of its total population (3.8 million) living in informal settlements. These informal settlements are characterised by a range of basic challenges such as lack of access to adequate sanitation, clean and safe energy, and roads (eThekweni IDP, 2017).

#### **4.2.1 Location of the Study Area**

Cornubia forms part of ward 102 within eThekweni Municipality and is approximately 15 kilometres along the N2 to the north of Durban's Central Business District (CBD) as depicted in Figure 4.1. It has to be pointed out that Cornubia is strategically located with the intention to integrate the formally disadvantaged areas of Phoenix, Ottawa and Waterloo and the newly developed areas of Mount Edgecombe and the uMhlanga new town centre which surround the site.

# Employment Opportunities

Figure 4.1: Cornubia Locality Map



**LEDGEND**

- 5 Kilometer Access Distance
- National Road
- M41 Road
- Cornubia Mall (Employment Optt.)
- Gateway Mall (Employment Optt.)
- Cornubia Housing Project (Study Area)
- Social Facilities (Schools & Clinics)
- Adjacent Residential Areas
- Industrial Facilities (Employment Optt.)
- Mixed Use (Employment Optt.)



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YAKWAZULU-NATALI

**Name: Nkanyiso Shange**  
**Student Number: 211503812**  
**Supervisor: Dr S Myeni**

#### **4.2.2 History of the Study Area**

Cornubia is a Greenfield project, where no previous development had taken place before. The area was initially zoned for agriculture as a sugar cane field owned by Tongaat Hullet. The area was once a 'buffer strip' put in place by the apartheid government to separate ethnic groups according to the Group Areas Act No. 41 of 1950, in this case the Indian area of Phoenix and the black areas of Inanda, Ntuzuma, and KwaMashu from the white areas of Umhlanga, Durban North and La-Lucia (Cooke, 2014). The construction of housing units started in the year 2012. Cooke (2014) also alludes to the fact that the site is located in an urban expansion area, which is rapidly developing, and Cornubia is uniquely situated to absorb high-density urban development.

The Cornubia project is pioneered through the partnership of both the public and private sectors. Its main aim is to see through its mission of integrated development as well as transform the area by counter spatially redesigning the area to address issues of urban sprawl in South Africa. This public private partnership is between eThekweni municipality, the developer, and Tongaat Hullet, the owner of the adjacent land. Tongaat Hullet is developing an industrial, commercial property and all non-subsidised and partially subsidised residential developments (Cooke, 2014). The signing of a Memorandum of Understanding by eThekweni Municipality in 2008 with Tongaat Hullet Developments for the Cornubia project is an example of what can be achieved through a public-private sector collaboration that is built on a unique vision that promotes the concept of work, live and play within a single development (Cooke, 2014).

#### **4.2.3 Socio-Economic Conditions of Beneficiaries**

The core objective of the Cornubia development is to ensure the creation of a liveable and sustainable environment through the integration of the economic and social opportunities with the housing that is provided. The project incubates beneficiaries from different areas around eThekweni Municipality. After one year of occupation, a comparative census revealed that the number of young people under



the age of 20 had increased to over 60 percent, indicating that after receiving a house, beneficiaries brought their young from rural areas to access urban opportunities.

According to eThekweni Municipality (2016) policy for allocating housing opportunities to beneficiaries in Greenfield developments, twenty five per cent (25%) of the units are advertised for qualifying beneficiaries in the Metro Gazette and/or by other suitable means. The remaining 75% is prioritised for the relocation of people from informal settlements. However, the Municipality reserves the right to alter the percentage allocated where stipulated by a resolution of the Council (eThekweni Municipality, 2016). Therefore, many of the beneficiaries emanate from transit camps, informal settlements and backyard housing. Some of these people are unemployed. Employment opportunities include the industrial areas adjacent to the housing project the Cornubia Mall and the Gateway Mall as illustrated on figure 4.1: Cornubia Locality map.

The housing project is characterised by the lack of social facilities. There are no amenities around the area or within a 5-minute walkable distance. These new residents have to travel by public transport to the nearest adjacent neighbourhoods which are Stanmore, Woodview and Forsthaven to access schools, clinics, shops, local crèches and churches in order to meet their daily amenity needs.

### **4.3 Transformation of the Institutional Arrangement**

It was the transition process of social and political change that established democracy. The transition from the Apartheid regime to the newly elected ANC government in 1994 was vital for local government to respond and meet the needs of the people, regardless of race and settlement imperative. The ANC-led government initiated systems of local government in order to meet the socio economic need of the people on the ground for the creation of suitable environments in the reconstruction and development of the country.

### **4.3.1 The Interim Phase: New Democratic Local Government (1994/5 – 1999)**

The first phase which was coined the *interim phase* which started the transition began in the first democratic local government election in 1996. This phase was characterised by the appearance of the transitional municipalities (transitional local councils (TLCs) and transitional metropolitan areas (TMS)) who started aligning and adjusting their service delivery boundaries and finances with the constitution. In this era, the 1996 Constitution called for new local governments to ensure the provision of services to communities in a sustainable manner and provide democratic and accountable government for local communities. In 1998, the National Department of Housing (NDoH) announced that capacity capable local authorities could now serve as developers of low-income housing development and this was supposed to be in line with section 10 (2) of the Housing Act of 1997 (Tissington, 2011).

According to O'Malley (2005), it was through the Local Government Transition Act of 1993 (Act 209 of 1993) that the restructuring of South Africa's local governments started. The process involved the establishment of municipalities as we see them today and it entailed discarding racially-based local authorities. The Interim Constitution of South Africa, Act 200 of 1993, introduced the municipal councils, acting as metropolitan councils and urban councils (also known as city councils) and rural areas councils (Havenga, 2006). This Interim Constitution of 1993 stated that all metropolitan areas would have councils overseeing specific duties for the whole area and other councils for substructure metropolitan areas. This is how eThekweni Municipality was formed which is now known as the eThekweni Municipality (O'Malley, 2005).

Upon its formation, the municipality drafted an allocation policy to smoothen housing delivery of subsidised low-income housing. In 1996, the allocation policy was established as the "Housing Allocations Policy for Metropolitan Durban", its purpose was to regulate and ensure smooth delivery of the municipality's housing stock to beneficiaries. The rationality behind eThekweni allocation policy of 1996 came from the need to have a regulatory framework in place to guide housing delivery. The National Housing Act of 1997 mandated every municipality to ensure that citizens have access to adequate housing on a progressive basis.

According to the 1996 eThekweni Housing Allocation Policy, allocation of housing units was placed in the hands of the private sector. The private sector's approach to housing allocation varied between the two development approaches - upgrading of existing settlements and Greenfield developments. Local governments managed allocations lists and gave it to the private sector developer to allocate to beneficiaries. Government housing allocation has come far. Initially the government's approach was to have financial institutions/banks involved by having them provide finance to low-income borrowers to fund and build their own homes. The financial institutions refused to participate for many years due to the fear of political violence, payment boycotts and racial prejudice (Zama, 2005). Thus, one of government's initiatives was to target 50 000 loans in the first year to households that qualified for government subsidy so that low-income earners would be able to purchase a house with a combination of subsidy and loan.

#### **4.3.2 Political and Administrative Decentralisation (2000 – 2017)**

The period between 2000 and 2017 is a phase of democratic development for the country characterised by political and administrative decentralisation. In this period the country's development process was held by capacity building pillar, economic resource distribution, participation, economic growth, empowerment and self-reliance (Binza, 2000). Housing saw the emergence of the GEAR policy, the National Housing Code of 2000 and the Breaking New Grounds Policy of 2004. The challenge of organisational management and technical skills give municipalities an issue when it came to improve and sustain development of housing with the increasing demand.

In time municipalities evolved, they were categorised according to their capacity and area of jurisdiction. The responsibility of housing delivery was decentralised from national government to provincial and local governments. The overall objective of categorising municipalities is to focus on growing local economies and to provide infrastructure, housing and services delivery to those living under their jurisdiction. According to the 1996 Constitution and 1997 White Paper on Local Government, the municipalities were categorised into three categories namely: Category A, B and C. Category A is defined as a municipality that has exclusive municipal executive and

legislative authority in its area, e.g. a metropolitan municipality. These metro areas are given more funding by National government due to the population size of citizens in their area of jurisdiction in need of housing. Category B is described as a municipality that shares municipal executive and legislative authority of its area with a Category C municipality which comprises of local and district municipalities. Category C municipalities' poses municipal executive and legislative authorities within their areas (Binza, 2000). Category A municipalities/Metropolitan municipalities had to devise their own housing allocation policies in line with National Housing Programmes, hence the reason why eThekweni formed its 1996 housing allocation policy in 1996.

eThekweni Municipality was categorised as Category A municipality because it is having an exclusive municipal executive and legislative authority in its area. According to section 156(4) of the Constitution, eThekweni Municipality has the responsibility of a Level 2 accreditation in its administration of the National Housing Programmes. As a result, the municipality is mandated in accordance with its institutional capacity to manage its beneficiaries, subsidy budgeting, allocation of housing and prioritisation of management of programmes and administration (delegated functions). Category A municipalities are also given the responsibility of managing and administering housing programmes from the

National and Provincial government. These housing programmes require evaluation and approval as well as subsidy registration (through the HSS and the NHSDB). They also require to be managed well in terms of cash flow projection management and technical construction, as well as quality assurance (Tissington, 2011).

#### **4.3.3 Decentralisation of Housing Administration and Local Government**

The transformation of local government structures introduced a municipal accreditation system which enabled and prevented municipalities from executing certain housing administration functions from national and provincial housing programmes. This was based on their institutional capacity and ability to meet accreditation requirements. These housing administration functions were based on the delivery of housing which focused in construction and allocation of housing.

The approach was seen as key to decentralising government's functions to local authorities through cooperative governances, which is a unique and ambitious governance model, and like the constitution, embodies the ideals of the new democracy. This collective governance comes from the Constitution under Section 41, which promotes cooperation through mutual trust and good faith within the three spheres of government. This promotes intergovernmental relations, respect for the status of the constitution, powers and functions of government, effective intergovernmental relations and avoidance of taking disputes to court (Tissington, 2011).

Cooperative governance prioritises devoting the decision-making authority and funding capacity to the most local sphere of government. As a result, municipalities had to prove that they have the ability for planning, implementation and project maintenance through their IDPs in order to be accredited or given authority to administer more functions relating to housing administration. Section 1 of the Housing Act mandates the national, provincial and local spheres of government to ensure that housing development and allocation is administered in a transparent, accountable and equitable manner, and upholds the practice of good governance.

It is through Section 10 of the Housing Act 107 that the housing administration responsibility of the national housing programmes is decentralised to local governments. The South African government has made it its mandate to empowering local governments in the development of low-income housing units. Section 156(4) of the Constitution does emphasise the issue of locating the decision-making authority and funding capacity for local development to municipalities (Tissington, 2011).

The process of decentralization entails delegating, and assigning responsibilities of housing functions to municipalities, empowering decision-making authority for the implementation of National Housing Programmes. Municipalities are required to demonstrate capacity and ability for planning, implementation and project and programme maintenance integrated in their IDPs. The purpose of accrediting municipalities was to improve housing delivery processes (Tissington, 2011). This gave municipality's different function and responsibilities in terms of housing development processes in partnership with the national and provincial governments.

The accreditation of municipalities is divided into three levels and it is the municipalities who choose which level they want to achieve which is dependent on their capacity, priorities and housing needs. All levels require the municipality to have the capacity and function required of that level. The accredited level one municipalities are expected to run programme management and administration, beneficiary management and subsidy planning and allocation. Level two accredited municipalities are expected to perform all function of the level one municipalities on top of that administrate housing programmes from national and provincial. These include evaluation of projects, registration of subsidies and approval. And lastly, level three accredited municipalities, which are the highest accredited local authorities, are expected to perform both level one and two functions as well as handle the administration of finances which entails subsidy payments and financial reports.

EThekwini municipality and other several major cities (Johannesburg, Tshwane, Ekurhuleni and Cape Town) were assigned Level 2 accreditation in 2011. This came through the award of certificates from Tokyo Sexwale (Minister of Human Settlements 2009 - 2013), with the belief that such powers will enable municipalities to administrate the national housing programme. With the authority to take such decisions, it was believed that opportunities would apply innovative planning principles which would contribute significantly to the development of integrated sustainable human settlements, as well as lead to accelerated delivery and improved expenditure patterns, thus putting an end to under-expenditure (Vick and Maphumulo, 2011).

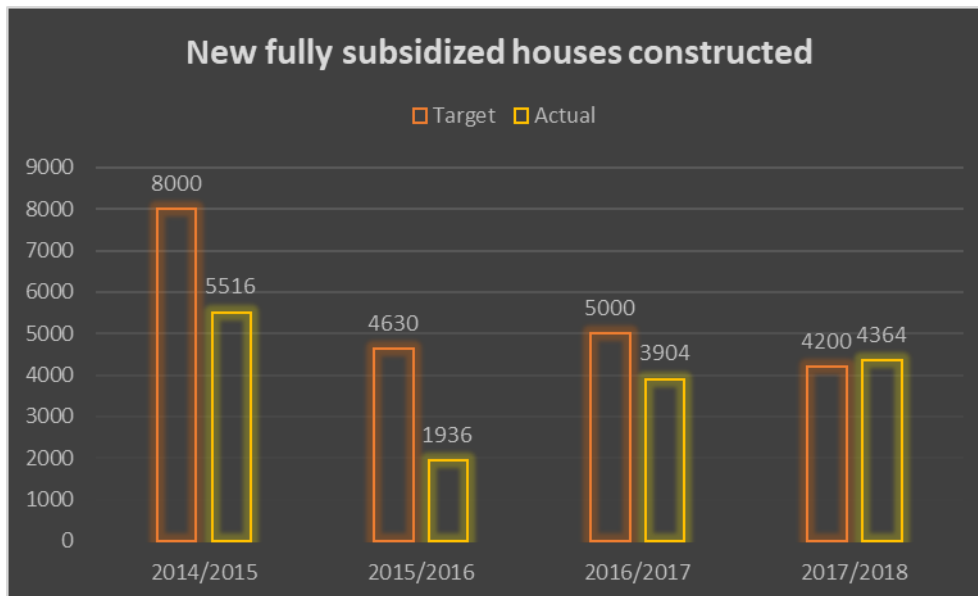
#### **4.4 Housing Allocation Strategies in eThekwini Municipality**

EThekwini has been in the business of allocating housing units for a number of years' even prior to democratic local government. The practice of allocating government subsidised housing is not new, in fact, it dates back to the apartheid regime with the apartheid government assigning subsidised housing on a racial basis. According to Gigaba and Maharaj (1996), the Cato Manor Development Association housing development in Wiggins, is the earliest democratic allocation process under eThekwini Municipality dating back to 1993, which fostered a

democratic allocation process in a time of transition. This marked the use of eThekweni's first housing allocation policy. The newly elected government and municipalities had to define a way forward coming from the regime government's method of allocating housing since it found itself in a democratic era. EThekweni's subsidised housing stock has been allocated to beneficiaries in four different ways over time by actors involved in housing development. The housing development industry is made up of NGO's and private, public, and informal developers. This compelled the municipality to formulate an allocation policy (A Housing Allocation Policy for Metropolitan Durban) that would take into consideration these four different players and devise strategies of intervention policing as to how housing would be distributed to the consumer or beneficiary.

The Housing Allocation Policy for eThekweni Municipality was promulgated by the municipality in 1996. It served as a guide to the municipality for almost 20 years, from 1996 to 2015. Over past 20 years, eThekweni Municipality has built more than 200 000 new houses for some 500 000 poor and unemployed citizens, mostly through the RDP and BNG housing projects. As from 2015 the municipality used its new allocation policy in various subsidised housing projects, including Cornubia, to allocate thousands of subsidised housing units to beneficiaries. Counting from 2011 eThekweni municipality has built over 15 000 subsidised housing units at an estimate of 2 500 units per year with most coming from Cornubia. The below figure 4.2 illustrates eThekweni's last 3-year subsidised housing delivery targets and actual achievements.

**Figure 4.2: eThekwini Housing Delivery 1**



Source: (Municipality, 2018).

There were still loopholes in eThekwini’s housing allocation processes even after the introduction of the new allocation policy. A report by Tissington *et al.* (2013) showed that the housing systems in South Africa are particularly vulnerable to maladministration, corruption and fraud. The report emphasised that the process is mystified with confusion and misinformation towards beneficiaries about the functionality of housing waiting list systems and selection criteria’s processes for housing allocation (Watch, 2013).

In Tissington *et al.* (2013), it was found that many people are losing trust on local authorities due to the frustration and confusion caused by the lack of clarity from local authorities to people regarding the functionality of housing allocation systems. This has led to accusations of the state being corrupt, protests that are violent and housing unit invasions (Tissington *et al.*, 2013).

#### **4.4.1 The Private Sector**

The procedure of housing allocation utilised in the private sector generally varies between upgrading of settlements to construction of green field developments. With upgrading, the allocation process accommodates existing residents, and should



there be additional sites apart from those allocated, then a negotiation process of takes place with existing communities. The developers normally determine the allocation process in cases such as these. This meant the process was dependent on powerful groups who had their own stakes in the process of housing allocation.

For a Greenfields development, the allocation process is generally 'market driven', i.e., given that most private developers cater for middle to higher income households, the allocation criteria is based on affordability and 'first-come-first-served'. In cases where a capital subsidy is utilised lower income families are considered and the process of allocation in this regard is modified to accommodate the low-income families. This intervention was limited on the bases of ensuring that applicants qualify in terms of the subsidy criteria.

#### **4.4.2 The Public Sector**

According to the policy, the public sector introduced waiting lists and this was seen in in the apartheid regime and early years of ANC government through housing policies of the time which promoted waiting lists for rental housing. Although, very little rental housing was constructed, waiting lists expanded until little to none rental housing was being built. The rental housing waiting lists could only cater for a turnover of approximate of 40-50 units per month (Metropolitan, 1996).

Public players were also involved in development of vacant land, so called Greenfields development. The allocation procedure in these instances displayed a variety of different projects and public sector actors. These Greenfield housing developments provided little information on the allocations procedure, and in the early stages of democracy eThekweni Municipality had not plan of execution of how housing development in Greenfields projects was going to take place; there no clarity as to how housing was going to be distributed.

#### **4.4.3 Specialised Development Agencies**

The Cato Manor Development Association (CMDA) is an example of a specialised development agency and utilised a number of routes for allocations. The Agency reached consensus to allocate units on a group basis where interested household would form Housing Clubs thereafter being considered for allocation. The Housing Clubs system was aimed at diverting the responsibility of organising and order to the beneficiaries. This required beneficiaries to administrate and contact other beneficiaries as well as instil responsibility among themselves with regards to the housing allocation processes in their respective housing clubs (Metropolitan, 1996). In cases of *in-situ* upgrading developments, the process of allocation would only cater for qualifying residents and it was not clear as to what option those who did not qualify for a Housing Subsidy should do.

#### **4.4.4 Informal Developers**

The allocation of housing in eThekweni municipality was also done by informal developers, these were bona fide landowners who rented out sites and/or shacks. They would also go to the extent of providing water and electricity which was illegally connected. These informal developers also includes shack/warlord who rent out or sell land that is illegally occupied to people wishing to settle. This process generally involved payment to a self-imposed leader who was able to enforce such payments through strong-arm tactics. In most cases these developers did not have a long-term presence in an area but were able to accumulate substantial amounts of cash during the initial settlement phase of the period.

The allocation procedure in such an informal market does not give security of tenure. Therefore, it is only those prepared to pay who are allocated a site or dwelling. According to the Metropolitan (1996), many scholars do recognize the political influence behind allocation of informal areas. Some studies have suggested the the recognition and encouragement of informal developers, to the extent of being sanctioned by local authorities in exchange of meeting certain regulations and standards in the development of housing (Metropolitan, 1996).

## **4.5 Conclusion**

This chapter covered the issue of housing and governance in eThekweni municipality which unpacks the historical transformation of eThekweni as an institution and how it has changed over time. The chapter highlighted and outlined the diverse socio-economic conditions, history and location description of the study area. The chapter also discussed the institutional arrangement and transformation within local governments and the decentralisation of housing administration functions and responsibilities to local governments. In conclusion, the chapter highlighted housing allocation strategies within eThekweni municipality under the private sector, public sector and informal developers. Chapter five focuses on data collected from the study area. Its focus is on beneficiary's access to housing, subsidy entry requirements and the process beneficiaries need to engage to acquire housing.

## **CHAPTER FIVE: DATA ANALYSIS AND INTERPRETATION OF FINDINGS**

### **5.1 Introduction**

Chapter 4 presented a housing and governance description of the study area, highlighting transformational institutional arrangements of local municipalities and a description of eThekweni Municipality's historical allocation guidelines. The purpose of this chapter is to consolidate the researcher's findings, analyse and interpret data collected from different stakeholders and beneficiaries. Furthermore, this chapter clarifies the research problem, that questions the eThekweni's administration of the Housing Policy in the allocation of subsidised housing to low-income beneficiaries.

This chapter addresses five themes. The first theme addresses the allocation process by focusing on access to subsidized low-income housing, entry requirements and the processes beneficiaries have to engage to acquire housing. The second theme unpacks the principles eThekweni Municipality uses as a guide during the housing allocation process. The third theme presents role players and their responsibilities during the allocation process. The fourth theme is about beneficiary participation and their involvement in the allocation process. The last theme presents data on the possible challenges, which emerge during the allocation process.

### **5.2 The Allocation Process of Subsidised Housing**

The allocation of housing is a procedure undertaken by eThekweni Municipality for the selection of beneficiaries for government housing programmes. It is designed to ensure consistency and alignment with the national and provincial prescripts. The allocation of housing has been dominated by the relocation of people from informal settlements. Priority is given to informal settlement dwellers due to the urgency of meeting their needs. The conditions they face include being located in hazardous, unstable areas near flood plains, servitudes, on the way of services or in environmentally sensitive areas. And informal settlements also have a high risk of

experiencing disastrous events such as fires, flooding, and storms due to their close proximity. This has meant that those people living in backyard informal dwellings and overcrowded conditions not being accommodated (Municipality, 2016).

This posed an unfair distribution of housing opportunities as almost all the Greenfield developments have had to accommodate the relocation of people from informal settlements. The following section highlights how housing is allocated in Greenfield housing projects by ensuring the process is facilitated in a fair, equitable, transparent, and inclusive manner. It further highlights how the allocation process in Greenfield housing projects takes place, emphasising the steps of the process from application to signing the D4 certificate accepting and acknowledging recipient of the house.

### **5.2.1 Housing Registration and Criteria Requirements**

As mentioned in the Literature review the housing allocation process begins at the registration stage. As defined by Haffner and Hoekstra (2006) housing allocation starts with the registration of housing candidates on a waiting list or database. In order to be considered as part of the database, candidates have to meet certain eligibility criteria. The housing registration process allows beneficiaries to access housing opportunities within the municipality. Findings state that the registration process consists of two stages namely the application stage and the criteria qualification stage. An eThekweni municipality officials stated:

For people to qualify for housing assistance they need to meet the following criteria requirements in their application, (i) the applicant must reside in an informal settlement; (ii) the applicant must be from this municipality; (ii) the applicant must be South African citizen; (iii) the applicant must not have received a government subsidy before; (iv) the applicant's combined income must not exceed R3500; (v) they must be married or single with financial dependants and (vi) they must be 18 years of age or above to qualify (Interview, 06 November 2017).

The finding confirms conclusions from other studies. For example, Haffner and Hoekstra (2006) state that, in order for someone to be considered as a housing

candidate they have to meet certain eligibility criteria to be registered. This was supported by sociological institutionalists who argue that institutions impose themselves on individuals and binds individuals to a common goal. In the case of housing allocation beneficiaries need to submit to the authority and follow policy requirements of the municipality in order to be assisted with their housing need. One of the participants at the Cornubia Study area said the municipality considers people based on the number of family dependents they have, if they have children or are taking care of old people (Interview, 06 November 2017).

The Cornubia participant's understanding of the consideration criteria is not far fetch from what eThekweni municipality considers when receiving housing application according to the eligibility policy criteria. In fact, it is one of eThekweni municipality's main criteria during the application process. The 2016 allocation policy of eThekweni Municipality considers single persons who have financial dependents but these dependents may not be a disabled person. The policy excludes those people who are not citizens in South Africa or who are legally incompetent to sign for the subsidy contract and only allows people who are 18 years of age and older, who are either married or divorced or declared competent by the court of law and have sound of mind. This shows that the policy has defined membership to benefit people who fit into the defined categories outlined in the requirements.

The registration process has loopholes of its own and numerous respondents agreed. Two beneficiary respondents interviewed did not believe that this is the only way people get housing in the municipality. They felt as though those with authority, out of self-interest, manipulate the process to issue outcomes that rule in their favour.

In a study conducted at the Winnie Mandela Informal Settlement, Tissington *et al.* (2013) found that a number of respondents questioned the existence of a valid waiting list which the municipality used to allocate people. It was not clear how the municipality allocates housing to people due to the "myth of the waiting list", while another questioned if the waiting list actually existed and if it did, was it a functioning system. Some participants felt that the housing registration process was not administered well. As one respondent pointed out:

There are different entry points into the system or so-called 'queue' for housing and that needs to be acknowledged and unpacked, bearing in mind issues of equity (Interview, 06 November 2017).

The application process is the initial stage of the registration process for the development of housing and allocation within Greenfield projects. It is during this stage that the number of applicants required to secure funding for the development from Province is finalised. The provincial government assesses the number of people before discharging the subsidies. Officials confirmed that the application process is then followed by the capturing process, followed by the eligibility assessment process, then the selection process and lastly the allocation and occupational letter stage. This is how people enter the housing scheme, by being captured into the housing subsidy system/database as someone in need for housing assistance.

An official summarised their views:

Capturing is an administrative process that involves people getting registered on the municipality's Housing Database system or Housing Subsidy System to stand in line in order to become a beneficiary for a housing opportunity once it becomes available. This could be in the form of a housing project, public rental housing or available funding (Interview, 12 April 2017).

The focus group participants felt otherwise, they highlighted the issue of others accessing housing through bribing officials. One of the participants observed:

There are cases where someone who has waited for housing assistance for more than 20 years, and they feel the only way to get assistance is through bribing an official. I think they should take the option as it will help them get assisted quicker (Interview, 06 November 2017).

This was the common response among the individuals within the focus group. However, another participant within the group raised the issue of bribery being an illegal act and posing a problem not only for the person bribing but also for the officials involved and the people selected to be allocated in those houses waiting on the list. The researcher believes the registration process is exposed to maladministration and can easily be manipulated out of self-interest. One respondent made an example of this issue, by stating that issues around allocation arise due to people imposing their self-interests in the allocation process, instead of holding their

responsibility as office bearers, some resort to manipulating the system in favour of friends, comrades and extended family members (Interview, 06 November 2017).

There is a high possibility that allocation committees are corrupt. According to Tissington *et al.* (2013), people within these allocation committee structures are mostly devoted to their own course and this has been picked up in their engagement with people willing to partake in the unethical activities. Tissington *et al.* (2013), attests that accessing subsidized housing has now become a political endeavour that involves negotiating with ward councillors, who often dictate who gets access and who does not.

The residents of the Winnie Mandela Informal Settlement attest to the struggles of receiving housing assistance, due to the ward councillor's involvement and influence in political matters. Several members of the community pointed out the issue of first preference of housing assistance being given to ANC members (*Interview, 06 November 2017*).

This is not how the process should be applied; however, the Rational Institutionalism approach attests to the rational reasoning of actors. This theory shows that actors use institutions to maximise their utility even though faced with rule-based constraints provided by the institutional environment, which influences their behaviour. Therefore, regardless of how many measures are put in place to monitor and regulate the use of institutions in a process, people's rationality and self-interests will always-maximum benefit in any regard.

### **5.2.2 Selection and Contacting of Beneficiaries**

The study found that beneficiaries are selected based on their housing needs and project bases. Beneficiaries are selected through the Housing Subsidy System (HSS). This system captures and validates information of beneficiaries for the approval and verification. The verification process aids in making sure those beneficiaries have not previously benefited from state housing assistance through the housing subsidy system. The system records the information, which is available to any administrator working in the department irrespective of province.



The study found that in the Cornubia Housing Project, (An IRDP development), eThekweni Municipality considered people using its Greenfield allocation procedure (explained in detail in section **5.5 EThekweni Municipality Distribution of Housing Units in Greenfield Projects** below) which prioritizes 75% of constructed units to people living in informal settlements. This is because informal settlements have the most dominant number of people in need of housing assistance. After engaging many respondents and officials, it was still not clear as to how people were selected, but there was a sense that qualifying beneficiaries were considered on a priority bases. A few of the participants highlighted the issue of being considered prior to others who have been living in the informal settlement and others highlighted that they were relocated to a transit camp and then relocated to the Cornubia Housing project before people who had been staying in the transit camp for years.

Therefore, from the data collected there was a sense that people were not being considered on the bases of “first come first served”. Rather they were assisted based on their vulnerability backgrounds and having indigent beneficiaries (disabled persons or with disabled family members) residing with them. Through this consideration after having, the applications were then processed and approved through the Housing Subsidy System after the above considerations. It was only then when the, beneficiaries were contacted.

To contact beneficiaries’ municipalities depended on their waiting lists, which had to be updated on a regular basis.; however, this data was not obtained or maintained by municipalities. One of the officials shared their experience in Cape Town where they found that contacting people who have been selected for a housing allocation was a struggle which was caused by their lack of keeping details on the system up-to-date (*Interview, 12 April 2017*).

The study found that the eThekweni Municipality is of the view that the allocation of housing to a person is a confidential task, and should not be made public. People are therefore contacted privately through phone calls, message or informed by the steering committees in their area. One of the officials from the Allocations Unit pointed out that:

We have people demarcated to answer questions down stairs for people who come to check their application status. It is people’s private information in terms of the PIE Act; we cannot publish someone’s information with their

approval. If you reside in a community where some people are being allocated and some are not you probably get to know, through the project steering committee, ward councillor or the ward committee. But it wouldn't be correct for us to say these people are getting the houses because we do not have the authority to do that (Interview, 12 April 2017).

As a result, this leaves loopholes for maladministration. In some areas, different groups with competing political agendas would draw up numerous waiting lists. Another factor is that there is no clarity as to what happens to rejected applications. Ideally, applicants should be given back their application with feedback and justification for being rejected.

### **5.2.3 Relocation of Beneficiaries**

The study found that after housing applications have been successful and approved, prospective beneficiaries are contacted by the municipality and offered the opportunity of relocating to a housing project if it is a Greenfield project. Most of the respondents at the Cornubia Housing project phase one said there was no need for their participation. All they had to do was wait to be given a house and then to be relocated to that house. One of the respondents pointed out that:

From the informal settlement you are coming from or transit camp, the officials would come inform you that at this particular date we they will come relocate you to the housing project via a phone call usually. On that day, they would give you a form to sign before relocating to the green field housing project. Then on your arrival to the housing project, they allocate you to your new house according to the form you have signed and give you the keys (Interview, 06 November 2017).

Another respondent commented on the process after stating 'we first had multiple visits from eThekweni municipality officials, where they came to the transit camp to inform people that they will be relocated to a housing project.' Upon arrival at the housing project, officials informed us of how to handle the house before giving us the keys and showed us site offices where we are to report structural problems of the house (Interview, 06 November 2018).

#### **5.2.4 Consumer Education**

Consumer education is about educating beneficiaries how to take care of the housing units allocated to them by the municipality. This process takes place soon after people have been selected but before being given the keys for the units. An allocation unit official argued that:

After beneficiaries are selected and informed of their successful application for subsidised housing they are taken through a short induction and education process about what to do and how to manage the housing units before being allocated (Interview, 12 April 2017).

The education process is done by officials' sometimes working hand-in-hand with the ward committee and the ward councillor. Local authorities are expected to educate people about the houses before they occupy them. The official highlighted that beneficiaries are educated before they are moved into their new houses. They are informed that they will have to pay for the water and electricity. The municipality goes as far as educating them of what they are allowed to do and what they are not allowed to do in terms of extensions and selling or renting out their new houses.

#### **5.2.5 Title Deeds**

Findings of the study reveal that after receiving a house beneficiaries are required to sign an occupational letter which serves as completion proof of the house. During the allocation process, a site or unit is allocated to a qualifying household who is currently residing in that particular settlement. The occupant submits all relevant documentation and signs a sales agreement and on the handover of the house, a D4 certificate ('happy letter') acknowledging receipt and acceptance of the house is signed. Section 10A of the Housing Act forbids beneficiaries to sell or rent out their units to other people. According to the Act "an owner of a state-subsidised house or serviced site may not sell or "otherwise alienate" the dwelling/site within a period of eight years from the date that the property was acquired."

In the study it was found that both Phase 1A and 1B are fully subsidised houses referred to as Breaking New Ground (BNG) units. These houses are not for sale. One of the officials alluded that if anyone wished to sell the house they must be reported to the eThekweni Fraud and Corruption Hotline on 0800 202020 (Interview, 14 November 2017).

Furthermore, the study found that it is the provincial housing authority who is deemed titleholder of any state subsidized housing unit vacated by the beneficiary. There is no purchase or remuneration fee payable to the beneficiary, however they are eligible to get assistance through an alternative subsidy option available to the beneficiary. The researcher also found that allocation priorities for the Cornubia Housing Project has been given to informal settlement dwellers, either to those who were relocated for reasons such as hazardous unsafe locations or servitude sites (school construction or roads). It also prioritized people who were living in smaller informal settlements and residence of transit camps as well as the physically disabled, minority groups and military veterans.

### **5.3 Role Players and Responsibilities**

Role players are crucial to the implementation of the housing allocation policy. Their responsibility is ensuring that housing is distributed to beneficiaries according to the distribution criteria of eThekweni Municipality. The primary developer of the Cornubia Housing Project is the eThekweni Municipality. The role of the National government and Provincial government is to monitor and provide funding in the form of subsidies for the construction of houses. The role of Tongaat Hullet, is to develop the adjacent land with industrial and commercial properties.

According to an official at the Human Settlements Allocation Unit, the Department is staffed with a manager, senior allocations officers, allocation officers, and allocation assistants (Interview, 12 April 2017). This confirms the study findings, in that it is the responsibility of the manager to ensure adherence with the provisions of the allocation policy and to allocate all dwelling units to qualifying beneficiaries. The Senior Manager: Administration and Support is responsible for establishing a team or teams (to be known as the Allocations Task Team) to administer this policy. The

allocation officers and allocation assistants provide supervision in the Allocation Sub section by ensuring that the public counter is manned and people are served timeously and courteously. The allocation officers are also responsible for applications and allocation functions by scrutinising and approving applications for re-instatement status changes on the housing subsidy system.

#### **5.4 Participation of Beneficiaries in the Allocation Process**

The third question in this research seeks to examine the extent to which beneficiaries are involved in the allocation process. Cornubia is a Greenfield development and based on the eThekweni Municipality housing allocation policy it was noted that beneficiary involvement is minimal. It is believed that Greenfield developments have largely catered for the relocation of households because of de-densification of informal settlements by relocating them. This has, to an extent, defined the role and limited beneficiary participation during and after housing development.

The housing policy of the South Africa has failed to deliver housing in a participatory process, rather it provides housing through the mass delivery system. The Housing White Paper of 1994 also failed to ensure the 'incremental' or 'progressive' approach to housing delivery. For this policy housing development was developer-driven and that limited the participation of citizens in the development process despite their efforts to enable participation (Sikota, 2015).

One of the participants who was part of a focus group said "his participation in the project was minimal. All that was required of him was to engage and participate in meetings so that he remains aware of what the municipality is doing regarding relocation or other housing updates". Another participant within the group alluded that they did not contribute much effort with regards to receiving the government subsidized house either than just applying for housing assistance along with their supporting documents. All the participant had to do was to sign a document from the transit camp and thereafter relocated to Cornubia Housing Project. Others signed these documents upon arrival to Cornubia and that was it (*Interview, 06 November 2017*).

The involvement of beneficiaries in the allocation process is minimal due to the fact that eThekweni has level 2 accreditation. This links the municipality directly to National Government in terms of receiving budgets, reporting and capturing subsidy applications.

### **5.5 EThekweni Municipality Distribution of Housing Units in Greenfield Projects**

The study found that almost all subsidised low-income housing developed in Greenfield developments have had to accommodate the relocation of people from informal settlements. These people were previously located in hazardous locations such as unstable areas and flood plains; that is dwellings located in the path of services or in environmentally sensitive areas; and in cases where there have been disasters such as fires, flooding, and storms. In this process of prioritising informal settlements the need for housing for informal backyard dwellers and others in need of housing was seen by many as being ignored due to the focus on the large backlog in informal settlements. There has been dissatisfaction in several areas within the city as some people feel that they are being unfairly excluded in the allocation of housing opportunities as informal settlement dwellers are prioritised. This situation has thus led to the perception that in order to qualify for a subsidised house one must invade land to get on the database of settlements that are due for upgrading or resettlement.

This has called for the eThekweni Municipality distribution of housing units in Greenfield housing projects to be divided into two segments. According to eThekweni Municipality (2016) twenty-five per cent (25%) of the units in all Greenfield projects are advertised for qualifying beneficiaries in the Metro Gazette and/or by other suitable means. The remaining 75% is prioritised for the relocations from informal settlements. However, the municipality reserves the right to alter the percentage allocated where stipulated by a resolution of the Council.

Within the reserved 25%, 10% of the units should be reserved for people with disabilities, defined as persons receiving a permanent disability grant. The remaining 15% is set to cater for other households who meet the qualifying criteria on a first

come basis in response to the advertisement in the Metro Gazette and/or by other suitable means.

The aged persons (60 years), disabled persons, or organisations representing them, must respond to the same advert in the Metro Gazette but are given special concessions such as having different time frames and venues to respond. Suitable units for the disabled are held in reserve and disabled applicants can apply for these units. If the units reserved for aged and disabled applicants are not taken up, they will be opened up to other vulnerable groups who meet all the qualifying criteria in 5.2.1 above. One of the officials observed that:

Once the houses are built, the project manager and local officials hand over the house to the approved beneficiary. This process of beneficiary administration involves verification checks of beneficiary data that lead to the affirmation of allocation (Interview, 12 April 2017).

Subsidised low-income housing development in South Africa is characterised by administrative decentralisation. This is witnessed in the transfer of housing allocation responsibilities from the National Housing Needs Register, Provincial Subsidy funds and municipality's planning, administration and allocation of subsidised housing to eligible beneficiaries. However, the municipality has acknowledged that not everyone who applies will receive a housing unit. The municipality has targeted projects that are earmarked for development and targeted informal settlements and transit camps based on the priority of the housing need. One official commented as follows:

Most of the shacks have been visited by our staff, by the Land Monitoring Section. So they first take down the details, so we don't do all the areas within the metro, we have areas targeted for projects. So we go in and inform those people and take their details, we tell them they need to have all their documents, and we will call them either by coming up with a life hanger, or putting up an advert on the metro beat which is available in every library or community centre (Interview, 12 April 2017).

After the municipality has acquired their details, the application forms along with their subsidy application forms that comes with the sales agreement and is submitted to the national government. Thereafter the information is captured on the National Database HSS. Feedback is provided within 24 hours, with a verification of the information the applicant submitted, which outlines if the person qualifies or already

owns a property, or if they are employed or not. Once feedback has been received from the HSS, the set number of dwellings are built, and when complete, they are allocated and handed over to beneficiaries, who must sign for the keys. A D3 form is issued stating a house is built.

The ward committee on the other hand, alluded that when people arrived to the Cornubia housing project, they arrived with trucks loaded with their stuff, when they arrive each new arrival was assisted by the Cornubia ward committee to their designated housing unit. One of the ward committee member further alluded that:

There is nothing formal because when people arrive, they arrive with that excitement to see their new house. As the committee, when people arrive we welcome them and ask them to check faults and other problems within the house, because when a house is new it will always have problems. We also show them the site offices where they are to report their problems within three months (Interview, 06 November 2017).

Irrespective of whether the people come from informal settlements or transit camps or back yard renting, officials inform them typically through a cellphone call the date of their relocation to the housing project. On the day, people are given a form to sign before their relocation to the Greenfield housing project. Thereafter, upon their arrival at the housing project, they are assigned and given the keys to a house according to the form they have signed.

## **5.6 Challenges during the Allocation Process**

There is a backlog of subsidised low-income housing and this is due to the lack of capacity within the government to curb the growing rate of the demand. To solve this problem, it requires all sectors to be involved in order for the delivery of housing to be accelerated. The type of low-income housing produced by the private sector was generally market-driven, it catered for middle to higher income groups, the allocation criteria was based on people's affordability and first-come-first-serve'. It was only through the utilisation of the capital housing subsidy that provision was made available to cater for households with lower income (Tissington *et al.*, 2013).



### **5.6.1 Waiting for Housing Assistance**

There has been some dissatisfaction in some areas within the city as some people feel that they are being unfairly excluded in the allocation of housing opportunities as informal settlement dwellers are prioritised. The study found that people are not considered on the bases of first-come first-serve. The study discovered that the state considers people based on their housing need; on the basis of homelessness, living in unhygienic conditions, hazardous and unstable conditions, the elderly and people who need to be moved on medical or welfare grounds. The above are all characteristic conditions found in informal settlements, justifying why eThekweni prioritises these people as the most in need when allocating housing. As a result, due to the necessity of meeting the needs of households in informal settlements before others, this has meant that the needs of those living in backyard informal dwellings and overcrowded conditions are not being met. This poses an unfair distribution of housing opportunities.

Many officials felt that this situation has led to the assumption that in order to get housing assistance, the only way to qualify for subsidized low-income housing one needs to invade land to get on the database of settlements that will be upgraded or re-located. In the process of catering for informal settlements as a priority the need for housing for informal backyard dwellers and others in need of housing are seen by many being ignored due to the focus on the large backlog in informal settlements.

### **5.6.2 Housing Unit Invasions**

One of the participants felt that the issue of frustration and confusion arises from the lack of feedback from the municipality meanwhile people they know or stay within the community are being assisted and relocated to housing projects. The participant felt that both confusion and frustration are some of the many reason why people resort to housing invasions after houses have been constructed and handed over for allocation, which cause delays (Interview, 06 November 2017).

Newly built subsidized housing units, within a community which has people who are waiting for subsidized housing assistance, are always a disorder trigger when they are earmarked for people outside the community. Such disorder irrupts in the form of accusations of corruption, undermining state, violent protests and illegal occupation of the housing units. One of the committee members also raised the issue of housing invasion, which the municipality had to deal with, based on his observation:

Invasions take place soon after contractors have handed over the houses to the municipality. What I have observed as well is that housing invasions delay the process of allocating people into houses. The municipality can do more to overcome this challenge but I feel they are perpetuating it or using it as a smoke screen to cover up their informal processes (Interview, 06 November 2017).

One of the respondents raised the issue of an illegal housing invasion at the Cornubia housing project in the beginning of 2016 which involved over 200 invaders. This led to the municipality hiring security guards to guard housing units once they were built, just to ensure they are not invaded before the allocation process took place. This was due to the issue of people coming at night claiming to have been sent by officials to get into a particular housing unit, sometimes even in the early hours of the morning. This would cause people to be suspicious of the committee as to how an official would send someone at this time, out of normal working hours, without accompanying them.

### **5.6.3 Lack of Communication and Transparency**

Communication and transparency are key in the development process of housing in order to ensure that people are well informed about the stages and process of the development. The public sector has developed subsidised housing on vacant land for many years and it is now called Greenfield development. One of the participants felt that:

Greenfield developments have never been explicit in elaborating how the allocation procedure takes place, and dating back to the 1996 allocations policy of Durban Metro, there has never been a straight forward process documented on paper for the public (Interview, 06 November 2017).

As highlighted by Sehring (2009), in cases where the process is not well-defined it leaves room for informal implementation of the policy. Without institutions people (officials and beneficiaries) lack governance, they need policing instruments to guide them (Sehring, 2009). The process takes the form of self-enforcement, giving room to unwritten allocation procedures and opaque processes because the rules of implementation are not properly defined. In the focus group discussion, there was a common response towards the municipality not being clear on its selection and allocation process, when asked about how they acquired the housing units the consensus was that they felt:

The municipality does not work on the basis of who came first to the transit camp or who came last. It is not quite clear, when we arrived into the camp we found people there, when we were selected to relocate to Cornubia, some of the people we found there we left them there (Interview, 06 November 2017).

Tissington *et al.* (2013) does highlight the issue of people's lack of understanding about allocation processes caused by inadequate clear communication and transparency from municipalities as to how houses are allocated. The municipality is not clear in terms of its approach to subsidized housing allocation, either houses are allocated based on a waiting list of first come first serve bases.

## **5.7 Institutional Layering and Conversion**

Institutional layering is one of the several types of gradual institutional transformation. Institutional layering stands out as a process that potentially generates substantial change without directly changing and challenging existing institutional arrangements (Mandelkern, 2014). Institutional layering is basically the adding – on top of existing institutional arrangements – of new arrangements which reflect different rules than prevailing ones. This layering represents a process of differential growth, in which pre-change arrangements are either completely frozen or otherwise simply develop slower than new ones (Mandelkern, 2014).

The study found that from the 1996 housing allocation policy to the now updated (2016) housing allocation policy there has been a process of institutional layering

with new additional housing programmes being added to existing policy and the old redefined or adjusted. Political junctures serve as a major turning point for housing development in South Africa. Institutional layering is realised most in these critical political junctures, which pave a new direction of the country.

The study found that the 1996 Durban Metro housing allocation policy was not linked to the 1996 Constitution of South Africa or with other legislation directing the issue of housing. The 2016 housing allocation policy, however, appears to be linked, according to one of the officials:

In terms of the Housing Act, 107 of 1997 the Provincial Departments are to provide low-income housing opportunities to assist municipalities in human settlements and further their capacity. Municipalities have the power to administer matters such as housing and all others relating to allocating these housing opportunities to the qualifying beneficiaries (Interview, 12 April 2017).

Therefore, municipalities are required to develop policies in response to their specific contexts, which illustrate how the housing opportunities will be distributed among the qualifying beneficiaries for various housing instruments within their jurisdiction. In terms of the actors involved, it seems in both allocation policies (1996 and 2016) actors have not changed. This means an institutional conversion from the old allocation policy to the new allocation policy did not take place. Minor adjustments were done, but as a result role player in the allocation process did not change.

The study found that the municipality does not evaluate how it delivers housing to people however, should the municipality decide to engage the evaluation process, what the municipality should do is to systematically determine the merit of the allocation process, and if the process is in line with the policy objectives rather than serving an individual's interests. Evaluating the allocation process serves the purpose of determining if it is worth doing and determines its significance in the delivery of housing. When evaluating, the municipality would be able assess, review, judge, gauge, rate and estimate if they were able to meet the criteria of the National Housing Allocation Policy. Another participant maintained that they should first develop the area before allocating people, by first building roads, schools, clinics, the basic amenities that will be needed by the community before allocating them. I would also try to allocate houses as soon as the contractor hands over the housing units after completing construction (Interview, 06 November 2017).

The allocation process can be improved. As one official felt, it would be valuable to investigate if people's lives have improved after being given a house. It is presumed that once a person gets the house their life will improve and the municipality has done something good for that person. The ward councillor on the other hand observed that:

“What I've noted when it comes to allocation is the fact that the process is too slow, when the contractors have handed over the houses to the municipality it takes time for the municipality to allocate people and this leads to invasions. I think the process would be much better if the municipality allocates as soon as the contractor hands over the housing units after completing construction” (Interview, 06 November 2017).

An official said it is not the municipality's core business to check if people's lives have improved, and academic institutions are expected to step in to take on the role of evaluating such progress. The city builds house on behalf of the provincial and national governments, but it is difficult, it is expensive, and it is time consuming.

## **5.8 Conclusion**

This chapter has presented data collected from beneficiaries of the Cornubia Housing Project and officials from the eThekweni Municipality. The data was collected from ward committee members and eThekweni municipality officials. The chapter highlighted responses from beneficiaries. The chapter has shown that the entry into the housing scheme requires people to first meet the statutory requirements.

The chapter revealed that the beneficiaries' involvement in the allocation process is minimal. Beneficiaries do not have any role other than co-operating with the local authority when required. They are mainly involved in the initial stage of housing administration and at the end of the administration process. The municipality captures their details into the housing subsidy system and provides an overview on how to handle and manage the housing units.

The chapter also revealed the importance of beneficiary involvement in the allocation process. Lastly, the chapter explored the common challenges in the allocation

process. Which included: the duration of the waiting process, lack of communication and transparency and housing invasions. As a strategy of moving forward the municipality managed and controlled the problems by allocating people soon after the contractors handed over the units. Chapter Six provides a conclusion summary and recommendations based on the findings of the study and proposes suggestions which may improve and enhance the way low-income housing allocation is approached.

## CHAPTER SIX: CONCLUSION AND RECOMMENDATIONS

### 6.1 Introduction

This study has investigated the extent to which eThekweni Municipality implements the National Housing Allocation Policy in its allocation of subsidised housing to low-income beneficiaries. The main aim of the study was to assess how eThekweni Municipality has approached housing allocation and if there is a fair, transparent, equitable and inclusive in the selection of beneficiaries. The study also focused on providing best practices of low-income housing allocation, allocation policy procedures and other methods used by municipalities to allocate housing.

The previous chapter presented and interpreted findings of the study. The chapter explained the allocation process, the duties of role players and their responsibilities and clarified the nature of beneficiary participation in the allocation process.

Chapter 6 gives a summary overview of the research findings, a synthesis of the study and recommendations which may improve local government's approach to low-income housing allocation. The chapter provides a summary of the purpose, methodology, and results of this study. In addition, three sets of recommendations are presented below. The first set is directed towards the municipality, described in this study as an institution. The second set of recommendations focus on beneficiaries and applicants and a final set of recommendations is presented for politicians.

### 6.2 Summary of Research Findings

eThekweni Municipality housing allocation process remains, for many, an ambiguous and misperceived landscape as many are still waiting to be allocated houses. Tissington *et al* (2013) confirmed that this terrain is dominated by misinformation and confusion, which has contributed to protests, corruption, housing invasion and maladministration. The study has highlighted lack of communication and transparency as one of the major problems underpinning the eThekweni Municipality

housing allocation process. By using concepts such as institutions, housing and governance, this study has contributed to the body of knowledge and, more specifically, the literature on governance, management and administration of housing.

The conceptual framework was informed by concepts such as institutions, housing allocation, eligibility, housing policy and governance. These concepts guided the objectives and research questions of the study. The key question the study has addressed is the extent to which eThekweni Municipality implements the national housing allocation policy. The answer is difficult and complex as it is based on an allocation policy which has been changing over time but not making much of a difference in terms of implementation as these were institutional layering changes rather than conversion changes. The study consisted of three parts – the historical background, eThekweni municipality's allocation procedures and the field study.

### **6.3 Synthesis – Historical Background**

This study has shown that the allocation of subsidized low-income housing is a process that is highly regularized through policy but the implementation of the process is not a true reflection of the policy guidelines. Chapter One introduced the problem within the implementation and administration of the National Housing Allocation Policy and the motive of the research. The problem was found to be a manifestation of ineffective bureaucratic and hierarchal systems within local government and the absence of public scrutiny. As a result, this raised poor performance to the extent of maladministration in the process of housing allocation. The study was guided by the objectives, research questions and subsidiary questions presented above.

Chapter Two presented the theoretical framework and literature review on housing allocation. The theoretical framework introduced and defined key concepts. It defined the lenses through which the study needs to be perceived as well as giving a theoretical perspective of where and how institutional issues emerge. Literature on new institutionalism confirmed that institutions emerge because of the need for governance. The beneficiary interviews contributed knowledge and understanding of



how institutions (formal or informal) restrict and control behaviours of people through policing individuals to abide to the rules and regulations of housing allocation. This is achieved through governance and eligibility principles that elect and eliminate individuals who are deemed satisfactory and unsatisfactory to be assisted with subsidized low-income housing.

Chapter Three demonstrated that the use of data collection methods such as interviews, focus groups, documentary analysis and the life history approach are crucial tools for qualitative data as the information contributes to the rigour, reliability and validity of the study. The chapter also sampled the research population using purposive sampling techniques. Purposive sampling was used to select participants based on their knowledge and expertise. This allowed the researcher to extract relevant information from participants and contributed to the researcher's knowledge of subsidized low-income housing allocation into depth.

Chapters Four presented the empirical information of the study with particular attention on eThekweni municipal allocation of subsidised low-income housing. Chapter four highlighted Cornubia Housing Project as the study area, the transformation of eThekweni municipality's housing policy over the years and challenges that emerged due to the policies of apartheid which spatially fragmented the municipality.

Chapter five presented collected data and an interpretation of the findings. It included results of the empirical study and discussions of the data collected during the interviews. The chapter also presented data collected from the Cornubia Housing Project beneficiaries, ward committee members and eThekweni municipality officials. The chapter highlighted responses from beneficiaries on questions responding to the study objectives. The chapter has shown that the administration of housing allocation is a mandate placed upon eThekweni municipality through the Housing Act of 1998, Housing Policy and National Housing Allocation Policy. Chapter Five revealed that the investigation of administrating housing allocation entails capturing of beneficiary information, selection of qualifying eligible beneficiaries and lastly, the allocation, occupation and title deeds registration. These findings suggest that the administration of housing allocation is a process that eThekweni municipality as an

institution controls and as a result the outcome of the process is highly influenced and dependent on the institution.

## **6.4 Conclusions**

EThekweni Municipality's administration of housing allocation was found to have several issues in its implementation and administration of housing allocation. These issues included the lack of communication, information and transparency towards intended beneficiaries which result in confusion, misinformation and an outcry due to the way housing administrators implement subsidised housing and manage beneficiaries and their failure to evaluate the allocation process.

### **6.4.1 Irregularities**

Eight beneficiary respondents stated that the administrative support service of housing administrators could be improved. Their view point was that housing administrators provide administrative support both to the municipality and the community, and with the lack of monitoring, transparency reporting and accountability to senior officials there is room for irregularities which could take place and this undermines the mandate of the municipality. Some officials generally agreed that their attitude was generally reasonable. More than half of those interviewed felt that there are high chances of irregularities occurring in the allocation processes due to the way eThekweni municipality handles housing allocation.

These irregularities were found to originate during the allocation process; issues such as maladministration, fraud and corruption. One of the officials felt that on occasions administrators and officials are inconsistent in their implementation and administration of the allocation process. Although the process is defined on policy, in some way administrators and officials are able to bypass certain procedures as no one is monitoring them and holding them accountable, especially if the manager is involved in the irregularities. These findings enhance our understanding of subsidised low-income housing allocation; the allocation of housing involves more

than just the allocation of housing, it encompasses the administration of beneficiaries and implementation of policy. The administrators become “the face” of the municipality – their lives must be in harmony with the values and mandate of the municipality. For instance, if an error is being committed by an administrator the complaint is laid against the whole municipality.

#### **6.4.2 Capacity Building**

Five of the beneficiary participants felt that many officials needed to be better developed in terms of their customer service, character and sense of ownership regarding their portfolios. The overall consensus was that the officials lack patience and kindness and are envious, boastful and proud towards each other. This dishonours others as it portrays values of self-seeking which compromises the mandate of the municipality; they become officials who do not protect, trust or preserve the mandate of the government.

The development of administrators within the municipality is key for municipal systems development. The effectiveness of portfolios is directly determined by the quality of individuals making up the portfolio teams. Part of portfolio management must be the ongoing evaluation and reflection of inner character development taking place in the persons making up portfolio teams.

#### **6.4.3 Evaluating the Housing Allocation Process**

All thirteen beneficiary respondents agreed for the municipality to have an evaluation system in place. Official A from the human settlements unit stated that *“the municipality needs to monitor and evaluate the housing allocation process by looking into the impact houses have on the people’s lives. If the municipality does not evaluate how people’s lives have really improved since the houses were allocated, they will never know if their process is effective (Interview, 06 November 2017).”*

Once the house is provided it is presumed that the municipality has done something good for the beneficiary and no further action is required. They also highlighted the issue of evaluating the allocation process itself as they saw room for improvement over time.

## **6.5 Recommendations**

Given that eThekweni municipality has level two accreditation, one of the major requirements from the National Housing Database (NHSDB) is for the municipality to establish its own governance policies for the administration of housing allocation that allows for necessary checking and approval. The data collected indicated that eThekweni Municipality uses the housing subsidy system to administer the approval of subsidies for qualifying beneficiaries based on its Housing Allocation Policy prescripts.

It is vital to highlight that systems cannot function beyond the quality of the human agency, it does not matter how good those systems may sound or look on paper, beyond the human agency it is not possible. Therefore, the character quality of the human agency is crucial in delivery and implementation of the mandate and objectives of the institution. Government does not have the knowledge to fix its own issues, every time government tries to improve its institutional systems there is no conversion but just a layering of old methods leaving unsolved problems hence a failing to address its issues.

The finding of the study has shown that even with the newly developed municipal policies in place, the historical issues do not go away because the main issues are not being addressed, and that is the human agency. Irrespective of the methods used to allocate housing the municipality will still encounter issues because there is no conversion of the whole process, only institutional laying, and the issue of human agency is not being addressed.

### **6.5.1 Administration**

To address the issue of irregularities within municipalities, the municipal executive members should ensure thorough training and awareness programmes where people are taught and made aware of the municipal values and mandate to ensure the objectives and values of the state are upheld in the different department and portfolios. This enables each person to responsibly police themselves in upholding the values of the institution. State and municipal leaders should take it upon themselves to ensure that the officials and administrator's characters are developed to provide good quality service to the communities.

Those appointed into service portfolios must lookout for potential dangers. They must lookout against being territorial in facilitating their duties. They should not get lost in their own abilities and become corrupt or misinterpret their role in the community. Their attitude of service towards their portfolio and people can only be improved through character-building, and through this they will perform and excel and be worthy of people's respect. They should not pursue dishonest gain, have a clear conscience, and be of sound character, self-controlled and trustworthy in everything.

### **6.5.2 Training of Administrators**

The issue of institutions being functional in serving the public is dependent on administrators who are dedicated and competent. They must be well-respected, wise and people of integrity. They must be trustworthy, committed to serve people and have a clear conscience. Before they are considered as potential administrators, people who provide aid to communities must be closely screened and tested.

Systems cannot function beyond the quality of the human agency. It does not matter how good those systems are on paper. The quality of the human agency in delivering the deliverables is crucial and the main key in ensuring the mandate and objectives of the institution are upheld. Their character development is key for the municipality's service provision and systems development - the quality of their character, personality and sense of ownership of their portfolios.

### **6.5.3 Accountability and Transparency**

To address the issue of monitoring and evaluating the housing allocation process the municipal staff (officials and administrators) need to uphold attitudes of mutual identification and accountability regarding their portfolios and the allocation process. They must be conscious of principles of inclusivity, equity and collective shareholding. The state needs to hold municipalities accountable by encouraging public platforms that will allow municipalities to account for their actions. The state also needs to ensure that a municipality's services are focused on empowering, developing, integrative, accountable and providing excellence towards communities.

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# Appendix 1

## INTERVIEW SCHEDULE FOR MUNICIPAL OFFICIALS

Interview Number : .....

**Exploring the Housing Allocation Policy of low-income beneficiaries in South African Cities: A Case Study of eThekweni Municipality, KwaZulu-Natal, South Africa.**

Name of Interviewee (Optional) : .....

### Demographic information of respondent

#### Gender *(Tick relevant box)*

Female	0	
Male	1	

#### Age *(At last birthday)*

18 and below	1	
19 – 25	2	
26 – 30	3	
31 – 35	4	
36 and above	5	

#### Marital Status *(Tick relevant box)*

Single	1	
Married	2	
Divorced	3	
Widow(er)	4	
Other (specify)	5	

**Who do you stay with? (Tick relevant box)**

Children	1	
Elderly relative(s)	2	
Other dependents	3	
Specify.....		

**Race (Tick relevant box)**

Indian	1	
White	2	
Coloured	3	
African	4	
Other (specify)	5	

**A. BACKGROUND OF THE HOUSING ALLOCATION POLICY**

1. How do you get to the stage of allocating a house? Official 1: Via the IDP, Chapter 5, the Municipality espies to achieve
2. Does eThekweni have a by-law on housing allocation?
3. When was the existing housing allocation policy formulated?
4. What was the purpose of formulating a housing allocation policy?
5. Who was involved in the crafting of the housing allocation policy?
6. What is the responsibility of the municipality in the process of housing allocation?

**B. ROLE PLAYERS IN THE ALLOCATION POLICY**

1. Who are the role players in the housing allocation process?
2. Who identifies housing beneficiaries and which criteria is used to identify beneficiaries?
3. When are beneficiaries identified (before the design or soon after the approval of budget but before the housing construction phase takes place)?
4. Who administers the housing allocation policy?
5. How long do you take to notify beneficiaries?



6. Who do you answer to? Who answers to you?
7. Does the municipality recognize your performance level?
8. What steps are taken by your senior leader if the allocation is executed incorrectly?
9. What steps do you take upon your subordinates due to a wrong outcome of the allocation?
10. Does the unit have people who assess accountability?

### **C. BENEFICIARY PARTICIPATION IN THE HOUSING ALLOCATION PROCESS**

1. How do you involve beneficiaries? Divide them in Groups/Categories/according to priority?
2. Who is eligible for a house in this municipality?
3. How do you communicate with beneficiaries?
4. What information is communicated to beneficiaries?
5. At what stage of the housing development are beneficiaries involved?
6. What is the role and involvement of beneficiaries in the housing development?
7. How is transparency ensured during housing development processes?
8. What do you think about beneficiary participation in the allocation process?

### **D. CHALLENGES IN THE HOUSING ALLOCATION PROCESS**

1. What challenges are experienced during allocation?
2. What are the common challenges you face during the implementation of the policy?
3. How many housing projects has the policy successfully allocated?
4. What information is communicated to beneficiaries before and after allocation?
5. How challenging is the process of identify suitable beneficiaries for low-income housing?
6. What are the biggest problems in community structures when it comes to housing allocation?
7. What kind of external and internal influence do you experience in the execution of your duties?

### **E. IMPROVING THE PROCESS**

1. How do you think the housing allocation policy can be made better?
2. What would be the preferred changes to improve the housing allocation policy?

## **F. GENERAL COMMENTS**

Do you have anything else you would like to share or add?

## Appendix 2

### INTERVIEW SCHEDULE FOR LOW-INCOME BENEFICIARIES

Questionnaire Number : .....

**Exploring the Housing Allocation Policy of low-income beneficiaries in South African Cities: A Case Study of eThekweni Municipality, KwaZulu-Natal, South Africa.**

Name of Beneficiary (Optional) : .....

#### Demographic information of respondent

##### Gender *(Tick relevant box)*

Female	0	
Male	1	

##### Age *(At last birthday)*

18 and below	1	
19 – 25	2	
26 – 30	3	
31 – 35	4	
36 and above	5	

##### Marital Status *(Tick relevant box)*

Single	1	
Married	2	
Divorced	3	
Widow(er)	4	
Other (specify)	5	

**Who do you stay with? (Tick relevant box)**

Children	1	
Elderly relative(s)	2	
Other dependents Specify.....	3	

**Race (Tick relevant box)**

Indian	1	
White	2	
Coloured	3	
African	4	
Other (specify)	5	

**Position**

**A. ENTRY IN HOUSING SCHEME**

1. What can you tell me about the process people go through before becoming housing beneficiaries?
2. What are some of the reasons that motivate them to apply for housing so as to become a beneficiary?
3. How much do you know about the allocation process and how did you get to know this?
4. How long do beneficiaries have to wait before being allocated to a house?
5. If you have an idea, what is your view regarding the way eThekweni selects and allocates housing?

**Beneficiary participation in the allocation process**

1. What do you think about the way the municipality is allocating housing?
2. At what stage of the housing development were are beneficiaries involved and what is their role?
3. What information is communicated to beneficiaries and who communicates?
4. What is your involvement (As the Abahlali Organization) in the allocation process?

5. What initiative do beneficiaries take in order to be allocated to a housing unit?

## **B. ALLOCATION POLICY AND PRACTICE**

1. Have you ever followed up with the municipality regarding your application?
2. What support do you get and from who?
3. What is your relationship with that person(s)?

## **C. CHALLENGES IN HOUSING ALLOCATION**

1. What challenges do beneficiaries experience during the allocation process?
2. How are these challenges solved?
3. Who solved these challenges?

## **D. IMPROVING THE PROCESS**

1. What is the nature of housing allocation in eThekweni?
2. How do you think housing should be allocated?
3. How do you think the current process can be improved?
4. How would you involve communities in the housing allocation process?
5. Do you have anything else you would like to add?

## Appendix 3

### INFORMED CONSENT FORM

June 2016

Greetings

My name is Nkanyiso Thobani Shangen (211503812) a Master of Housing student from the University of Kwa Zulu Natal doing a research in housing allocation entitled: "Exploring the Housing Allocation Policy of low income beneficiaries in South African Cities: A Case Study of eThekweni Municipality, KwaZulu-Natal, South Africa". The research is supervised by Dr. S Myeni from the School of Built Environment and Development Studies.

You are being invited to consider participating in a study that involves research of answering an interview. The aim and purpose of this research is to understand the policy process of allocating low-income housing and devise recommendations to better the process. The study is expected to interview officials of the eThekweni Municipality Human Settlement Unit, it will also consult beneficiaries who have been allocated a low-income housing unit. Projects with suitable beneficiaries will be identified by the eThekweni Municipality Human Settlement Unit and the researcher will engage participants with questionnaires.

The duration of your participation if you choose to enroll and remain in the study is expected to be 30 minutes to an hour. The study will not involve any risks or discomforts towards the participant and the study will not provide any direct benefits to the participants.

This study has been ethically reviewed and approved by the UKZN Humanities and Social Sciences Research Ethics Committee (approval number.....).

In the event of any problems or concerns/questions you may contact the researcher at : [211503812@stu.ukzn.ac.za](mailto:211503812@stu.ukzn.ac.za) or the UKZN Humanities and Social Sciences Research Ethics Committee, contact details as follows:

HUMANITIES AND SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION

Research Office, Westville Campus

Govan Mbeki Building

Private Bag X 54001

Durban

4000

Kwa Zulu Natal, South Africa.

Tell: 27 31 2604557-Fax: 27 31 2604609

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

Participation in this research is voluntary and as a participant you may withdraw at any point. In the event of refusal/ withdrawal of participation, you will not incur penalty or loss of treatment or other benefit to which they are normally entitled. As a participant, your name will not be used in the study. The data collected will be stored by the researcher for confidentiality and discarded when the research is complete and the participant will receive the complete study if requested.

## CONSENT

I ..... have been informed about the study entitled “Exploring the Housing Allocation Policy of low-income beneficiaries in South African Cities: A Case Study of eThekweni Municipality, KwaZulu-Natal, South Africa” by Nkanyiso Thobani Shange.

I understand the purpose and procedures of the study.

I have been given an opportunity to ask 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 [211503812@stu.ukzn.ac.za](mailto:211503812@stu.ukzn.ac.za) or 084 6767 350 or 031-260 2892.

If I have any questions or concerns about my rights as a study participant or if I am concerned about an aspect of the study or the researcher then I may contact:

HUMANITIES AND SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION

Research Office, Westville Campus

Govan Mbeki Building

Private Bag X 54001

Durban

4000

Kwa Zulu Natal, South Africa.

Tell: 27 31 2604557-Fax: 27 31 2604609

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



I hereby provide consent to:

Audio- record my interview/ focus group discussion YES/NO

Video- record my interview/ focus group discussion YES/NO

Use of my photographs for research purpose YES/NO

.....  
Signature of Participant Date

.....  
Signature of witness Date

# Appendix 4

## ETHICAL CLEARANCE LETTER

24 August 2016

Mr Nkanyiso T Shange 211503812  
School of Built Environment & Development Studies  
Howard College Campus

Dear Mr Shange

Protocol reference number: HSS/1000/016M

Project title: Exploring the Housing Allocation Policy of low income beneficiaries in South African Cities: A Case Study of eThekweni Municipality, KwaZulu-Natal, South Africa.

### Expedited Approval

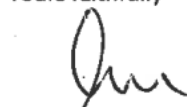
In response to your application dated 05 July 2016, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol have been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number. Please note: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully



.....  
Dr Shenuka Singh (Chair)

/px

cc Supervisor: Dr Sithembiso Myeni  
cc Academic Leader Research: Prof Oliver Mtapuri  
cc School Administrator: Ms Nolundi Mzolo

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Humanities & Social Sciences Research Ethics Committee

Dr Shenuka Singh (Chair)

Westville Campus, Govan Mbeki Building

Postal Address: Private Bag X54001, Durban 4000

Telephone: +27 (0) 31 260 3587/8350/4557 Facsimile: +27 (0) 31 260 4609 Email: [ximbap@ukzn.ac.za](mailto:ximbap@ukzn.ac.za) / [snymanm@ukzn.ac.za](mailto:snymanm@ukzn.ac.za) / [mohunp@ukzn.ac.za](mailto:mohunp@ukzn.ac.za)

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