

**‘Toilets in the Veld’:
Similarities in the Housing Policy of the New
South Africa and the former Apartheid State.**

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(ABSTRACT)

During the campaign of South Africa's first multi-racial elections of 1994, Nelson Mandela and the African National Congress (ANC) pledged to provide 1,000,000 new homes within the first presidential term of five years. This goal became more than just campaign rhetoric when it was written into the Reconstruction and Development Programme (RDP), a broad guideline for the new government's goals. However the *Housing White Paper*, the first housing policy of the new government, did not include a plan for mass housing construction. By 1998, Mandela had publicly abandoned the goal of 1,000,000 new homes in his term. Rather, private sector financing and vigorous community involvement through partnerships and collaboration between stakeholders were to be the cornerstones of delivery. The policy formulation process, which began two years prior to the elections, yielded an incremental approach of *in situ* upgrading through a capital subsidy, derived in large part from that of the previous administration.

This paper examines the policy formulation process, and why Mandela's ambitious housing agenda was not followed up with a policy that could realize the goal of 1 million homes in five years. Three explanations are offered, incrementalism in the policy formulation process, and the need for *both* domestic and international legitimization in light of poor economic conditions.

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Acronyms

ACHR - Association for Community Housing and Reconstruction
AML - Association of Mortgage Lenders
ANC - African National Congress
AML - Association of Mortgage Lenders
AZAPO - Azanian Peoples Organization
BMSC - Building Materials Suppliers Consortium
BSA - Business South Africa
CBM – Consultative Business Movement
CBO – Community Based Organization
COSATU - Congress of South African Trade Unions
DBSA - Development Bank of Southern Africa
DP - Democratic Party of South Africa
IDT - Independent Development Trust
IFC - International Finance Corporation
IFP - Inkatha Freedom Party
IMF – International Monetary Fund
KT - Kagiso Trust
LOA - Life Offices Association
MDM - Mass Democratic Movement
MIF - The Mortgage Indemnity Fund
NGO – Non-Governmental Organization
NHB – National Housing Board
NHF – National Housing Forum
NP – National Party
NPHDS - Non Profit Housing Delivery Sector IDT
PAC - Pan Africanist Congress
PHB – Provincial Housing Board
RDP – Reconstruction and Development Programme
RSA – Republic of South Africa
SAHT - South African Housing Trust
SANCO - South African National Civics Organization
UF - Urban Foundation

Housing White Paper Overview of Housing Backlog

Housing Shortage (1995)

- 1.5 million units
- An estimated 720,000 urban sites need upgrading
- Approximately 450,000 people live in hostel accommodations that need upgrading

Population

- 1995 – 42.8 million
- Projected average annual growth rate: 2.27% (1995 – 2000)
(one million people annually)

Number of Households

- Estimated 8.3 million households (1996)
- Average household size - 4.97 people
- 200,000 new households will be formed annually between 1996 and 2000.

Urbanisation Rate

- 28.0 million people (66%) are functionally urbanized
- Approximately 14.5 million people (34% of the total population) reside in rural areas

Urban Formal Housing

- Approximately 61% of all urban households live in formal housing or share formal housing with other families

Urban Informal Housing

- Approximately 1.5 million units existed at the time of the policy (1994).

Hostels

- Approximately 5.2% of all households live in private and public sector hostels. Hostels are dormitory like housing units that were built for migrant laborers.

Squatter Housing

- Approximately 13.5% of all households (1.06 million) live in squatter housing, mainly in settlements on the periphery of cities.

Source: Department of Housing (1994) *White Paper: A New Housing Policy and Strategy for South Africa* (Chapter 3)

I. Introduction

As Nelson Mandela and the African National Congress (ANC) took office as part of the multi-party Government of National Unity (GNU) following the Republic of South Africa's (RSA) first multi-racial elections in 1994, expectations were high for the newly enfranchised African majority. Providing shelter to the great numbers of homeless and informally housed among the African majority has been one of the major domestic policy issues for the new administration. However, faced with a great population of land-less rural citizens and informal, urban slum dwellers, the ambitious housing goals of the new government; originally stated to provide 1,000,000 new homes within Mandela's five year term, were abandoned before he left office in 1999.

The Department of Housing estimated the 1995 housing backlog to be at 1.5 million units (Department of Housing, 1994, 3.2.1). A 1996 estimate listed the number of households at 8.3 million, with an annual increase of 200,000 per year (Department of Housing, 3.1.1).

Despite campaign speeches and literature that espoused ambitious, sweeping, reforms, the core of the ANC's housing policy, the *White Paper: A New Housing Policy and Strategy for South Africa* (often referred to as the 'Housing White Paper'), is nonetheless strikingly similar to that of the National Party (NP) prior to the 1994 elections. While previous research has exposed this (Jenkins, 1999; Lalloo, 1998; Mackay, 1995; Parnell, 1996; Pikholtz, 1997; Tomlinson, 1998), with the exception of Lalloo (1998) it has not been the focal point of any study.

While adding to a substantial body of literature on the tenets of the housing policy and the policy formulation process (e.g. Goodlad, 1996; Jenkins, 1999; Lalloo, 1998; Mackay, 1995; Parnell, 1996; Pikholtz, 1997; Tomlinson, 1995a, 1995b, 1998, 1999), this paper will attempt to both analyze the policy formulation process and explain why the ANC, instead of providing 'four-roomed houses' as the public was led to believe, opted to draft a housing policy that is essentially based upon the foundation of the NP apartheid

government's policy. The paper will examine the policy formulation process and evolution from the end of the NP's term to the present, while illustrating how and why the current policy is in large part a rehashing of the NP's policies, despite the lofty goals the ANC originally proposed.

Three explanations are offered as to why the policy resulted in a plan for incremental housing, rather than mass public housing. The first is the theory of incrementalism, as defined by Charles Lindblom. The second and third explanations both relate to the economic situation of the country, suggesting that the policy reflects the need for domestic and international legitimization. An overview of the World Bank's history in housing in developing nations is provided to illustrate that by the late 1980's RSA housing policy was in line with World Bank trends, due to the need for foreign capital. The need for domestic state legitimization is explained through the language of the White Paper itself, and the negotiations that the new government undertook to include the private sector in the policy.

The paper is divided into five sections. In the second section, a brief history of the country and description of past housing and land ownership policies is provided to illustrate the unique context in which housing policies were written, and the socio-political environment that has emerged out of apartheid into majority rule. The third section examines the policy formulation process with a chronological account of the process and the agreements it produced. Section IV offers the aforementioned explanations as to why the policy turned out to be a rehashing of the previous NP policy, despite the great expectations that Mandela and the ANC evoked. Finally, Section V contains the conclusion and a brief set of planning recommendations.

II. History

Up until the late 1980's indigenous African people were prohibited from entering urban areas in the Republic of South Africa, save for their conditional admittance as migrant laborers. A cornerstone of apartheid policy, *influx control*, became expensive, unmanageable, and simply unfeasible in a country that was ruled by a white minority constituting of roughly only 11-12% of the population. As Africans were not legal residents of the urban areas in which they worked or sought employment, the housing of these migrant laborers represented a central foundation of control for the white minority.

As the flood of African laborers into the country's urban centers became too great to contain, the NP would eventually concede that apartheid was unsuccessful in regulating the movement and residency of Africans. Throughout the apartheid era's official restrictions, Africans nevertheless lived in or near urban areas in great numbers in 'peri-urban townships,' worker hostels and other squalid, informal shantytowns and settlements. The physical, as well as the demographic landscape of the Apartheid City, were shaped by the policies of influx control, which was in essence racial/ethnic residential zoning (Maylam, 1995).

In the following section, South Africa's history will be reviewed, beginning with European colonialism in 1652 and through the apartheid era of 1948-94. Particular emphasis is given to housing and land ownership legislation.

Early European Colonialism to Apartheid

In 1652 Dutch vessels arrived at the Cape of Good Hope, the southwestern-most tip of Africa in what is now the Republic of South Africa. Following the establishment of the Cape Colony as a weigh station for the Dutch East India Company, British vessels began to call there as well. For two hundred and fifty years or so following the arrival of the two European colonial powers, the land and the societies of the indigenous peoples of the Cape and further inland would undergo a turbulent transformation, resulting in a political

system which allocated rights and privileges based on racial and ethnic heritage (Keegan, 1996).

Continuous warfare shaped the political climate of the interior of the country during the *Mfecane*, a period recognized by historians and ethnographers of the region, the title of which in the Bantu language of the Zulu people translates as “the crushing” (Denoon and Nyeko, 1986, p.25). This period of African ethnic warfare saw the rise of several centralized kingdoms in the late 1700's through the early 1800's (Denoon and Nyeko, 1986). The Dutch and English would feud over claims to the land, and endure hostile encounters with Bantu-speaking peoples, namely the Zulu who were formed from the Mthethwa confederation into the centralized kingdom of Shaka during the early 19th century (Denoon and Nyeko, 1986). Information regarding the formation of the Zulu is still debated by historians but it is widely agreed upon that Shaka was the founder and ruled from roughly 1816-1828 (Denoon and Nyeko, 1986, p.25-7). The events of this time would prove to be of great significance to ethnic relations and identity amongst African people in the country to this day (Mkhondo, 1993).

In 1834 the British, under control of the Cape, abolished slavery and enforced their ban of the slave trade internationally through the power of their navy (Keegan, 1996). Generally displeased with British rule, many Dutch Afrikaners, or 'Boers' (a Dutch word denoting 'farmers'), set out on the 'Great Trek' inland throughout the 1830's in which they established new republics. In 1837 a greatly outnumbered Afrikaner contingency defeated a large Zulu regiment in the battle of Blood River. The Afrikaners declared their victory a gift from God by which they had won and were entitled to the land (Price, 1991). The battle became a holiday under the Apartheid State known as the 'Day of the Vow.' A pivotal point in South African history, C. Dunbar Moodie referred to this Afrikaner ideology as the Afrikaner "civil religion" (Price, 1991, p.14).

The last major period of warfare between the British and the Afrikaners culminated with the British successfully gaining control of all the of country from 1899-1902 in the South African War, previously referred to as the 'Boer War.' The British and the Afrikaners

then finally forged cooperative ties of the Boer Republics and the British colonies with the creation of the Union of South Africa in 1910. By the time of the alliance, diamond mining had become an important export activity and Africans who labored in the mines for living wages were relegated to crowded housing conditions in mining compounds and were required to carry identification (a pass) everywhere they went (Demissie, 1998). Subsequent legislation by the new Union government would begin to regulate their residential quarters and movement much further.

In 1913 the Natives Land Act was passed, awarding 87% of the land in the country to whites, with the remaining 13% for non-whites. The Urban Areas Act of 1923 extended segregation into cities, restricting African residency. The Land Act of 1913 was bolstered in 1936 to deny property rights to Africans who had purchased land prior to the 1913 act, and moved them to reserves. During World War II the country's industrial sector expanded, creating a demand for African labor (Parnell and Hart, 1999). At this time African rural-urban migration created overcrowded shantytown settlements around cities (Mkhondo, 1993).

Thus, when the Afrikaner dominated NP won the 1948 election under the slogan *apartheid*, an Afrikaans word denoting 'separateness,' the country was undergoing a surge in industrialization that was accompanied by rising African urbanization. In the 1940's the African urban population more than doubled (Price, 1991, p.15). Considered by many as the chief architect of apartheid (Denoon, 1986, p.198), Hendrik Verwoerd, the NP's Minister of Native Affairs from 1950-8 and Prime Minister from 1958-66, stated in the annual report of 1950 that "white South Africa is now being overrun by a black stream" (Price, 1991, p.16). It was during this post-war housing crisis, fueled by increasing African urbanization that Verwoerd introduced the policies of influx control (Parnell and Hart, 1999).

Influx Control

Influx control had two major objectives - the supply of African labor to specific designations where it was needed, and the restriction of African urbanization in order to

limit the potential of social and political problems (Maylam, 1995). In addition to the possibility of security threats posed by the sheer number of Africans, the NP was also wary of the potential for African organization in urban centers. The Marxian sociological model of the city as a venue for working class assembly was not lost upon the NP leadership (Price, 1991, p.16-7). The Group Areas Act of 1950 (and later 1966) demarcated land for various ethnic groups, essentially creating ethnic zoning (Maylam, 1995). This led to bitter forced removals of Africans, Coloreds and Indians from their property, to be occupied by whites (Hendler et al, 1985).

In response to African demands for parliamentary representation, Verwoerd responded with his most celebrated strategy, "separate development." This entailed the creation of ten "independent homelands." Land from bantustans (' reserves ') was demarcated and declared homeland territory for Africans, with each separated according to their ethnicity. According to the plan, Africans would then be citizens of their respective homeland. One of the homelands, Kwazulu, "the place of the Zulu," formed the power base of the Inkatha Freedom Party under Chief Minister Mongosthutu Buthelezi, an ally of the NP and rival of the ANC.

By 1965, Verwoerd stated that advances in mechanization required fewer African laborers and thus, influx control shifted directions by attempting to channel Africans back to the rural homelands. Controlled by the NP, the homeland system never fully materialized, although four of the ten did become "independent" by choice. As the 'Pretoria Minute' neared in August 1990, the summit in which the ANC announced its suspension of military operations, NP Foreign Minister Pik Botha conceded the failure:

The government began to shift away from apartheid when it realized that it was impossible to stem the tide of blacks moving to the urban areas in search of employment, signaling that the homeland system did not work (Mkhondo, 1993, p.19).

The Socio-Political Impact of African Housing Organizations

In the 1980s a combination of NP policies, housing shortages, economic recession, and poor rural conditions led to increased urban migration and the erection of more shacks in

the process (Sapire, 1992, p.673). The rent boycotts and civil unrest of 1984-86, which led to a government declared state of emergency, instilled a sense of civic organization within African communities that remains today (Goodlad, 1996, p.1632 and Sapire, 1992, p.681). During this period many townships formed their own councils and courts to direct anti-apartheid protests and establish self-rule (Price, 1991 and Sapire, 1992). However townships, hostels and shantytowns were also rife with violence and remain so in many areas. While serving as a source of political organization, township councils and organizations also fused brutal conflicts (Crankshaw, 1996). In addition, the activity of township organizations at times contributed to the physical decline of housing (Morris, 1999; Mohamed, 1997).

To the outside observer, apartheid, which applied to all people of color, concealed significant conflicts between different ethnic African groups, especially the Zulu and the Xhosa, the country's two most dominant ethnicities (Sapire, 1992). The ethnic segregation of apartheid, along with historical factors dating back to the *Mfecane* and the founding of the Zulu kingdom, led to violent conflict amongst different ethnic groups (Mkhondo, 1993). While ethnicity may have been a predominating factor, it was not the only source of conflict (Mkhondo, 1993; Sapire, 1992), and housing policies under the apartheid regime changed focus so as to segregate Africans in categories other than ethnicity as well (Maylam, 1995). Additional rivalries emerged between hostel dwellers and nearby township residents, administrative disputes within community organizations, and political factions (Mkhondo, 1993). Today, although ethnic violence is primarily only noteworthy in the Natal/Kwazulu Province, rent and mortgage boycotts continue to threaten the stability of communities and the progress of the housing goals of the ANC (Goodlad, 1996; Mohamed, 1997).

While any explanations of these factors must include apartheid, with apartheid over, the focus of South Africa's urban problems will be more on those factors which occur, or have occurred, independent of apartheid (Goodlad, 1996; Parnell, 1997). For instance, Parnell (1997) cites the growth in shack settlements leading up to the 1994 elections as a

result of rising unemployment, stating the intrinsic link between labor and housing markets (Parnell, 1997, p.896-7).

While it has been contended that the “deracialisation of space” is changing the residential and business character of the cities (Rogerson and Rogerson, 1997, p.86), it has also been suggested that the current housing policy does not address the spatial inequalities created by apartheid (Crankshaw and Parnell, 1996; Lalloo, 1998). Spiegel et al (1996) contend that the policy is narrow in its approach to delivery and doesn’t account for the diversity of situations that exist within the beneficiaries of the policy, namely the urban poor.

Prior to the 1994 elections some argued that violence and civil disobedience would continue if needy citizens were not granted something more than voting rights (Goodlad, 1996). While as noted earlier rent and mortgage boycotts continue, thus far the impact of violence, though prevalent in city streets, has not been cited in the literature as a discernible impediment to policy delivery since the 1994 elections. Regardless, the socio-political status and inclination of informal housing residents will play a vital role in the delivery of the policy. The culture of organized rebellion that was established in the 1980’s still exists (Goodlad, 1996; Mohamed, 1997), and if reborn could present grave problems for the ANC.

The Late National Party Years

Housing had become an underlying cause of the Apartheid State's downfall in the 1980's. As noted earlier, rent increases led to organized boycotts and widespread civil unrest from 1984-6 (Price, 1991). Organization of townships in protest of apartheid eventually granted some political influence to the stakeholders of the urban poor in the negotiations leading up to the elections of 1994 (Jenkins, 1999).

Due to several major factors, the NP made significant changes in its approach to housing policy in the early to mid 1980’s (Hart, 1983; Hendler et al, 1985). The Government’s recognition of rapid African urbanization has been well documented (Mkhondo, 1993; Price, 1991; and Prinsloo, 1995), as has the international pressure on the NP to abolish

apartheid (Price, 1991). The latter point may have contributed to the adoption of policies that were more akin to standard international development policies for developing nations. The NP was also confronted with an economic recession. Unlike the post World War II housing crisis, when the County's economic conditions fueled African rural-urban migration to fulfill job vacancies created by the manufacturing boom, the migration and the housing crisis of the 1980s was in response to poor economic conditions (Parnell and Hart, 1999).

It is argued here that changes in housing and housing-related policy that took place from 1986 to 1990 would later have a great influence on the current housing policy. While the NP had granted freehold land tenure to Africans in the 1970s, giving Africans the right to buy land, the effect on the housing sector was very minimal (Hart, 1990). In 1983, as black urbanization was increasing across the country's cities with greater influxes of rural migrants to peri-urban townships and hostels, pressure mounted on the NP to relax influx control (Hart, 1990).

The *White Paper on Urbanization* of 1986 represented a major shift from previous NP policies (Prinsloo, 1995). In contrast to previous apartheid policies, the White Paper of 1986 scaled back the Government's role in housing provision from one of provider, to a private sector based approach, which lessened the amount of housing the government supplied. The Paper proclaimed housing was a right of all citizens and addressed the need for the overall development of urban areas (Prinsloo, 1995). The White Paper of 1986 was significant for both its changes within a national context, and for its putting South Africa in line with the World Bank and international approaches for the first time (Lupton and Murphy, 1995).



Photo by Frederick Gusler

A small squatter community in Durban, Natal/Kwazulu Province 1993

In the same year, realizing that it could not contain the masses of Africans penetrating the country's cities, the NP passed the Abolition of Influx Control Act in 1986, yet the NP stated it would maintain "orderly urbanization" policies in the White Paper. The *Prevention of Illegal Squatting Amendment Act* of 1988 was such a policy. The government executed forced removals of informal African settlements located in 'white' areas just as it had in the 1950's. Yet at the same time the government began supplying limited funds for site and service upgrading (Goodlad, 1996). This signaled a decisive change in the party's recognition of housing needs and new methods of delivery.

The Independent Development Trust

The year of 1990 saw events and changes that would prove to be not only highly symbolic to the political state of the country and the international community, but also substantive in the housing policy direction that was underway. Nelson Mandela was released from prison after 27 years of incarceration, and his ANC party began talks with

President Frederick de Klerk and the NP on the details of an interim government arrangement and the first multi-racial elections.

In 1990 the NP furthered the change in direction that began with the Abolition of Influx Control Act, when it set up the *Task Group on National Housing Policy and Strategy* to review the existing policies, culminating in the *de Loor Report* in 1992 (Prinsloo, 1995). The *de Loor* report included calculations of housing demand and “backlog,” which it based on a “housing vision.” This was a set of criteria it established to define adequate housing. Specifically, the report estimated the “vision” to cost R25,000 (US \$4,167) per household, while it concluded that the state could afford more than R4,500 (US \$750) per household, though not specifying a figure beyond that (Prinsloo, 1995, p.9-10). It also reported on the number of different delivery systems and financial schemes that were in place. Included among them were:

- *Self-help* – citizens erect their own housing and/or services on sites either provided or purchased from the government.
- *Assisted self-help* - citizens build their own housing with ‘starter kits’ that are subsidized by the government.
- *Site and service schemes* – government services residential sites with utilities and other infrastructure services.
- *Informal housing* – residential settlements that have not been officially designated by government.
- *Mass housing programs* – construction of multiple public housing units.

(Prinsloo, 1995, 9-10)

Self-help and assisted self-help housing strategies have a long history in South Africa, dating back to the earliest African settlements of the colonial era (Parnell and Hart, 1999). Site and service schemes have been also been commonly employed, with greater increases in the last two decades (Parnell and Hart, 1999). Presently, self-help and site and service schemes constitute the vast majority of government sponsored housing initiatives in the country (Lupton and Murphy, 1996; Parnell, 1996). Informal settlements and formal mass housing programs are essentially antithetical to one another

by definition, and have also evolved in a converse manner in 20th century South Africa. For example, during the post-Second World War housing crisis formal housing was constructed in the form of four-roomed ‘matchbox’ houses, even as self-help approaches were being promoted as well (Lupton and Murphy, 1995; Parnell and Hart, 1999). Concurrently, the Group Areas Acts of 1950 and 1966, and the creation of the ‘homelands,’ forced Africans from ‘white’ areas (Hendler et al, 1985; Lupton and Murphy, 1995). Along with other existing legislation, this allowed the government to evacuate informal settlements. A similar act previously referred to, the *Prevention of Illegal Squatting Amendment Act* of 1988, continued this practice years later. However the government had also conceded that black urbanization, characterized by increased informal housing, was inevitable and had begun in the 1980s to supply limited funds for the servicing of such (Goodlad, 1996).

In addition to the different methods of housing provision approaches, there were several ongoing subsidy schemes listed in the report. Overall, the report depicted the NP’s acceptance of housing delivery methods to be very open and contemporaneous with international approaches. As the report concluded that the country could not afford to fund a program that met the standards of the housing vision, it was an early assessment of significant magnitude of both the demand for housing and the feasibility of government assistance (Prinsloo, 1995). The *de Loor report* would eventually have a significant influence on the current policy (Mackay, 1995; Parnell, 1996).

Perhaps the most significant development in housing policy in 1990 was the creation of the Independent Development Trust (IDT). The IDT, was a parastatal, (Lalloo, 1998) a government created (and funded) institution, which was to address the housing needs of the country’s ‘poor’ population, though a benchmark measure of poverty was never established. This gave the IDT some flexibility in how it funded its efforts (Pikholz, 1997). Nevertheless, the creation of the IDT signaled the recognition of a national housing crisis, and would have a substantial impact on the future of housing policy in the country. The housing goals of the IDT were to provide subsidies, upgrading and other

services such as housing education, to incorporate such areas into the political and economic systems of cities and towns (Pikholz, 1997).

The IDT introduced a capital subsidy scheme in 1991 as a pilot project for the state. The subsidy of R7, 500 (US \$1,250) was granted on a project basis for low-income families. The subsidy was intended to socially and economically integrate the poor, and was implemented through provincial and local governments, NGOs and community agencies, and developers and utility companies (Prinsloo, 1995). The capital subsidy scheme of the IDT, while created under the auspices of the NP apartheid government, would essentially provide the basis of the subsidy set out in the White Paper on Housing of 1994 under the ANC.

The latter years of apartheid were characterized by increasing urbanization, and a housing shortage that came with it. The NP began reforms of apartheid laws in the 1980s, but the IDT and the de Loor Report were the most significant contributions to the housing problem, and their influence is evident in the current policy.

Summary

An overview of South Africa's history reveals a series of conflicts that pitted people of different ethnic and/or racial groups against one another. In the 20th century racial and ethnic separation became very pronounced, culminating in apartheid, from 1948-1994. Much of the analyses of the country's urban areas have focused on the unique situation apartheid created. The legacy of apartheid is very much apparent in the social, political and economic climate of the country, however apartheid is officially over and its legacy is being challenged as well. Though the latter point is the subject of a greater debate outside the scope of this analysis, as pertains to housing policy, the reforming of apartheid began with the NP's change in policies in the late 1980s in recognition of the housing crisis that was spurred by rapid urbanization.

Crucial to these changes, aside from international and domestic pressures put on the NP, were the creation of the IDT and its subsequent capital subsidy program, the *de Loor*

Report, and the general trend of the NP to yield greater control to the market while promoting common international methods of self-help housing. Further analysis of these factors is carried out in the policy formulation process in the following section.



Photo by Frederick Gusler

Outdoor beds, squatter settlement in the Malay Quarter, Cape Town, Western Cape Province, 1994.

III. The Housing White Paper and its Formulation Process

The new housing policy, or *Housing White Paper*, stemmed from the efforts of the National Housing Forum (NHF), which was comprised of key players in the housing sector and political constituencies, and the principles of the *Reconstruction and Development Program* (RDP) (Goodlad, 1996). Housing was a prominent feature of the RDP, a published guideline of the country's goals under the new government. Yet plans for a fully subsidized, comprehensive state building initiative were scrapped on the basis of the economic constraints of the state and the history of rented public housing in the country and in Europe, although the ANC had campaigned under promises of a large-scale plan (Goodlad, 1996).

The following section examines the formulation of the policy through an overview of the policy itself, analysis of the institutional framework and the stakeholders that contributed to its drafting, and the components that it derives from the former NP government's policy.

Overview of The Housing White Paper

During apartheid, the ANC had forged ties with several other anti-apartheid organizations. Often these relationships were the basis of political alliances formed for negotiations with the NP and for establishing agreements for post-apartheid legislation and reform.

Of the other political parties the ANC allied with, the South African Communist Party (SACP) was one of the oldest and closest. The two banded together to form the influential Congress of South African Trade Unions (COSATU) in 1985. Leaders of the SACP have usually been ANC members, and vice-versa. Joe Slovo, chairman of the SACP at the time of the 1994 elections, was also a high-ranking ANC national executive. Mandela named him Minister of Housing and Public Welfare after the ANC's victory in late April. By mid May Slovo had announced plans for a *new* subsidy scheme, and by the end of the year the White Paper was presented to the cabinet (Tomlinson, 1995a).

Slovo, a white South African and the first white to be appointed to the ANC's national executive, was one of the most hated (by whites) of the ANC's negotiators leading up to the elections, and his history of communist and underground military activity had created distrust of him amongst NP officials (Gordon, 1993). Essentially, to whites he was associated with the prospect of nationalization (Gordon, 1993). However, considering his high status within the ANC, his appointment to the cabinet in such a capacity evoked the seriousness with which the ANC viewed the issue of housing (Goodlad, 1996).

Despite his communist background Slovo stated that he didn't "believe nationalization is a panacea," amid fears from whites that the ANC would take possession of their land (Gordon, 1993, p.67). He had suggested the "Sunset Clause" in 1992, a proposal to keep a government of national unity with representative members from various interests for a predetermined period (Gordon, 1993). In addition, Slovo took a pragmatic rather than ideological approach to the making of the new policy, and went to great lengths to establish working partnerships between community, state, and especially, business leaders (Tomlinson, 1998, p.142). The policy he helped draft did not promote a comprehensive, fully subsidized construction plan, nor did it include plans to nationalize private interests, rather it entailed elements of a free-market economy coupled with government subsidies (Goodlad, 1996).

The approach of the policy was to place the state in a role whereby it could facilitate efforts that would maximize the input of communities and banks, an approach quite similar to that of the World Bank (to be discussed in Section IV) (Goodlad, 1996). The experiences of other countries, namely India and several Latin American countries where informal housing issues have figured prominently in national political agendas, contributed to the direction of the policy, along with several domestic inadequacies (Goodlad, 1996). The RDP states:

We are convinced that neither a commandist central planning system nor an unfettered free market system can provide adequate solutions to the problems confronting us. Reconstruction and development will be achieved through the leading and enabling

role of the state, a thriving private sector, and active involvement by all sectors of civil society which in combination will lead to sustainable growth (African National Congress, 1994a).

In addition to lessons learned from other developing nations, the White Paper concedes the fiscal limitations of the state, stating that additional investment from the private sector will be the only possible means of meeting the housing shortage (Department of Housing, 1994). The Policy commenced in 1994 with a R1.6 billion (US \$ 266,665,000) budget, roughly 1% of the state budget, which the NHF proposed to increase to 5% (Tomlinson, 1998, p.140). Subsequent housing budgets have still been deemed insufficient to provide formal housing for all recipients, a point that will be discussed further in Section IV (Parnell, 1996).

The cornerstone of the policy is the capital subsidy. It is a once-off grant available on a sliding income scale. The delivery of the subsidy is through developers and/or local authorities and community agencies. Several self-help and incremental upgrading schemes are promoted by the subsidy with the intention of creating a society of African homeowners, as opposed to promoting rental housing (Gilbert et al, 1997, Tomlinson, 1998). Consistent with the RDP, community involvement was outlined as a critical feature of the policy, as it initially required a *social compact* – an agreement between developers, community agencies, local authorities, and beneficiaries - to be signed before any subsidies were delivered. The social compact requirement was later dropped. While the policy's main goal is to house the homeless and informally housed population, the subsidy was broadened to include those who could access credit to build and/or upgrade their homes (Gilbert et al, 1997, Tomlinson, 1998).

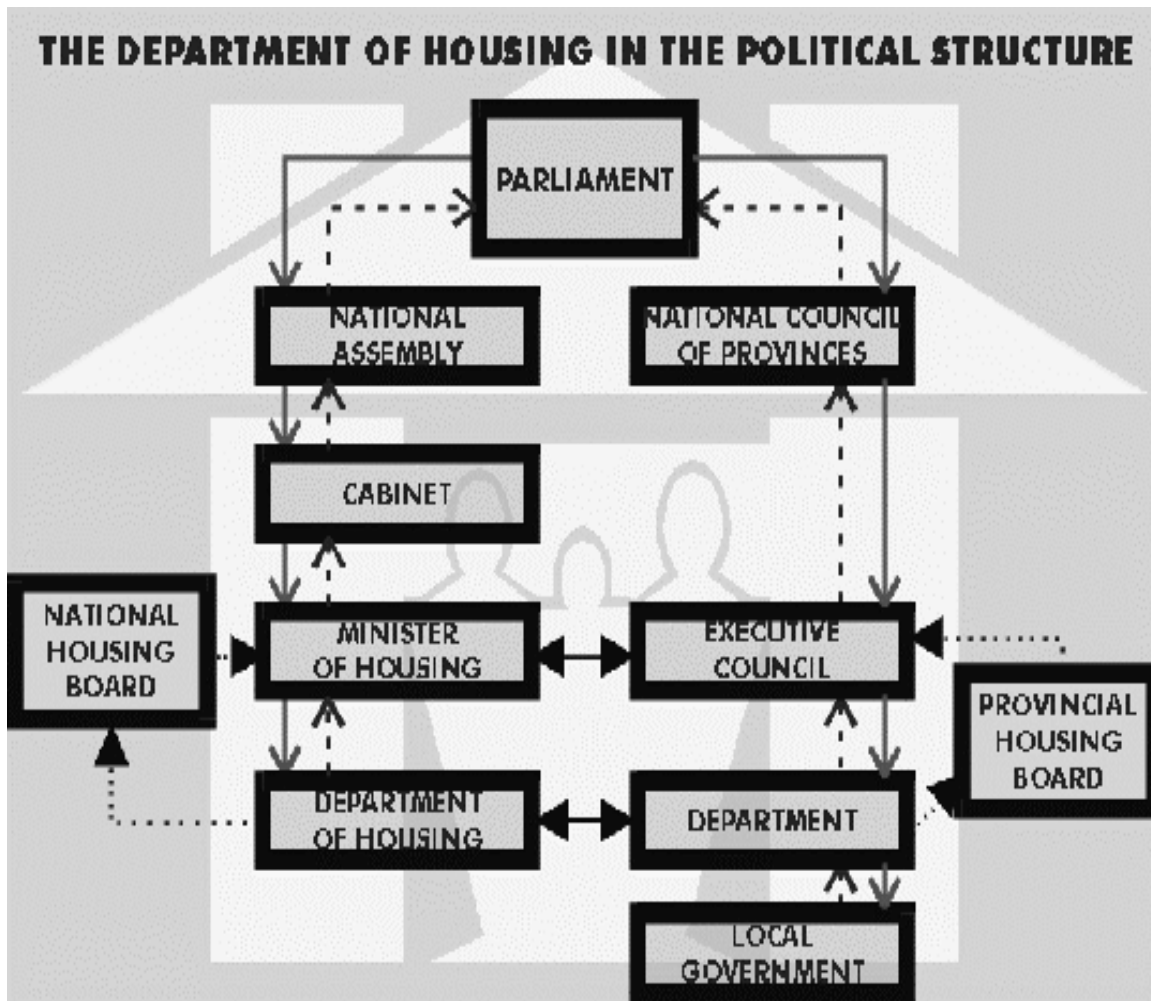
The policy implemented institutional changes as dictated by the National Housing Forum (NHF) to coincide with the introduction of majority rule. The political framework of the Department of Housing and lower housing boards can be seen in Figure 3.1. Nine provinces were created by the ANC to replace the NP system of four. In accordance with the NHF's institutional arrangement, nine Provincial Housing Boards (PHBs) were thus

created with one for each (Jenkins, 1999; Mackay, 1995; Parnell, 1996; Tomlinson, 1995a, 1998).

The policy was framed with broad national goals, yet much of the institutional and constitutional power to implement national policies is at the Provincial level. The PHBs are accountable to Provincial Legislatures, and act in concert with the NHB in approval of policies both at the national, and provincial level (Department of Housing, 1994).

Initially the RDP was funded as a Cabinet position, with all legislation thus channeled

Figure 3.1



Source: South Africa Department of Housing (<http://www.housing.gov.za>, May 18, 2000)

through its office and in general compliance with the principles of the RDP. However, the RDP's Cabinet status was abandoned in 1996 (Mutua, 1997). In the same year the social compact was dropped as well, allowing the PHBs greater freedom in allocating subsidies (Jenkins, 1999). It has been suggested that the framework of the policy as regards the political structure, and the inclusion of RDP community involvement principles have stifled the delivery of subsidies (Jenkins, 1999; Tomlinson, 1998).

The Reconstruction and Development Programme (RDP)

About 50,000 houses were built in South Africa in 1992. This figure could reasonably be increased to over 300,000 units each year by the end of the RDP's five-year programme. At minimum, one million low-cost houses should be constructed over five years. These units should be specifically intended for low-income households and should include the rural area.

(African National Congress, 1994a, 2.5.2)

The RDP presented a comprehensive and ambitious agenda with urban and regional planning policies in the center of economic and social initiatives, prescribing immediate involvement of the most disadvantaged of South Africa's African majority (Turok, 1995). The RDP was essentially the ANC's "manifesto" during the elections of 1994 and thereafter (Mackay, 1995, p. 136), and socio-economic development formed a vital part of its agenda. The principles of the RDP have guided "development culture" in South Africa (Lyons and Smuts, 1999). It was approved by all parties in Parliament after the 1994 elections, and then later that year condensed (but with a procedural orientation) into a White Paper.

Initially published just prior to the April 1994 elections, the RDP contains four major programs within which many policy proposals are contained. The four major programs are:

- 1) *Meeting Basic Needs*
 - 2) *Developing Our Human Resources*
 - 3) *Building the Economy*
 - 4) *Democratizing the State and Society*
- (African National Congress, 1994a)

While the RDP contains broad prescriptions for fundamental changes at the core of the country's governance and civil institutions, it is not specific in regards to how goals will be met (Goodlad, 1996). *Meeting basic needs* contains a section for the governments' housing goals and plans for infrastructure and services. Nelson Mandela's campaign pledge to provide 1 million homes within 5 years was published in the RDP as quoted above. The RDP stressed a "people-driven" approach, including community involvement in the development of housing (African National Congress, 1994a). While general details did not address how this was to be done, the RDP's influence on the housing policy was evident in the "social compact" (Jenkins, 1999). An aspect of the policy's delivery method until 1996, the social compact required that all involved parties (beneficiaries, community organizations, developers, local government) agree in writing to the terms of the subsidy's delivery (Jenkins, 1999).

The RDP also addresses a land reform program that centers on two principal components, land restitution and land redistribution (Mutua, 1997). The former allows Africans, Coloreds, and Indians whose land was possessed by the apartheid government to file claims for compensation. The land reform section states a goal of 30% of the country's agricultural land to be redistributed within five years yet does not outline any of the means by which to accomplish this (Turok, 1995, p.308). Yet at the same time, the Housing White Paper promoted individual freehold tenure, and didn't address traditional, communal tenure in its subsidy schemes until 1998 (Jenkins, 1999).

In April of 1996 the ANC discontinued the RDP's cabinet status, effectively eliminating it (Mutua, 1997). While the RDP was endorsed by virtually all segments of South African society, it basically contributed symbolically (Turok, 1995) as a guideline to broad goals. Having been written before the White Paper on housing, its impact on the housing policy, if not all policies in general, is evident in the delivery methods that were conceived. At its inception in 1994, much of the delivery of the housing policy was in keeping with the principles of the RDP. However, the abandonment of the RDP in the cabinet and the market-oriented approach of the policy in lieu of more substantive

government initiatives is an obvious indication of the policy's dependency on the private sector, and symbolizes the policy's distance from the RDP and Mandela's promise of 1,000,000 homes in five years.

Much of the calls for a mass housing program and/or land reform have been based on arguments that the RDP represents what the government was *supposed* to do (Lalloo, 1998). In addition, (Jenkins, 1999) states that the move away from the RDP has led to an abandonment of community involvement in housing delivery, a trend which may have negative repercussions in terms of maintaining social order. However it seems that the RDP may have posed unrealistic expectations, and that gradually the ANC realized this, for instance in its having dropped the social compact requirement (Jenkins, 1999). Nevertheless, the RDP stands as a symbol to those expectations, and the failure to meet them could bring pressure to future administrations, if not the present.

Goodlad (1996) states that if the high expectations of the ANC for involving communities, who were 'politicized' in the latter years of apartheid, are unmet, violent protest is a possibility (Goodlad, 1996, p.1642). Part of the challenge for adhering to the principles of the RDP in housing delivery is effective collaboration between communities, developers and politicians (Goodlad, 1996; Jenkins, 1999). Thus far, the principles of the RDP have not held up well in terms of practical application in the housing policy (Tomlinson, 1999).

The National Housing Forum

In June 1991, the Consultative Business Movement (CBM) hosted the National Development Workshop, a series of meetings devoted to housing issues and the first of such to address housing for post apartheid South Africa (Rust, 1996). On August 1 of that year, the Development Bank of Southern Africa (DBSA), and the Independent Development Trust (IDT), brought together several relevant organizations to address the rampant violence and "under-development" of the country's migrant labor hostels, crowded peri-urban dormitories the apartheid state had built to house African laborers migrating from rural reserves (Rust, 1996, p.6). The foundation of the National Housing

Forum (NHF) was therein established, and just over a year later was officially created. In the midst of pre-election negotiations between the NP, the ANC, the private sector and other stakeholders, the NHF was the major vehicle for discourse on the future housing policy, and created interim arrangements that served until post-election policies and legislation were in place (Lalloo, 1998; Mackay, 1995; Tomlinson; 1998).

The Forum’s purpose was “to negotiate policies and initiatives which will help redress historical imbalances and meet future needs for shelter” (National Housing Forum, 1994, quoted in Mackay, 1995, p.135). Nineteen organizations made up the NHF. Lalloo (1998) groups them into four categories: business, political, development, and civic. The organizations are listed below in Box 3.1 by their respective classifications (according to Lalloo, 1998, p.7). Three of the organizations are parastatals, agencies that were created and funded by the government. These organizations were not part of the official NP government, but were obviously politically and financially linked, and collaborated with the NP government in the NHF negotiations (Lalloo, 1998).

Box 3.1: Stakeholders in the National Housing Forum

- | |
|---|
| <p><u>Business Organizations</u></p> <ul style="list-style-type: none"> • Association for Community Housing and Reconstruction (ACHR) • Association of Mortgage Lenders (AML) • Building Materials Suppliers Consortium (BMSC) • Business South Africa (BSA) • Construction Consortium • Life Offices Association (LOA) <p><u>Development Organizations</u></p> <ul style="list-style-type: none"> • Urban Foundation (UF) • Non Profit Housing Delivery Sector (NPHDS) • IDT (Parastatal) • South African Housing Trust (SAHT) (Parastatal) • DBSA (Parastatal) • Kagiso Trust (KT) <p><u>Political Organizations</u></p> <ul style="list-style-type: none"> • Democratic Party of South Africa (DP) • Inkatha Freedom Party (IFP) • African National Congress (ANC) • Congress of South African Trade Unions (COSATU) • Azanian Peoples Organization (AZAPO) • Pan Africanist Congress (PAC) <p><u>Civic Organizations</u></p> <ul style="list-style-type: none"> • South African National Civics Organization (SANCO) |
|---|

A cursory glance at the list of stakeholders shows that all of the major political parties were present, with the exception of the ruling NP government. The NP initially took part in the Forum, but later withdrew. However, it still participated through bilateral negotiations, which may have been more feasible than full participation due to the fragile political climate that existed (Rust, 1996).

The first order of business for the Forum was the institutional framework of the government. The apartheid system of separate development had produced a bloated bureaucracy throughout the NP era (1948-1994), as each racial category represented a separate branch of administration and funding. Twelve departments administered housing policies with the results being very skewed from one (race/ethnicity) to another (Adler and Oelofse, 1996). Following the de Loor Report's recommendation that a single non-racial housing ministry with regional jurisdictions across the country replace the apartheid structure (Lupton and Murphy, 1995), agreements were reached in August of 1993 in the *Aide Memoire to Record Understanding on Interim Arrangements for Housing Reached Between the Department of Local Government and National Housing and the National Housing Forum*. The first of these spurred the *Housing Arrangements Act*, which created a single National Housing Board (NHB) with a regional board for each province (four at the time), replacing the former racially categorized departments (Jenkins, 1999; Mackay, 1995; Parnell, 1996; Tomlinson, 1995a, 1998).

The next major step for the NHF was the development of a *new* subsidy scheme, as debate over the IDT capital subsidy scheme ensued. Those stakeholders representing the urban poor took a skeptical view of the IDT scheme – it had been dubbed 'toilets in the veld' - asserting that shack settlement upgrading would not suffice in lieu of a mass building program (Tomlinson, 1998, p.138). Thus, the debate had begun between stakeholders that favored the incremental approach that was already in place, and those who favored mass housing delivery by the state.

The NHF agreed on an 'interim subsidy scheme,' that was to be derived from the IDT's capital subsidy. Yet while the idea of an interim subsidy was agreed upon, the amount and the type of housing delivery it would entail was not, creating the 'breadth versus depth' debate as to whether the policy should service the greatest number of citizens possible, or supply 'four-roomed' houses (i.e. formal housing) to fewer people (Tomlinson, 1998).

In the end, a subsidy was produced that ranged from R5, 000 to R15, 000 (US \$833 – 2,500), depending on monthly income (Adler and Oelofse, 1996). The NHF had succeeded in reformulating the national and provincial administrations devoted to housing, and in broadening the availability of the subsidy (though this is debatable, depending on which side of the ‘breadth versus depth’ debate one chooses). However a mass housing program would not gain political momentum in the NHF’s interim arrangements.

The interim subsidy scheme that the NHF produced, which would become the core of the NP’s first housing policy, was based on the IDT scheme that already existed (Lalloo, 1998), yet ironically the White Paper later referred to its strategy as “progressive housing” (Tomlinson, 1998, p.140). Table 3.1 below details the major aspects and similarities. The only differences are in the value and the qualifying income brackets of applicants, which were widened to include more people, and the site delivery (the IDT subsidy had been designed for the poorest citizens, and featured limited delivery options).

That the framework of the scheme was openly derived from the IDT capital subsidy is an aspect of the policy that has been well referenced in previous research (Jenkins, 1999; Lalloo, 1998; Mackay, 1995; Parnell, 1996; Pikhholz, 1997; Tomlinson, 1998). In addition, the scheme borrowed heavily from the recommendations of the de Loor Report, which proposed targeting subsidies further down market (Lupton and Murphy, 1995). What is less clear is why exactly the NHF process resulted in such a rehashing of previous policy, despite what were otherwise monumental changes. Why was a subsidy scheme that was referred to by some as “toilets in the veld,” essentially being reintroduced, even if theoretically only for an interim period? Would this be problematic in the future? In addition, who was primarily responsible for directing the policy?

The broader considerations and implications of this incremental policy approach, and what was seemingly a reversal of the direction Mandela and the ANC (and others in the NHF) were striving for, are discussed in greater detail in Section IV. Yet it is worth

Table 3.1: The IDT capital subsidy and the NHF interim subsidy

	Value	Finance	Mode of Distribution	Site Delivery	Site Orientation	Qualifying Income	Tenure
IDT	R7,500 (US \$1250)	Once-off capital grant	Developers, Utility companies, CBOs, NGOs, Provincial and local governments	Informal settlement upgrade, or New site and service	Project (community as a whole)	Less than R 1,000/month (US\$ 167)	Freehold (Individual)
NHF	R5,000-15,000 (US \$833 – \$2,500)	Once-off capital grant	Developers, Utility companies, CBOs, NGOs, Provincial and local governments	Informal settlement upgrade, site and service, in situ upgrading, portion of a house	Project, Institutional	Less than R 800/month - Maximum bracket: Less than R 3,500/month (US \$133 - \$583)	Freehold (Individual)

Source: Adler and Oelofse (1996); Lupton and Murphy (1995); Tomlinson (1998)

examining a few factors that may explain the NHF's decision-making dynamics in producing the interim subsidy arrangement.

While terms of the interim subsidy were being negotiated between the government and the NHF, NP Minister of Housing Louis Shill, despite the government's previously stating that it would not unilaterally institute a housing policy before the elections, allocated R200 million for interim subsidies to be arranged with the NHF. This put pressure on the NHF stakeholders to reach agreements on the terms of the subsidy before the elections, as any agreements would have political implications (Adler and Oelofse, 1996; Lalloo, 1998). Lalloo (1998) characterizes this as a crucial and deliberate strong-

arm tactic by the NP to sway the policy in its favor. Nonetheless, the interim subsidy was agreed upon in the *Aide Memoire*, just as the creation of the NHB had been earlier (Adler and Oelofse, 1996).

In addition to the subsidy's being modeled after that of the IDT, the IDT was also one of the coordinators of the meeting that led to the founding of the NHF. The DBSA, the other organization that spurred the formation of the NHF, is also a parastatal. Thus, the NP was an indirect link in the establishment of the NHF, primarily through the IDT, which the NP had founded in 1990 to address the housing situation of the poor (Pikholz, 1997).

As previously noted, the Forum featured three parastatals, the IDT, SAHT, and the DBSA. Lalloo (1998) contends that these three organizations, while serving "development" interests, were linked to the state and allowed the NP, though officially out of the Forum, to exert its power and influence in the process as it negotiated bilaterally (Lalloo, 1998). Members of the community organizations and the ANC claimed to be at a disadvantage financially and in terms of institutional structure (Nel et al, 1996). While the validity of these claims is debatable, the process did involve a diverse group of stakeholders, with the business sector comprising 10 of the 19 organizations (Lalloo, 1998). In contrast, the Mass Democratic Movement (MDM), the major anti-apartheid parties, was comprised of only four organizations (Lalloo, 1998). While four of the political parties listed in Box 3.1, the ANC, COSATU, AZAPO, and the PAC, represented the interests of the African majority, AZAPO and the PAC stood independently in the Forum (their views were more radical and left of the MDM), which also weakened the position of the MDM (Lalloo, 1998).

Another possible factor in the outcome may have been that throughout the pre-election negotiations the NHF had essentially exhausted itself (Nel et al, 1996) with the task of stripping down the grandiose bureaucratic structures of apartheid, that the essence of the Forum's goals – the provision of housing – had gotten out of focus. This would explain in part why the bureaucratic structure was significantly reformed with the creation of the

NHB and a single board for each province (Jenkins, 1999; Mackay, 1995; Parnell, 1996; Tomlinson, 1995a, 1998), while the primary delivery component of the policy, the subsidy scheme, only saw relatively minor changes.

While acknowledging its vested interest in influencing the process itself, the NP's contribution to the advancement of housing strategies for the poor in its latter years in power should not be overlooked. Specifically, the IDT capital subsidy and the research findings and recommendations contained in the de Looer Report had a visible presence in the NHF interim subsidy, which remained in the drafting of the actual Housing White Paper in 1994.

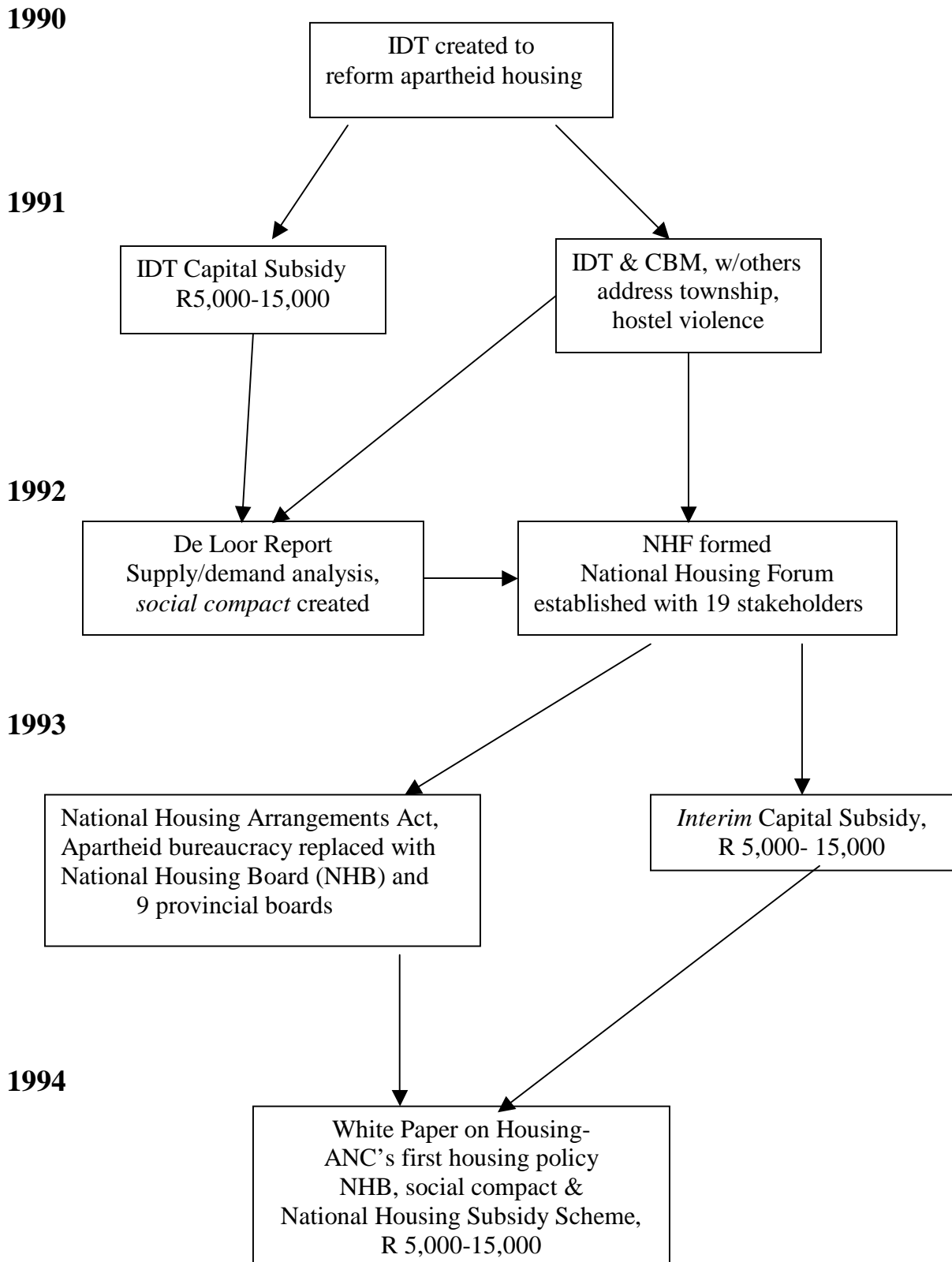
The National Housing Subsidy Scheme of the Housing White Paper

Irrespective of whether or not the NP and the business sector swayed the negotiations to suit their interests through political manipulation (Lalloo, 1998), it must be noted that upon appointment as the ANC's Minister of Housing, Slovo was credited for assuring the business community of its role in the policy as it was being finalized into the first Housing White Paper of post-apartheid South Africa (Tomlinson, 1998). Figure 3.2 shows the timeline of major events in the shaping of the policy from the inception of the IDT to its final form in the Housing White Paper in 1994.

While the subsidy schemes the NP had instituted in the 1980s were highly inequitable, the R7, 500 (US \$1,250) capital subsidy the IDT unveiled in 1991, while under the same NP political administration, became one of the largest NGO housing delivery initiatives in the world (Adler and Oelofse, 1996). It served both new developments and upgrading of informal settlements, and more than surpassed its initial goal of 100,000 sites before being discontinued while the interim subsidy scheme was being negotiated by the NHF (Adler and Oelofse, 1996).

While Shill's actions were met with contempt by the MDM for what was a very brash move (Lalloo, 1998), Slovo and the ANC, once in power after the 1994 elections, opted to essentially leave the interim subsidy in place despite its having been hastily

**Figure 3.2: Timeline of the Housing Policy Formulation Process
1990 - 1994**



arrived at by the NHF (Tomlinson, 1995a). Slovo and the National Housing Department were able to quickly implement the subsidy scheme because the framework for the policy was already in place with the interim subsidy the NHF had formulated (Tomlinson, 1995).

The *National Housing Subsidy Scheme*, the title of the capital subsidy of the new Housing White Paper, commenced in October 1994 but was significantly amended in May 1995 (Spiegel et al, 1996). Table 3.2 refers back to Table 3.1 to show the changes in the subsidy from the IDT's introduction of it in 1991 to the interim subsidy arrangement of the NHF in March 1994, and finally the Housing White Paper in October 1994. As can be seen in Table 3.2, the only major difference is the variety of delivery options for beneficiaries. Applicants who have access to credit can access the subsidy, thus it serves a broader constituency than before.

The subsidy was originally only offered as “project-based” (Tomlinson, 1999, p.1352), as subsidies were available to developers who serviced a group of qualifying beneficiaries simultaneously. The intention was to provide services to homeless peri-urban areas collectively (Tomlinson, 1999). The changes instituted in 1995 allow beneficiaries to receive the subsidy in one of four general forms to pursue home ownership:

- 1) *'Individual'* – individual households *indirectly* receive subsidies on their behalf, whether as an individual project, or as part of a community wide development. Includes a 'Credit-Linked' subsidy- higher income qualifiers who are able to access mortgage support.
- *2) *'Project-linked'* - subsidies are channeled through public and/or private sector community development agencies for projects that beneficiaries participate in.
- *3) *'Institutional'* - designed to be channeled through 'social housing institutions,' subsidies are delivered collectively through co-operatives, non-profit agencies, and other housing organizations.
- 4.) *'Consolidation'* – new subsidies for those who had a lower IDT subsidy. (Jenkins, 1999; Spiegel et al, 1996)

*These can also be categorized as 'individual,' since in some cases individuals will receive a different subsidy amount than others, even when they are part of a collective development project.

In the scheme, the subsidy is not paid directly to qualifying households. Rather, it is channeled through public or private 'community-based' agencies and/or developers that ultimately have responsibility for project delivery (Spiegel et al, 1996, p.5). Considering the low economic status of the majority of the qualifying citizens, the project-linked option is often the only feasible one, as it maximizes profit levels for developers who can more efficiently serve a greater number of people in one site than a like number in several different sites (Spiegel et al, 1996).

While the Housing White Paper also includes a rental subsidy for institutions providing rental accommodation, the aforementioned subsidy options are only allocated for the purchase of homes (Gilbert et al, 1997; Tomlinson, 1998). The rental subsidy was not developed until much later and has as yet to draw a significant number of beneficiaries. A rural subsidy was also added in 1998 that addresses informal and traditional land rights, yet the focus of the policy and its subsidies, has been to promote home ownership and individual (non-traditional) tenure (Jenkins, 1999).

The Department of Housing reports that as of March 1998, 321,452 subsidy applications had been approved (Jenkins, 1999, p.435). Approval however does not mean that the unit has been occupied, but that it was purchased from a developer (Jenkins, 1999). Thus, based on the goals it set for itself the ANC government had fallen well short of expectations, causing Mandela to abandon the 1,000,000 homes goal a year before the five-year period came to a close (Jenkins, 1999). A host of reasons have been cited for the slow delivery. Tomlinson (1995b) contends that the policy was built upon "conflicting and contradictory principles," such that an overabundance of interests and prescribed ideals of delivery, once in unison resulted in conflict that impeded delivery (Tomlinson, 1995b, p.26).

Table 3.2: Changes in the Capital Subsidy, 1991-1994.

	Value	Finance	Mode of Distribution	Site Delivery	Site Orientation	Qualifying Income	Tenure
IDT	R7,500 (US \$1,250)	Once-off capital grant	Developers, Utility companies, CBOs, NGOs, Provincial and local governments	Informal settlement upgrade, or New site and service	Project (community as a whole)	Less than R 1,000/month (US\$ 167)	Freehold (Individual)
NHF	R5,000-15,000 (US \$833 – 2,500)	Once-off capital grant	Developers, Utility companies, CBOs, NGOs, Provincial and local governments	Informal settlement upgrade, site and service, in situ upgrading, portion of a house	Project, Institutional	Less than R 800/month - Maximum bracket: Less than R 3,500/month (US \$133-583)	Freehold (Individual)
White Paper	R5,000-15,000 (US \$833 – 2,500)	Once-off capital grant	Developers, Utility companies, CBOs, NGOs, Provincial and local governments	Informal settlement upgrade, site and service, in situ upgrading, portion of a house, single house	Project, Institutional, Individual, Consolidation	Less than R 800/month - Maximum bracket: Less than R 3,500/month (US \$133-583)	Freehold (Individual)

Source: Adler and Oelofse (1996); Lupton and Murphy (1995); Tomlinson (1998)

Summary

The NHF brought together a wide array of stakeholders. The policy formulation process that it underwent produced an interim policy that the subsequent Minister of Housing, Joe Slovo, essentially drafted into the ANC's first *Housing White Paper*. The core features of the policy however, the capital subsidy and the *social compact*, are derived from the policies of the National Party created Independent Development Trust.

The unrealistic and in hindsight, perhaps naively idealistic goals the ANC set in the Reconstruction and Development Program, may prove disastrous for the country's social order in the future. As the ANC has failed to reach its lofty housing goals, the unmet expectations of its electorate presents a very real possibility of citizen protest much like that witnessed in the anti-apartheid era.

The following section provides three explanations as to why the Housing White Paper was written in such a manner as to reverse the initial rhetoric and goals of the ANC.

IV. Explanations for the ANC's Continuance of the NP's Housing Policy

The previous section detailed the process by which the Housing White Paper of the new ANC-led Government of National Unity (GNU), despite campaign notions of providing four-roomed houses to the needy African electorate, instead essentially maintained the core elements of the existing NP policy. The following section will examine some of the underlying causes behind this policy continuation, and the reversal of the ANC from its original objective of providing 'proper homes.'

There are a multitude of possible explanations as to why the aforementioned policy was conceived as it was, after such a highly anticipated shift of power. This Section will focus on three explanations of the policy outcome.

The first is that of "incrementalism," as defined by Charles E. Lindblom (Lindblom, 1959), which offers a succinct explanation to the common phenomenon of methodological preservation and/or stagnation in the practice of agenda and policy formulation.

The second and third explanations both deal with the broader scope of South Africa's economy. The Country's economic climate is thus gauged in pertinence to its impact upon the housing policy, analyzing both the global and domestic state of the economy. It is suggested that the ANC's desire to encourage foreign investment and involve white-owned South African banks and enterprises in the housing market played a crucial role in the housing policy outcome.

The influence of the World Bank and its preferred strategies for housing in developing nations is examined to illustrate South Africa's recent history of conformity to such trends. The Bank's role is also discussed in the broader context of globalization and neo-liberal economic theory and practice, and how it (and other international organizations) may have influenced South Africa's policy direction.

It is also suggested that the policy was drafted with consideration to the white business community, which the ANC needed to legitimize its political leadership. At the same time, the new government was faced with a limited budget with which to solve its housing shortage. These two interwoven factors explain the ANC's need for domestic legitimization.

Incrementalism

In situ upgrading has often been referred to as 'incremental' (Goodlad, 1996). South Africa's policy in general relies on strategies – site and service schemes, self-help, and as mentioned, in situ upgrading – that may also be characterized as incremental. Thus, it is no coincidence that a policy kept virtually intact in terms of resource allocation (as opposed to its structure in the new NHB), could bring only relatively limited, incremental, steps to the greater problem of the Country's housing shortage. As the ANC policy does not differ greatly from that of the former NP government's policy, despite great political changes otherwise, the result of the policy formulation process could be characterized as exemplary of incrementalism in administrative decision-making. In short, the process itself was the result of incremental decision making, which in turn entailed incremental housing strategies.

Briefly stated, incrementalism is the process of policy-making through decisions derived from previously tested mechanisms (Lindblom, 1959). Lindblom (1959) posed two opposing choices as a model to convey the typical policy making scenario that results in incrementalism. The first he titles the "rational-comprehensive (root)" method (Lindblom, 1959). In this method, the policy maker approaches each task essentially from scratch, utilizing former mechanisms only indirectly in the abstract sense that they are embedded in new theories and approaches. The second approach, the "successive limited comparisons (branch)" method, entails the policy maker relying on previously tested means and giving greater consideration to constraints, such as time and consensus (Lindblom, 1959).

Lindblom denotes these two approaches through five general distinctions (Lindblom, 1959). Consistently for each one, the model can be applied to South Africa's housing policy formulation process where the MDM and other more radical elements espoused land reform and/or a mass building program, and the business community and moderate ANC politicians favored incremental housing approaches. Thus, in Lindblom's model the former represented the "rational-comprehensive" method, while the latter represented the method of "successive limited comparisons" (Lindblom, 1959).

Lindblom (1959) states that it is usually the method of "successive limited comparisons" that prevails, as policy makers rely on successions of comparisons rather than theory. In the case of South Africa's housing policy, there appears to have been a somewhat typical case, despite the political climate. The existent NP policy, which had seen dramatic reforms already in the latter years of apartheid, was the base of comparison for the NHF. Specifically, the IDT capital subsidy, successful by most accounts (at least in terms of its quantity of delivery), provided the NHF with an example of a housing plan for the poor, and thus a comparison to past approaches.

More specific to Lindblom's model, the third of the five comparisons between the two methods describes the rationale behind compromise and consensus (Lindblom, 1959). Lindblom (1959) states that a "good" policy is measured by the level of agreement it brings from various analysts, while at the same time each one does not agree on its being the most optimal solution to a given problem (Lindblom, 1959). The NHF exemplified this rationale, as the Forum brought together 19 stakeholders with very different agendas. According to Lindblom's model, such an agglomeration of divergent interests would not likely follow the "rational-comprehensive" model, as was the case (Lindblom, 1959).

South Africa and the Global Economy

By the early 1970s South Africa's economy was beginning to enter a stage of crisis, which coincided with political challenges to the apartheid state (Morris, 1991; Tarp and Brixen, 1996). This led to NP 'reforms' of the apartheid state in the 1980s, yet African political resistance and organization continued to surge (Morris, 1991; Price, 1991).

Gramsci's 'organic crisis' concept states a binding link between the two phenomena of political and economic change (cited in Morris, 1991). This link was ever apparent in South Africa during the latter years of apartheid. Economic critics of the apartheid regime often cited its parochial state control as an irrational anomaly in an otherwise free-market economy (Price, 1991). This criticism was widespread from within the country and abroad. While it typically centered on issues of optimal production and efficiency in the domestic economy, the Country was also experiencing changes in its balance of payments after US President Richard Nixon dropped the gold standard in the early 1970s. As the West began to impose sanctions on the Country in the mid to late 1980s, South Africa had already undergone a period of declining growth (Kahn, 1991).

A member of the International Monetary Fund, South Africa found itself in a precarious position vis-à-vis the IMF and the US by the early 1980s as international opposition to apartheid began to surface (Padayachee, 1991). A 1982 IMF loan to South Africa drew heavy international criticism, and led to restrictions on the Country from the IMF, largely at the behest of the US (Padayachee, 1991). This led to the Country's inability at the time to access foreign capital, compounding existing economic deficiencies (Kahn, 1991; Padayachee, 1991). Padayachee (1991) noted that these restrictions served as crucial instruments of political change, much the form of the aforementioned 'organic crisis.' Padayachee (1991) also noted that at the time this posed tension in South Africa between the need for foreign investment and access to foreign banks, versus the demand by the African majority for strong state control in the advent of majority rule (Padayachee, 1991).

Tarp and Brixen (1996) point out the need for an inflow of capital from abroad yet also note this internal conflict as well, which can be dissected from the guidelines of the RDP. This juxtaposition of domestic pressure for state initiatives, versus market liberalization for the sake of foreign direct investment has been with the ANC since it came to power in 1994 and will likely remain well beyond the current administration. Since the transition to majority rule however, the ANC has demonstrated through its policies, namely the

housing policy, that it seeks to attract foreign direct investment by at the least, minimizing state control and intervention in fiscal matters, and conforming to the neo-liberal market norms of the global economy. As the NP government began to reform apartheid in the 1980s, it liberalized the African housing market for the first time (Parnell and Hart, 1999).

The similarities of South Africa's housing policies to those of the World Bank offer a case in point as to the former's gradual conformity to global orthodoxy in such areas that affect investment from abroad and macroeconomic performance. The following section will analyze the World Bank's housing policies, while then comparing them with South Africa's NP policies from the 1970s onwards, to convey the Country's conformity to the approaches of the World Bank, and thus the global economy.

The World Bank and Housing Policy and Delivery in Developing Nations

The World Bank is regarded as the leader in the arena of finance and housing development in developing nations, as its policies and recommendations serve as guidelines to a great number of nations (Baken and van der Linden, 1993). It is the greatest contributor to funding for development in the world (World Bank, <http://www.worldbank.org/html/extdr/about/role.htm>). The Bank's self-described mission makes clear that its loans are designed to foster economic growth, as defined in terms of orthodox neo-liberal economic theory. This is noted in two statements included in the Bank's Overview below:

Supporting and encouraging private business development
Promoting reforms to create a stable macroeconomic environment,
conducive to investment and long-term planning
(World Bank, <http://www.worldbank.org/html/extdr/about/role.htm>)

As a result of its influence on major global organizations and governments, significant changes on its part have direct political and monetary repercussions due to the dependency of international development agencies upon projects it funds (Baken and van der Linden, 1993).

Pugh (1994) characterizes the Bank's policy evolution as a progression of three "phases" (Pugh, 1994). The first phase promoted affordable housing through in situ upgrading and site and service schemes, while abandoning previous subsidy-reliant policies. The second phase integrated housing policies into more critical relationships with national (and thus global) economies by utilizing finance systems to facilitate loans. The third and final phase sought to broaden the development of housing sectors within the context of their urban and national economies.

The shift in policy from the second to the third phase was spurred by the global recession of the 1980's and structural adjustment programs administered by the IMF in many developing nations (Pugh, 1994; Baken and van der Linden, 1993). The resulting hardships for developing countries in maintaining their housing finance systems conveyed the intricacy of housing systems and macro-economic conditions, often previously overlooked (Pugh, 1994).

The National Housing Bank (BNH) of Brazil epitomized the interdependency of housing institutions and macroeconomic performance. In operation from 1964 until 1986, the BNH was a successful housing finance institution, and served as a model to other nations in Latin America as well (Okpala, 1994). However a barrage of constraining macroeconomic factors and political problems stifled the country's ability to maintain the necessary resources to make the BNH effective in delivering housing services (Okpala, 1994; Pugh, 1994). While the BNH at one time represented a replicable model of institutional housing policy in the developing world, Brazil's experience was not unlike that of many developing nations in that it lacked the financial resources to maintain a central housing finance institution in the face of poor macroeconomic conditions, such as rising inflation, massive foreign debt, and a lack of return on many of its expenditures (Okpala, 1994). Thus, the connectedness of housing to the greater economy and the need to redefine government roles led to new approaches, characterized by the World Bank's 'third phase' in the late 1980's and the concept of 'enablement' (Pugh, 1994).

Enablement espouses the creation of a working climate for involvement and linkages of the public and private sectors, including community-based organizations (CBOs) and non-governmental organizations (NGOs) (Pugh, 1997). Enablement was conceptually built upon in several UNCHS and World Bank documents (UNCHS, 1989; 1990; World Bank, 1993), and remains a feature of the current UNCHS agenda (UNCHS, 1996). Enablement is the core political economy paradigm of Pugh's third phase of World Bank housing policy (Pugh, 1994; 1997). It calls for community involvement at the grass roots level, and views housing as a contributor to economic growth, rather than an expense incurred by the state. It promotes facilitation in connections between different stakeholders. It also however, espouses some politically divisive edicts: government transparency, the implementation of private property rights, and perhaps most significant here, neo-liberal market economics (Pugh, 1997).

The neo-liberal market approach that enablement prescribes has had a discernible impact upon housing finance policy in developing nations (Renaud, 1999). This market oriented approach coupled with the experiences of centrally planned states' attempts to provide mass public housing (Renaud, 1999), have strayed housing policies in developing nations further from heavy government funded initiatives. Instead market forces and market-reliant schemes have become the norm. Even in the socialist states of China and Vietnam, market forces are dictating the housing sector for the poor more so than the traditionally, highly centralized governments of those countries (Drakakis-Smith, 1997).

After extensive aided self-help housing policies flourished in the mid 1980s, "neo-liberal development philosophies" began to emerge and countries also greatly reduced housing subsidies (Drakakis-Smith, 1997, p.802). Zimbabwe, which in the mid 1980s invested a greater percentage of its GDP in social welfare than any other state listed in the United Nations Development Programme (UNDP), dropped its housing subsidies considerably (Drakakis-Smith, 1997). The capital, Harare, has an informal housing population in the neighborhood of six figures, and has been building at a less than equivalent rate to accommodate it (Drakakis-Smith, 1997, p.802-3).

Summary

Pugh's (1994) three phases of World Bank housing finance policy can be characterized briefly as an evolution from self-help housing prescriptions independent from other policy considerations, to greater connectedness with macroeconomic economies and whole housing sector development, whereby governments enable partnerships between the public and private sectors and other stakeholders. A critical feature of the enablement paradigm is its promotion of neo-liberal market economics. The implications of this for South Africa, and the evolution of its housing policies compared with those of the Bank over roughly the same time period, are traced in the following section.

South Africa and World Bank Housing Finance Policy

South Africa has been a member of the International Finance Corporation (IFC) since 1957 when it was also a founding member of the IMF (<http://www.ifc.org>). The IFC is a World Bank affiliate, yet is independent and funded by member states (International Finance Corporation, <http://www.ifc.org>). Traditionally, IFC projects in South Africa have been in the area of economic development, and not in infrastructure and housing (International Finance Corporation, <http://www.ifc.org>).

During the Country's period of sanctions, civil unrest and recession in the 1980s, the Bank was not engaged in any development loans or projects in South Africa. The Bank's "re-engagement" with South Africa in the early 1990s was in anticipation of the 1994 elections, advising the Country on a number of development issues, including housing (World Bank, <http://www.worldbank.org/html/pic/cas/cpin17.htm>). The Bank's role since 1994 has been that of a "knowledge bank" as it essentially serves as a consultant to the country (World Bank, <http://www.worldbank.org/html/pic/cas/cpin17.htm>, p.2).

Although South Africa did not obtain any loans from the Bank, it is suggested here that the ANC maintained the course of reform that the NP had begun in order to legitimize its position in the global economy. It follows then that in order to do so the Country would need to foster favorable relations with the Bank, due to the former's widespread influence (Baken and van der Linden, 1993).

A World Bank study proclaimed that South Africa's housing stock features some of the best and the worst in the world (Mackay, 1995). South Africa, despite its developed modern infrastructure, is still a developing nation in many respects, and perhaps no other aspect of its material standard of living epitomizes this more than its housing needs. While the post-apartheid cities have seen an emergence of African small business owners, much of their activity is within the informal sector and they are removed from administrative and developmental support, and the death rate of infant industries is high (Rogerson and Rogerson, 1997). Likewise, the country's housing need is evident by the abundance of 'informal' housing settlements in urban fringe areas (Pikholz, 1997; Goodlad, 1996; Maylam, 1995).

While literature and commentary on urban South Africa historically has been overwhelmingly devoted to the experience of apartheid, the country's past and present state of affairs reveals characteristics akin to those of developing nations around the globe (Parnell, 1997). Yet while several patterns of its labor migration and informal housing are not unique to the apartheid city (Browder et al, 1995; Crankshaw, 1996; Gilbert and Crankshaw, 1999; Parnell, 1996), the unique experience of apartheid must at the same time be considered (Goodlad, 1996; Parnell, 1997).

In addition, Pugh's three phases of the Bank's and international approaches to self-help housing in general (1994; 1997) reveal that the country had conformed to mainstream housing development practices by the late 1980s, with the initial changes having begun in the late 1970s (Hart, 1990; Hendler et al, 1985; Lupton and Murphy, 1995; Parnell and Hart, 1999). Table 4.1 provides an overview of South African housing policy in relation to World Bank approaches and reveals what has been a merging continuum of international and South African policy approaches.

Apartheid housing policy, from its inauguration in 1948 until the early 1980s, was characterized by strong state initiative in virtually all facets of delivery (Hendler et al, 1985). As apartheid-housing policies were driven by the policies of influx control and

TABLE 4.1. World Bank and South African Housing Policy Evolution, 1970s –1990s

World Bank	South Africa
<p>1972-5:</p> <ul style="list-style-type: none"> • Publications marked a “radical departure” from public housing in favor of site/service, and in situ approaches (Pugh, 1994, p.163) 	<p>1975 & 1978</p> <ul style="list-style-type: none"> • Freehold tenure for Africans – Africans allowed to buy land and own homes
<p>1980s:</p> <ul style="list-style-type: none"> • Loans channeled through housing finance systems • Structural adjustment – ‘adjustment poverty,’ – global economic recession • IMF and Bank address micro and macro economic aspects, connected housing to macro economies and development policies. <p>1986-88</p> <ul style="list-style-type: none"> • Bank and UNDP, UNCHS create Urban Management Programme 	<p>1983-86:</p> <ul style="list-style-type: none"> • NP self-help housing subsidy for Africans • Rent and mortgage bond boycotts, creation of African township councils • White Paper on Urbanization -1986 • Abolition of Influx Control – 1986 • Recognition of African urbanization, limited funds for site and service
<p>1990s-present:</p> <ul style="list-style-type: none"> • Enablement – government facilitates housing policies through the private sector and NGOs and CBOs • Continued self-help and site and service, in situ upgrading 	<p>1990-2:</p> <ul style="list-style-type: none"> • Creation of IDT • IDT capital subsidy – 1991 • De Loor Report – 1992 • NHF – IDT subsidy w/government facilitation, social compact -1992

the regulation of African movement and residency, housing projects were undertaken based on the ‘need’ to provide African housing. Thus, while specific building and self-help projects were implemented in various localities, the overall goal of housing was intricately linked to the maintenance of apartheid (Maylam, 1995).

However, the NP began to incorporate the private sector in housing policies during the 1970’s (Hart, 1990; Mackay, 1995), and the current policy relies heavily on market

performance. Even prior to the major African civil disobedience campaigns of 1984-6 (Price, 1991), the NP had begun to reform apartheid housing legislation with an increased acceptance of urban self-help practices (Hart, 1983). Late in the apartheid era, housing policies further expanded the scope of self-help housing (Lupton and Murphy, 1995). The present policy reflects those changes with its market driven finance and community involvement objectives (Mackay, 1995).

While apartheid remained an anomaly on the world stage, changes in South Africa's housing policy began to conform to international norms by the late 1980's (Jenkins, 1999; Lupton and Murphy, 1995). Explanations for the current policy have centered on the failures of centralized planning and highly regulated economies (Goodlad, 1996). The economic hardships of the 1980s led the NP to institute considerable changes, just as other developing nations did at the time.

When the ANC came to power in 1994, relations with the Bank were already re-established. In order to maintain this relationship, the ANC adopted policies that, where applicable, fit into the paradigm of the Bank's neo-liberal political economy. The strategies of the Housing White Paper are exemplary of this, while a land reform or mass housing construction plan would've been antithetical to positive relations with the Bank (Lupton and Murphy, 1995).

Summary

While any direct influence that the World Bank may have had on the housing policy was intangible in terms of loans, the evolution of South Africa's housing policies since the mid to late 1980s must be characterized by, 1) the general movement of the country toward adoption of housing policy akin to that recommended by the World Bank, and, 2) the NPs recognition and subsequent implementation of orthodox international approaches. That considered, the ANC's housing policy appears to have been influenced by concerns over the macroeconomic performance of the country as a whole, as the need for foreign direct investment was apparent after years of declining growth and

investment. The changes that the NP began with its reforms were thus continued by the ANC, despite the promotion of their housing goals and calls for a mass housing program.

Domestic State Legitimization and Budget Constraints

Having suggested that one explanation for the Housing White Paper's incremental strategy was the need for further engagement with the World Bank and the global economy, the NHF was also swayed by white South African business interests (Lalloo, 1998). While Lalloo (1998) states that the business organizations, in conjunction with the NP, were able to manipulate the Forum, it has also been suggested that Slovo went to great lengths to insure developers and others involved in housing of their role (Tomlinson, 1998).

Prior to the 1994 elections, addressing the issue of whites emigrating, Mandela stated publicly that white South Africans were needed for their skills and expertise. Mackay (1995) states that the policy was developed with considerable regard to the white business community:

In order to have credibility, it was essential that proposals should have the endorsement of the largely white professional, construction and financial community.
(Mackay, 1995, p.143).

In addition, the White Paper makes it clear that private finance will be the only way to fully accommodate the masses with housing needs (Department of Housing, 1994).

While Lalloo's (1998) claim of manipulation may represent the proponents of land reform and/or a mass-housing program, his argument does not fully integrate the goals of the ANC. In addition, Lalloo's (1998) argument focuses almost entirely on the NHF process, while virtually ignoring the transition period from March to October 1994 when Slovo set about writing the White Paper to replace the interim subsidy scheme. Slovo's work on the policy is perhaps as revealing of the underlying issues surrounding housing needs, as the NHF process itself was. In short, a cursory glance at Slovo's influence on the policy conveys a need on behalf of the new government to not only address the needs

of its newly enfranchised constituents, but also to correct relationships that had been scarred during the civil disobedience campaigns in the latter years of apartheid.

In October 1994, the same time that the White Paper was released, Slovo signed the Record of Understanding with the Association of Mortgage Lenders (AML) (Tomlinson, 1998). This was an agreement between the government and banks in which the government would campaign to citizens to discontinue the boycotts that had become commonplace in the anti-apartheid struggle, and the banks would resume lending in the low-income market (Tomlinson, 1998). The Mortgage Indemnity Fund (MIF) was established as a result, giving banks insurance against boycotts (Tomlinson, 1998).

In his speech commencing the agreements of the White Paper in October 1994 at Botshabelo, Slovo denounced the “boycotters” and pleaded for them to resume rent and mortgage payments (Mackay, 1995, p.137). The MIF was a crucial aspect of the policy when considering the amount of funding that the government had determined feasible. As noted earlier, Slovo and the ANC had determined that the budget would not be sufficient to provide a mass-housing plan. Following the example of the de Loor Report’s “housing vision,” the NHF had also concluded that the government would be incapable of providing formal housing for all those in need (Tomlinson, 1998).

The White Paper followed the example of the de Loor Report and the NHF with a housing vision for the new policy:

The required annual delivery rate (of +/-338,000), relatively high proportion of poor households and budgetary constraints do not allow sufficient subsidy money per household to enable the construction, at State expense, of a minimum standard complete house for each household not able to afford such a house. Only a limited State subsidy contribution towards the cost of a house is possible.

(Department of Housing, 1994, 4.1)

Considering the budget constraints the ANC faced, the policy might be viewed as simply a result of pragmatic decision-making, rather than of political jockeying. However, the

promises made by the ANC prior to the White Paper's inception coupled with this incremental approach, could lead to renewed civil disobedience (Goodlad, 1996; Tomlinson, 1998).

Summary

The White Paper itself makes clear the budget limitations of the state. Perhaps Joe Slovo's greatest contribution to the White Paper can be seen in the Record of Understanding and the subsequent MIF, which show the new government's need to engage the largely white business community of the Country. Considering the government's fiscal limitations, it is understandable why the policy continued the practice initiated by the NP of supplying limited subsidies while facilitating between citizens and private sector lenders.

In addition to, or perhaps as a result of, the budget constraints the new government faced, there was a need for a policy that included the predominantly white business community. With the amount of government spending insufficient to supply all needy South Africans with four-roomed 'proper' houses, the policy then had to include, and rely upon, the private sector. The ANC thus chose a policy direction that would give it credibility in the eyes of the white minority.

V. Conclusion and Recommendations

The Republic of South Africa has a very substantial population of informally housed and homeless citizens that constitute the country's housing backlog. Nelson Mandela and the ANC campaigned with ambitious goals for housing, establishing the goal of 1,000,000 homes within five years as a policy directive stated in the Reconstruction and Development Program (RDP) and the Housing White Paper.

To date, reports on the success of the policy have been varied; yet tend to point to Mandela's own admission of failure to reach the goals of the RDP as symbolic, if not direct evidence, of the policy's inability to affect change. While many in the party, and the country, wanted a mass construction public housing plan, the policy formulation process resulted in the *Housing White Paper* of 1994, a housing policy that is essentially based on the mechanisms that were in place from the previous NP government. The White Paper prescribed a capital subsidy that relies heavily on the private sector for finance, and much of the policy's delivery is an extension of self-help and incremental, in situ upgrading of existing settlements, rather than four-roomed homes as the ANC once promoted.

A review of the process, and the issues that drove the housing policy, reveal several reasons why the ANC policy retained much of the former governments' strategies. First, the policy may be explained simply as the result of Lindblom's (1959) 'incrementalism,' whereby policy making more often than not entails the use former methods and approaches, rather than wholesale changes and new initiatives. Second and third, the ANC in the need to revamp a recession battered economy, chose a policy approach that would give it domestic and international legitimization so as to attract future investment. In the case of the former, the need for domestic legitimization was also directly linked to the delivery of the policy, which is dependent upon predominantly white private sector lenders. Budget constraints were a key consideration for the ANC, and further justified the need for domestic state legitimization so as to engage the private sector.

While under domestic and international pressure the NP had begun to reform apartheid. The ANC essentially followed the example of the NP in the course of reforms it had begun in the 1980s. The NP's legislation during this time paralleled the approaches of the World Bank for housing in developing nations. The ANC, rather than adopt a mass housing plan, opted to continue the direction the NP had begun, since it was in conformity with the approaches of the World Bank. Thus, the ANC policy was in part a result of its need to attract foreign direct investment.

While the ANC retained much of what the NP began, the multi-stakeholder National Housing Forum that served as a policy formulating body before the transition to majority rule, realigned the housing departments of the country, eliminating the old NP apartheid bureaucracy. The new institutional arrangement features a central housing board, with nine (one for each) provincial housing boards.

The legacy of apartheid remains deeply rooted in the country, and virtually every element of social and political life must account for it. Thus far however, the ANC has rejected the nationalist approaches that many other African states adopted in the post-colonial era. Yet while the housing policy is in itself not at fault, the lofty expectations with which Mandela and the ANC assumed office will not bode well for current President Thabo Mbeki and future administrations and planners. A critical challenge to future governments will be maintaining social stability within the informal sector and poor segments of African society.

Policy/Planning Recommendations

- **Expansion of Rental and Hostels subsidies** – both of these subsidies were developed late and not much information is available on them. Yet by all indications the ANC has not promoted them in the least. The goal of the capital subsidy program has been to promote home ownership (Gilbert et al, 1997; Tomlinson, 1998). Yet, the White Paper estimated that 18% of all households do not have secure tenure.

The transience of informal housing residents and those without tenure needs to be addressed relative to policy implementation. Is it possible, or feasible, to target transient laborers for instance, as homeowners? That question is best answered by developers who hold much of the responsibility for the actual delivery of the policy. In all likelihood, some of the most marginal areas are not experiencing life much different than they were prior to 1994. Due to the transience of some communities, it may be hard to receive the 'project-linked' subsidy, which comprises the bulk of delivery.

To reach migrant laborers and less stable communities the rental and hostel subsidies could be promoted.

- **Zoning** - Nelson (1996) suggests the government take the initiative to advance its housing goals and integrate racially through a flexible zoning plan. Citing as an example the history of zoning in the United States as a major contributor to racial segregation, Nelson argues that in order to dissolve the legacy of apartheid, active measures rather than passive market based policies, must be implemented to insure equal distribution and access to housing and the use of land. Currently, much like the countries' residential zoning history, land-use in South Africa's urban areas is still very segregated.

Centralized performance zoning, as Nelson refers to it, would allow equal access to land by allowing development that complies with performance standards, established to avoid nuisance. Nelson contends that such zoning is based on environmental conditions rather than intentional exclusion, as traditional zoning is (Nelson, 1996, p.1717). Furthermore, he contends that centralization would remove many regulatory agencies from the zoning process, reducing chances for corruption and political favoritism (Nelson, 1996, p.1724-5).

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Experience: **Graduate Assistant**, Virginia Center for Housing Research, Virginia Tech University, 2000. Assist Director with grant proposals, and research housing related issues in Virginia.

Intern, New River Valley Planning District Commission, 1999.
Assisted a transportation planner with a corridor study. Collected data and drafted sections of the report.

English as a Second Language Teacher, Republic of Korea, 1997-8.
Worked in two language institutes over the course of 15 months, teaching students of all ages.

Crew Member, private yacht, 1993-4. Worked aboard a 32 foot sailboat for 14 months on a voyage from Kenya to the Dutch Antilles, participating in full operation of the vessel.

Skills: **Writing:** Proficient in business, news and creative writing. Published regularly in the Korea Times, 1997.

Computers: Experience with SPSS and all major Microsoft Windows packages. Twelve academic credit hours from graduate and undergraduate degrees, in statistics and research methods, performing data analyses in each class. Constructed a web page as part of graduate assistantship, fall 1999.