

Informal Settlement Upgrading

Towards an Incremental People Centred Approach



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The world population, according to UN Habitat (2007) is 6.6 billion. More than 50% of the global population live in cities and an astounding 1.06 billion (32%) of urban dwellers live in slums. This number is set to double in the next 30 years, UN Global Report 2007.

Unlike most countries in the developed world that gradually moved from 10% to 52% urban over a two hundred year period (1750 – 1950) the developing world has been shifting to an urbanised existence at an exponential rate. Between 1985 – 2003 the urban population in developing countries increased from 1.2 billion to 2.1 billion. (G.Tannerfeldt & P. Ljung, 2007). In Africa the UN predicts that the current 400 million urban citizens will exceed 750 million by 2030 and will reach 1.2 billion by 2050. (Edgar Pieterse; August 2009).

The one billion citizens who do not enjoy the basic security of access to land and decent affordable shelter, are potentially the most powerful force for change. Homelessness and poverty cannot be resolved as long as the urban poor are passive beneficiaries waiting for others to deliver solutions. They need to unite at a global level and determine their own solutions if they are to break this cycle. As architects, development practitioners, Government officials and academics ‘we can and must help the urban poor in this huge task but they *must be the driving force* because this is not about housing alone it is also about dignity and a quest for true humanity.’ Emiritus Desmond Tutu: patron of the International Urban Poor Fund.

1 Shelter Situation Analysis

1.1 Basic General Data

The focus of this paper is South Africa, which, is the southern most country in Africa. The area of South Africa is 1,219,912 sq km (471,011 sq mi). Considered as a whole, South Africa extends 1,821 km (1,132 mi) NE–SW and 1,066 km (662 mi) SE–NW.

South Africa is one of the most urbanised countries on the African continent. Figures released by Stats SA in 2001 refer to urbanisation being at 56% of the total population unlike Africa as a whole, which is currently only 38% urban with huge variances across the continent. South Africa has a current population of 49 320 5001 with a population density of 40.42per square kilometre (Statistics South Africa, 2009).

The socio-economic landscape of South Africa is fraught with inequalities that were exacerbated by apartheid policies, especially the segregation of land. South Africa held its first democratic elections in 1994 marking the end of Apartheid. The current administration operates under a Parliamentary Democracy with proportional representation. The country is divided into 9 Provinces. There are three tiers of government – Local, Provincial and National.

The South African economy is a market driven economy within a welfare state environment, however without the comprehensive welfare nets that Northern welfare states, like Sweden, are able to provide. The State provides small welfare grants, all under US \$ 120/month, for poor and vulnerable citizens. These grants include senior citizen, disability and child grants. This contribution often provides a significant or the only income for poor families. Unemployment figures are high and at the beginning of 2009 they were over 39% (Edgar Pieterse 2009). During 2009 a further million people lost their jobs as a result of the global economic downturn pushing unemployment figures to over 40%.

The State provides free basic health care at state hospitals and primary health care clinics. These health care facilities are often under-resourced and understaffed falling short of providing adequate health care to the millions of poor

South Africans who suffer most the effects of malnutrition, Tuberculosis and Aids. The estimated overall HIV prevalence rate is 10,6%. The total number of people living with HIV is estimated at approximately 5,21 million. Life expectancy at birth is estimated at 53,5 years for males and 57,2 years for females. The infant mortality rate is estimated at 45,7 per 1 000 live births (Statistics South Africa, statistical release: P0302 Mid year population estimates, 2009)

1.2 Shelter Related Fact and Figures

The post-apartheid state inherited a housing backlog of 2 202 519 units according to the Government's National 1996 Census. From the onset the newly democratically elected government set about trying to address the wrongs of apartheid. The government implemented an ambitious public housing programme whereby all poor people who can demonstrate that their household income is below a certain amount (R3 500/ US \$420) are entitled to a free house. This grant comes in the form of a capital subsidy for housing.

Since 1994 the South African Government, according to the Human Settlements Minister, Mr. Tokyo Sexwale, has built 2.3 million houses (Housing Minister's budget speech, March 2009). Whilst this is indeed a notable accomplishment the Government, by its own admission, has failed to keep up with the scale of need.

The annual national population growth rate is 1.1% with the average growth rate of cities being 3%. This natural population growth and in-migration has resulted in a continuing proliferation of informal settlements in the country's cities and towns. The housing deficit is currently 2.1 million units (Housing Minister's Budget speech, 2009). The number of households who live informally is much higher as the above official figure does not take into account the number of families who 1) do not meet the state's criteria for a subsidised house but are poor, 2) the number of illegal immigrants living in informal settlements and 3) the number of households who have sold their government subsidised house due to a host of reasons including not being able to afford rates and services and the likelihood that the subsidised housing development is on the periphery, far from job opportunities and more expensive to travel to and from. Thus in spite of

having built an average of 160 000 houses per year since 1994 the backlog has remained more or less the same.

The number of housing units that have been allocated for expenditure for this financial year 2009 – 2010 is 226 000 in all nine Provinces. That does not mean that they will all get utilised. The scale of need therefore remains far greater than the rate of delivery.

The average size of a government subsidy house is 36sqm with 2 bedrooms, toilet and kitchen. The floor area per person is 9sqm. The housing subsidy is currently set at R43 506. The houses are constructed using conventional methods of brick and mortar and are generally of poor quality as in the main they have been built by contractors who skim whatever profit they can from the subsidy.

Tenure security is directly linked to the housing subsidy. This means that for the overwhelming majority of poor South Africans who live illegally as ‘unwelcome guests’, otherwise referred to as squatters, on government or private owned land tenure security is simply out of their reach. The only way they can access tenure is if and when they are incorporated into the government subsidy programme. A significant proportion of those living informally will be relocated far from the city, services and job opportunities because of land affordability.

In recent years Govt. has placed increased emphasis on rental stock. The urban poor themselves developed an informal rental market long before the state resorted to this option. Families living in formal housing, increasingly in shacks as well, have built ‘back-yard dwellings’ that they have rented out as a means of income generation.

The policy approach to basic services since 1994 has been for Government to fund the capital costs of new services infrastructure while the users cover operation and maintenance costs. In 2001 due to high running costs and the inability of the poor to pay for such services the Government adopted a policy to provide a basket of free basic services to the poor. Since the introduction of the policy, the emphasis has been on the provision of a basic amount of free water and electricity, supposedly enough for people’s most basic needs.

1.3 Housing Policy

The right to housing has been enshrined in the Constitution, which was adopted in 1996 and states that all South African have the right to: ‘access to adequate housing’. In 1994 the Government, in order to redress the inequities of Apartheid, developed the Housing White Paper that stipulated the use of targeted housing subsidies to qualifying beneficiaries in the form of a grant. This became the de facto housing policy in 1997 with the tabling of the Housing Act. Subsidised housing was a key element in the Reconstruction and Development Programme (1994 -2004).

In 2004 Government presented its Breaking New Ground (BNG) Plan that is also known as "a comprehensive plan for the development of sustainable human settlements". Breaking New Ground is neither a Programme nor a Policy, so it has no statutory significance. It is a plan that Government would like to implement into policy following a series of successful pilot projects. Since the inception of this plan its flagship pilot project (N2 Gateway Project, Joe Slovo) has been the centre of contention. BNG primarily encourages the private sector to return to the housing subsidy market as they had been steadily shifting away due to low profit margins. BNG incorporates the concept of socio-economic integration, including subsidized housing, rental stock and bond housing.

Notwithstanding the fact that millions of poor people in South African live in informal settlements in inadequate shelter without or with inadequate basic services (sanitation, water, electricity, waste removal) it is hard to fathom that the upgrading of informal settlements was not provided for until 2004. The Upgrading of Informal Settlements Programme (UISP) was incorporated into policy (Chapter 13 of the National Housing Code) (2004). It was published with some small but important changes (e.g. emphasising in situ) as part of the Housing Code in 2007.

The Upgrading of Informal Settlement Programme is a significant policy shift. ‘In broad terms these policies entertain approaches which are more flexible, participative, and integrated’ (Mark Misselhorn April 2008). In line with a more incremental approach to the provision of housing, in 2005 and 2007 respectively, land and services were delinked from the housing subsidy and became the Municipalities’ responsibility. As of 2007 the housing subsidy covers the top structure only.

The UISP is to be implemented in phases. Of particular relevance to this paper is that the UISP will only provide funding for informal settlements that are on land suitable for permanent residential development. Secondly the UISP gets implemented in 4 phases, each of which requires heavy regulatory intervention by the State, with the final phase being the housing consolidation phase of the subsidy programme. The serious problem here is that all the intermediary phases that allow for incremental upgrading are not approved by the State unless they lead to Phase 4.

The Upgrading of Informal Settlements Policy has not been ‘adequately put in practice and translated into changed delivery on the ground. They have not been accompanied by the necessary changes in systems, mechanisms and regulations, nor has there been the requisite political will to enable real take-up on the alternative approaches... The de-facto policy approach has therefore remained one which is focused primarily on the provision of conventional housing i.e. a house + related services + title as a fixed package.’ (Mark Misselhorn April 2008). Instead of using the flexibility and space that this policy allows to find innovative solutions that translate into action on the ground many Municipalities have utilized UISP and BNG funding to fast-track subsidies for conventional projects.

1.4 Actors in Shelter Delivery and their Roles

In terms of formal housing delivery the State, through the provision of subsidies, and the private sector as implementing agent, have been the main actors in shelter delivery. However it can be argued that their efforts are matched by an equal number of poor families who are significant contributors in shelter delivery albeit in the form of informal shelter. In fact it is interesting to note that ‘informal, auto-constructed, makeshift shelter responses house 62% of African urbanites’ and in South Africa not less than 50% of the urban poor. ‘In other words, (it can be argued that) the shanty city is the *real* African city. This further implies that (a significant share) of city building can be attributed to actors outside of the state and formal business sector (Edgar Pieterse; August 2009).

Apart from contractor built housing the Government enables a People’s Housing Process (PHP). This process aims to support households who would like

to build or organize the building of their own homes. This approach makes a particular effort at involving women in decision-making and draws on their skills and roles in their community. The largest provider of PHP housing in South Africa is the Federation of the Urban Poor (FEDUP). FEDUP has a policy that stipulates that all housing built through the capital subsidy system must be 50sqm. FEDUP has built 15 000 formal houses over 15 years.

Government pays lip service to the People’s Housing Process. In truth they view the process as cumbersome and inefficient. At the beginning of the millennium Government introduced an institutional arrangement called the ‘Enhanced’ or ‘Managed’ PHP. This effectively enabled developers to get the sanction of community leaders, normally through the coercion of the local Government councillors, and utilise PHP allocated subsidies for contractor led developments. According to Government records the number of houses built via the PHP is 5%. This equates to 165 000 houses. Whilst official figures have not been kept for genuine PHP projects their number has not exceeded 30 to 40 000.

Table 1 SA housing Statistics 1994 – 2008: Formal versus informal

| Shelter delivery | Formal (subsidy) Housing | Informal Housing |
|-------------------------|---------------------------------|---------------------------|
| Developer Built | 2,260,000.00 | 0 |
| People built | 40,000.00 | 2,200,000.00 ² |
| Total | 2,300,000.00 | 2,200,000.00 |

This table demonstrate that the current formal housing process barely keeps up with new shack formation, the delivery system significantly favours the private sector, the people themselves continue to be the main contributor to the housing stock in the country albeit in the informal sector and Government Policy fails to utilise this capacity in the delivery of formal housing

1.5 Shelter Design

The physical planning of formal shelter is almost entirely done by professionals - both within Government and the private sector - without social inclusion of the beneficiaries. Apart from the PHP all developments are turnkey. Government town planning officials design land use usually with no consultation with future

² 2,100,000 deficit plus the 100 000 of the original 2,200,00 deficit

inhabitants. The population density in such developments is low due to the freestanding nature of the houses. Government is now looking at ways of incorporating medium density (only two-story due to costs) housing in their developments.

In an effort to address poor building standards, Government has applied stringent norms and standards to low cost housing construction. All developers and contractors have to be registered with the National Home Builders Registration Council (NHBRC). In real terms this has simply meant a larger portion of the subsidy goes to professional fees which mean that poor people get smaller houses so that the increase in engineering quality is achieved by drastically reducing the living quality of the homes. Furthermore neighbourhoods are badly planned without any attention to layout, density, and the general utilisation of space. As a result low cost houses, which are in any case assigned to the peripheries of the cities, are generally built as single story freestanding dwellings separated by narrow corridors of 1m making the space non-usable.

Developments that have been conducted through a legitimate People's Housing Process tell an entirely different story. The design of the houses and the broader layout plan is primarily done by groups of organised women who know and understand one another because they live in the same community and belong to the same savings collective. They get support from NGO's and regularly engage relevant Government departments. The shelter quality is far better than contractor built developments as the beneficiaries take part in all aspect of the development.

The physical planning of informal shelter is done entirely by shack dwellers themselves with social inclusion of the 'beneficiaries'. The physical planning of settlements is organic and evolutionary by nature. To an outsider it would appear that there has been no settlement planning, often however, at closer reflection it becomes evident that elements of physical planning have been taken into account, not at settlement level but rather at an incremental evolutionary level. In most cases there is social inclusion in such decision-making often taken by settlement leadership, which is usually male orientated.

Shack sizes vary considerably and recent enumeration of 3 000 shacks in an informal settlement in Cape Town, which was conducted by FEDUP, indicated that 43% of shacks measured were less than 10sqm and only 10% were larger than

25sqm. The average number of inhabitants per shack is 3 persons. Density is therefore high.

The urban poor are never safe. They live under constant threat of eviction. The urban poor, more especially women, bare the brunt of crime and violence. They often suffer the devastating effects of fire or floods which often lead to the loss of life or limb and usually always leave them in abject poverty having lost all or most of their meagre possessions including their shelter.

2 Organisation

Ikhayalami, meaning ‘my home’ in Xhosa and Zulu, is a non-profit organisation that is currently institutionally housed in an NGO, People’s Environmental Planning for legal standing. Ikhayalami’s primary aim is in-situ informal settlement upgrading. Ikhayalami realises that the State is incapable of addressing the housing backlog with any real effect with its current formal housing subsidy system. Unlike the State Ikhayalami sees informal housing as part of a broader more sustainable solution.

Ikhayalami focuses on designing and manufacturing affordable housing solutions that are easy to transport and quick to erect primarily as a response to the emergency of inadequate shelter. The NGO also work closely with organised spontaneous settlement communities to find solutions that improve their access to basic services such as drainage, alternative forms of energy production, running water and sanitation. Reconfiguring informal settlements with a more structured layout to allow for the upgrading of basic services is seen as a first step towards informal settlement upgrading.

As the Manager of Ikhayalami my responsibilities include overall management of the organisation, strategic planning, writing of proposals and securing funds, ‘emersion’ into the communities so as to learn from and understand their needs to work collectively in finding appropriate technical and practical solutions. I facilitate the interface between the technical and social component. I play a strategic role, in conjunction with other actors in the field, in ‘opening doors’ for mobilised communities to forge partnerships with the State. I also manage the Ikhayalami construction team.

Ikhayalami is affiliated to Shack Dwellers International (SDI) and most of its approaches are based on SDI methodology. Its work is predicated on the assumption that all organised spontaneous settlement community members should be the driving force behind any development that involves their community. SDI comprises Federations of the Urban Poor in 33 developing countries across the globe.

Ikhayalami also works closely with the Community Organisation Resource Centre (CORC). Corc is also affiliated to SDI and focuses on the social side of development.

3 Shelter Problem

Tokyo Sexwale, the Human Settlements Minister's said in his budget speech in parliament '.... we remind you once again that the previous studies by the Department concluded that continuing with the current trend in the housing budget would lead to a funding shortfall of R102 billion in 2012 - which could increase to R253 billion by 2016. This is of great concern.' Even the Government can see that its housing subsidy system is unsustainable in the short term never mind long term. However, the idea of providing free housing for the poor is too intoxicating a political potion for the ruling party to let it go. The Government is yet to see a way of amending this policy in order to address unforeseen consequences and to continue with a more effective set of strategies that can bend spatial patterns and ensure better access to urban opportunities, (Edgar Pieterse, 2009 Post Apartheid Geographies in SA).

The South African Government has one of the best housing delivery records in the world. While their accomplishment are notable, the scale of need remains far greater than the rate of delivery. What is more the newly built formal settlements are often on the outskirts of the city centres and marginalized from public services and employment opportunities.

The 2.1 million households who still inhabit informal settlements, as well as the thousands who migrate to urban areas every year continue to face the threat of eviction, adding uncertainty to their lives. These areas generally also lack basic services. This lack of secure tenure and inadequate access to services is 'one of the most pertinent rights violations in an urban context' (G Tannerfeldt). Given

the fact that there nothing is more indicative of the current housing policy than the fact that there are more households living in informal settlements now and lacking full access to municipal services than there were in 1996 (Township Transformation Time Line, 2009).

The current housing delivery rate equates to providing one house for every 20 homeless families every year but the housing backlog never declines because at the very best new household formation and in-migration is occurring at the same rate as formal Government housing subsidy delivery. Since Government subsidies are used for land, infrastructure and housing and since the State does not intervene in the property market, the result is that new subsidy based housing stock reinforces the Apartheid city. This is because the lands on which these homes are built are on the margins of the cities and towns, far from essential services and employment opportunities.

An additional consequence of the housing subsidy programme is that it has reinforced an entitlement mentality. Millions of people sit year after year waiting for the promised 'free house'. They have become dependent on a paternalistic state and do very little to improve their housing situation themselves.

The Upgrading of Informal Settlements Programme is an extremely important shift in policy. It a very real attempt to try to address access to urban opportunities for the poor, ideally in situ. However this policy falls short of delinking itself from the housing consolidated subsidy. It continues to be unsustainable and more importantly for the poor the roll out of subsidised housing has proved to be painstakingly slow.

Another problem is the general perception by Government and the private sector that informal settlements should be 'eradicated'. The World Bank and UN Habitat have linked the concept of 'slum eradication' to the notion of 'slum free cities' (for e.g. the Cities Alliance by-line 'Cities without Slums'). An informal settlement upgrading policy, by contrast, implies a slum friendly not a slum free city. The challenge facing the urban poor in South Africa is that the Government's Slum Upgrading Policy remains rooted in the vision of a slum free not slum friendly cities.

4 Proposal for Change and Improvement

There can be no meaningful change and improvement until there is recognition in policy and *practice* that informal settlements are an asset to cities and are here to stay for the long to medium term. They are a pro-active solution on the part of the urban poor to the housing crisis. What is more any proposal for change needs to be predicated on the recognition of organised poor communities as key role players *in* and *of* active agents of development.

If this is to happen currently reality needs to be turned on its head. Urbanisation must shift from a top-down subsidy driven system towards a bottom-up ‘people centred’ incremental approach with in-situ upgrading of informal settlements being the bedrock of all delivery. If the current policy is to enable this then informal settlement upgrading should take place within Government’s Upgrading of Informal Settlements Programme (UISP) but in a way that is delinked from the housing consolidation phase.

A useful starting point would be to establish a number of important pilot projects in which the State, especially local government and affected communities work together to find solutions. Currently Ikhayalami together with an Informal Settlement Network (ISN) and Corc are working in partnership with the City of Cape Town’s Informal Settlement Department who are currently the only City that has a department whose primary focus is informal settlements. This department portrays itself as innovative and forward thinking. They are open to working with informal communities to find ways of ‘improving’ peoples living conditions. The challenge remains however that due to policy constraints in most cases they will not be able to access funds from the Informal Settlements Upgrading Programme.

It is therefore Ihayalami’s and Corc’s intention together with a number of informal settlement communities to find innovative ways with new social technologies to move ahead with informal settlement upgrading by utilising whatever (limited) resources are available from the City as well as utilising the resources accumulated from within these communities. Additional funds for these pilots will be leverage for settlement wide upgrading and regularization. Our

intention is to set up partnerships and implement such pilot projects in all the major cities in South Africa.

Global experience suggests that such pilot projects will demonstrate emphatically that an incremental approach is much better for the poor and marginalised and much more sustainable for the cities. It is also an ideal platform on which a subsidy regimen can be built.

The overall objective of these pilot projects is to work with organised communities living in informal settlements that may not be upgraded in the foreseeable future by the State. In the process significant milestones would be achieved. Organised communities would upgrade their homes and settlements incrementally by themselves, but with support from government. Cities would be densified. Communities facing risk of eviction because of land ownership and land zoning issues would be more likely to secure tenure.

In order for communities to be the key actors in these pilots and later in city wide rollout of people driven informal settlement upgrading it is necessary for new social technologies to be introduced in the communities. Instead of traditional organised strategies of mobilising communities around demands for entitlements denied, a starting point would necessarily be the mobilisation of communities around their own resources and capacities. The intention would by no means be to 'let the state off the hook'. Rather it would equip organised communities with the knowledge and resources with which to broker deals and negotiate outcomes.

Any such approach would require the central participation of women whose capacities to create solidarity networks and to manage micro finance are critical preconditions for any regularization process. Effective systems of information and finance management enable communities to leverage resources either from the State or from the market. The combined dynamic of organised communities with the capacity to work together to plan the upgrading of informal settlements become dependable entry points for state institutions to deliver rights and entitlement.

4.1 Methodological Approach

1. Pilot projects to set precedent but it must include the active participation of the State e.g. Baan Mankong
2. Must include 2 levels of reflection of and learning a) research and documentation by development professionals to influence policy formation b) peer to peer learning programmes involving community members and Government officials so that lessons learnt in the pilots can be replicated in other settlements and so that experiences from other contexts can be incorporated into the pilots. This form of research both in the traditional sense and in the more organic 'learning by seeing and participating in what others have achieved' will form the basis of a wealth of knowledge to be used as a 'library' of information.
3. Applying the lessons learnt and knowledge generation in these pilots to develop institutional arrangements that will mainstream people centred informal settlement upgrading in the policy framework.
4. The developments of governance structures for the new institutional arrangements (for example finance facilities and building regulation councils) in which all stakeholders are represented and in which communities have significant representation.
5. Ongoing training and exposure of key officials, politicians and community leaders to best practices and to salient documentation that demonstrates the effectiveness of processes elucidated in this paper. (For e.g. women based saving schemes, the priority of tenure security and access to basic services, the importance of a people centred approach, the upgrading of existing informal settlements, creation of slum friendly cities that are committed to the incremental improvement of the lives of their citizens.
6. Engagement with and retraining of students and practitioners in the academic world in order to progressively mainstream the formal capacities required for the implementation of this process.

The methodological approach will comprise of different stages. Firstly broader research into informal settlement upgrading will need to be continually conducted.

Secondly a number of pilot projects in all the major cities will need to be identified with the relevant stake- holders. The appropriate methods identified dependant on the realities of the particular settlements and based on the most appropriate research, will need to be decided upon by the community in consultation with the State. The final stage will focus on the implementation of the pilot project. It is hoped that this methodological approach will lay a framework from which to commence and implement future informal settlement upgrading programmes.

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