

**Security of Tenure as a means towards achieving improvements in
Housing in Self -Help Housing Projects. A case study of Nazareth
and Bester's Camp.**

By

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Dedication

This dissertation is dedicated to my very special father (Bongani Joel Mbonane) and my mother (Bajabulile Evelyn Mbonane) for their support throughout my academic endeavours. Many thanks to you both! I would not have made it without you.

Abstract

The research investigates housing improvements in low income settlements in South Africa. Using a comparative study of Bester's Camp and Nazareth, the investigation interrogates the impact of the subsidy scheme provided by the government. This logically encompasses a close scrutiny of such issues as: the land tenure system and its effects on the housing for low income groups, the obstacles that poor households have regarding housing improvements and accessing credit facilities.

Burgess' arguments on the income's influence on housing improvements and Turner's idea of security of tenure as a factor laying foundation for housing improvements to take place, respectively, are juxtaposed in order to analyse trends of investments in housing in South Africa.

The dissertation endeavours to contribute to the current housing debates by offering recommendations that can go a long way to alleviate the problems raised in the study.

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1.1 Problem Statement

Housing shortage has always been a problem in many Third World countries. The shortage of housing is attributed to different factors, such as the increase in the urban population growth and a high percentage of rural to urban migration. The government housing programmes and services available in cities fail to provide affordable housing for the urban population (Maasdorp, 1977, Pama et al, 1977). On the other hand, housing shortage in urban areas is attributed to the unequal distribution of land and incomes (Burgess, 1985). Unavailability of urban housing, and the inability of local authorities to make provision of affordable housing in urban areas has led to extensive development of informal settlements, sometimes called squatter camps. Informal settlements generally begin with an invasion of unused land by poor or landless people. In many instances, the invaded land is conveniently located in close proximity to work places.

In most countries, the initial response to informal settlements by governments has been to demolish houses, prevent additional buildings and to control urban influx (Maasdord, 1977, Ward, 1982). It has been realised that the elimination of informal settlements causes more problems than it solves. Destroying informal settlements in cities makes no difference because squatters relocate their structures elsewhere in the urban area. Thus, alternative programmes have generally replaced the radical response of governments demolishing informal settlements. In many instances, demolition of squatter areas has been replaced by informal settlement upgrading.

Internationally, governments acknowledge the presence of low income groups in cities and the fact that they need some form of housing. Housing provision to the poorest communities is thus, made through self-help housing programmes. However, legalisation of informal settlements and the provision of serviced sites seem to have brought with it economic hardships to the poor communities. The right to possess land has subjected the poor communities to the payment of rates and service charges which the poor households cannot afford. The financial burden arising from land taxes becomes an added problem and an obstacle towards achieving housing improvements (Rakodi, 1987, Burgess, 1987, Skinner, 1982).

Sites and services programmes are in many cases located at the urban periphery. In such situations, housing becomes an added financial obstacle. Firstly, the household experiences added expenses in terms of commuting costs to work. Secondly, houses are not utilised for both work and living space. Location of housing at the urban fringe in sites and services schemes, excludes families from the economic benefits of the city, such as employment opportunities. Removal from the city centre and being placed at the periphery displaces many families from their established economic activities (Rakodi, 1987). The problem here is that a house becomes an expense and no money is available for its maintenance and improvement since a higher percentage of the wage income goes to transport costs (Skinner et al, 1983).

Self help housing programmes are mainly intended for low income groups. However, self help policies do not take cognisance of the fact that low income people have different housing needs. A rural migrant who comes to the urban area to work and who is interested in investing in his/her housing in the rural area, may not have an urge to improve housing in the urban areas. Secured land and housing under these circumstances becomes an added financial burden. Security of tenure in this scenario, would thus lead to the establishment of permanent shanty towns (Lea: 1989).

As much as households may want to extend their houses through building extra rooms or building houses in a sites and services scheme, households have the problem of adhering to building standards and regulations. The building by-laws such as house plans processing and building inspections are bureaucratic and cause delays and are expensive for poor households to afford. Self-help housing projects do not promote the use of local building materials which are affordable to the poor households.

The most significant factor in housing improvements is finance. Governments may provide starter houses but successful housing improvements lie in the households financial status. For example, Gwagwa aptly puts it, when she states that housing improvements are mediated by the amount of resources available to the household (Gwagwa, 1995). Households without stable incomes are less likely to improve their houses. Inability to afford improvements and service costs has led many poor households to sell their houses to middle income groups (Burgess, 1987, Rakodi, 1987). Consequently, low cost housing projects end up benefiting middle income groups who are not the intended beneficiaries.

Low income families are expected to improve their houses but they do not have access to credit in the financial institutions. In South Africa credit needs of low income households are totally ignored. Financial institutions do not provide lending services to the lower end of the market (White, 1994). Self-help housing policies were formulated with an idea that land can be used as collateral. However, this does not seem to be the case in poor household circumstances. Low income groups battle even to access information about the financial opportunities that may be available to them. This is in essence a focal area for the discussion to follow in the next chapter.

This study, therefore, investigates factors that hinder poor families from improving their houses in the communities of Bester's Camp and Nazareth. Impact of land tenure on housing is the primary issue in this study, since secure land lays a foundation for any construction of houses to take place in self-help projects. This study dwells on the conditions or benefits attached to the right to possess land in the South African context. Whether security of tenure has enabled poor families of Bester's Camp and Nazareth to initiate improvements to their houses is an issue that remains to be proved by this study.

1.2 Aims and Objectives of the Research

The major aim of the study is to examine whether low income households who have accessed secure land from low costs housing projects have made any tangible improvements to their houses, through investigating the following:

- The obstacles that discourage housing improvements to take place in self help housing projects.
- The lending services (if any) that are offered by financial institutions to low income groups for housing improvements,
- The lending criteria that financial institutions use when financing low income groups.
- The kind of training that is offered to self-help project beneficiaries.

The main purpose of the study is thus to contribute practicable ideas that might help influence and shape a meaningful National Housing Policy, that will cater for the future housing needs of the poor communities throughout South Africa.

1.3 Research Question

/// **To what extent have housing improvements occurred in areas where security of tenure has been obtained in self-help housing programmes?**

/// This study will investigate whether housing improvements are taking place in Nazareth and Bester's Camp. It will ascertain whether households improved their houses after having been given serviced sites. Improvements that are expected in Nazareth are the initial construction of a house structure. In Bester's Camp, the researcher expects to see improvements in terms of progress from shack dwellings to building a proper house unit using standard building materials like bricks, which is a compulsory requirement by the building by-laws. The study looks into the issue of possessing land and whether this necessarily contributes towards improvements in housing?

1.3.1 Subsidiary Questions

The research question raises a number of subsidiary questions, namely

1. Is tenure security a sufficient condition for generating housing improvements?
2. What are the contributory factors to housing improvements?
3. What are the obstacles in housing improvements?
4. Is there any form of financial assistance for housing improvements to self-help housing scheme beneficiaries?

1.4 Hypothesis

Security of tenure alone does not increase the level of housing improvements in self-help projects.

1.5 Definitions and Concepts

This study follows and adheres to the following concepts and definitions.

1. **Security of tenure:** is a right to possess land. If land is secured, it means that the owner has a legal document which act as a proof that he or she has a legal right over that land. Security of tenure can be divided into two, firstly, leasehold, the right to lease land for a specific period and secondly, freehold, the right to possess or own land. The type of tenure that exists in the case study areas (Nazareth and Bester's Camp) is a freehold.

2. **Housing Improvements:** have two components, (a) external improvements
(b) internal improvements.

In this study external improvements relates to structural building improvements that results in the improved appearance of the building or a house. For example, house extension in a form of adding extra room, painting, fencing and putting water and electricity on site. Internal improvements refer to the investments made inside the house. For example, buying furniture: fridge, stove in a house.

3. **Self-Help Housing:** refers to a process whereby individuals assume responsibility to house themselves. Housing construction occur over a period of time. Self-help Housing is divided into two, that is, informal settlement upgrading and sites and services schemes.

(a) Informal Settlement Upgrading: is a provision of basic services and infrastructure to an informally settled community. Upgrading gives the area legal recognition in the sense that households who have been occupying the area illegally are given the rights to possess land. The right to possess land protects households from eviction and gives them security to invest in housing.

(b) Sites and Services Schemes: generally, take place in a greenfield or vacant land. Serviced land, that is, land with infrastructure and basic services is given to households sometimes with a starter house and they are left to improve the physical structure on their own. Sites and services schemes provide land tenure security to beneficiaries.

1.6 Assumptions

The following assumptions are made in this study:

1. Legal tenure is a necessary precondition for the improvement of houses in informal settlements.
2. Housing improvement is taking place in self-help housing projects.
3. Self-help housing beneficiaries afford improvements to their houses.
4. Self help housing project beneficiaries have possession rights on the land.

1.7 Research Methodology

The research methodology section is a discussion of how the research was conducted. It explains the sources of information, methods of data collection that were used in the research. Further, a discussion of how the information collected was interpreted and analysed is shown in this section. The case study areas of this research were Bester's Camp, an informal settlement upgrading area in the Northern part of Durban near Kwamashu, and Nazareth, a sites and services housing project in the Southern part of Pinetown.

1.7.1 Primary Sources

Participant observation was undertaken in this study, especially, in the area of research that deals with external housing improvements. The researcher visited the case study areas and observed the houses that have been built, vacant plots and houses that remain half finished. On a site visit, the researcher observed the type of building materials used in the construction of houses and additional external/physical improvements done to these houses such as painting, fencing and extensions. The researcher took photographs of houses to show the type of houses that have been built. Pictures, also show internal improvements that have been made to the houses.

1.7.1.1 Nazareth and Besters Camp Residents

Permanent residents of Nazareth and Bester's Camp were asked questions about the improvements they have made to their houses. Questionnaires were used to elicit information from residents. Four experienced research assistant, helped the researcher in administering questionnaires. Assistant researchers were placed in different parts of the area in order to get information from households in different zones.

A questionnaire was answered by house owners only because the information required by the research needed a household member who was directly involved in the construction of the house. In the case of those who could not read and write, the researcher asked them questions verbally, and answered to the questionnaires for them. Questionnaires comprised of both closed and open-ended questions. Closed questions (that need 'yes/' 'no' answers or for a respondent to choose the appropriate response from a list of given alternatives) were directed towards addressing personal matters such as income, financial status of the household, payment of services, household expenditure and house construction costs. Open ended questions (those that give respondents freedom to air their views) were designed to collect information such as house construction problems. These questions allowed respondents to freely voice out their problems and suggested ways of improving the present situation regarding housing improvements. The information that was collected from residents included: the financial status of the household, household survival strategies, services connected by households to their houses, land tenure and land allocation issues, house finance, and house improvements (refer to appendix A for a copy of a questionnaire). This information assisted the researcher to determine the affordability levels of the households and the effects that these have on housing improvements.

In both case study areas a random sample was used. The number of residential sites at Nazareth is 840. The research covered a 10% sample of the target population. At Bester's Camp there are approximately 8000 residential sites. The researcher used a sample of 5% of the target population.

1.7.1.2 Project Managers

The Bester's Camp housing project was divided into two phases, the pre 1994, which provided households with basic services and post 1994, which provided public facilities and starter houses. At Bester's Camp, therefore, face to face interviews were conducted with two Project Managers. Mr Crompton who was involved in the Besters Camp housing projects since 1991, and Mr Notty Ngcobo who took over in 1994 and is currently working as a Project Manager. Mr Crompton was also interviewed for the Nazareth project because interviews covered the following issues: historical background of the case study areas, land acquisition processes that were followed, land tenure arrangements that were agreed upon, housing subsidy schemes that financed the project, the services that were provided in the case study areas, allocation criteria that was used and the financial arrangements that were made with the lending institutions (refer to Appendix B for a set of interview questions).

1.7.1.3 Home Loan Managers

Face to face interviews were carried out with Home Loan Managers from Perm, Standard Bank, ABSA and Nedbank, these institutions are regarded as Traditional Lending institutions. Managers from Ithala Bank and People's Bank (Non-Traditional Institutions) were also interviewed. Information that was required from the lending institutions pertain to the following issues: types of lending services that are offered by banks, lending criteria, income categories that benefit from banks' lending schemes, requirements for collateral purposes and the conditions attached to loan repayments.

1.7.2 Secondary Sources

For secondary sources, the study made extensive use of books, journals and other research articles and theses from the library. The books provided the study with valuable information about John Turner's and Burgess self help housing theories. Related local and international case studies were used to put the study in a broader context. In this respect, emphasis was directed on security of tenure, housing consolidation and self help housing, on both regional and international levels. Of crucial importance with regards to the case studies, was to gather as much data as possible that relates to how land tenure impacts on housing improvements not only in South Africa , but in the developing countries.

1.7.3 Data Analysis

A combination of information that was observed by the researcher, and the information collected from the Bester's Camp and Nazareth residents through the use of questionnaires and interviews conducted with Project Managers and Home Loan Managers was analysed and interpreted. The data was processed manually, using both qualitative and quantitative methods. The responses of the individual respondents were first analysed individually and then as a whole. As most questions were closed questions, it was easier to group together similar answers and therefore to analyse the answers. In conjunction with the above method, tables were used to present the findings in a statistic form. The questions that were asked in the questionnaire and the interviews that were conducted enabled the author to provide the necessary data to answer the research question and to test the hypotheses.

1.8 Chapter Outline

The dissertation is arranged as follows:

Chapter 1

This is an introductory chapter which includes the outline of the research problem, aims and objectives of the study, the research question and subsidiary questions and the hypotheses. A discussion of a research methodology is also incorporated in this chapter.

Chapter 2

This chapter deals with the self-help theories as contested by Turner and Burgess and the criticisms of these theories. Experiences of other developing countries on land tenure and housing improvement issues are also explored in this chapter. Factors that hinder and/or contribute to housing improvements are also reflected upon and evaluated.

Chapter 3

This chapter dwells on the historical background of the case study areas which is Nazareth and Bester's Camp. A discussion of land acquisition processes, project funding is dealt with on this chapter.

Chapter 4

This chapter is concerned with the analysis and the presentation of the findings of the case studies. An analysis of issues such as household economic activities, service provision, land tenure and housing finance is discussed, looking at the effects of these variables on the ability of low income households to improve their houses.

Chapter 5

Conclusions made are based on the findings of the study and recommendations are made on how to deal with some of the problems that have been identified in the research.

Chapter Two

Theoretical Framework and Literature Review

This section discusses the theories that have been formulated surrounding security of tenure, housing improvements and self help housing. Theories will be discussed in conjunction with the experiences of Third World countries, where self-help housing projects had been implemented.

2.0 Introduction

In order to understand the dynamics surrounding security of tenure and the effects it has on housing improvements in self help housing projects, it is imperative to understand self help theories and debates. Self help housing refers to the processes whereby individuals and groups assume responsibility for providing their own housing by the mobilisation and self management of resources such as labour, personal savings and time (Ward, 1982). Self-help comes in two forms namely, informal settlements upgrading and sites and services schemes.

Self help housing notion was developed in the 1960's by observers such as Turner, Ward and Payne (Smith, 1996). Self help housing was seen by these observers as being positive counterfoil to the top down, non-participatory and bureaucratic and unaffordable public housing programmes (Smith, 1996). John Turner's theories of self-help housing will be discussed in this section. Furthermore, a discussion of a Marxist version of self-help housing as propounded by Burgess will be undertaken.

2.1 John Turner's Approach to Self Help Housing

John Turners argument is that secured land plays a significant role in housing improvements in that it gives households security and protects them from physical eviction or forced removals. According to Turner, the feeling that one possesses land gives him or her security, sense of identity and belongingness.

In such circumstances occupiers of land improve their houses (Turner, 1972). Legalisation of tenure improves even the physical environment of the neighbourhood. Doebele argues that once services are installed, the pride in neighbourhoods usually leads to further private improvements (Doebele, 1983).

Turner is of the view that legalisation of tenure should be coupled with financial benefits such as the ability to access credits from the financial institutions, through using secure land as collateral. The self-help housing beneficiaries could use bank loans not only to improve their housing alone, but also for personal development (Turner, 1972, Doebele, 1983 and Rakodi, 1987). However, access to credit is not always possible in low income households.

According to Turner (1972), communities involved in self-help housing exercises are in a better position to improve their financial status and this allows them to improve their housing. He argues that a well located self help housing project with respect to the income earning opportunities, provide these people with the opportunity to combine work and living space in the same building (Payne, 1984).

In self-help housing programmes, even poor communities have a great potential to improve their houses because self help programmes provide beneficiary communities with technical skills. Hence, households are able to use their own labour in the construction of their houses. The use of family labour makes self help housing cheap and affordable to low income groups because improvements are spread over time and certain improvements need be made only if the household can afford it (Turner, 1972, Payne, 1984).

Participation of government in self help programmes is through the provision of services and infrastructure, formulating prescriptive laws defining the limits of what the individuals can do and ensuring access to cheap and well located land. Cheap building materials, credit and technical advice facilitates improvement in housing.

Through Turner's self help approach, specific housing needs can be met to the owners satisfaction because people build for themselves houses of their own choice at their own pace. It is reasonably cheaper than other more formal ways of acquiring housing such as renting or purchasing a complete conventional house.

2.1.1 Turner's Self Help Critique

Turner's theories are criticised severely by Marxist theorists. Turner's idea is that households should provide their own housing and use their own labour. He argues that this method is cheap and satisfies the housing needs of the poor. Marxists argue that Turner's self help theory is double exploitation, people work twice, at the workplace and after working hours at home.

They further dispute that self-help housing is cheap. Evidence from many the Third World countries show that participants in self help projects did not have building skills. Providing labour in building their housing has resulted in extra expenses, that is, material wastage and building failures, caused by the lack of professional experience.

Turner's self help theories are contradictory. On one hand, Turner's proposal can be welcomed by the state as the protector of capitalist interests. For instance, labour can reproduce and maintain itself cheaply thus having a lowering effect on a wage. On the other hand, the burden of housing provision is strategically removed from the government and employers and placed on the already burdened poor households (Ward, 1983).

2.2 The Marxist Approach to Self help housing

This approach arose in response to Turner's school of thought. Its principal exponents are Emilio Pradilla and Rod Burgess. The basic premise of this school of thought is that self help housing contributes to the commodification of housing, as a result, it impedes the access of the poor to housing (Burgess, 1985).

Burgess argues that land rights to poor communities are transferred through money payments and land is specifically developed for the purposes of exchange. For Burgess the real beneficiaries in the self help housing are land owners who sell their land at market price (Burgess, 1985). Legalisation of tenure channels capitalist interests in that it opens new markets or business ventures for the building industry.

According to Burgess, selling of land at market prices are costs which could have been avoided because they do not exist or are underdeveloped in poor communities. Self-help introduces commodity to the community and the costs of the land is carried through to the project beneficiaries. He goes further to say the right to possess land becomes an economic burden to the poor households. By virtue of possessing land, each household is entitled to pay land services to the municipality which are in themselves not affordable to poor communities (Burgess, 1985). In some instances this results in poor households having to sell their lots (Burgess, 1987).

MB Burgess does not see self help housing as an instrument of achieving housing improvements and housing satisfaction. For Burgess, people build informal houses because they are poor, they do not have a choice and they do not afford decent housing. In a capitalist world, he argues, housing improvement is determined by money. People may wish to develop and improve their houses to satisfy their family needs but they may be restricted by financial resources. In South Africa for example, people cannot improve houses to their satisfaction because they do not afford the costs. Housing improvements he argues, occur in favourable circumstances, usually for the better off sector of the population. Being able to improve and maintain a house and to afford costly building materials requires a well paying job (Burgess, 1987, Lea, 1989). This means that self-help housing programmes are geared towards the more established working class groups. Poor households such as those that do not have income cannot participate fully in self-help projects. Self-help further divides people according to their income threshold , thus form one class settlement and contribute to a more rigid social segregation.

Burgess (1985 and 1987) disagrees with Turner's idea that self-help housing allows households to use a house as a work place and for income generating opportunities. Burgess argues that most sites and service schemes are located on peripheral land. The location of self-help housing increases financial constraints to poor communities. It compels them to pay two rents, that is, service costs and transport costs. Thus, it reduces the resources available for a faster rate of improving housing and create difficulties in the organisation of work and living space.

2.2.1 Critique of Marxist Approach to Self Help Housing

Burgess theory is criticised by van der Linden and Gilbert as being inconsistent and not practical. They maintain that free urban land is limited to few cities. Even in cities where the poor have traditionally obtained land without payments, this is becoming more difficult. In Mexico for example, the most common form of land acquisition to poor families in the largest cities is the illegal subdivision. Though land may be cheaper in these subdivisions, it is always located at the peripheral areas without basic services. Self help housing provide better services because installation of services in themselves improve the living conditions of the households and channel improvements in housing (Gilbert and van der Linden, 1987).

A research conducted recently by Gilbert at South Santiago, Chile disagrees with Burgess notion that poor households sell their houses to middle income groups. He argues that self-help housing beneficiaries in Chile have stayed in the area since they first became home owners. His argument is that self-help housing beneficiaries do not have a market for their houses. He further argues that in Africa, the possibility of buying a house from a previous owner is not yet well developed (Gilbert, 1999). However, this is not the focus of this study. This study will be limited to identifying whether housing improvements in self help housing projects take place or not. It will be based on the Marxist notion that the determinants of improvements in housing and neighbourhood conditions depends on the economic factors such as household resources and income.

2.3 Security of tenure

Self-help housing has been implemented in various housing projects in Third World countries. Intended project beneficiaries were people who did not afford a house supplied by a private market and the government. Legalisation of tenure was associated with many advantages for some communities and problems for others. This section will discuss the challenges that self help beneficiaries faced after possessing the right to own land. It will go further to discuss the impacts that security of tenure had on housing improvements.

Evidence from a study carried out in Karachi by Shlomo (1983) proves that installation of services in secure land becomes a precondition for housing improvements to take place. The grant of 99 year leases and the installation of basic services by the government in Karachi marked tremendous improvements in housing. Being given the right to possess land was interpreted by the residents as measures of recognition of their settlement and provided security that the settlement would eventually be regularised. Consequently, people invested in their houses (Shlomo, and Angel, 1983, Meffert, 1992, van der Linden, 1986). Security of tenure may be perceived as some form of empowerment in that once people have secure tenure they can access loans which can facilitate their housing improvements. However, this is not always possible in low income groups circumstances. In South Africa for example, finance institutions do not provide lending services at the lower end of the market (White, 1994).

In many instances, governments give recognition to squatters and slum dwellers in the following ways, numbering the houses, giving trading licences, installing water taps, removing refuse, supplying social services and schooling. The installation of these services is sometimes wrongly perceived by the people as signs of an implicit recognition that their right to reside in the location is secure (Skinner and Rodell, 1983, Shlomo and Angel, 1983). In such circumstances, security of tenure will probably make little difference to the rate of house improvement whether formal security is granted or not.

As much as security of tenure gives rise to housing improvements, it is also coupled with factors which discourage housing consolidation. Once an area is formalised, municipal authorities start to impose rates and charges for the services provided. Service costs are a heavy economic burden to the poor communities. Skinner explains that the inability to cope with the service expenses results in poor households having to pay up or letting other expenditures in their household budget suffer, such as school fees and uniforms, health charges, food and clothing (Skinner and Roddell, 1983, Rakodi, 1987). Such circumstances, do not put poor households in a position to improve their housing.

Secure land can attract non-beneficiaries (that is middle income groups) to the settlement. Experiences from many developing countries have shown that the failure to afford servicing and maintaining a house has led many poor households to sell their plots to the middle income groups. This is also exacerbated by the fact that most developing countries do not have housing schemes that are directly aimed at addressing the housing needs of the middle income groups. One may argue that such cases reveal that security of tenure alone does not channel housing consolidation.

This action brings to fore the idea that housing maintenance and improvement require some form of income. Low income households sometimes leave formalised areas because of economic reasons, that is, when they fail to compete economically with middle income households (Meffert, 1992, Rakodi, 1987). For example, at Inanda, the income composition of the area changed and the sites and services schemes ended up benefiting higher income families than the original intended beneficiaries (Napier, and Cathy, 1995).

Rakodi argues that though services and land tenure may be provided, it is economically difficult to consolidate housing, especially in a sites and services green field project. Firstly, people are displaced from their original area of residence to which many of their social linkages and financial support systems may be tied.

Secondly, people may have to take on a greater financial burden resulting from resettling in a new area without established economic activities (Rakodi, 1987, van der Linden, 1986).

The location of low income residential settlement is very crucial. In Mexico for example, sites and services were located at the urban fringe because of high land costs. This practice has negative effects in the household economic development. Experience from other Third World countries reveals that sites and services projects located far from employment centres can be financially disastrous to the occupants. The inhabitants will bear both the extra cost of transportation to work and extra cost of expensive goods purchased locally. Such circumstances prevent occupants from investing in housing. In most cases, occupants in these types of sites and services end up as defaulters or selling their plots to middle income groups (Pama et al, 1977).

Though security of land tenure can be provided in a squatter upgrading and in sites and service schemes, however, it cannot make any improvements in the housing conditions of temporary urban migrants who are eventually committed to return to their home places and give priority to investing in housing in their rural areas. Self-help policies must take cognisance of the fact that people who regard themselves as sojourners in the city will seek different kinds of housing. In Zambia for example, upgrading brought with it an apparent increase in official control. Residents who lacked self confidence in the face of authority, such as non-Zambians who did not have proper immigration papers and petty criminals may have felt less secure after upgrading. In some instances, these groups of people, (migrants, immigrants, criminals and the unemployed) who were given plots in sites and services projects, vanished and left plots vacant (Ward, 1982).

Whilst the absence of secure tenure contributes to the lack of interest on the part of the people to improve their housing, it can be argued that security of tenure is not the only source for channelling housing improvements.

Housing improvements also depend on the affordability and availability of resources to the household. It is evident that communities who are too poor and had no access to education and stable employment, reasonable wage levels and social security benefits are not in a position to improve their houses (Lea, 1989, Skinner and Rodell, 1983).

Gwagwa has maintained that the income level determines the size and type of the house one own (Gwagwa, 1993). It is further stated that where there is high unemployment rate, irregular incomes and high costs of building materials, chances of housing improvements are non-existent. In some of these areas projects end up benefiting the middle income people whose housing needs are not addressed (Angel and Shlomo, 1983, Lea, 1989, Doebele, 1983, Sanyal, 1987).

As much as housing improvements are determined by a wage income Rakodi argues that much of the support to sustain the household does not come from wage income, but from self-provisioning and family networks (Rakodi,1990). In agreement, Schmick has argued that in low income groups the social wage has failed to keep up with the demands of the living standards hence these people have to resort to other strategies to supplement the wage (Schmick, 1984). It is then clear that housing improvements can be achieved through mixing income and non-monetary inputs in a household.

By providing the services and sites, self help projects intend that the occupants will consolidate their housing. International experience shows that there are many obstacles which are associated with the right to possess land. Whilst secured land was accompanied by the responsibilities such as the payment of rates, service charges and loans which limit improvements in housing on one hand, it became a source for channeling housing consolidation on the other. The next discussion will be on physical improvements of houses. __

2.4 Factors Influencing Housing Improvements

This section of the study addresses the structural or the physical improvement of a house. It will critically discuss factors such as income, housing subsidies, family size, building standards and regulations, access to credit and cost recovery. The discussion will show how these factors impact on housing improvements.

2.5.1 Household Size

Aramiah (1997) has suggested that housing consolidation is linked to the characteristics of the family. He argues that changes in household size and a shift from a couple to family with children change one's housing needs. It is further maintained that external improvement of a house is largely determined by number of children in a household. For example, at Inanda in Durban and Khayelitsha outside Cape Town families with more young adults in the 15 to 24 age group have made more extensions than those with younger children because large families require big space (Napier and Cathy, 1995). Additionally, families with grown up children, who earn income and contribute to the household resources, have been found to be in a better position to improve their houses.

2.5.2 Household Income

Households with stable incomes seem not to have a problem in consolidating their houses. Though these people may not have building skills, as it happened at Inanda in Durban, their income is sufficient to employ someone to build for them. In situations where households have building skills housing improvement is not a problem. Moreover, in most housing projects, where technical skills are provided to the beneficiaries, the level of improvements in housing increases. In Khayelitsha outside Cape Town, a large number of households who made improvements to their houses were those that acquired skills from the building and technical training workshops (Napier and Cathy, 1995). __

2.5.3 Housing Subsidies

It has been recognised that a large proportion of households cannot afford even the cheapest shelter without assistance. These groups of people are unable to access housing through the private sector housing market. Government housing subsidies have been made available to cater for these low income groups. Subsidies off-set the cost of land, infrastructure and services from the low income households. Removal of land and infrastructure expenses from the households increases the potential for poor people to invest in housing. In South Africa, capital subsidies of R16000 have been made available to low income groups who earn below R1500 and they provide serviced sites and a core house. It can be argued that this subsidy scheme has decreased housing expenses for poor households (Housing Policy: 1994).

2.5 Factors Hampering Housing Improvements

2.5.1 Building Regulations and Standards

It is understood that in regulating the building of houses, the local authority undertake certain administrative functions such as plan approval, connection of services (such as water and electricity) and building inspection to ensure health and safety of the occupants. However, building regulations and the standards applied in self help housing projects are not affordable to the majority of the low income households. In Tanzania, unaffordable prices left sites and services projects with a large proportion of plots without any houses, loans allocated to buy material remaining unused and a large number of houses standing half finished because of the costs of building materials required by the standards (Skinner and Rodell, 1983).

In some projects, building regulations required the use of prescribed materials and specific housing construction techniques which are costly. These regulations made housing improvements impossible for the poor communities to afford. In Kenya, for example, fully serviced sites stood vacant for years because the beneficiaries did not have the money to build the house called for in the project plan (Pama et al, 1977). Other regulations like giving people limited time to construct houses is an obstacle in housing improvements in that residents may lose interest.

In Tanzania residents were required to have finished their core houses within a six month period. As a result, families stopped constructing their houses and the project ended up with many defaulters. It must be taken into account that as long as urban authorities continue to require adherence to costly building codes for houses constructed in urban areas, a large segment of the population will not be able to afford to build in any area other than in a squatter settlement (Payne, 1984).

In Tanzania building regulations and standards were not flexible. They limited households to the building of private houses only. They did not allow for business opportunities in the form of room rentals to generate income. These regulations had a negative effect on housing improvements. Business space opportunity, in particular, was to enable households to pay plot charges, loan instalments and the surplus will be left to improve personal and housing needs of the individuals, but, this was not achieved.

Evidence from different developing countries show that the building by-laws are an obstacle in housing improvements. Seeing these limitations, the Lusaka City Council modified and minimised its building standards so that they would be in line with culturally prevailing standards. The Building Regulations Act permitted the multiple use of building materials, so that a house could also be used as a workshop. The results of this action was that housing improvements in upgrading and sites and services in Lusaka were achieved, except for cost recovery processes that remained problematic (Ward, 1982).

1.5.2 Building Materials

In most self-help projects people were required to use imported building materials. In Chawama (Lusaka) the use of imported materials arose from the shortage of local building materials. The reliance on imported building materials increased the material prices because the demand was high. Meffert and van der Linden (1986) have argued that the prices of imported building material rose more than the general price and income levels of households. The price increases in building materials made housing construction unaffordable to the poor. Even when they managed to obtain a plot in sites and services projects, financial obstacles could not allow the poor people to invest in housing. In Zambia people who could not afford imported roofing materials were left with no choice but to stop constructing their houses.

Low income households may not use building materials required by standards at the beginning of the self help project. However, given time, they may progress from using materials such as mud and grass to using blocks and cement. This was the case in Khuda Ki Basti, people started house construction using local building materials later on they improved by using formal building materials. The majority of inhabitants (86%) constructed brick house walls and they had on plot services. 60% had water on the plot whilst 22% have electricity (van der Linden, 1986)

2.5.3 Access to Credit

The basic assumption in self-help housing is that once people receive security of tenure, they can use their secure land for collateral purposes in the financial institutions. However, this does not seem to apply in poor household circumstances. The problem is two fold: on one hand, poor households lack information about financial benefits they can get from the financial institutions through using their land title deeds. On the other hand, financial institutions do not make lending provisions accessible to the low income groups.

It is further argued that in some projects communities are given special credit for the purchase of building materials and labour. However, low income families usually have no desire to accept long term commitments to their limited and often unassured incomes. Experience in formal credit cooperatives suggest they prefer small short term loans geared towards immediate goals such as adding a room or making a permanent roof. Short term loans are expensive because they have high interest rates (Pama et al, 1977).

Research findings show that housing improvement are mostly financed by individual resources. In a case study from Lusaka, 86% to 94% house construction and improvements were drawn mainly from household income. 8% had obtained loans from employers. None had been able to borrow money from relatives and few had received gifts. Only a minority 4% of participants had been able to use a bank, post office or rotating credit association savings for the purpose of housing investment (Rakodi, 1987). Apparently, access to credit became a determinant factor for housing improvements to take place.

2.5.4 Cost Recovery

In order to assist people to improve their houses self help projects sponsored by the World Bank like in the case of Zambia and Zimbabwe, provide loans, building material supply and technical assistance with construction. Self-help projects in these countries, was a cost recovery system. Loans were often paid with interest. Participants had to pay regularly for land, service installation and for services consumed. At the same time each household is expected to invest in housing (Payne, 1984, Ward, 1982 and Shlomo, 1983).

The economic pressures on households in Zambia and Zimbabwe led to the failure to recover costs in self help projects. It was assumed that monthly payments could be afforded by low income households if they were willing and able to spend 25% of their income on housing (Sanyal, 1987).

Affording families continued to improve their houses. Others lacked the means even to buy furniture because of the financial burden of the loan repayment (Meffert, 1992). Even when the initial and ongoing costs were sufficiently low as to allow the participation of genuinely poor households, the latter were left without funds adequate for housing improvement (Ward in Angel, S: 1983). In other areas in Lusaka payment of services was stopped due to the dissatisfaction of households about services. Nonpayment of service charges by the communities can be attributed to the lack of information and poor community involvement and participation. In some areas of Lusaka residents did not pay for the services because garbage was not being collected regularly, roads were still unpaved. Service payment boycotts led to the municipal failure to maintain housing.

On the contrary, in countries like Kenya and El Salvador cost recovery in self-help housing project received tremendous success (Payne, 1984). The key to the successful cost recovery system lies in the following principles. It is necessary to ascertain whether residents of the area in general can afford payments for which they are liable. Families should know the nature of their financial obligation before embarking on the project. There should be an efficient record keeping system (Sanyal, 1987, Meyer, 1984 and Rakodi, 1987).

2.6.5 Affordability

The issue of affordability is crucial and is one obstacle in self-help housing. The process of upgrading has tried to reach the poorest communities but has failed to cater for every household. Rakodi argues that the inability to afford monthly repayments resulting from participation in an upgrading project is one reason for displacement of existing households by higher income residents. In Bombay, for example, 75% of the houses were resold as low income households faced high monthly costs, particularly, for property taxes, water and electricity (Urban Foundation, 1991). Government housing policies should cater for middle income groups. They buy from formalised low cost settlements because their housing needs are ignored.

Land price is another obstacle in self-help projects. In many countries there is shortage of affordable well located land in urban areas. This is due to the fact that residential areas compete with industrial and commercial areas for sites. Scarcity of land results in self-help projects being located at the periphery where land is cheap. This counts for development costs or expenses, but fails to appreciate that families on the peripheral land may be off set by added commuting costs arising from poor locations. In Tanzania families had to pay 10%-20% of their wages for transport costs because they could not walk to work (Skinner, R.J 1983). At the end, the project fails to adequately deal with employment generation opportunities which form the basis for housing and environmental improvements on peoples lives.

In many Third World countries wages do not always keep up with the demands of the living standards. This has a lowering effect on housing improvements in that families prioritise basic needs such as food and clothing, which are themselves expensive, and are left with no money to improve housing. Ward (1983) argues that the cost of food in Zambia increased faster than incomes. Hence, residents found it increasingly difficult to spare any money at all for housing.

2.6 Housing Improvements and Gender

Housing improvements may also go as far as to include gender issues. In a study conducted by Gwagwa on housing improvements, it becomes evident that men, including sons, in the family seem to pay for external improvements, which are mainly physical improvements like extending houses. On the other hand women seem to pay for internal improvements. For example, wives seem to invest more in cooking facilities like stoves and fridges (Gwagwa, 1993).

2.7 Conclusion

The theories and the literature reviewed has shown that improving a house relies on aspects such as household economic activities, income and affordability by project beneficiaries. It is argued further that housing improvements do not solely depend on wage income, however, they are coupled with a combination of wages and non-monetary inputs from the household. It has been argued that factors like building standards and regulations, access to credit, cost recovery and affordability discourage housing improvements taking place in low income households.

Chapter Three

Historical Background Of the Case Study Areas

3.0 Introduction

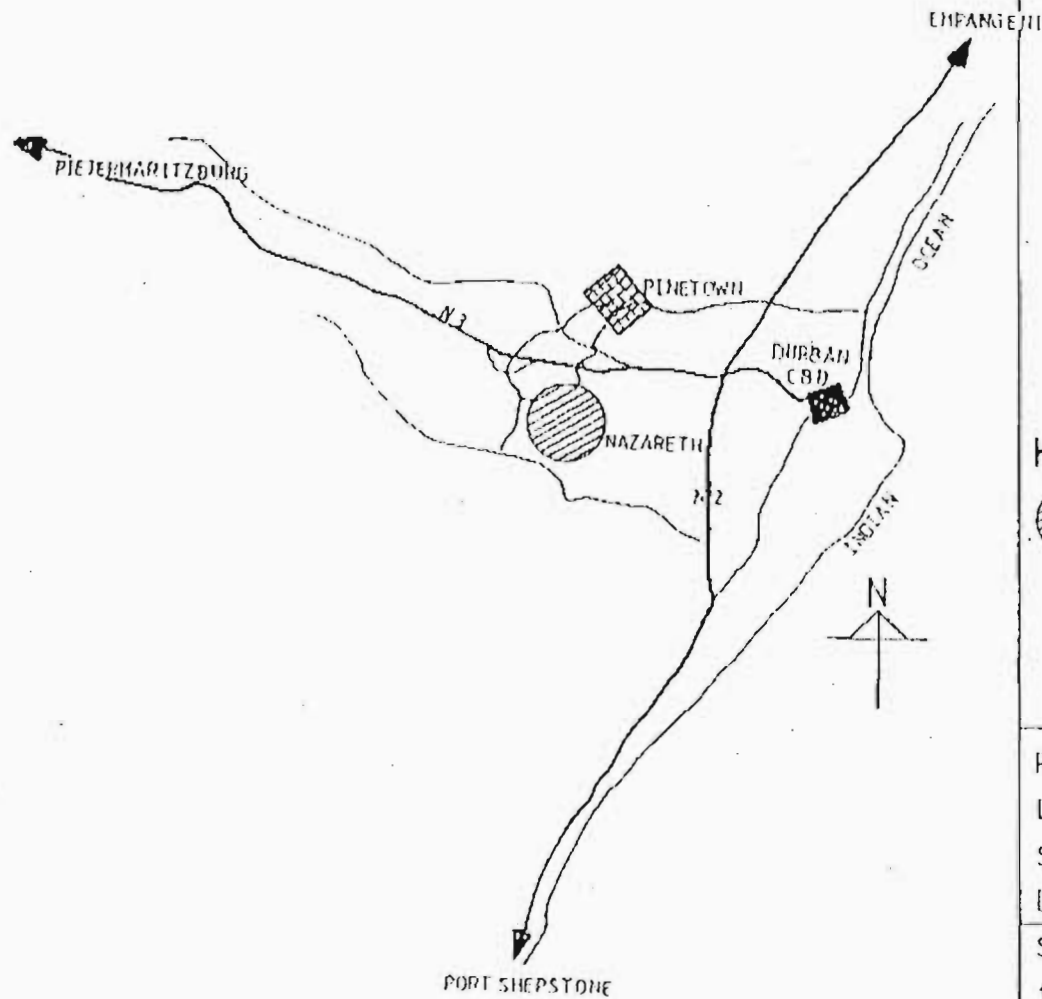
This section discusses a brief historical background of the case study areas of Nazareth and Bester's Camp. Land ownership, project funding and services provided in the case study areas will also be discussed in this section. The historical background of the case studies gives reasons for the findings of the research. This section of the study does not only assist the writer to understand the current situation in the case study areas, but, it is also beneficiary to the reader of this research as it contextualises the study within the broader and wider issues pertaining to housing in South Africa.

3.1 Brief Historical Background of Nazareth

Nazareth is located approximately 4 kilometres south of Pinetown. It is located near the N3 highway from Durban to Pietermaritzburg. Nazareth settlement is surrounded by Marianhill Park and Caversham Glen suburbs (see Nazareth Locality Map). It is originally a part of strip of land bought by the Marianhill Mission Institute (MMI) from the Central Government in approximately 1900. Some of these strips of land were already occupied by Africans under the Zulu chieftaincy. The main objective of the missionaries was to recruit these Africans into Christianity. This process of recruitment had an important impact in the growth of the family units into a homogenous community. Other neighbouring communities of similar development level in the Pinetown area are Mpola, Tshelimyama and St Wendolines.

Nazareth was earmarked for White development in 1966, in terms of the then Group Areas Act. In fact, a section of the black community in the area was relocated into the then newly established townships like Kwandengezi and Kwadabeka in the outer sections of Pinetown. Anti-removal struggles ensued and gained momentum in the early 1980's.

SOUTHERN PTN (NAZARETH T/SHIP) LOCALITY PLAN



KEY
 THE SITE (NAZARETH)

PROJECT NAME:
LOCALITY PLAN
SOURCE:
DURBAN METRO

SCALE: 1:20 000	DATE: 11/99
--------------------	----------------

Figure 1

Towards the end of 1985, with the proclamation of St Wendolines, a neighbouring community, it became clear that the future of Nazareth was bright. The green light for the development of Nazareth was finally given by the Pinetown Local Authority in 1989. Nazareth was developed from 1990 to 1993 as a combination of in-situ upgrading and greenfield sites and services project. There are approximately 350 houses which already existed at the time of commencement of this development in 1990. The new Nazareth township plan introduced 840 developed residential sites (incorporating existing houses), 4 public sites for clinic, school, community hall and playground.

3.1.1 Land Acquisition in Nazareth

Land in Nazareth was owned by the Marianhill Mission Institute (MMI). Nazareth area was bought from the Marianhill Mission Institute for the purposes of low cost housing development. The settlement was developed for low income African people. Households were given freehold title deed certificates as proof of land ownership. The services that were installed in the area include roads, electricity, water, telephone and sanitation. Public facilities such as, a community hall, a playground and a postal service were provided in the area. Sites for a school and a clinic were demarcated in the layout, however, these facilities have not been constructed.

3.1.2 Housing Project Funding

The Nazareth Project was funded by the Independent Development Trust (IDT) and project managed by Newcho Natal, a section 21 company associated with the Urban Foundation. Beneficiaries were allocated R7500 capital subsidy per household. The project beneficiaries were people who earn less than R1000 which is in accordance with the Independent Development Trust regulations. A precondition for all people who were allocated sites in Nazareth was to qualify for a capital subsidy. The 1994 changes in the housing policy benefited Nazareth community in that a household that earned less than R800 received another capital subsidy of R7500 while those who earned between R1500 and R2500 were given R5000. The subsidy was given to residents in a form of building materials to assist households to improve their houses.

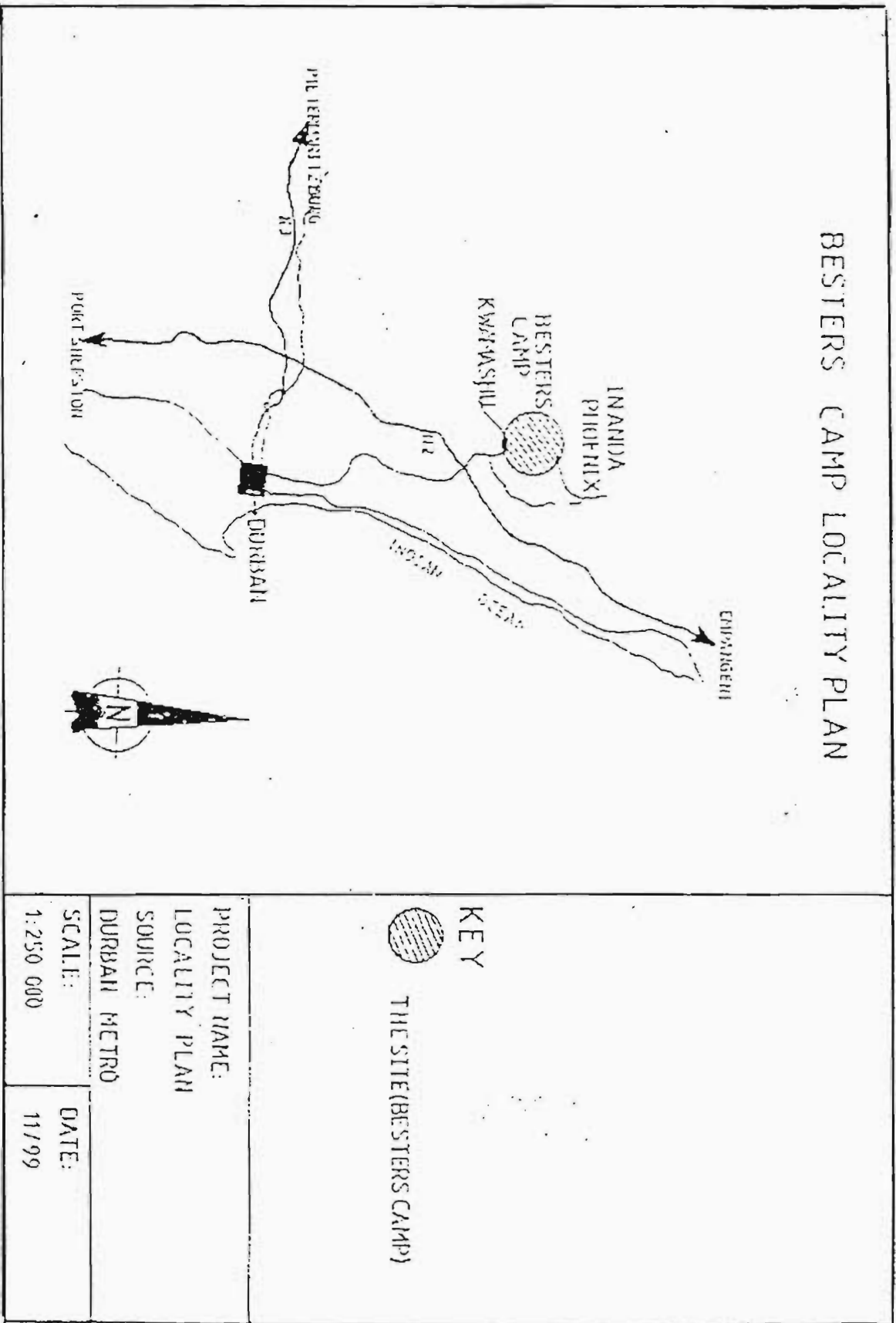
Site allocation was done by the Nazareth Residents Committee. Sites were allocated to the following people, householders who are residents in Nazareth with their own houses. People who have lived in Nazareth for three years or more as members of households or as tenants. Lastly, people from outside of Nazareth but who resided in the Marianhill area.

3.2 Brief History of Bester's Camp

Bester's Camp is located approximately 25 kilometres north west of Durban. The settlement is accessed by a M547D national route to Ntuzuma Township. The settlement Bester's Camp is located north of Kwamashu, Inanda and Ntuzuma Townships. Bester's Camp is located opposite Phoenix residential area (see Bester's Camp Locality Map). Historically, the settlement of Bester's Camp started after the 1986 Influx Control Act was repealed. This settlement followed a period of major unrest which was centred on Kwamashu Township. Land invasion in Bester's Camp was undertaken by people who came from different backgrounds. The first group came from the nearby overcrowded townships of Kwamashu, Ntuzuma and Inanda. The second group came from different areas that were affected by political violence in KwaZulu Natal province. The last group comprised of rural migrants who wanted cheap accommodation in the urban areas.

Settlement development in Bester's Camp started in 1991. Development took the form of squatter settlement upgrading and made provision for basic services and infrastructure. The project was co-ordinated and managed by the Urban Foundation. Development in Bester's Camp comes into two phases, namely, the pre-election period (1991 to 1994) and the post-election era (1994 to the present). This came about as a result of the changes in development thrust and housing policies brought about by the 1994 democratic dispensation.

Figure 2



3.2.1 Land Acquisition in Bester's Camp

Land at Bester's Camp belonged to different authorities. A portion of land belonged to Ntuzuma and Kwamashu townships which were controlled by the former KwaZulu government. Another section of Bester's Camp was state owned, administered and controlled by the Natal Provincial Administration (NPA). Some part of the land belonged to the former Durban City Council. There was (Land Availability Agreement) on the land that was owned by the KwaZulu Government. The land that was owned by NPA, was donated. The strip of land that was previously owned by the former Durban City council was sold to the beneficiary communities. The services that were provided at Bester's Camp are as follows, electricity, water, roads, telephones and sanitation. Public facilities were also provided.

3.2.1 Housing Project Funding

Bester's Camp project received funding from the Independent Development Trust (IDT) and the project was managed by Urban Foundation. The capital subsidy that was allocated per household/ per site was R7500. This subsidy provided for internal services and infrastructure. Housing improvements were left entirely to the occupants. In 1994 the new housing policy provided R15000 capital subsidy to people who earn less than R800. Households who fall within the above category are now being provided with core houses. Those who earn between R1500 and R2500 are given building materials to the value of R5000 for house construction. The rest of the subsidy goes to the building of public facilities.

3.4 Conclusion

The two case studies that is, Nazareth and Bester's Camp have been discussed above. The land ownership issues have also been discussed. The services that were installed in both projects have been outlined. Project funds are also covered. The next chapter looks at the level of improvements (in comparative analysis) that households have done in the both case study areas.

Chapter Four

An Analysis of Housing Improvements in Nazareth and Bester's Camp

4.0 Introduction

Improvements in housing involve economical and social aspects. Most scholars who deal with housing argue that improvements in housing are linked to household size, income and household economic activities (Arimah, 1997, Lea, 1989 Burgess, 1985, and Rakodi, 1987). On the other hand, improvements in housing are also determined by the availability of secure land (Turner, 1972). The issue of improvements in housing is very crucial in South Africa. The Housing Policy makes a provision of serviced sites and starter houses to low income households. This contribution to the low income groups who are understood to have low and irregular incomes is aimed at offsetting the costs of accessing land and basic shelter, thus enabling households to gradually improve their houses at their own pace. The communities of Bester's Camp and Nazareth, which are the focus of this study, have accessed government assistance in housing through housing subsidies. The research conducted in Nazareth and Bester's Camp, therefore, aims at showing whether security of tenure has made any contributions to the level of improvements in housing of the two case study areas.

This study examines the extent to which improvements in housing has taken place in Nazareth and Bester's Camp through analysing responses collected from the community of the case study areas. The views of the Project Managers who were involved at the inception of the projects will be discussed in conjunction with the residents' responses. Home Loan Managers will provide the study with lending institutions' version of the tenure security and housing improvement provisions. In this study, the focus is made on issues such as land tenure, household economic activities, services and public facilities, and external and internal investments as they have positive and negative effects on housing.

An analysis of data is informed by the literature review discussed in chapter two of this study. Ideas from the literature and international experience on land tenure and housing improvement issues lay a foundation for the analysis of the data and in turn helps to confirm and/or refute the findings of the research.

4.1 The Effects of Secure Land Tenure on Housing Improvements

Land ownership is a very crucial issue at Bester's Camp because in the past, land was owned by different authorities. Housing development was thus hampered by the complexities surrounding land ownership and the transfer of land rights. Since land belonged to three completely different sectors, the Project Manager said each sector had its own procedures and administration processes that needed to be adhered to, in the transfer of land to the present beneficiaries. Natal Provincial Administration, for example, donated its piece of land to the present occupants. Land registration procedures required land registration application documents to be sent to the State Attorney, a process that took fourteen months to be accomplished. Negotiations for the transfer of state land took an additional four years.

In the case of former Durban City Council, the authority sold its piece of land to the residents. The problem that was experienced with the Council is that at the inception of Bester's Camp upgrading project, land rate clearance cost R20 per site. The housing project was delayed until 1994, in which year, the policies governing the Councils land sale and registration had changed. The rate clearance had risen to R2750 per site (van Riesen, S and Copley: 1996). The money that the Council required, was not budgeted for in 1991 when the project began and these costs were bound to be incurred by the beneficiaries.

Nazareth land transfer processes were less complex when compared to Bester's Camp area, except that land transfer took a long time to accomplish. The Nazareth, land was previously owned by the Marianhill Mission, and was sold to Government for housing development. Households received title deeds on the land. The negative side effects to land secured by Nazareth residents, were the building by-laws that households had to adhere to. The Project Manager (Mr Crompton) said Nazareth residents were required to submit building plans to the Local Authority before they could start house construction. House plan approval processes took a minimum of six months (in some cases plans had to be resubmitted) and this delayed the construction of houses in the area.

The issue of land security is a complex one, especially looked at from the communities' point of view. The literature on self help housing policies as enumerated by Turner (1972), Doebele 1983 and Meffert 1992) asserts that by providing secure land to the households, beneficiaries then gain opportunity of using land as collateral when applying for financial assistance. Moreover, the provision of a secure land give households a sense of security and belongingness. Nazareth and Bester's Camp residents were asked by the researcher whether they were aware of the collateral benefits that they may acquire from possessing the right to own land. In Bester's Camp, 20% of the respondents are aware of the benefits that can be accumulated from possessing land. 80% of the respondents show that they are not aware of the opportunities such as using land for collateral purposes. In Nazareth 40% of residents are aware of the collateral advantages as they possess the land. 60% of the residents from the formal area of Nazareth have used their land for collateral purposes in the lending institutions. 40% of the respondents are not aware of these collateral benefits (Field Survey: 1999).

The Home Loan Managers from the formal financial institutions (Nedbank, Perm, Standard Bank and ABSA) and those from the informal lending institutions (Ithala, People's Bank) were interviewed to assess the conditions attached to the use of land for collateral purposes. Home Loan Managers from the above financial institutions stated that lending services are only provided to households who reside in areas which the bank regards as formal. Such areas are measured by the infrastructure that is provided in the area, some of which include, bulk sewerage, bulk water, electricity and full provision of public facilities. Ironically, the criteria that banks require for effecting lending services is not found in low income settlements. Project Managers interviewed said in the case of Nazareth and Bester's Camp, the standard of services that is provided in these areas depended on the availability of housing project resources. It can therefore be argued that by virtue of being settled at Bester's Camp and some sections of Nazareth, puts households at a disadvantageous position, in terms of accessing credit, because the financial institutions requirements exclude low income settlements.

In Nazareth, the area that is adjacent to the formal area (Marianhill Park), the infrastructure that was installed in this part of the area meets the standards that are required by the banks. This is why 60% of the households from this part have qualified for financial assistance provided by the financial banks. However, the rest of the area is not considered 'a lending and investment area by the banks.

The inability to access credit by the housing project beneficiaries from lending institutions in the case of Bester's Camp and in some parts of Nazareth implies that in South Africa, owning land is not linked to benefits such as accessing credits which automatically leads households into investing in housing. The situation is such that issuing of title deeds has limited effects on housing improvements because poor families are left entirely on their own to effect improvements to their houses.

It is problematic to ascertain whether households in low income settlements are aware of the benefits of using land for collateral purposes because such benefits do not exist in their context. This leads one into concluding that the right to possess land by low income households in South Africa is not a sufficient condition for generating housing improvements since possessing land does not even assist households to access credits to improve their houses.

4.2 Household Economic Activities

The household economic status in this study refer to the income of the household in the form of wage and other monetary inputs or sources of income that a household lives on, which include household contributions made by employed children. Household economic activities play a significant role in housing in that the level of improvements are determined by this factor (Gwagwa, 1995). The income category of residents from the case study areas assist the researcher to determine the influences that household economies have on housing improvements.

The income of households in Bester's Camp shows that 63% falls between R100 to R800. 27% are in the R900 to R1500 income category and 10% earn between R1600 to R2500 per month. The opposite is true in Nazareth, where 41% residents earn above R3600 per month. 21% earn between R 100 and R800 and 38% earn between R1600 to R2 500 per month (Field Survey: 1999).

The common feature about the two case studies is that respondents depend entirely on wage income. There is no other source of income that exist for the majority of families other than wage income. Those that utilise their houses for economic activities like spaza shops, are basically unemployed people who rely only on the income that is generated from these activities.

Only 3% of the households interviewed rely on both wage income and other sources of income in the form of businesses (spaza shops) operated from their houses. A large proportion of the population at Bester's Camp depends on low and irregular income. The families in this category do not utilise their houses for business opportunities. Respondents said they do not use their houses for business (spaza shops) because the local market has been saturated. There is a large number of people who enter into small and similar business ventures like selling fruits, vegetables and drinks to the community. As a result, these forms of businesses are no longer viable ventures for generating income. Bester's Camp residents further said they cannot use even their rooms for rentals because their houses are too small. This has given rise to a situation whereby these households do not generate any money for improving their economic status. As a result, it has been very difficult for these households to raise surplus money that can be invested for housing improvements.

Another important issue that was raised by residents at Bester's Camp and Nazareth, was that household expenditure on items like food, clothing, education, health, transport and basic services such as water and electricity has gone up sharply. Consequently, households expenditure on these basic needs has led to a total failure by families to contribute any money towards housing improvements **(refer to table 4.1 for household expenditure)**.

Households basic needs sometimes far exceed the household wages, as a result these families end up not contributing money even to the payment of services. Table 4.1 below serves to illustrate the point.

Table 4.1. Household Expenditure

Income	Food	Clothing	Education	Transport	Water	Electricity	Housing	Total
100 to 800	400	150	80	160	60	80	Nil	930
900 to 1500	650	300	150	300	110	80	Nil	1590
1600 to 2500	900	500	400	200	130	100	150	2380
2500 to 3500	1000	500	400	150	100	130	400	2680
3600 plus	1000	600	400	100	100	130	500	2830

Source: Field Survey (1999)

Arimah (1997) maintains that households improve their houses because they have adult children who need independent rooms for increased privacy. Secondly, employed adult children assist the households in that they contribute to the family income. This study has proved that this is not totally true in Nazareth and in Bester's Camp because most of the residents' adult children are unemployed (**refer to table 4.2**)

Table 4.2. Status of adult children in the household

Adult Children	Bester's Camp	Nazareth
Employed	15%	45%
Unemployed	85%	55%
Total	100%	100%

Source: Field Survey (1999)

Findings from the study show that a dependency ratio by adult children is very high, especially on families with unemployed adult children. Instead of contributing to the household economic activities in the form of income, since adult children are unemployed, they become an added economic burden to the household. Many families end up contributing monies to the well being of adult children, thus leaving households without any surplus money to invest in housing. Even in families where adult children are employed, very few of these families receive contributions from their working adult children. When the respondents were asked why their children did not contribute to the family income, they said adult children use their wages to cater for their own responsibilities such as education, health and the well being of their own children where applicable.

The survey has shown that employment rate by adult children is higher in Nazareth than in Bester's Camp. In addition, the majority of Nazareth residents (41%) fall under a high income category. This is because Nazareth is located next to Pinetown, thereby enabling households to benefit from the employment opportunities provided by the town (Pinetown) and Westmead industrial area. The location of Nazareth has made positive contributions to the economic status of Nazareth residents, thus enabling them to improve their houses. As a result, Nazareth residents have made better improvements to their houses as compared to Bester's Camp residents. These findings confirm that those settlements that are well located (for example, in the vicinity of industrial areas and town centres) boost the economic status of households, which in turn allows them to improve their houses.

4.3 Services

Public facilities were provided to Bester's Camp and Nazareth. These services included roads, electricity, water, sanitation and telephones. The provision of services and facilities plays an important role in housing, in that it hinders or influence housing improvements to take place. For example, it is through connecting electricity inside the house that households are able to buy electrical appliances which are part and parcel of internal improvements.

4.3.1 Roads

The major roads at Nazareth are surfaced with chip and spray. Most access roads are only graded and they are in poor condition because they are not maintained regularly. In some parts of the area households do not have access to sites. Respondents said that they were allocated sites without access routes and they incurred additional expenses for constructing access routes themselves. The poor conditions of access roads affected the improvement of housing. Households from Nazareth were asked the year in which they occupied their houses to determine the period they took to occupy their sites. The findings were that Nazareth residents were allocated sites in 1993, however, 60% of households only managed to occupy their houses between 1997 and 1999, whilst 40% of the households occupied their sites between 1993 and 1995. The poor level of access roads delayed the construction of houses in Nazareth. At Bester's Camp, the project made provision of tarred major roads and graveled access roads. Footpaths were also provided. In the case of Bester's Camp households were already settled in the area therefore, the construction of roads, meant resettlement of some households to other parts of the area. The resettlement of households contributed to the low level of housing improvement by these families because they had to rebuild their new structures elsewhere. The compensation that they were given was very little, therefore they incurred additional building expenses.

4.3.2 Electricity

Nazareth and Bester's Camp have fully reticulated electricity with over-head cables. Electricity is connected to every property. Households use card system which allows them to pay for the electricity they consume. The cheapest electricity card cost R20 and is affordable to many households. The survey indicates that 88% of families in Bester's Camp and 93% in Nazareth have installed electricity. Few households 24% at Bester's Camp and 7% in Nazareth do not have electricity. The households that have not installed electricity said they have not done so because they do not have money for connection expenses. Electricity connection to the houses in both case study areas has allowed households to make internal improvements to their houses, like use of electrical appliances such as stoves, fridges, kettles and radios.

4.3.3 Water

In Nazareth the entire area is fully reticulated with high pressure supply (bulk water) and a connection point to every property (from the bulk supply to the individual property). Households can connect water using their own resources. At Bester's Camp, community standpipes were provided after every six metres. Households can get connected to the water supply and they can be able to improve from using community standpipes into connecting water in their sites. However, the research shows that not much improvements have been made in the water service (**refer to table 4.3**). Respondents said they did not connect water inside their houses or sites simple because they do not afford connection costs. For example, it costs a minimum of R1200 to connect water from outside into the house, whereas it is easy for households that have not connected water to share with neighbours a monthly bill of roughly R120. At Bester's Camp, households pay 25 cents per 25 litre for water. It seems water service is affordable but, connecting water inside the house is expensive.

Table 4.3

Title: Water Installation

Water Installation	Bester's Camp	Nazareth
Yes	3%	45%
No	97%	55%
Total	100%	100%

Source: Field Survey (1999)

4.3.4 Sanitation

The part of Nazareth area that is adjacent to formal development (Marianhill Park) was provided with water-borne sewerage. The remainder of the sites have Ventilated Improved Pit-Latrines (VIP). However, the bulk sewerage infrastructure has been provided in the area. Connecting sewerage pipes into the house was left entirely to individual households.

The research shows that there has not been much improvement of sewerage services by households (**refer to table 4.4**). The Bester's Camp housing project made provision of ventilated pit latrines to every site. The housing project at Bester's Camp did not make provision for bulk sewerage infrastructure. This limits the opportunity for households to improve their sanitation systems from pit latrines to water-borne toilets.

Table 4.4. Sanitation Services

Type of Sanitation	Bester's Camp	Nazareth
Water-borne	0%	19%
Pit Latrines	100%	81%
Total	100%	100%

Source: Field Survey (1999)

4.3.5 Telephone

The two research areas have fully reticulated telephone services. Telephones can be connected to every property. Public telephones are also provided. In Nazareth 52% of the community have house telephones. 48% of households have not installed telephones. Out of the families that do not have house telephones 32% are still awaiting installation and 68% say they cannot afford. At Bester's Camp only 5% of households have house telephones. 25% of households are awaiting telephone installation and 70% of the community say they cannot afford telephone installation (Survey: 1999).

4.3.6 Public Facilities

Public facilities like a library, a training centre, a community hall, a creche, a school and postal services were provided at Bester's Camp. These facilities are well maintained by the municipality. In Nazareth, public facilities such as a community hall, a postal service, and a playground were provided in the area.

Public spaces for school and clinic buildings were demarcated in the layout of Nazareth as facilities that the community requires and were given first priority. However, the construction of the school and the clinic has not taken place and these sites remain vacant to this day. The Nazareth community uses schools in the nearby suburbs and townships. The unavailability of facilities such as schools and clinics in the area becomes an added expense to the households expenditure, in that, from the low incomes that households earn, they have to cater for both school fees and travelling expenses of their children. These expenses deplete the savings and consequently contribute to the inability of households to invest in housing.

The research conducted at Nazareth and Bester's Camp has shown that households have made tremendous improvements in services such as electricity. The study also show that a high percentage of households have failed to make improvements in services such as connecting water inside the house, installing telephones and improving sanitation. Households are able to pay for the services consumed. They do not afford connection services (refer to table 1 household expenditure). The research has however, proved that families that earn relatively low wages do not consider housing as a priority. After expenditure on items like food, clothing, education, health and transport are addressed, in many situations, very little or no money is left for housing.

Various departments are responsible for the provision of different public facilities in the area. This division of responsibilities has a negative effect to the development of the settlements and improvement of the areas. In Nazareth for instance, the community has to undergo the bureaucratic procedures of the Department of Education to approve and construct the school. As a result, the building of such facilities are delayed and the improvement of facilities in the area is not speedily achieved.

4.4 Housing Finance

Households in both case study areas received housing subsidies from the government. In Nazareth housing subsidies were in the form of building materials which were enough to build a standard two roomed house. At Bester's Camp, people were provided with two roomed starter houses. The provision of starter houses to these households was aimed at decreasing the house construction costs so as to enable beneficiaries to invest in housing.

Households are expected to improve from these starter houses using their own resources. In the survey that was conducted in Nazareth, 15% of households got financial assistance for house improvement from commercial banks. In Bester's Camp only three percent of the population applied. Reasons for not applying for financial assistance vary. In Nazareth, 30% of households did not know about lending services, 39% knew that they do not qualify because of their economic situation, either they are unemployed or earn relatively low wages. 27% had their own resources and 9% applied for financial assistance but did not qualify. In Bester's Camp 36% did not know about the lending services. 32% knew that they do not qualify considering that they are unemployed. 33% had their own resources (Survey: 1999).

All respondents said they made housing loan applications to Traditional lending institutions only, because most beneficiaries are not aware of the fact that lending institutions such as KwaZulu Finance Corporation can provide them with lending services that suit their needs than what Traditional lenders offer. The Project Manager interviewed said institutional arrangements with financial institutions were not made at Government Department level and also at project level. The arrangements with financial institutions to provide lending services to people of Nazareth and Bester's Camp could have given households the opportunity to understand the workings of lending institutions. In this regard households could benefit in two ways.

Firstly, they could have got access to information about the financial institutions and lending services they offer. Secondly, access to information about lending services could have helped some households to utilise the schemes such as housing improvement loans in their house construction and improvement.

Besides the lack of information about the lending services to low income households, another serious problem is that financial institutions do not offer lending services to all households. Home Loan Managers from Nedbank, Perm, and ABSA said the lowest income category that traditional lenders offer for housing improvement loans, are applicants who earn not less than R3000 per month. Low income households are automatically excluded from accessing credits from such institutions. According to Home Loan Managers from Non-traditional lenders (Ithala Bank-KwaZulu Finance Corporation, People's Bank) these institutions provide housing improvement loans to low income groups. However, the people who qualify for house improvement loans in these banks are households who earn a minimum of R1500 per month. Though this Corporation offers financial assistance to low income groups when compared to the formal lending institutions, it does not provide lending services to the majority of the population of South Africa whose incomes are less than R1500 per month.

Under the prevailing circumstances, to access housing improvement finance, one cannot expect to achieve housing improvements in areas such as Bester's Camp, where a total of 87% of the respondents earn below R1500. As much as households may like to improve their houses, there is absolutely no financial provision or lending services that are made available to them to effect improvements in their houses. Consequently, in the long run lack of lending services is likely to create a housing situation which Lea (1983) calls a permanent shanty town because of the fact that the household incomes are insufficient to effect improvements to their houses. Therefore, improvements in low income settlements will not be achieved until conditions of lending are improved by finance institutions.

Housing improvement loans are not only offered by banks. Employers also play a vital role towards housing of their employees. In Nazareth 11% of respondents have received housing assistance in the form of housing loans from the employers. 3% of respondents received housing finance from employer's in Bester's Camp. When compared to the commercial banks, employers housing assistance have reasonably low interest in the repayments of the housing loans. The study shows that the percentage of the respondents who received financial assistance from employers is very low. Employers should also play a vital role in providing information and financial assistance to its employees. Evidence from Bester's Camp and Nazareth shows that households that have received housing finance from employers have made improvements to their houses.

As has been explained, Bester's Camp and Nazareth residents got financial assistance from commercial banks and employers. 97% of the respondents said they are paying their loans to the relevant lenders. 3% of the respondents failed to pay housing loans due to retrenchment. The basic problem that affect many households who have housing loans is that they lack information about the conditions attached to the loan repayments such as the effects of interest rates on housing loans. Interest rate fluctuations mean that there is no fixed amount that households pay. As a result, bond increases result in the suffering of households' basic activities such as education and health.

In some situations, housing loans have been used for initial construction of the houses, and in many cases they were insufficient and households used their own resources to top up on the housing loans. In such scenario, households ended up having to make loan repayments and consequently were left with no money to improve their houses further.

4.5 Internal and External Improvements

In this study external improvements refer to the extensions made in the house in the form of adding extra rooms, painting and fencing. Internal improvements are the investments that are made inside the house like buying a furniture, for example, a fridge, a stove and a bed. This section looks into the improvements made by Nazareth and Bester's Camp residents.

Bester's Camp upgrading project was started in 1991 and made a provision for services. The second phase of the housing project started in 1994 and made provision of starter houses. The houses that are provided are made of blocks and they are not painted. Housing conditions before the project started were that beneficiaries had shacks which were made of cardboards or mud. Construction of houses is still underway at Bester's Camp. Some families have not received housing subsidies as yet, hence they still live in the original shacks made of mud (**refer to figure 3a and 3b on page 53**).

Observations that were carried out at Bester's Camp which were also confirmed by the research shows that households that have used blocks are those that have received government housing subsidies. Therefore, the government subsidy has enabled beneficiaries to move from shack dwellings to properly constructed block houses (**refer to figure 4a and 4b on page 54**). Otherwise people on their own have not made any improvements to their houses. When respondents were asked why they were not extending their houses, they said they do not afford house construction costs.

Figure 3a and 3b. Original structures at Bester's Camp before government subsidy is provided.

Figure 3a



Figure 3b

Figure 4a and 4b. Use of blocks after government subsidy.

Figure 4a



Figure 4b

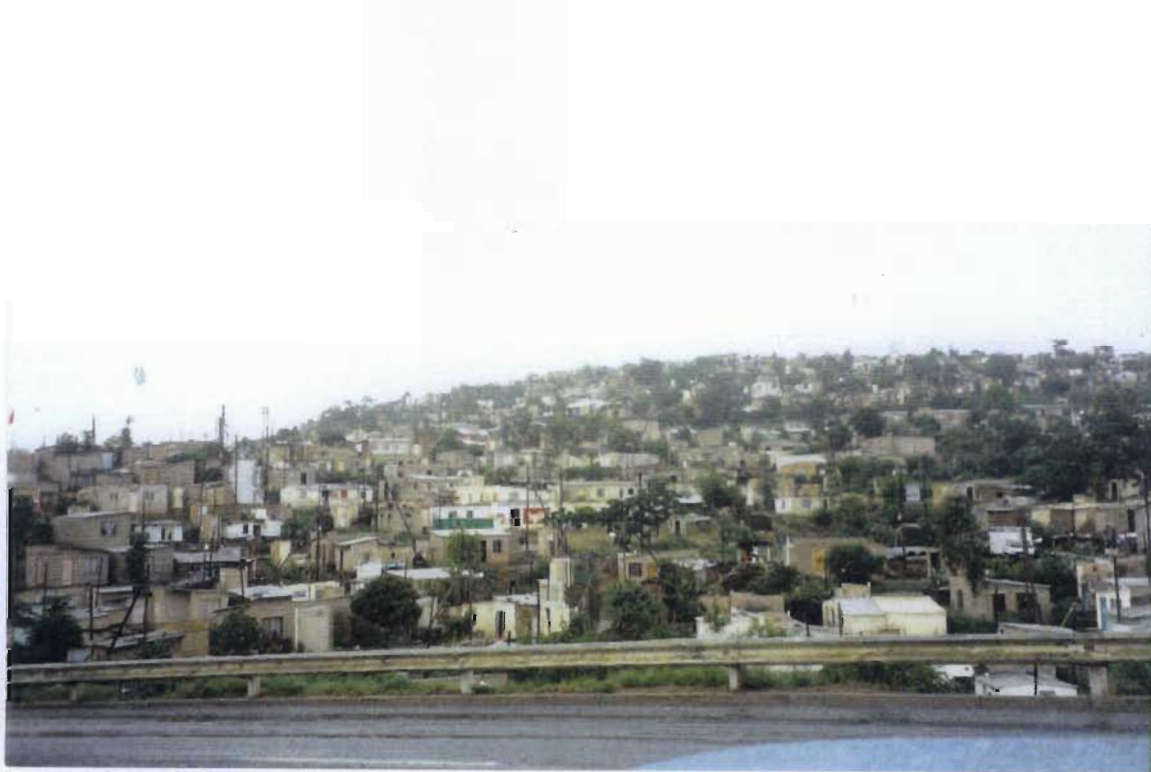
Findings from the research were that 30% of households have plastered their houses. 10% of the houses are painted and only 6% of the respondents have fenced their houses (see figure 5, a photograph showing a fenced house in Bester's Camp). All households interviewed wish to do external improvements. Fencing was regarded as one of the priorities, because respondents said the area has a high crime rate.

Figure 5. Plastered, Painted and Fenced House in Bester's Camp.



When asked why families do not improve their houses to determine the problems that households have in housing, the answers were that households do not afford the construction costs. Moreover, they said they are limited by space. Bester's Camp is overcrowded, sites are too small that they do not allow for house extensions (refer to figure 6, a wide shot of the area).

Figure 6. Bester's Camp Settlement showing overcrowding and lack of room for external improvements.



As much as households earn low and irregular income, however, the right to possess land and the provision of starter housing has channelled poor households of Bester's Camp to invest on internal improvements. With the low incomes that households earn, they have been able to make improvements inside their houses such as buying electrical appliances such as stoves and kettles. These items were considered basic by many households. 20% of households had televisions, 5% had videos and 20% had fridges. Internal investments also depended on the financial resources of a household. Some families were found to be struggling in that they could not afford even the basic furniture for the house (**see figure 7, a photograph showing internal improvements on page 58**). Internal improvements were also limited by space factors, some households could not buy furniture as they wish because the size of rooms in the house are small. Moreover, some sites could allow households only to build a two roomed house.

Figure 7a and 7b. Picture showing different stages of internal improvements in Bester's Camp.

Figure 7a



Figure 7b



At Nazareth households were given serviced sites and building materials that allowed them to construct two roomed houses. The families in Nazareth were required to adhere to the building regulations. They were not allowed to use traditional building materials such as mud and boards. Before housing construction started, households were required to submit house plans to the local authority for approval, a process which took a minimum period of six months. Furthermore, at the end of construction, houses were inspected to ensure that they were safe and to check building failures. Houses could only be used after an approval was received from the local authorities. As has been argued in the section on roads, delays in processing of house plan led to sites remaining vacant for a long time. In addition, delays in house plan processing resulted in the poor level of site occupation. Out of 590 sites which were allocated to households in 1993, only 213 sites had completed houses in 1995 (Hlongwa, M.E: 1996).

The findings in Nazareth shows that 38% of the residents bought their sites from the original beneficiaries. The Project Manager said sites remained vacant for a long time in Nazareth, because the beneficiaries could not afford house plans that were required by the Local Authority. Inability to afford house construction costs led poor households into selling their sites. As a result, Nazareth is turning out to be a middle income area **(refer to figure 8a and 8b on page 60, for the type of houses that have been constructed in Nazareth).**

Figure 8a and 8b. Showing invasion by middle income groups. N.B. compare with 8b where intended beneficiaries still dominate.

Figure 8a



Figure 8b

Nazareth residents have done tremendous improvements to their houses externally. 38% of households have built houses that have five or more rooms. 30% have four roomed houses. 20% have three roomed houses and 12% have two roomed houses. The building materials that are used in Nazareth are blocks, bricks and the roofing material used are tiles and asbestos. 95% of respondents have plastered and painted houses. Few households, 7% have fenced houses. Fencing is the last priority in many households though households said they regard fencing as important.

Households in Nazareth have invested in their houses. The Project Manager (Mr Crompton) acknowledges that households have gradually improved their houses in Nazareth, simple because their sites are big enough to enable households to do all sorts of improvements (**refer to figure 9a and 9b page 62, for the type of houses in Nazareth**).

Figure 9a and 9b. Picture showing types of houses in Nazareth.

Figure 9a



Figure 9b

Households have also made internal improvements to their houses. Electrical appliances that were found in all households were fridges, stoves, kettles, and irons. 80% of households have televisions and 45% have videos. 40% of households have fans. Whilst 25% have heaters. 35% of households have gysers and 20% have alarm systems. The observations made whilst conducting research are that 87% of households have dining room suites, 40% have wall units whilst 89% have lounge suites and bedroom suites. The level of improvements made internally is very high. For example, 40% of houses were improved internally by removing carpet and installing ceramic tiles in the living rooms (**see figures 10a, 10b and 10c showing high standard of internal improvements in Nazareth**). 20% of respondents said they have replaced wardrobe furniture by fitted wardrobes.

Figure 10a. Internal improvements-showing fitted kitchen in Nazareth.



Figures 10b and 10c = Showing high standard of internal improvements in Nazareth.

Figure 10b



Figure 10c. N.B. Use of ceramic tiles in the place of wall-to-wall carpet.

Households at Bester's Camp used local builders from the community for the construction of their houses. The housing project provided the community with the technical skills. So, the local labour force was the only form of labour used. In Nazareth, 74% of households used local labour from the community. Whilst 14% of the respondents employed private building contractors from outside the community. 9% of houses were built by household members from sweat equity (Survey: 1999).

Self help housing theory by Turner (1972) maintains that self help housing schemes should provide technical training to beneficiaries in order to equip and enable them to build their own houses. The results show that the provision of technical skills was provided only at Bester's Camp. The high level of improvements that have occurred in the case study areas can be attributed to the use of local builders. However, the absence of the provision of building skills to the Nazareth community was coupled with problems such as material wastage and building failures. At Nazareth, 9% of the houses remain unfinished to this day, 10% of the houses fell down and whole structures had to be rebuilt. The problems that arose from using unskilled builders in Nazareth agree with the Marxist version of the self help housing theory that the use of local builders is expensive because it results in material wastage and building failures (Burgess, 1985).

However, the situation could have been different if the housing project had offered technical skills training to the community. Technical skills could have benefited the community, in that, the families could have been responsible for the construction of their own houses. Moreover, it would have benefited households in terms of accessing credits for housing construction and information about construction requirements, so that families avoid being cheated by unskilled builders.

4.6 Conclusion

The analysis presented in this section has shown that beneficiaries of sites and services housing project in Nazareth have made improvements to their houses when compared to the residents of Bester's Camp. The external improvements were easily achievable in Nazareth because residents had big sites as opposed to Bester's Camp residents who are affected by overcrowding. Internal improvements were also higher in Nazareth than Bester's Camp.

The disparities in the level of improvements in the residents of the two case study areas were that Nazareth is conveniently located next to the town, Pinetown and Weastmead Industrial area, which offer employment opportunities to the majority of Nazareth residents. This was also reflected in the income of residents. The majority of Nazareth residents are employed and are in the high income category whilst the majority of Bester's Camp residents are in the low income category. Reasonably high incomes have enabled Nazareth residents to invest in housing because after households needs are paid, these families are left with enough surplus to invest in housing. Contrary, the low and irregular incomes earned by residents at Bester's Camp are not sufficient even to cater for the households' day to day economic activities. Hence no surplus is left to invest in housing. These case studies (Nazareth and Bester's Camp) show it clearly that housing improvements rely on the households' income.

In addition, in South Africa, households who earn a minimum of R1500 are offered housing improvement loans by financial institutions. The ability to access credits for housing improvements is determined by the income which consequently, allows households to initiate improvements to their houses. Some households have improved their houses simple because their incomes are sufficient to cater for house improvements. Moreover, with the high level of incomes, they are able to borrow money from the financial institutions to assist them to effect improvements to their houses.

In addition, the location of Nazareth next to the suburbs has benefited residents greatly. Beneficiaries gained in terms of the level of services that were provided in the area, (especially on the part of Nazareth that is adjacent to the suburbs) which led to the recognition of residents by financial institutions. Residents in this part of Nazareth are able to use their residential sites for collateral purposes with the financial institutions. Though households in both areas have equal land possession rights, however, in the case of Bester's Camp, land cannot be used for collateral purposes because the services provided in the settlement do not meet the banks' lending criteria. Moreover, residents in this settlement earn low income.

It is then clear that low income people are excluded from using secure land for collateral purposes because they earn low incomes. Financial institutions also do not provide lending services to the low income settlements because these areas lack the level of services that banks require for their lending criteria. It is clear that in low income settlements it is meaningless to have land possession rights because there are no benefits attached to land ownership.

Chapter Five

Conclusions and Recommendations

5.0 Summary

The findings of the research conducted in Bester's Camp and Nazareth, on the impacts that land tenure has on housing improvements agree with the hypotheses made in this study. The hypotheses (security of tenure alone does not increase the level of housing improvements in self help projects) was evident in the two case study areas. The results have shown that in both areas some beneficiaries have made improvements to their houses. Therefore, giving households secure land, channels them to invest in housing.

As much as the households possess secure land, however, investments in their houses were not only determined by the fact that they own land. Rather, housing improvements were channeled by factors like, family sizes and household economic activities. Hence, land security alone is not a sufficient condition for generating housing improvements. Whilst this statement agrees with the research hypotheses, it also provides answers to the research question. Other questions asked in the research include factors that contribute to housing improvements and obstacles that hinder households from initiating housing improvements. The study has proved that access to credit and the availability of housing subsidies (the ones that are provided by the government and those that are provided by the employers) contribute a great deal to housing improvements. The major obstacles that prevent households from improving their houses are affordability, unavailability of skilled builders in communities, strict, rigid, and unfavourably costly building by-laws that poor beneficiaries have to adhere to.

5.1 Conclusions

The Bester's Camp and Nazareth housing projects were hampered by many complex bureaucratic processes surrounding land registration and transfers, which ended up delaying the implementation of the project. As mentioned in the preceding chapter, land was owned by different departments, which required different bureaucratic procedures to enable housing development to take place. Delays in the land processes negatively affected the construction of houses.

The outcomes from the research have shown that in Bester's Camp some households hold title deeds on the land whilst others have deeds of grant. This is due to the post apartheid laws governing land. However, the changes in the legislation as provided by the White Paper on Land has made significant improvements in the land ownership rights of many South Africans. Since the implementation of this policy, beneficiaries of many post 1994 housing projects are given full ownership of the land. However, their occupation status is weakened by the fact that it does not give them meaningful and sustaining benefits such as, using their land for collateral purposes. Moreover, the study has also shown that even those households that are eligible for financial assistance, due to their level of income, the majority lack information about land possession benefits that are available to them.

Findings from Nazareth have shown that the housing project was intended for low income groups. However, the project ended up benefiting middle income groups who bought sites from the project beneficiaries who did not afford house plans that were required by building by-laws. Firstly, this shows that a housing backlog also negatively affects the middle income groups in South Africa. Although the post apartheid government initiated housing subsidies, the focus has been more on low income groups. Consequently, this bias has led to a situation whereby housing needs of the middle income group have been consistently ignored.

For example, Home Loan Managers from Perm and Nedbank said as much as banks' regulations provide housing loans to households that earn R4000, it is practically impossible for these households to afford loan repayments if they depend only on this income. Households who are in this income category are likely to get financial assistance only if they are provided housing subsidies by their employers, or if their spouses also earn an income. Therefore, this means that housing needs for the middle income groups need to be addressed. Secondly, selling of sites by poor households in Nazareth shows that the Local Authority required building standards that poor households could not afford.

By virtue of being in the low income category, poor families cannot access credit facilities from the financial institutions. Home Loan Managers from Nedbank, Perm and ABSA said the banks provide financial assistance for housing only to households who earn a minimum of R3000. Standard Bank, Peoples Bank and Ithala offer their lending services to households that earn a minimum of R1500. Thus, the amount of a housing loan offered is determined by the level of income a person earns. This means that the majority of poor households cannot access credit from the financial institutions because their incomes are far below the minimum amount set by financial institutions. For example, the research findings were that 87% of households in Bester's Camp and 32% in Nazareth earn far below R1500. The lending criteria used by the banks limit low income households from accessing credits, hence creating a situation whereby poor households are systematically excluded by these financial institutions.

Moreover, Home Loan Managers from financial institutions that were interviewed in this study, aptly put it that the lending criteria that financial institutions use, makes no provisions for people who are settled in low income settlements. Financial institutions lend those people who live in areas where there is provision of bulk infrastructure in services such as sewerage, water, electricity, tarred and/or paved roads. Ironically, the standard of services that banks require in order to finance the area is not the services that are installed in low income settlements.

The Project Managers said the services that are provided in low income settlements depends on the availability of resources for the housing project. Moreover, even when low income households have the right to possess land, the mere fact that their land is located in the low income settlements means that the level of services provided on the land is of low standard. This automatically disqualifies the poor families from using their land for collateral purposes.

Home Loan Managers further stated that housing improvement loan schemes that directly address housing needs of the government subsidy beneficiaries are not provided in their institutions. These families are left to initiate improvements from their own resources. As has been stated earlier in the study, access to credit for home improvements by low income project beneficiaries from the financial institutions is non-existent. Although of late the government has made initiatives to provide housing credits to project beneficiaries, however, low income households still lack information about such opportunities. In Nazareth for example, all the respondents said they sought financial assistance for housing from the commercial banks only, hence ignoring the new government's initiatives due to ignorance of the facility's existence.

It must be taken into consideration that the improvements that have occurred in the houses of Bester's Camp and Nazareth residents indicate that even when households earn low and irregular income, they allocate some portion of their meagre income towards housing investments. The low level of housing improvements in some households, arose from the fact that household expenditure on items like food, clothing, education, health and transport has gone up sharply. Consequently, this high expenditure on basic needs has made households to be unable to save money for housing improvements. The inability to save money for housing improvements by poor households is a cause for concern to housing policy makers. This raises a question of whether the housing policy must continuously provide poor households with starter houses yet they are unable to invest in these houses due to economic factors.

The research has shown that households who have housing subsidies and housing loans from their employers are able to make more improvements than those households who do not have such benefits. However, few households, 3% at Bester's Camp and 11% in Nazareth, were provided with housing assistance by their employers. Housing loans that are provided by employers were found to have low interest when compared to the loans provided by commercial banks.

The survey has shown that households have installed services such as electricity. However, a large percentage of households (45% in Nazareth and 97% at Bester's Camp) do not have water inside their houses. Only 19% of households in Nazareth have improved from pit latrines to water-borne toilets. Low level of improvements in the services arise from the fact that households do not afford installation costs which are very expensive. For example, connecting water inside the house costs a minimum of R1200 and connecting sewerage pipes to the house costs a minimum of R900.

With regards to community facilities, the situation in South Africa is such that a budget for a housing project does not always include public facilities. The construction of public facilities such as schools and clinics become the responsibility of the Departments of Education and Health respectively because they require continuous operational finance. Unless full plans are put in place by the relevant departments, these public facilities remain unconstructed for a long period. In the case of Nazareth, sites that were demarcated for a school and a clinic, respectively have remained vacant, since 1993. As a result, the community members incur travelling expenses to transport their children to schools and clinics in the neighbouring townships.

Another very crucial factor that has been identified by the study is that one of the most serious problems affecting low income households is lack of information about housing resulting from communication breakdown among stakeholders. The majority of households interviewed are not knowledgeable about land tenure issues, have little or no access to information about housing finance, housing construction and investment, and they also lack building and technical skills.

5.3 Recommendations

The recommendations that are made in this study aim at contributing ideas that might help influence and hence shape a meaningful and more pragmatic National Housing Policy in the future. The National Housing Policy should not only look at the provision of starter houses. Given the diverse and complex conditions that are laid down by different stakeholders in housing projects, the policy must aim at vigorously addressing the house improvement needs of housing project beneficiaries, especially those from the low income category.

Land transfer processes were found to be problematic and, hence cause unnecessary delays in the implementation of housing projects. These land transfer and registration processes need extensive structural transformation. Procedures and regulations on land transfers should be the same in all departments to avoid unnecessary delays. Land transfer processes need to be dealt with long before the housing project is implemented in order to speed up housing delivery and also help the poor beneficiaries to improve their houses.

It was established in this study that land in low income settlements is not utilised for collateral purposes and that households are not aware of such benefits. It is from this notion that the study recommends that beneficiaries need to be informed about their land possession benefits. Moreover, accessing secure land from the housing project should be linked to the benefit of using the same portion of land for collateral purposes, as this will make households confident and hence assist them to initiate improvements to their houses.

It is acknowledged that the Housing Finance Corporation has initiated programmes that try to address access to credit for housing to low income beneficiaries. However, these initiatives need to be spread to cover both low and middle income groups. When these arrangements have been made, the Project Managers, at project level should facilitate the dissemination of information to the beneficiary communities. Through this process the community will gain meaningful information about financial institutions and the nature of services they offer. As a result, this will in turn help the beneficiaries to access financial assistance for house improvements.

Housing assistance by employers has proved to be a positive source that channels improvements in houses to take place. The study has shown that a very small percentage of poor households have such employment benefits. Therefore, it is recommended that employers should get involved in addressing housing needs of their workers. Housing subsidies should not be provided to high ranking employees only, (who in the first place can afford to buy a house and pay for improvements without assistance), but also to low level labourers who really need employer assistance. Well accommodated, happy workers are motivated. They in turn realise their full potential by giving maximum input to their work, hence maximising profits for their companies. Thus when employers provide subsidies to their workers they will be winning not only their loyalty, but also facilitating improved productivity for their companies.

Households (especially those from the lowest income category) do not afford service connection costs. A recommendation in this regard is that beneficiaries need to be assisted with connection costs. A viable system can be that finance for connection costs be incorporated into the housing subsidies.

Regarding public facilities, the study recommends that the Housing Department should liaise with relevant Government Departments, for example, the Education Department in the case of the school and the Health Department for anything related to the clinic. Most important will be to inform these departments about their roles in the projects and the needs of the communities, long before the whole housing project could start, so that the construction of houses and public facilities is done simultaneously. This will create a situation whereby delays and inconvenience to the beneficiary communities are avoided.

Low income households lack information about housing. In order to address problems related to lack of meaningful information about housing, Housing Support Centres have been established. Housing Support Centres that assist households who have acquired houses and those that are constructing houses, need to be invigorated in their efforts to address households' lack of meaningful information. In order to make South Africans knowledgeable about housing, an intensive housing education campaign needs to be initiated. A useful suggestion can be an inclusion of a section on housing in the Geography syllabus, at least at high school level.

5.4 Future Research

Overall, the problems that came out in all aspects of this study is that South Africans lack information about housing issues. Therefore, an assessment of the role of Housing Support Centres is an area that needs further research. Other areas that have been identified as requiring intensive research are, the provision of housing to employees by employers and the housing needs of middle income households and their ability to access credit.

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25. What problems did the housing project as a whole face?
26. What housing problems did individual beneficiaries face?
27. What measures were taken to solve these problems?

Appendix C

Project Managers Interview Questions

1. When did the project start?
2. Why did you choose this particular place?
3. Who owned the land before the start of the project?
4. Was the land bought or donated?
5. Who allocated sites?
6. What criteria was used in site allocation?
7. What type of tenure was agreed upon?
8. Who determined the terms of the agreement?
9. What land possession document do people have?
10. What is the value of the sites?
11. Can the sites/ plots be used for collateral purposes?
12. How was the project financed?
13. What percentage of the total beneficiaries got subsidies?
14. What was the criteria for subsidy allocation?
15. Did you make any financial arrangements with financial institutions to lend money to the project beneficiaries?
16. Which institutions did you approach for funding?
17. What was their response?
18. Were the beneficiaries informed about the lending facilities available to them for house construction?
19. What services were provided in the project area?
20. Who decided on the level of services that were provided?
21. Were the potential beneficiaries contacted about the type and level of services that were installed?
22. Did you provide the community with technical training? Yes or no
23. If yes, what skills did you offer?
24. If no, why didn't you provide the community with the technical skills?

Appendix B

Home Loan Manager's Interview questions

1. What lending services do you offer for housing?
2. Do you have lending services that cater for housing improvements? yes/ no
3. If yes, what criteria do you use for housing improvement loan applicants?
4. What is the lowest income group that you cater for and why?
5. Are you able to finance all your applicants? yes/no
6. If no, what proportions of the overall applicants are you able to finance per year?
7. Is there a form of lending service for housing improvements that you provide for RDP housing beneficiaries? yes/ no
8. If no, why?
9. If yes, what proportions of the applicants do you cover per year?
10. What does the bank require for collateral purposes in the case of low income groups?
11. Can one use a residential site as a collateral?
12. What conditions are attached to loan repayment for low income groups?
13. Are there any problems regarding the repayment of the loans? yes/ no
14. If yes, specify
15. What measures does the bank take to redress such problems?

76. If yes, which ones do you have, tick where appropriate

(a) stove-- (b) fridge-- (c) kettle-- (d) iron--- (e) t.v-- (f) radio ---

77. Do you have the following items in your house? Tick where appropriate

(a) bed---- (b) sofas— (c) table and chairs --- (d) other, specify -----

78. How much did it cost to make improvements?-----

79. Are these the only improvements you desire to have? Yes/ no-----

80. If no, why haven't others been made?-----

81. What otherwise could you have done, other than investing in housing?

82. What housing construction or improvement problems did you have?

83. In your opinion, what do you think is the best way of solving these problems?

Thank you for your cooperation

5.0 House Improvements

External Improvements

61. Are you? Tick the appropriate

(a) a first time owner ----

(b) bought a house from somebody ----

(c) bought a site from somebody ----

(d) other, specify -----

62. (a) If bought from somebody, how many rooms did the original house have?-----

(b) How many rooms does your house have now? -----

63.(a) If first time owner, did you extend your house after original construction? yes/ no--

(b) If no, why? -----

64. How many rooms does your house have now? -----

65. What was a duration of your house improvements?-----

66. Why? -----

67. What kind of building materials did you use to improve additional rooms?

Tick where appropriate

(a) blocks--- (b)bricks --- (c) mud--- (d)corrugated iron-- (e) other, specify-----

68. Other than additional rooms, what other external improvements have you made?

Tick where appropriate

(a) plastering- (b) painting-- (c) paving-- (d) fencing-- (e) other, specify -----

69. Why do you think external improvements are important? -----

70. Do you think the improvements that you have made are enough? yes/ no-----

71. If no, what other improvements do you desire to make? -----

Internal Improvements

72. Did you improve your house internally? yes/ no -----

73. If yes, what improvements did you make? -----

74. If no, why -----

75. Do you have electrical appliances? yes /no -----

4.0 Funding for the house

43. Was your house construction funded through government subsidy? yes /no -----
44. If no, how was your house construction funded? -----
45. If yes, what kind of subsidy did you get? Tick where appropriate
(a) building materials (b) house built for you (c) other, specify-----
46. If you received building materials, who built for you? Tick where appropriate
(a) local builders —
(b) private contractors from outside the community ----
(c) other, specify -----
47. Did you apply for any financial assistance besides the government subsidy? yes/no
48. If no Why? -----
49. If yes, where did you apply for financial assistance? Tick where appropriate
(a) commercial banks (b) employer (c) KFC (d). other specify-----
50. Did you get financial assistance? yes/no -----
51. If no, why -----
52. If yes, from where? Tick where appropriate
a. commercial banks b. KFC c. employer c. relatives d. other specify-----
53. How much did you get? -----
54. What did you use the money for? -----
55. Was the money enough for the purpose for which you borrowed it for? yes/ no-----
56. If no, where did you get money to top up? -----
57. Do you pay any amount of money towards your housing loan? yes/ no -----
58. If yes, how much are you paying per month?-----
59. Do you have any problems regarding payment of your housing loan? yes /no -----
60. If yes, what problems do you have?-----

21. Do you have waste collection services in this area? yes/no -----
22. Do you pay for the waste collection services? yes/ no-----
23. If yes, how much do you pay per month?-----
24. Do you have a telephone in your house? yes/ no -----
25. If no, why-----
26. If yes, how much do you pay for telephone service per month? -----
27. What kind of toilet do you have ? Tick where appropriate
 (a) VIP— (b) water borne-----
28. Besides the above, do you have other services in this area? yes/ no-----
29. If yes, how much do you spend on them per month?-----
30. How much do you spend on food per month?-----
31. What other household needs do you spend on?-----
32. How much do you spend on them per month? -----
33. Do you save any money? yes/ no -----
34. Do you save any money for housing improvements? yes/ no -----
35. If yes, how much do you save per month?-----

3.0 Land Tenure /Allocation of sites

36. How long have you lived in this area? Tick where appropriate
 (a) 0 - 2 years ---- (b) 3-5 years ---- (c) 6 -9 years --- (d) born here ---
37. Who allocated you this site? Tick where appropriate
 (a) community committee— (b) project manager— (c) other, specify-----
38. What form or nature of tenure rights do you hold on this land ?
 Tick the appropriate block (a) leasehold --- (b) freehold ----
39. What land possession certificate do you have? Tick the appropriate block
 (a) Permission To Occupy --- (b) title deed --- (c) other, specify-----
40. How do you feel about your status of occupation?-----
41. Are you aware of the benefits you can enjoy because of the nature of your tenure?
 yes/ no-----
42. If yes, what benefits do you enjoy? -----

Appendix A

Nazareth And Besters Camp Research Questionnaire

1.0 Household Economic Activities

1. Do you own this house? yes/no -----
2. If yes, since when?-----
3. How do you earn income? Tick where appropriate, through:
(a) employment--- (b) self - employment— (c) other specify -----
4. How much do you earn per month? Tick where appropriate
(a) 100- 800--- (b) 900 - R1 500---- (c) R1 600 - R2 500---- (d) R2 600 - R3 500-
(d) R 3600 and above----
5. Do you have other sources of income? yes or no -----
6. If yes, how much do they provide per month? -----
7. Do you have children? yes or no -----
8. If yes, how many of them are minors ----- adults-----?
9. Do you reside with your children in this house ? yes/no -----
10. Are your children employed? yes or no-----
11. Do they contribute to the family income? yes/ no-----
12. If yes, how much do they contribute per month? -----

2.0 Services

13. How much do you spend on transport per month?-----
14. Do you have electricity in your house? yes/ no -----
15. If no, why ? -----
16. If yes, how much do you spend on electricity per month?-----
17. Do you have water inside your house? yes/no-----
18. If no why ? -----
19. Do you pay for water? yes/ no-----
20. If yes, how much do you pay for water per month? -----

Appendix

Chapter One

Problem Formulation and Research Methodology

1.0 Introduction

Housing is one of the major challenges facing South Africa. The South African Housing policy makes housing subsidies available to the poor communities. The subsidy scheme provides a serviced site and a starter house. The onus is then left to the communities to improve housing on their own. The success of this subsidy scheme relies greatly on the improvement of housing by the beneficiaries. However, due to the fact that self-help housing is fairly new in South Africa, little is known about the occurrence of improvements and the obstacles that households face with regard to initiating improvements in their housing. This ignorance on the part of stakeholders is a severe obstacle to the implementation of housing policies by the government.

Generally, self help programmes make a provision of secure land and sites and services, sometimes with a core house to households. Self help programmes come in two forms, that is, informal settlement upgrading and sites and services schemes. In an informal settlement situation, people are already settled in the area. Upgrading process is done through the provision of basic services and infrastructure. In sites and services schemes, it is generally a vacant land, households are provided with secure land and serviced sites and are left to build houses themselves.

This study is based on housing improvements in low income settlements of Bester's Camp and Nazareth. It intends to contribute to the increased understanding of land tenure and housing improvement issues. The study investigates whether the legalisation of secure land has any contributions to housing improvements in upgrading and sites and services projects. In this study housing improvements in an upgrading project, that is, Bester's Camp, will be compared to improvements that have taken place in Nazareth, which is a sites and services housing project.