

**THE ROLE OF CONSTRUCTION MANAGEMENT
IN PEOPLE'S HOUSING PROCESS IN
EKURHULENI METROPOLITAN
MUNICIPALITY**

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Abstract

Government policies have been misinterpreted, misunderstood as well as been misused; this has compromised the building industry especially when it comes to the Black Economic Empowerment (BEE) and small – medium micro enterprises (SMMEs), policies within the construction industry. The Peoples Housing Process (PHP) is one of the various mechanisms used in the housing sector, by government in its endeavour to achieve the goals set in these policies. This study evaluated the PHP in relation to industry's standards. The aim of the research was to determine the extend of damage in housing delivery construction practices caused by the PHP with insufficient construction management skills within the building industry as well as weighing such damages against the positive outcomes or the benefits achieved through this process. This study has discovered that although the People Housing Process can be used as a social mode to empower communities, it does not conform to the set building standards. The study further discovered that PHP compromises both the quality and cost of houses as well as delaying the housing delivery process.

Declaration

I declare that this study is my own and work done is unaided. It is submitted at the University of Johannesburg (Department of Quantity Surveying and Construction Management), as a requirement to obtain M-Tech degree in Construction Management. This report has not been submitted in any other institution before for any degree or examination.

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TABLE OF CONTENTS

Page

CHAPTER 1: INTRODUCTION

1.1 Background	15
1.2 Problem Statement	28
1.3 Hypothesis	29
1.4 Objectives	29
1.5 Limitations	30
1.6 Assumptions	30
1.7 Proposed structure of the structure of the Research Project	31
1.8 Conclusion	33
Definition of Terminology	34

CHAPTER 2: LITERATURE REVIEW

2.1 Housing and the Construction Sector	39
2.1.1 Introduction	39
2.1.2 International Experience in the Housing Sector	44
2.1.3 Development Needs in South Africa in Relation to Housing	45
2.2 The Construction Sector	48
2.2.1 The Major Problems Faced by the Construction Sector	49
2.3 Conclusion	53

CHAPTER 3: Review of the People Housing Process

3.1 Introduction	54
3.2 Current Status	56
3.3 Conclusion	59

CHAPTER 4: Review of People Housing Process International experiences

4.1 Introduction	61
4.2 Current Status	63
4.3 Conclusion	65

Chapter 5: International Experience of Social Housing

5.1 Introduction	57
5.2 Social Housing in Britain	57
5.3 Social Housing Association in Britain	58
5.4 Types of Housing Associations	58
5.5 Organisation and Management of Social Housing	
Institutions in Britain	69
5.5.1 National Housing Federation	69
5.5.2 Housing Corporation	70
5.5.3 Other Bodies	70
5.6 Challenges Facing the Social Housing in Britain	71
5.7 The French Social Housing Sector	72
5.7.1 Historical Background of Social Housing	72
5.7.2 Organisation and Management of French Social Housing	73
5.7.3 Problems within French Social Housing Industry	74

5.8 Lessons for South Africa	75
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CHAPTER 6: Social Housing in South Africa

6.1 Introduction	77
6.2 The Existing South African Housing Framework	77
6.2.1. White Paper on Housing	78
6.2.2 Self Help Housing	78
6.2.3 Housing Subsidy Scheme	78
6.2.4. Reconstruction and Development Programme (RDP)	79
6.3 Limitations of the Housing Policy	84
6.4 Private Market	84

CHAPTER 7: Research Analysis and Findings

7.1 Introduction	89
7.2 Case-study: Background	90
7.3 Location	91
7.4 .Social – Economic study of Tswelopele Extension 6	93
7.5 Objectives	98
7.6 Current Project Status	99
7.7 Project Evaluation	99
7.8 Research Analysis	101
7.9 The role of construction management in the people’s housing process	105
7.10 Conclusion	106

CHAPTER 8: Recommendations and Conclusion

8.1 Background	108
8.2 Further research	110
8.3 Conclusion	111
BIBLIOGRAPHY	114
APPENDICES	
Annexure “A” Questionnaire	120
Annexure “B” Project Programme	125

LIST OF ABBREVIATIONS

ANC	African National Congress
BEE	Black Economic Empowerment
CCH	Confederation of Co-operative Housing
CM	Construction Management
GCs	General Contractors
EMM	Ekurhuleni Metropolitan Municipality
GDOH	Gauteng Department of Housing
HIDF	Housing Institutions Development Fund
HLM	Habitations Loyer Modere
HWP	Housing White Paper
NHBRC	National Home Builders Registration Council
NHF	National Housing Federation
NGOs	Non – Governmental Organisations
PHP	People’s Housing Process
PMBOK	Project Management Body Of Knowledge
PHPT	People’s Housing Partnership Trust
RDP	Reconstruction and Development Programme
RSLs	Registered Social Landlords
SACPCMP	South African Council for the Project and Construction Management Professions
SDI	Shack Dwellers International
SETA	Sector for Education and Training Authority
SHF	Social Housing Fund
SMME	Small – Medium Micro Enterprises

LIST OF TABLES

Page

Table 1.1 “Key Statistics of Ekurhuleni Metropolitan Municipality”	21
Table 1.2 “Budget for Ekurhuleni Metro: 2003 – 2006”	27
Table 2.1 “Housing Delivery Figures: 1994 – 2002”	47
Table 4.1 “Statistics on membership, houses built and savings by Shack Dwellers International”	63
Table 6.1 “Social Economic Study on Tswelopele 6: Languages - Census Study 2001”	93
Table 6.2 “Social Economic Study on Tswelopele 6: Education - Census Study 2001”	94
Table 6.3 “Social Economic Study on Tswelopele 6: Services - Census Study 2001”	95
Table 6.4 “Social Economic Study on Tswelopele 6: Refuse Management - Census Study 2001”	96
Table 6.5 “Social Economic Study on Tswelopele 6: Transportation Census Study 2001”	96
Table 6.6 “Social Economic Study on Tswelopele 6: Families’ sizes - Census Study 2001”	97
Table 6.7 “Social Economic Study on Tswelopele 6: Monthly Income For employed individuals – Census Study 2001	97
Table 6.8 “Social Economic Study on Tswelopele 6: Industrial Stats - Census Study 2001	98

LIST OF FIGURES

Page

Figure 1.1 Ekurhuleni Metropolitan Municipality: Political Structure	24
Figure 1.2 Ekurhuleni Metropolitan Municipality: Departmental Structure	25
Figure 3.1 The People's Housing Process Stakeholders	55

LIST OF MAPS

Page

Demarcation of Ekurhuleni

20

Location of Tswelopele 6 (Winnie Mandela)

91

Chapter One – Introduction

1.1 Background

Housing the nation is one of the foremost challenges facing government. The challenge relates to the enormous size of housing backlog, the diverse needs of the homeless and others who are inadequately housed, and also to the housing environment which has many weaknesses. Poverty, unemployment, economic stagnation and negative behavior, together with financial constraints make the task even more daunting (Department of Housing, 2000).

The above quote highlights the significant role played by housing in people's day-to-day lives. As a result, problems faced by this sector automatically affect the social, economical, and political environment of this country as a whole. Tipple and Willis describe the housing delivery situation as follows: "Currently the major problem is the shortage of affordable accommodation for the urban poor, the low income majority over the last three decades. Most official housing programmes have failed to reach considerable portions of this group" (Tipple and Willis, 1991:1). A number of factors hinder the delivery process, such as financial problems, cash-flow problems, fraud, corruption, bad administration, and lack of management skills. However, this research will concentrate mainly on construction management skills or expertise amongst the contractors including community builders participating in the People's Housing Process (PHP), which directly or indirectly affect the housing delivery process.

While housing delivery is a broad concept "Demographic and social change directly influence the number of households that require shelter. Economic change determines

the type and quality of housing that is built, the nature of demand from consumers and how much they are able to pay for housing. Public policy influences the type, quality and cost for housing.” (Marsh and Mullins, 1998:2) The study will only concentrate on subsidized low – income housing provided by the South African government as based on the Housing Act 1997. Again, the term housing delivery is not only restricted to the structure itself, but to all the other associated factors that make the whole process to be possible. According to Calderwood (1953), for the housing delivery process to be complete, the following must be included:

- i) Housing (actual structures).
- ii) Schooling and education.
- iii) Outdoor recreation.
- iv) Indoor social and cultural amenities.
- v) Shopping and commercial buildings.
- vi) Health provisions.
- vii) Roads and access ways.

Based on the abovementioned housing delivery elements, this research will further focus mainly on the provision or construction of the actual houses.

Urquhart and Sowman (undated), highlighted four factors, which conclude the

Sustainability of low – income housing development as follows:

- i) Housing development must be ecologically sustainable.
- ii) Housing development must be economically sustainable.
- iii) Housing development must be socially sustainable.
- iv) Housing development must finally be technically sustainable.

Once again based on the abovementioned factors, this research will mainly focus on the technical sustainability of a housing development based on construction management skills.

The model of housing delivery for poor people, which was adopted by the Department of Housing in South Africa, was a subsidy for the first-time home -owners, who must then obtain homes through the programmes set by the department. The Housing Subsidy Scheme was implemented on the 15th of March 1994, and these subsidy scheme programmes are only meant for subsidising poor people who earn between 0 and R3 500.00 (low-income), as a total family income per month. (Department of Housing, 2000).

In South Africa there are seven subsidy scheme programmes, which are structured differently in an attempt to cover most of the poor communities' needs:

- i) Project linked subsidies: “Project-linked subsidies have been available since 15 March 1994. This mechanism provides for the allocation of housing subsidy funding, to developers to enable them to undertake approved housing development projects and to sell the residential properties so created to qualifying beneficiaries. (Department of Housing, 2000:196)
- ii) Consolidation subsidies: “A consolidation subsidy is a subsidy available to a beneficiary who has already received state assistance to acquire a serviced residential site under individual subsidy scheme, on the basis of ownership, leasehold or deed of grant. Beneficiaries of such serviced sites are eligible to apply for the consolidation subsidy for constructing or

upgrading a top structure on the property.” (Department of Housing, 2000: 242).

- iii) Relocation Assistance: “Relocation assistance is one of the policy measures adopted by the ROU and confirmed in the New Deal. It is offered to borrowers who concluded right sizing agreements with participating financial institutions to enable such borrowers to relocate to affordable housing.”
- iv) Rural subsidies: This is a subsidy that is applicable to people living in the remote areas, who do not necessarily have title deeds and this type of a subsidy is always considered as a last resort.
- v) Individual subsidies: “The individual subsidy mechanism has been available since 5 June 1995. Individual households may apply for the subsidy when they want to buy an existing house or a residential property with or without a completed top”. (Department of Housing, 2000: 218).
- vi) Institutional Subsidies: “The institutional subsidy mechanism is specifically targeted at institutions that provide tenure arrangements alternative to immediate ownership (such as rental, instalment sale, share block or co-operative tenure) to subsidy beneficiaries.” (Department of housing, 2000: 253).
- vii) People’s Housing Process: Explained on page 10-11 under point 1.6

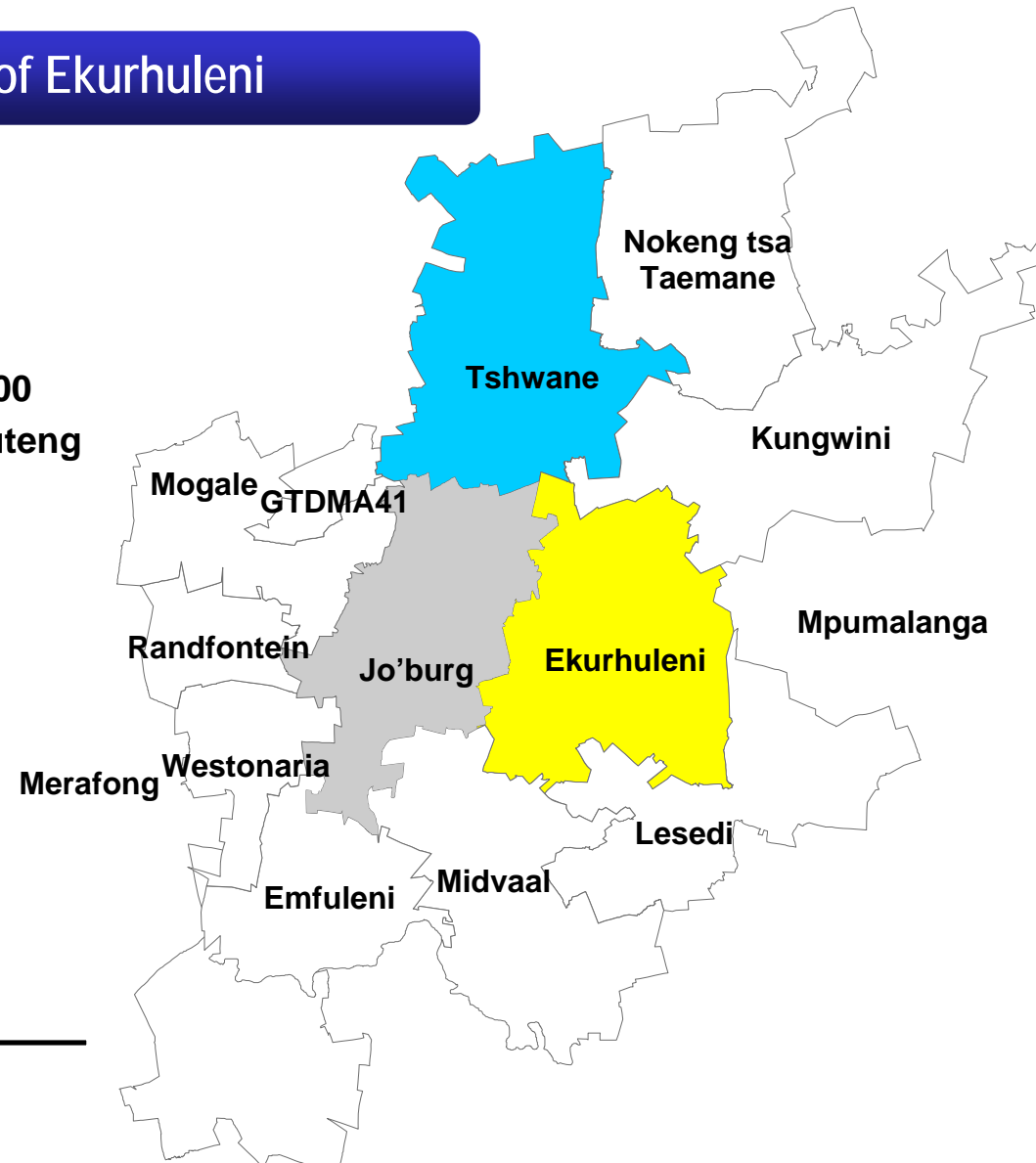
The study concentrates on PHP because of the shift by the Gauteng Department of Housing (GDOH), from almost nothing of PHP in the previous five years to main focus being on PHP for the next three years. (GDOH, 2003). “South Africa’s most populous province, Gauteng, intends to go from almost no PHP housing to nearly 100% in a few years” (Bauman, 2003: 3 – 4).

The main objective of construction management in low-income housing delivery is to ensure that the final product (constructed houses), is constructed in terms of the regulations set by the building industry. In terms of construction management this research will mainly focus on quality, time and cost. In the construction industry, to create and retain satisfied clients, service providers must meet the expectations and requirements of their clients in the delivery of projects. In terms of project development, clients' expectation is chiefly the delivery of the project within time, quality and cost target (Mbachu, 2002). "Owners, on whom the industry depends, demanded a change. They demanded assurance of better control of cost and time before they would undertake a project." (Mcnulty, 1982:9).

1.1 EKURHULENI METROPOLITAN MUNICIPALITY – DEPARTMENT OF HOUSING

Demarcation of Ekurhuleni

- Established – December 2000
- One of Three Metro's in Gauteng (6 in SA)



Source: www.ekurhuleni.com

The above map indicates the actual geographic location of Ekurhuleni, but most importantly it highlights the other municipalities that are surrounding Ekurhuleni. It can also be detected from this very map that Ekurhuleni is actually surrounded by other municipalities meaning it is not situated at the edge or the boundaries of Gauteng. “Ekurhuleni Metropolitan Municipality (EMM) 1 900 Km², was formed in 2000 and is fourth largest municipality in South Africa. We have united eleven previous councils into one local government structure to meet the needs of the community Ekurhuleni is situated in Gauteng province, to the east of Johannesburg and south of Tshwane and used to be known as the East Rand. The area consists of about 190 000 hectares of land and nearly 2.5 million people live here.” (Ekurhuleni Metropolitan Municipality, 2003: 4). Some of the key statistics of this area are as follows:

Table: 1.1 “**Key Statistics of Ekurhuleni Metropolitan Municipality**”

Number of households	787 040
Hostels	21
Lakes, dams and pans	Approximately 300
Unemployment rate	Approximately 40%
Gross geographic product (GDP)	23%
Employment	39%
Investment	44%
Manufacturing industry	42%
Registered businesses	32 000
Number of industries	8 000
Industry supporting enterprises	5 000
Schools	551

Source: Ekurhuleni Metropolitan Municipality, 2003

“Both the Ekurhuleni and Johannesburg Metropolitans are producing a GGP of R44m per square kilometre. This is the highest in the African Continent!” The author goes on to describe Ekurhuleni as follows:

- Ranks as the 34th largest company (by revenue) in South Africa
- Is one of the top 50 companies by number of employees
- Is one of the most complex mergers in South African corporate history (EMM:2004)

The EMM’s vision is: “The smart, creative and developmental city.” (Ekurhuleni Metropolitan Municipality, 2003:4). The above vision basically means a progressive city, and this is also reflecting in its mission: “Ekurhuleni provides sustainable and people-centred developmental services that are affordable, appropriate and of high quality. We are focused on social, environmental and economic regeneration of our city and communities, as guided by the principles of Batho Pele and through the commitment of a motivated and dedicated team.” (Ekurhuleni Metropolitan Municipality, 2003: 4). Its corporate values are as follows:

- Performance Excellence
- Integrity
- Community Centeredness
- Transparency
- Co-operative Governance (EMM:2004)

This Metro is further governed by strategic priorities, which are as follows:

- Good Governance

- Urban Renewal
- Poverty Alleviation
- Local Economic Development and Job Creation
- Prevention of HIV/Aids
- Safety and Security
- Community Participation. (EMM: 2004).

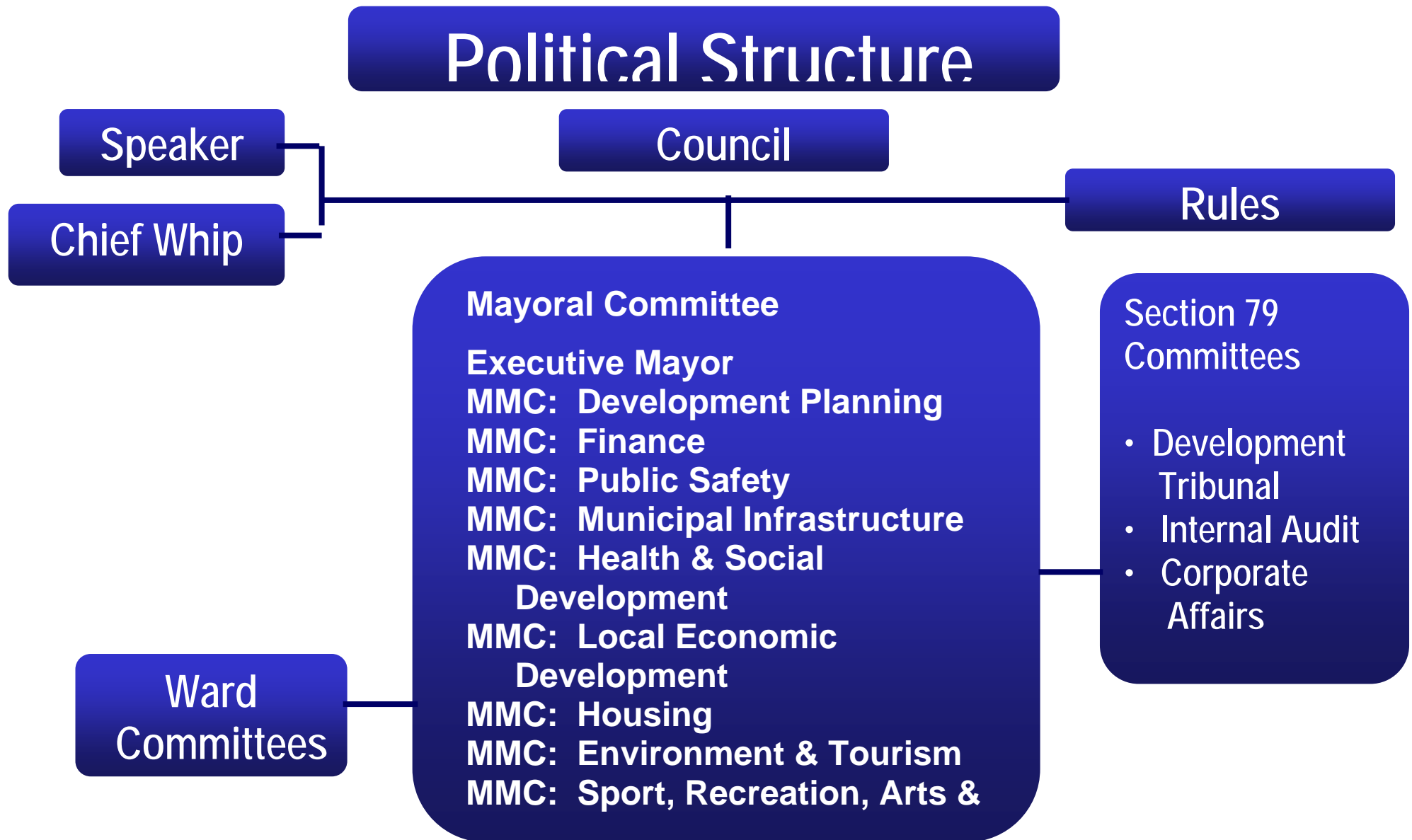


Figure 1.1

The above diagrams show how the Council is structured, that is the main two levels of management (political and departmental), are outlined on both diagrams. Most importantly the two diagrams actually pin-point where housing features within the municipal structure. Like in most counties in the world both developed and developing countries, South Africa's implementation process takes place at the local government level. "Despite the growth of owner-occupation, Britain has been distinctive in the priority given to large-scale direct investment in housing built by or for local authorities, and managed by them The central channel for non-market provision in the UK has been council (municipal) housing. Although in its history council housing has accommodated better off members of the working class, it has potentially been an effective means of reducing connections between poverty and poor quality dwellings. This effect has frequently been modified by restrictions on access and by differentiation within the sector, but in recent years the housing has primarily served relatively disadvantaged households." (Harrison with Davies, 2001:13, 88). The above is also a true reflection of what has been taking place in this country prior and after 1994. This implementation process is governed by the "*Integrated Development Plan*". This plan is referred to as a "Municipal Strategic and Management Document which informs all annual & 5 year:

- Planning
- Budgeting
- Resource allocation
- Decision – making". (EMM: 2004).

The total budget for this Metro for the period of 2003 to 2006 reflects as flows:

Table: 1.2 “**Budget for Ekurhuleni Metro: 2003 -2006**”

	2003/04	2004/05	2005/06
Operational	R9.1 bn	R9.3 bn	R10.2 bn
Capital	R1 bn	R1.1 bn	R1.1 bn

Sourced: Ekurhuleni Metropolitan Municipality: 2004

EMM Housing (governmental service provider), is the department that is headed by both a political head (Member of Mayoral Committee (MMC)), as well as the executive director as the departmental head. The executive director is then supported by the four directors heading the departmental directorates:

- Projects Implementation – mainly deals with the actual implementation of the projects.
- Policy and Planning – formulation of policies as well as research
- Property and Institution – mainly focuses on hostels and social housing, and
- Support Services – gives general support to all the other directorates.

The Departmental core business is to provide houses and housing related services to the people of Ekurhuleni Metropolitan Municipality. The departmental vision is:

“Partnership for sustainable housing delivery” (EMM Housing, 2003:11). Its mission statement is:

“To facilitate, provide and encourage integrated, habitable, stable public and private subsidised residential developments to ensure viable communities through an effective, efficient and accessible service delivery level.” (EMM Housing, 2003:11)

1.2 Problem Statement:

The housing sector has put in place the programmes, policies and plans to enable the housing delivery process. All the stakeholders within this process (government, private sector, developers, contractor and beneficiaries) expect all the above-mentioned measures to speed up the process. Furthermore, the end-users (beneficiaries) expect that the very same process will suit their needs. In most cases these expectations are not fulfilled.

The question to be asked is:

Do the contractors or community builders in the Peoples Housing Process (PHP) have the necessary skills and experience in construction management?

This study treated the three main factors (Quality, Cost, and Time), which directly affect projects from the builder's point of view as sub-problems:

- 1) Does lack of quality management hinders the delivery process in PHP projects? (Does the structure or the end product adhere to the approved or acceptable specification set by the building industry?)
- 2) Does lack of cost management from the contractor's side contribute towards the project's failure?

(Is the contractor performing within the stipulated budget?)
- 3) Can the contractor's lack of time management cause the project to fail?
 - Can the contractor perform within the set schedule or time - frame?
 - Are the time frames adequate, reasonable and possible?

1.3 Hypothesis:

The contractors and or community builders participating in PHP do not have the necessary skills and experience in construction management.

1.3.1 Sub – hypotheses

- 1) Contractors and or community builders do not have quality control expertise, and this hinders the delivery process in PHP.
- 2) Contractors and or community builders do not perform within the stipulated budget, and this lead to failing projects.
- 3) Contractors and or community builders are not capable of time management, leading to failing projects.

1.4 Research Objectives:

This study will mainly concentrate on PHP projects in the Ekurhuleni Municipality Metropolitan (EMM).

The objective of this study is to investigate the impact and or effects of quality, time and cost management have on the delivery process in the people's housing process.

- This will be achieved through a combination of interviews and questionnaires mechanism to both the directors and project managers from the EMM housing department, NGOs and service providers participating in PHP.
 - a) The beneficiaries (housing support centres).

- b) Construction professional bodies (the Council of Construction Project Managers, the Chartered Institute of Building Southern Africa and the National Home Builder's Registration Council (NHBRC)), an institution in Gauteng which, offers housing as a qualification (University of the Witwatersrand), and associations which are directly participating in both construction and housing ("Women in Housing" and "Women in Construction").
- c) Contractors and developers (registered with NHBRC).

1.5 Limitations

The research will be carried out over a period of two years. This study is confined to the Ekurhuleni Metropolitan Municipality in order to reduce costs (traveling, accommodation).

1.6 Assumptions

In appointing service providers, either the Department of Housing (both at Provincial and Local government), does not take into consideration the capacity of the service providers when it comes to construction management issues, or the Department is being deceived. As a result of constraints in government policies (preference to the previously disadvantaged, as well as the abuse of such policies e.g. 10% of housing projects to be awarded to women), and the current situation in the building industry (lower or no profits in low-income housing especially PHP), contracts end up in the hands of inexperienced people, which result in poor construction management skills which, eventually hinders the housing delivery process particularly in PHP.

On the other hand because of time constrains the Department is not able to investigate thoroughly the capability of service providers in relation to their knowledge of construction management, or some officials do not really understand the importance of construction management in relation to the housing delivery process.

Definitions of Terminology

Construction management

“For a decade the term “construction management” has been debated throughout the building industry. GCs claim exclusive right to the term, because they are in charge of managing construction in the field. Architects claim that their documents, review of off-site fabrication, and field supervision (now called “observation” to avoid liability) give them the title. And a group of specialists in one or more new techniques offer their services in completion, claiming to manage by computer-based estimates, network schedules, and frequent reports. As each spokesman is actually an individual competing for fees for his service, the focus has been directed to who, when the real issue is what is required to be done.

The reason for the debate is a changing industry, which the old institutions developed a century ago no longer serve effectively. Clients are seeking a better management, not just another method of selecting an agency or a reworked contract for the same services. Clients seek changed relationships with men trained as contractors or architects or managers, but the true objective is to find a professional with the right attitude and with skills beyond those obtained through traditional training.” (McNulty, 1982:8)

The above clearly indicates that the most important issue in construction management is how things are done, meaning the process but not who is entitled to carry out such a process. In other words various professionals within can do construction management built industry provided such professionals have an expertise or skills to carry out this activity. The author goes on to define this process as follows: “CM is a rearrangement of the traditional relationships and the use of more scientific management techniques to improve cooperation and control of planning, designing, and constructing buildings.” (Mcnulty, 1982:12).

In other words from what has been gathered above one can refer to CM as a process of managing the entire business of construction including all the related aspects such as commercial, legal and production. The Chartered Institute of Building refers to construction management as a process, which includes but is not restricted to:

- a. Contract management: This mainly refers to the management of “an agreement for an ascertainable and possible future performance or non-performance made by persons capable of contracting seriously, sometimes with special formalities, and without any illegality” (Hutchison, 2002: 409).
- b. Construction project management: This is specifically the management of the actual construction process within a project, which is based against the set specifications
- c. Development management: The development is composed of various projects within it and in most cases such projects have different scopes.
- d. Design management: These are the design plans of various structures such as building plans; interior design plans, which are always accompanied by specifications.

- e. Commercial management: This is the way of running either a development or a project in such a way that its financial or commercial aspects are viable and sustainable. For instance the construction costs of a project should be balanced by say rental costs.
- f. Quantity surveying: This is the financial aspect of the construction process including its all related aspects from inception to the final stage. In other words based on the specifications and the designs through quantity surveying one will be able to determine the costs of a particular project (project' cost forecast).
- g. Facilities management: This mainly refers to the overall maintenance to property

Meaning the above definition has incorporated all those who offer management services in relation to construction.

One can further regard a construction manager as a client's representative whereby a fee-based profession provides the management service and all the construction contracts are directly between the client and the trade contractor. (Masterman, 1994:96). On the other hand the very same process can be regarded as a project delivery method whereby the client appoints design and cost consultants, a contractor or a consultant to manage the contract for a fee. (Lam and Chan, 1994: 160), (Ahuja, 1980: 12-13).

While construction management can be defined in a number of ways, for the purpose of this research we will adopt official South African definition of construction management by the South African Council for the Project and Construction Management Profession (SACPCMP). The SACPCMP came into being on the 7th of

September 2001 as per Act 48 of 2000, which makes it the statutory regulatory body in the Republic of South Africa. The SACPCMP definition states that construction management is the management of physical construction process within the built environment and the co-ordination, administration and management of resources. The construction manager is the one point of responsibility in this regard. (Government Gazette – Board Notice, 2002: 79 & 80).

People's Housing Process

Different stakeholders in the housing delivery process seem not to have a rigid explanation for PHP. Although people involved in this process have different understandings and perceptions of the process, the common factor and understanding is that this process mainly revolves around community participation. According to chapter eight of the National Housing Code the PHP's main objective is to support the beneficiaries / end-users, who want to enhance their subsidies by building better houses for less through the process of participating in the construction process of their own houses. (Department of Housing, 2000: 297-317) On the other hand the GDOH sees this process as “a programme designed to assist families that want to organise the planning, design, and building of their own houses with technical assistance.” (GDOH, 2003).

Bauman describes PHP as an ongoing process of self-provision of shelter and services by the poorest members of the societies. He goes on to say “It is simply people building houses for themselves, not as commodities to be bought and sold, but as useful items that all households need to survive.” (Bauman, 2003:10)

The grass-roots administration of this process is done from the “housing support center” or what can be referred to as a site office / community centre (HSC). In a nutshell “The People’s Housing Process is about households taking the initiative, which many of the have taken by establishing themselves in shacks and organizing themselves, to acquire land, to design and build their houses”. (Kithakye, 2004).

Establishment Grant

An additional grant of R570.00 on top of the subsidy amount that is given under the PHP programme, which is used for the operation of the HSC.

Facilitation Grant

It is a once-off payment that is used to establish and equip the HSC, including the community facilitation workshops. This ranges from R50 000.00 to R117 000.00 depending on the motivation on the business plan prepared by the support organization.

Housing Support Centre

Community site office within the PHP project which should be accessible to the entire project. This office is mainly used for project information and administration of such a project. Once the project is completed this site office is normally used as a community centre.

Structure of the Research Project

Chapter One

This chapter deals with the introduction and the overall view of the entire research, in other words chapter one gives an in-sight on the following chapters. The chapter further gives the background on both housing and construction sectors and specifically gives a high-light on Ekurhuleni housing. The chapter goes on to define the research's problem statement as well as its hypothesis. The study's objectives are also out-lined in this chapter, and finally limitations to this study are identified and assumptions are also out-lined in this first chapter. This chapter is concluded by defining some of the terminology used in housing and construction sectors.

Chapter Two

Chapter two mainly focuses on the literature review of the study which has been sourced from journals, previous researches, textbooks as well as the various web-sites from the inter-net. This chapter is actually summarizing the literature which in return supports or rejects the hypothesis as stated in chapter one. This chapter is divided mainly into housing and construction sectors, and further sub-divided into the local (South African), experiences as well as the international practices.

Chapter Three

The main purpose of this chapter is to review PHP as a delivery tool within the housing delivery process. The chapter elaborate on how PHP works, and further identifies the stakeholders involved in this process. Chapter three evaluates the current status of PHP in relation to where it comes from, in other words this chapter mainly

focus on the evaluation of PHP performance. In conclusion this chapter highlights the achievements of PHP in relation to what it was aimed at.

Chapter Four

Chapter four addresses social housing as another alternative housing delivery tool within the housing delivery process. This chapter explains what social housing is all about, meaning its policies, principles, procedures, and stakeholders in relation to the broader picture of housing in general. Chapter four also explain factors the influenced the origin of social housing. The chapter further explains the current status of social housing and evaluates its performance.

Chapter Five

This chapter focuses on the research methodology that is, the steps that were followed in carrying out this study. In other words all the tools that were used in doing this research are out-lined in this chapter. The chapter also looks at a specific case study “Tswelopele Extension 6 PHP”, as part of the research’s tools used to gather information. Finally it is in this chapter where the out come results have been evaluated and analyzed.

Chapter Six

Chapter six is the final chapter of this research, which consolidates and summarizes all the first five chapters. In summarizing the study this chapter actually comes up with the recommendations based on the research analysis, meaning the chapter actually proposes how best PHP could be carried out. Chapter six finally out-lines a

conclusion to the entire research, and it is in this conclusion where the research hypothesis is also out-lined.

1.8 Conclusion

Chapter one does not only give us the structure of this study and its bases but it goes further to give us a background on housing that is, where does housing come from in terms of policies based on the history of this country. Most importantly this chapter has given us a highlight on the measures the government has taken in bridging the gap created by the previous government policies and the current problems that this country is faced with in terms of housing. Putting measures in place is one issue, but whether such measures are viable, feasible, practical and appropriate is another thing. Housing is a component of the construction industry and it is also quite important to review the current status of the construction sector.

Chapter Two - Literature Review Housing and the Construction Sector

2.1.1 INTRODUCTION

Housing is an instrument that is used in both developing and developed countries to address various needs of different groups that exist within the communities. In all communities we have different cultures, races, education and income levels, gender, and so on. Hence a highlight that: “Given their lower average earnings and disadvantaged labour market positions, women, black and minority ethnic households and disabled people probably benefited less than ‘able-bodied’ white men”. The authors go on to say “Women and men differ in their housing opportunities, resources or strategies, and these differences are to a degree systematic and persistent.” (Harrison and Davies, 2001:12, 167). The above mainly shows that in addressing the people’s needs using this tool or instrument “Housing”, it is important to realize that different people are affected differently during the delivery process. In other words one rule will not be appropriate or suitable for all the groups within a particular community. “People make their own histories as individual actors, negotiating their identities against particular settings, and experiencing housing in differing ways.” (Harrison and Davies, 2001:7)

The government’s vision in relation to housing is “ the establishment of habitable, stable and sustainable public and private residential environments....” (Department of Housing, 2000:1). In the very policy, the government further highlights the fact that its main focus is on the poor and those who have been previously disadvantaged. While empowering the previously disadvantaged is of utmost importance to the government it should also be realised that quality plays an important role in the

housing delivery process. “As a minimum, all housing must provide protection from weather, a durable structure...” (African National Congress, 1994:23). The above reflects the important role of policy in the housing delivery, as it eventually becomes the corner stone of procedures, standards and specifications to be followed. In other words the policy goes as far as determining the way the officials respond to certain issues.

On the other hand the core element of PHP is that the very same poor and previously disadvantaged beneficiaries must build houses for themselves. “The people’s housing process aims to support households who wish to enhance their subsidies by building or organizing the building of their homes themselves.” (Department of Housing, 2000:297). While this supports the objectives of the government “Delivery systems will depend upon community participation. Delivery systems should aim to maximise job creation, the use of local material and income generation and training. Support must be provided to black and, more generally, to small builders.” (African National Congress, 1994:27-28), the challenge is the capabilities of such beneficiaries to plan, implements, manage and evaluate the PHP process.

The technical support of PHP is done through the support centres, and the people who participate in such centres are the beneficiaries who under go an informal training, which, normally varies, between the period of two weeks to six months (learnership programmes funded by the Department of Labour through Sector for Education and Training Authority (SETA) (service providers). The question to be asked is: can the previously disadvantaged communities which in most cases did not even have the exposure to lower education, be able to learn, understand and implement the construction process within such limited periods?

A number of researches as well as most of the theoretical work have always indicated that successful projects within this industry mainly depend on good management of such projects. “The success of larger projects has become more dependent on good management, not only by the builder and his contractors, but also by the owner and his architect” (Bush., 1973:3-4). “Success (or failure) of a construction operation is ultimately measured by the performance in the field; this success depends in turn on the thoughtful planning and thorough preparation off-site so that men, material, and machines required are there when needed with a clear plan of action to use them efficiently.” (McNulty, 1982:117). These authors are generally pointing out the significance of construction management which importance does not only take at the implementation stage but also at the initial planning stage to the completion of such projects. In the last century contractors were not only expected to do the actual construction, but they were expected to be having construction management skills. On the other hand in today’s era we have professionals who specialise in construction management. “General contractors have always had the responsibility of managing construction projects. Now that they are subcontracting the major portion of the work, management skill is recognized as the most important factor in the success of a project” (Bush, 1973:12).

As indicated in chapter one this research is only concentrating on cost, time and quality. The relationship of the above-mentioned factors is quite important in construction management. “The project is now officially started and the sooner it is completed and in operation the sooner it will be making money or accomplishing its purpose” (Bush, 1973:21). Even though the author does not highlight the significance

of quality, the project can only be considered completed or expected to accomplish its purpose once it done within the specified and set standards and in achieving that it means the contractor has attained the good or required quality.

This is quite a complicated sector in the sense that it is composed of various components e.g. building or construction industry, civil engineering, production and supply of material, etc. The significant difference between civil engineering and building is the way activities are carried through during such processes.

“The civil engineering construction industry is very reliant on heavy construction plant such as graders, bulldozers, excavators and the like for the construction of infrastructure. The building industry, on the other hand, does not require heavy construction plant to construct houses and only require light plant such as concrete mixers. It may be said that the process of construction in the civil industry is “machine” orientated, whereas that in building industry is “skills” oriented ” (Band and Watermeyer, undated: 2.2).

The other factor that complicates the sector is the fact that people of different calibre and understanding (professionals and non-professionals), participates equally within this sector. Finally the set standards and the policies that are set by the majority stakeholders do not talk to each other instead they contradict each other. For instance the professionals within the industry believe that the final responsibility should only lie with registered professionals within the industry (professionals’ councils and associations within the built industry), while the government believes in empowering the previously disadvantaged (Black Economic Empowerment policy, women empowerment policy, etc.).

“In general, the construction sector can be considered to consist essentially of the building industry, the civil engineering industry and construction materials production. Internationally these sub-sectors account on average for 10 to 12% of gross domestic product, the civil engineering and building industries accounting for 4 and 8% of GDP and nearly half of gross fixed domestic investment. The sector employs 5 and 10% of labour force, thus forming a distinct portion of a country’s economy

The sector is complex in many ways. In the first place the balance and the source of income differ between the sub-sectors. Internationally, 60 to 70% of the funding for civil engineering comes from the public sector (in South Africa during the 1990s it exceeded 75%), while the proportions are reversed for building, with two thirds being privately funded.) (McCutcheon, 2003: 4)

Thirty years ago other authors considered this industry to be separated into four divisions based on different types of work and these are categorized as follows:

- Building Construction – “This division includes all types of buildings for human occupancy and manufacturing.”
- Home Building – “Individual homes”
- Engineering Construction – “The work in this division is designed by an engineer and the contractor utilises considerably heavy equipment.”
- Industrial Construction – “Work such as refineries, utility plants, and steel mills are normally built and designed by technical specialists”. (Bush, 1973:1-2).

2.1.2 INTERNATIONAL EXPERIENCE IN THE HOUSING SECTOR

The housing problem is not only experienced by South Africa, but it is actually a global problem. “Informality in Nairobi’s slums has different dimensions to informal settlements in South Africa. Extremely dense living environments (250 dwelling units/hectare) come about as a result of illegal allocation of land, at a cost, by “chiefs” in the Provincial Administration, to individuals who construct rows of wattle and daub rooms for rent. Multi-layered patronage characterizes slums such as Kibera, the largest slum in Nairobi with an estimated population of 600 000 people.” (Huchzermeyer, 2004:2). Although there are some dimensional differences that occur in various countries, the common factor is the housing backlog, and some countries are experiencing the worst as compared to South Africa.

In most of the developing countries including South Africa most professionals, including large firms with resources and capacity do not take part in the low-income housing sector because of a number of reasons varying from government policies to minimum profit. “Large construction firms stayed out of the housing sector, concentrating on public works projects. Private sector investments were dominated by small development firms which had limited capital and used traditional construction techniques. Production was geared toward upmarket redevelopment of central areas of the city,” (Fernandes and Varley, 1998:59)

Housing policies across the board (that is locally and internationally), have both negative and positive impact on the overall housing delivery process. “All tenures are affected by public policies: whether on taxation; planning and building regulations; health and safety; inheritance of wealth; public sector investment building; income support; equal opportunities; rights of householders and owners; or regulation of the

financial sector.” (Harrison and Davis, 2001: 12). As indicated above these policies have a great influence on the housing delivery process, to an extent that they actually affect the different stakeholders’ actions. “As well as interactions with households’ preferences, formal and informal policies of housing organizations influence officers’ actions. We could expect to find professional ideologies important, yet heavily contingent on organizational, political, and financial contexts.” (Harrison and Davies, 2001: 91).

2.1.3 DEVELOPMENT NEEDS IN SOUTH AFRICA IN RELATION TO HOUSING

“It is estimated that the urban housing backlog in 1995 will be approximately 1.5 million units. The consequences of this backlog are physically reflected in overcrowding, squatter settlements and increasing land invasions in urban areas, and generally by the poor access to services in the rural areas. Socially and politically, this backlog gives daily impetus to individual and communal insecurity and frustration, and contributes significantly to high levels of criminal and instability prevalent in many communities in South Africa ” (Department of Housing, 1995:12)

Although lots of developments have been done in the last ten years, the fact of the matter is the above – mentioned scenario still exists, therefore housing sector is still faced with enormous squatters as well as the uncontrollable land inversions. Ekurhuleni alone is currently faced with 133 000 squatters (estimation by land inversion Ekurhuleni). As a result of the above – mentioned problems coupled with low rates of housing provision together with high population growth, it is estimated that the housing backlog is currently increasing at an estimated rate of 178 000 units per annum. (Department of Housing, 1995: 13). In addressing this backlog the

government had targeted the minimum production rate of one million over five years. (African National Congress, 1994: 22). On the other hand, this target was not achieved, due to a number of reasons which all amount to poor delivery systems.

Table: 2.1

HOUSING DELIVERY: NUMBER OF HOUSES COMPLETED OR UNDER CONSTRUCTION PER FINANCIAL YEAR (this should be in black)

PROVINCES	FINANCIAL YEARS							
	94/95 to 96/97	97/98	98/99	99/00	00/01	01/02	Apr- Sep 2002	TOTAL
EC	6,511	42,223	29,659	21,345	44,021	11,816	53,366	208,941
FS	16,042	21,001	20,391	8,177	26,088	9,005	409	101,113
GP	65,660	83,416	28,726	144,575	25,911	20,233	13,472	381,993
KZN	17,553	78,468	53,105	28,997	28,547	14,379	5,718	226,767
MP	19,884	10,873	16,838	4,808	16,457	14,584	16,470	99,941
NC	8,666	6,768	3,387	3,600	7,148	3,588	89	33,246
NP (LP)	11,108	15,743	22,899	12,401	20,996	16,667	500	100,314
NW	21,287	20,977	18,367	12,944	17,609	17,385	16,707	125,276
WC	25,321	43,834	34,575	26,916	17,730	16,634	2,358	167,368
TOTAL	192,032	323,303	227,947	263,763	204,507	124,291	109,089	1,444,932

Source: Department of Housing, (2002:7).

According to the above table 743,282 houses were built during the period 1994 to 1999. “During the first ten years of democracy, the ANC –led government built an unprecedented 1.6 million new houses”. (ANC, 2004:5). It is also critical to indicate that this poor delivery was experienced before using PHP as the main delivery programme. The question to be asked is can PHP perform better? In Ekurhuleni 3880 were expected to be built over the period of September 2003 to August 2004, but only 728 houses were delivered through the PHP (Department of Housing Ekurhuleni, 2004).

While the government has put in place the housing policies as well as systems, one of the challenges that it is faced with is the capacity of rolling out or implementing such. As stated in earlier the actual implementation of housing delivery takes place at the municipalities' level, and most of these municipalities are under capacitated in terms of knowledge, resources and decision-making. The fact that in 2001 the Cuban profession within the built industry came to South Africa to give support to the officials in the department of housing is a clear indication that the department does not have enough officials who have the knowledge of the building industry. On the other hand the fact that the ninety per cent of the budget in terms of implementing the housing delivery is still approved and managed at the provincial level, it is again an indication that the municipalities are marginalized in terms of resources and decision-making. The above highlights "lack of capacity" as a need that is faced by the housing sector in this country.

The other major challenge that the state is faced with is some resistance from the beneficiaries to actually take ownership of their property. Due to lack of understanding, most beneficiaries after obtaining their houses either sell them or rent them out and still go back to the squatter camps, hoping to access second subsidies. Meaning the targeted group of people who are expected to benefit from the housing delivery process still do not understand what housing is all about. This means that there is a need to educate people about housing in South Africa.

2.2 Construction Sector

For the fact that most of the big South African based companies manage to secure big profits and are sustained by projects that are outside the country, it is an indication of the construction sector which is booming internationally. "SOUTH African

construction giant, Murray & Roberts, continued its turnaround in the six months to 31 December 2001, delivering excellent results and exceeding the market expectations.

Looking ahead, Murray Roberts' order book looks very healthy. As at 31 December 2001, the figure for the engineering contracting and construction operations stood at R5,1 billion, a 35% increase when compared to the 3.8 billion announced on 30 June 2001. The Group has been awarded further significant contracts in the period since 31 December 2001.

Included in the contracting order book are the Mozal and Hillside aluminium smelter expansion project, the design and construction joint venture contract for the Bakwena Platinum Corridor, the Shangri-La Hotel in Dubai, a head office for the Abu Dhabi National Oil Company, and construction of project site camps for Shell in Nigeria. Further orders include a large water supply project in Gumare, Botswana, road works in Benin, and other civil projects in Malawi and Mozambique.” (Currie, 2002: 4).

2.2.1. MAJOR PROBLEMS FACED BY THE CONSTRUCTION SECTOR

The sector is perceived to be one of the important sectors in terms of employment creation for various reasons:

- “the construction side of the sector currently accounts for 220 000 jobs. Studies suggest that directed labour-intensive methods can substantially increase employment;
- construction of housing and infrastructure (both civil works and public facilities) forms an important element of the national development strategy which could lead to a significant increase in employment;

- by transferring assets effectively to the poor and to poor communities, a basis for more equitable and sustainable growth can be established.” (McCutcheon, 2003:1)

“All building and construction projects create employment opportunities since labour is required to manage the construction process, to build houses and infrastructure, to handle and transport material and to maintain and operate the plant/equipment used.” (Band and Watermeyer, undated: 2.1). In other words the sector is considered to be a major contributor of job creation or employment opportunities due to the various activities that need to take place during the construction process.

On the other hand most of these employed people do not have the expertise and the knowledge of the industry (government empowerment policies in relation to SMMEs, emerging contractors and the previously disadvantaged), and they are expected to participate and learn the industry’s tricks over the projects which in most cases lead to the industry’s disrepute.

“On-site training by observation in an informal construction environment does not facilitate the development of higher –level skills as this is determined by the ability and knowledge of the mentor. The low educational entry level of many engaging in the construction sector is significant in this regard as it is for the generation of managerial, administrative and entrepreneurial capacity within the sector. Moreover, lack of skills training is one of the most significant factors in occupational health and safety in one of the most dangerous industries.

The consequence of these shortcomings in the construction sector is of damage to its image in the eyes of public, potential work seekers and construction workforce itself.”

(McCutcheon, 2003:4). The author further emphasises this problem that is faced by the sector by saying: “The increase in the number of emerging contractors has a significant impact on the stability of the industry, in that they often lack managerial and technical skills” (McCutcheon, 2003: 21).

The industry’s market rates have put a serious challenge on the housing sector in terms of building material prices vs. the quality. “The cost of housing construction must be kept as low as possible while meeting the proposed standards” (African National Congress, 1994: 27). “The building industry was largely driven by private sector investment, economic growth investor confidence and the cost of finance”. (Department of Housing, 2002:62). The above quote still prevails that even today. “There has been an increase in house price of 3% points from third quarter 2001 (R308 013) to fourth quarter 2001 (R317 253). The stable lower mortgage rates continued to support the housing market, but lower prices increases were expected for the rest of: 2001 as a result of the high base of house prices in 2000. The increase in house prices indicate that the people are steadily investing in fixed properties such as houses and thus pushing the prices steadily up”. (Department of Housing, 2002:64).

The construction industry is further faced with limited resources in terms of meeting the current demands. There is a wide gap of professions in the building industry in relation to the current market, as a result of this, government policies (policy on empowerment); the industry is flooded with non-professionals in the building industry. “There was a decrease in the building confidence of building contractors, quantity surveyors and architects since 1995. The Asian crisis of 1998 caused a major decline in the outlook of the economies of a number of countries and South Africa was not an exception:” (Department of housing, 2002: 62). “limited capacity: at

present, South Africa's construction sector and building materials supply industry are emerging from an economic recession and production slump:....the lack of basic and managerial skills and building materials production and supply constraints are but two examples;"(Department of Housing, 1995:15-16).

The above-mentioned factors make it difficult to address the current backlog mainly because the targeted time frames cannot be achieved, and the required quality in most instances is not met.

The housing code's main focus was initially on the delivery in terms of number of houses delivered. "Government's goal is, subject to fiscal affordability, to increase housing delivery on a sustainable basis to a peak level of 350 000 units per annum until the housing backlog is overcome." (Department of Housing, 2000:5). However the focus has now been shifted to the quality of the end product delivered. "Despite these successes, the Department is aware that a number of problems persist resulting in the delivery of an inferior product." (Department of Housing, 2002:23,50). Amongst other areas with structural defects, that were visited by the Minister of Housing in July 2001 was Ekurhuleni. Besides the project management module that makes provision for the fifteen milestones, the department extended the participation of National Home Builder's Registration Council (NHBRC), to subsidy – linked projects (with an exception of PHP projects), as of 1 April 2002 as one of the systems in improving the quality of the delivered houses. (Department of Housing, 2002:61).

As a measurement tool, the SACPCMP has used the nine-project management body of knowledge (PMBOK) of management areas. In informal interviews with other

commentators within this council, it emerged that there has been addition to the nine management areas which, added to eleven competences that allow proper construction management in the building industry to be carried out (SACPCMP: adapted). These competences are: quality, cost, time, integration, scope, human resource, procurement, communication, risk, health and safety and utility management.

As indicated in chapter one, this study will only focus on quality, cost and time management and these three elements will then be treated as sub-headings under literature review.

2.3 Conclusion

Both the international and local practices in relation to housing and construction have been discussed in detail in this chapter. This chapter has further specified the problems that are experienced in both sectors. What came out clearly is the fact that the construction sector is mainly driven by the professionals both internationally and in South Africa, yet on the other hand there is a challenge of the housing sector which encourages the non-professionals to participate in this specialized field through the programmes such as PHP and policies around BEE and SMMEs. The question to be asked is: are these policies and programmes such as PHP a solution to the housing problem that is faced by this country or are they actually contributing towards this problem? Hopefully we will be able to answer this question once we have evaluated the PHP programme.

Chapter Three - Review of the People's Housing Process

3.1 Introduction

“PHP is a programme designed to assist families that want to organize the planning, design and building of their own houses with technical assistance.” (Gauteng department of housing, 2003:5) PHP is only applicable to those beneficiaries who already have title deeds and have serviced stands. Meaning the process does not offer essential services but concentrates on the construction of houses only. The process is divided into three phases, which are as follows:

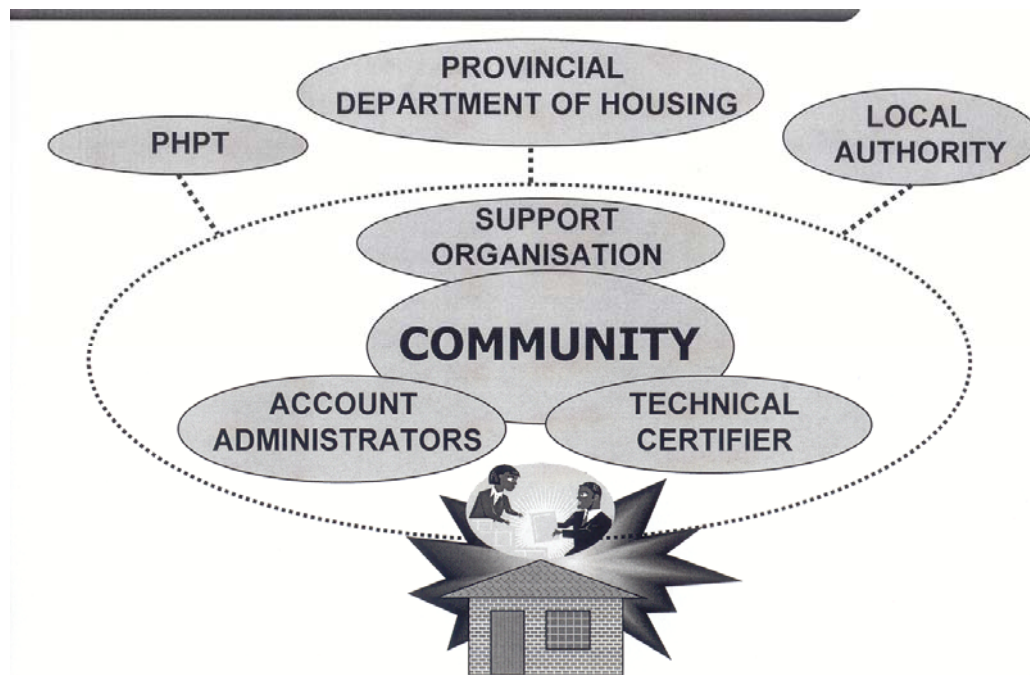
- Facilitation phase: (several workshops).
- Capacitation phase: (production of business plan, training of both the housing support centre staff and the builders, identifying the building teams etc.)
- Delivery phase: (approval of plans, release of subsidies, construction program, delivery of material, construction of houses, reporting, and monitoring). (GDOH, 2003:11-13).

The process has three main stakeholders, which are:

- The GDOH – Client
- Local Authority, e.g. EMM – Implementer / support organization
- Beneficiaries – End users

Due to lack of capacity within the government sectors other stakeholders are incorporated such as, non-governmental organization (NGO's), as well as other legal identities (companies for consultant).

THE PEOPLE'S HOUSING PROCESS STAKEHOLDERS



Source: (Department of housing, 2000:7). Figure 3.1

“The People’s Housing Process aims to support households who wish to enhance their subsidies by building or organising the building of their homes themselves. The process assists such households to access:

- Housing subsidies
- Technical, financial, logistical and administrative support regarding the building of their homes, on a basis that is sustainable and affordable.”

(Department of Housing, 2000: 297). In terms of the Housing Code the main objective of PHP is to give an overall support or assistance to individuals or beneficiaries who want to add value to their subsidies in order for them to build better houses. The “value- add” that the department of housing is referring to in this case is the actual construction process as well as the

coordination, participation and or the involvement of such beneficiaries in the process of building their houses. The department has planned to achieve this goal through the above-mentioned steps.

3.2 Current status

To a certain extent the department has managed to achieve this goal, mainly by easily availing the PHP subsidies. “Easily availing,” means once an individual qualifies for a subsidy in terms of the policy, one does not have any further obstacle such as the contribution of the R2 479.00. In all the housing programmes with an exception to PHP, qualifying beneficiaries have to contribute an amount of R2 479.00. This has been the policy since April 2002, and this was mainly introduced to encourage beneficiaries to take ownership during the housing delivery process. “A problem that was experienced is that beneficiaries have not been involved in the solution of their own housing needs to the extent envisaged by the housing subsidy scheme principles and that beneficiaries of the subsidy scheme did not accept “ownership” of their houses constructed through the subsidy scheme. This resulted in the problem that the houses were not properly maintained and in many cases the beneficiaries are disposing of the houses soon after taking occupation and in many instances at below market value price. Government has therefore decided that every housing subsidy beneficiary has to make a financial contribution with effect from 1 April 2002 towards the realization of his or her right to access housing assistance through the housing subsidy programme. Where a beneficiary does not participate in a PHP project, and is instead participating in the following housing subsidy programmes, she/he

will have to pay the required minimum contribution of R 2 479.00:” (Department of Housing, 2002: 2).

Again, the GDOH at one stage has actually focused on PHP or made it a priority as compared to the other programmes. (GDOH, 2002). In other words the departmental focus then was mainly on PHP, meaning more subsidies were available in PHP, than in any other programme.

On the other hand the department has failed to achieve its objective to a further extend. In this case there are a number of questions to be asked:

- Are the beneficiaries in a position to add-value in terms of the construction process?
- Are the government sectors (both provincial and local), in a position to give technical support in relation to the construction process?
- Does PHP add any significant value to the housing delivery process in terms of addressing the current backlog?

Even though there is training provided the fact of the matter is a training of 45 maximum days, which includes both theory and practical (GDOH, 2003:71), will not be able to convert an ordinary man and women into any specific trade person. In others words a beneficiary who might not have any educational background will not be able to grasp the concept of say bricklaying over such a short period time and be expected to build a proper house straight after such a training. Several case studies have indicated that such trainees will only progress by doing practical work over a period of time. The case studies have further indicated that during this period of doing the practicals a number of critical errors are experienced. Meanings some of the

construction activities are often done wrong and need to be repeated in order to correct such. Poor workmanship and incorrect concrete mix for foundations at Vooslorus Extension 28 (PHP project to construct 1325 houses and to date only 450 houses are completed), is an example of such errors. At this stage the question to be asked is as follows:

- Are these beneficiaries adding value to the process or are they causing damage instead?

Coming to the department's side, for the mere fact that the department (both at provincial and local government), has outsourced planning, implementation and to a certain extend management of PHP projects to secondary support organization such as Bahlodi, Marnol and Planact etc. this indicates lack of capacity on the departmental side. It is also important to highlight the fact that some of these organizations are not NGO's but profit making organization. For instance some of these consultants are paid 5% of the value of the building material as a management fee, and this is also deducted from the subsidy amount. In the year 2001 to 2003 the technical professionals from Cuba came into South Africa to give support to the housing officials at the provincial level and some of them were seconded to Municipalities such as Ekurhuleni. This again demonstrates lack of technical capacity within this department. Again the question to be asked at this level is:

- Can this department manage to give technical support to the beneficiaries while the department itself lacks the technical capacity?

3.3. Conclusion

The department of housing has listed the advantages of PHP as follows:

- Save on labour costs
- Avoid having to pay a profit
- Optimize decision in terms of trade-off with regards to materials procurement
- Choice of beneficiary related to:
 - Product house type, size, specifications
 - Construction process
 - Contribution. (Department of housing, 2003:9).

Having evaluated the current status of PHP, it is evident that the department has not managed to achieve its main objective in relation to the PHP, as stipulated by the housing code. As mentioned above the PHP objective has not been achieved due to issues such as lack of capacity (department of housing), lack of exposure, experience and knowledge of the industry (beneficiaries). As a result of this, alternatives were taken by the department in bridging the existing gaps (outsourcing the planning, implementation and management of the PHP projects to the consultants). Furthermore in bridging the gaps, the department is not only failing in achieving its main goal, but the above-mentioned advantages of PHP are also no longer applicable. For instance once involving the consultants the profits comes into the picture, and what is even worse is the fact that efforts or time spent by these consultants on projects is related to their fees. This results in short –cuts merely because PHP is quite a slow process due to its nature.

This chapter explains in detail what PHP is all about, its stakeholders as well as the goals set by government to be achieved through this process. The performance of this process is further evaluated in the very chapter and the highlight of this chapter is on the fact that PHP has not performed to the expected level in the sense that most of the set goals were not achieved as mentioned in the above paragraphs. In other words chapter three has portrayed how badly PHP has performed in relation to what the government has set to achieve through the process. The most important question to be asked in this instance is: what could have gone wrong in this process? In answering this question it is important to evaluate the performance of PHP in other countries, in order for this study to confirm that PHP in this country has not performed well as compared to other countries.

Chapter Four - Review of the Peoples Housing Process Internationally

4.1 Introduction

Unlike our country where housing plays a vital role due to the housing backlog that we are faced with as a result of the history of what South Africa experienced in the last decades, most of the international countries are not necessarily looking at housing as a main problem but at fighting poverty in general.

“The war against terror is bound up in the war against poverty. Who said that? Not me. Not some beatnik peace group. Secretary of State Colin Powell. And when a military man starts talking like that perhaps we should listen. In tense, nervous times isn't it cheaper-and smarter-to make friends out of potential enemies than to defend your- self against them?

We wish things were different. But wishful thinking is not just unhelpful here; it's dangerous. The plan Jeff lays out is not only his idea of a critical path to accomplish the 2015 Millennium Development Goal of cutting poverty by half-a goal signed up to by all the world's governments. It's a handbook on how we could finish out the job. On how we could be the first generation to outlaw the kind of extreme, stupid poverty that sees a child die of hunger in a world of plenty, or of a disease preventable by a twenty-cent inoculation.” (Sachs, 2005: XVII)

PHP is prominently seen in the third world countries nevertheless, this process is practised in most countries across the world, mostly by the members of Shack / Slum Dwellers International (S.D.I.), at times called Federation members. “Key findings in the report show that Asia has about 550 million people living in slums, followed by Africa with 187 million, and Latin America and the Caribbean with 128 million.

While slums have largely disappeared in developed countries, the report still found that there were approximately 54 million urban dwellers in high-income countries living in slum-like conditions.” (www.Citymayors, 2005:3). Unlike in the South African concept, internationally PHP does not mainly address construction of houses but it looks at a number of programmes as part of poverty alleviation. “Founded in 1996, S.D.I. estimates that its 5.6 million members across 14 countries have \$32 million in savings, helped secure land for 125,000 families and created 79,500 new houses. 11 other countries slum dwellers are forming savings groups”. (www.Fordfound, 2005:1).

“The Philippines Homeless People’s Federation brings together poor community organizations in cities across the Philippines, all engaged with finding solutions to problems they face with secure land, housing, income, infrastructure, health, welfare and access to affordable credit. Some groups are new, others are being revived, some are church-related, others are mini-federations in their own right. The common thread in all these groups is managing their own savings and credit programs and using savings as the central means of improving their livelihoods, strengthening their communities and securing land and houses.” (www.Philippines, 2005:1).

4.2 Current Status

Table 4.1 Generating Tangible Asserts

	Shack.Dwellers.International. Members	Savings	Houses built
India	3,000,000+	\$1,200,000	35,000
South Africa	80,000	\$900,000	15,000
Thailand	2,400,000	\$15,000,000	20,000
Philippines	35,000	\$13,000,000	3,000
Cambodia	10,000	\$100,000	3,000
Nepal	2,500	\$64,000	-
Zimbabwe	30,000	\$400,000	1,000
Namibia	16,000	\$700,000	2,000
Kenya	25,000	\$5,000	500
Zambia	500	\$3,000	-
Swaziland	2,000	\$4,000	-
Madagascar	500	\$2,000	-
Sri Lanka	21,000	\$450,000	-
Colombia	500	\$10,000	-
Total	5,623,000	\$31,838,000	79,500

Source: www.Fordfound, 2005:3

As the table above reflects, the main focus of S.D.I. is more on savings than the actual construction of houses, as a result the specialised tasks such as construction are often

left in the hands of people with the construction expertise. “In 1999, federation members in Mandaue’s San Roque Parish formed the Visayan Housing Action Group, began housing saving and started searching for affordable land. They eventually found a 0.5 hectare parcel of land that was close to jobs, markets and schools, negotiated with the landowner to sell it to them for 500 Pesos / sm, and made a swift down payment from their savings.

The group then found a local engineer to help them draw up a layout plan for their new community”. (www.Achpoor, 2005:2). It is through these savings that the other social activities are started within these communities such as income generation revolving loans. It is through the power of these savings that the S.D.I. members are able to negotiate with financial institutions, non government organisations as well as the various governments’ structures for assistance as well as formulating partnerships.

On the other hand unlike South Africa where the poor are mostly not educated, most of these international countries have quite sufficient resources amongst the poor in terms of education, knowledge, professionalism as well as skills in various industries. “While most slum-dwellers depend on the informal sector for their livelihoods, slum populations in many parts of the world (for example in Pune, India and Ibadan, Nigeria) quite often include university lecturers, university students, government civil servants and formal private sector employees.” (www.citymayors, 2005:3). In others words in relation to the building industry’s regulations such countries are able to practice PHP without any constrains because while some of these people are poor and need to be empowered they are also recognised as professionals in their specific professions.

Again internationally there are programmes which encourage partnership between the professionals and the ordinary people within the communities within the PHP. These programmes are mainly targeted to empower the unskilled people through the skill transfer process. “Training & Advisory Programme is a system of mutual learning and support, based on Asian experiences and processes, for Asian grassroots community organisations, NGOs and urban poor development professionals. Young Professionals – A programme to influence the decision makers of the future by providing opportunities for young graduates to work and for urban poor communities.” (www.Achrservices, 2005:1) It is through such programmes that the unskilled are given the opportunity to participate as well as to learn. These communities further learn amongst themselves through their exchange programmes, whereby the members who have undergone certain experiences transfer their knowledge to those who have not been exposed to such.

In general PHP internationally does not refer to the construction of a house but focuses to the development of sustainable communities and homes. It evaluates and analyses the needs of the poor and gives them support in relation to their needs and circumstances. It seeks to enhance community skills and gives them opportunity in what they do best. In other words PHP in this regard is a packaged programme that consists of both technical and social activities involving people of different spectrums.

4.3 Conclusion

Unlike South Africa PHP in other countries is treated as a small portion of the bigger programme that is, the main concern is about poverty alleviation but not necessarily housing delivery. This chapter has illustrated that PHP has managed to perform better internationally mainly because it is just a component of a bigger picture and as a result other factors are able to complement PHP and to boost its performance.

Having evaluated PHP both locally (South African version), and internationally, it will also be critical to evaluate the performance of other similar programmes such as social housing which, is also used as a delivering mechanism within the housing process in this country.

Chapter 5: International Experience of Social Housing

5.1 Introduction

This chapter focuses on the international perspective of social housing. An overview of the British and the French experience in social housing is provided and the choice of the two countries is based on the following reasons: Firstly, Britain has a long history in social housing; as such substantial literature is available on the evolution of social housing in Britain. Secondly, Britain plays a significant role in supporting the South African social housing sector. For instance, the South African housing support network was established in 1997 by housing associations in the UK to provide technical support to social housing institutions in South Africa (SHF,1998). France is more appropriate for comparison with Britain because it is one of the Britain's nearest neighbours, a European community partner with a similar- sized population (Murie and Willmott, 1988). Thirdly, French social housing system, which operates through a large number of independent housing agencies, provides an appropriate contrast with the arrangements underlying the British social housing structure.

5.1. Social Housing in Britain

The bulk of social housing stock in Britain has since 1945 been dominated by the council housing which was considered the major method through which the needs for rental housing could be met. Councils have been providing social housing which was characterised by relatively low rental. There were mainly two reasons for the low rent. Firstly, many of the loans taken out to build the houses had been repaid and the government was also subsidising provision of council housing. Secondly, costs are generally divided amongst all the tenants. However, the 1987 white paper on housing as well as the subsequent Housing Act of 1988 and the 1989 Local Government and Housing Act marked a decisive shift in housing policy. It has been argued that the conservative government, which came to power in 1979, was never in support of council housing. In its first two years, the Thatcher government's antipathy towards council housing was expressed mainly in terms of a strongly pro-owner occupation policy (Kleinman, 1990:84)

As a result, both the white paper and the housing Act put more emphasis on the non-profit housing associations to play a major role in the delivery of social housing, with the council only being the facilitator. For instance, Vliet and Weesep (1990) state that from the government. Nevertheless, it must be noted that it was the government's intension to reduce the amount of the public support in the long run so as to encourage the associations to be financially sustainable.

5.1.1 SOCIAL HOUSING ASSOCIATIONS IN BRITAIN

The housing Act of 1957, section 189 defines a housing association as a body of trustees, or companies, that construct houses, upgrade them or manage them. It is also stipulated in the same section that a housing association must not be profit oriented (DETR, 1971). Similarly, housing associations such as COPE housing association, in South Africa, also fall within the same definition. However, social housing in South Africa is still at an embryonic stage, as it will be seen later.

Since their formation in the early 1930's housing associations have always played a pivotal role in the provision of dwellings for the section of the population whose housing needs could not be easily met by the private sector. For instance, it has been argued that organisations such as the Peabody Donation Fund and Sutton Dwellings provided good accommodation for industrial workers in London and other big cities (Niven, 1979). Other associations such as Hanover housing association were formed later by groups of people as a response to the increasing housing backlog.

5.1.2 Types of Housing Associations

To begin with, a broad distinction must be drawn between what is known as traditional 'old-style' housing association and the new 'new-style' housing associations. The former are basically philanthropic in nature and provide very low rented accommodation to people with special housing needs. Traditional associations were mainly concerned with housing provision for the poor as well as the working class. These associations were mainly charitable trusts and many are still actively involved in housing. For example, Guinness trust and Peabody Donation Fund are some of the traditional associations established in the mid nineteenth century and are still providing social housing (DETR, 1971).

Due to an increase in the housing backlog resulting from the inability of the council to meet rapidly growing demand for social housing, new-style housing associations emerged. Unlike their counterparts, they are concerned with the housing needs of the population in general rather than exclusively with poor.

Due to policy changes following the 1988 Act, with lowered grant rates for housing associations, rents within the social housing sector increased to the levels which sometimes approximate to those existing in the private sector. Thus it would be very wrong to identify social housing uncritically as 'low rent' housing because the new-style housing associations are set out to meet the demand for rented housing by those who are able to pay what it costs (Hartman, 1990).

For instance, they target younger salaried people and higher-wage earners and provide housing for letting at a cost-rent or on the basis of a group ownership. The distinction between the cost-rent and co-ownership is in itself very important due to the difference in tenure. Cost-rented associations let at rents which cover the costs involved without subsidy but without landlord's profits (Department of the Environment, 1971).

On the other hand, in co-ownership, people are tenants because they do not individually own the units for which they are paying. This is a cooperative kind of housing tenure which is also common in South African social housing provision. For instance, COPE housing association manages several section 21 companies, such as Everest Court Housing Association, which provide cooperative housing.

5.1.3. Organisation and Management of Social Housing Institutions in Britain

5.1.3.1 National Housing Federation

By 1936, there was already a rapid growth in the housing association movement. As a result, the government of the day passed the housing Act of 1936 under which section 96 gave an official recognition to the National Housing Federation (NHF), which had been formed in 1935. NHF is the body that represents independent social housing associations and is funded by membership fees and commercial services such as conferences, training and publications. Its main purpose is to promote the values, success as well as vital future of independent social landlords (DETR, 1971)

5.1.3.2 Housing Corporation

The housing corporation was set up in 1964 to regulate the social housing sector. The corporation is a non- departmental public body, sponsored by the Department of Environment, Transport and Regions and its major role is to fund and regulate Registered Social Landlords (RSLs). RSLs is a new name for independent social landlords of which majority are housing associations, cooperatives and companies. All the RSLs are obliged to register with the corporation, which strives towards the promotion of the sector through provision of high quality social housing in Britain.

The housing corporation runs a programme through which public funding is made available to the RSLs to build and renovate homes. For example, it provides over 60 million pounds a year to allow RSLs to provide around 25 000 new houses (DETR, 1998) it is also responsible for funding the RSLs to help them support their high management and service costs.

Apart from funding the RSLs, the corporation provides information and training to both the RSLs as well as the tenants. Furthermore, it publishes on a regular basis as a way of marketing social housing. A series of published performance indicators have been released and all the RSLs are expected to meet the standards set by the corporation as far as delivering of RSLs is concerned. Performance indicators are intended to improve the accountability of RSLs by involving tenants and other stakeholders in the decision – making process. Regulatory measures are instituted against those who fail to meet the management and performance standards as stipulated by the corporation. Finally, the corporation collects and analyses financial and managerial information of all the RSLs (Housing Corporation, 2000).

5.1.3.3. Other Bodies

There are other bodies which also play an active role in the management of social housing industry in the United Kingdom. For instance, the Confederation of Co-operative Housing (CCH) (was formed in 1993 and its membership is open to all housing co-operatives and tenants- controlled housing organisations. The aim of the CCH is to promote co-operative and tenant- controlled housing as a viable alternative form of tenure within the social housing industry. CCH is affiliated to the National Housing Federation (CCH, 1999).

A new umbrella group for housing associations' tenants' and residents' organisations was launched at the tenants' Participation Advisory Service Conference held in March 2000. The housing association Residents and Tenants' Organisation of England, as it is known, acts as a national voice in the RSLs so as to promote understandings between landlords and tenants. This body is intended to further tenants' participation in the management of their homes and housing associations. Landlords are allowed to join but do not have the right to vote. It has been realised that the British social housing sector is very well organised and unlike in South Africa, it operated within a second legal framework. However, there are some challenges facing this sector. These challenges are discussed below.

5.2. Challenges Facing the Social Housing in Britain

Some of the greatest challenges facing housing policy in Britain lie around long-term future of social housing. According to the department of environment, transport and Regions (DETR, 1998) people's changing attitudes and aspirations, combined with the policies of the past administration, have resulted in residualisation of the social housing stock. Reductions in the total stock of social housing as well as serious decline in quality have affected the ability of the local councils to meet the escalating housing demand. For instance, it has been pointed out that 'there are one million fewer dwellings owned by the local authorities and the RSLs now than in 1977, with social housing falling from 31% to 21% as a proportion of all housing' (DETR, 1998:24)

Lack of tenant participation in the management of their housing has also been cited as one of the challenges facing the social housing sector. Tenants who are excluded in the day-to-day decisions affecting their homes are being denied the responsibility and opportunity of empowerment. The proposals for solving this problem are contained in the 1998 Green paper and the best value programme has been put in place by the housing corporation in order to ensure tenants participation in social housing management.

Social housing is also characterized by a significant amount of poor quality stock, particularly in the local authority sector, which has been starved of private investment in the past. Inconsistent rental system is one of the problems underlying the British

social housing. For example, there are cases where tenants in one area are charged a similar rent for a small, run down property in an unpopular estate to that for a large family home in a more desirable location. At the same time, tenants in neighbouring authorities might pay significant different rents for very similar properties (DETR, 1998).

In an attempt to deal with the above-mentioned challenges, the government, through the DETR released a green paper on housing in 1998 in which proposals for improving the quality of social housing are contained. In April 2000, a new law was passed to provide opportunities for local people to have a say in housing. This is called the 'Best Value' and is intended to improve the management and financial situation in social housing. RSLs as well as the local councils are bound to perform in line with the best Value, thus delivering efficient, high quality housing services that respond to the needs and empowerment of tenants (DETR, 1998).

5.3. The French Social Housing Sector

5.3.1. Historical Background of Social Housing

The post war history of housing in France can be divided into three phases. In the period from 1945 to 1953, the main concern was to transform the economy which has been devastated by the Second World War. As a result, main emphasis was on industrial investment. Therefore, housing in general, particularly social housing, received little attention from the government.

The second phase was dominated by a large-scale expansion of the Habitations Loyer Modere (HLM) housing. In the early 1950s, the government realised that, as part of its post war economic development, it needed to change from agriculture to an industrial economy, from a rural to an urban society. For this reason, rapid and substantial urban housing programme was required in the areas where new industries were developing. Homes were needed for a rapidly growing economy and for its new labour force, as well as for rapidly growing population (Murie and Willmott, 1988).

Under these circumstances, the government implemented a HLM housing programme which was seen as a necessary response to housing problems. Unlike housing associations in Britain, HLMS were created and financed directly by the government.

The third era in the French housing began in the 1970s when HLMs were faced by severe financial difficulties. Financial problems of the HLMs emanated from the fact that they were trying to keep rents at an affordable level while at the same time huge sums of money were needed for maintenance of the buildings. Thus, the 1977 housing Act was passed and the government allowed the HLMs to raise their rents. Subsidy scheme was also instituted under which tenants below a specified income level were entitled to (Murie and Willmott, 1988).

5.3.2. Organisation and Management of French Social Housing

The French social housing system differs in important respects from the British one. It has been seen that social housing in Britain is dominated by the local authorities, the other providers being the RSLs. Almost, all social housing in France, by contrast, is built and managed by HLM bodies. The HLMs are more like housing associations than local authorities. There is also great difference in the size of housing stock held by the HLM as opposed to local councils in Britain. Murie and Willmott (1988) observe that in 1987, the HLM stock was about three million dwellings while the local authorities in Britain had about six million dwellings for a similar-sized population. At the same time there were nearly 50% more HLM bodies (678) than British local housing authorities (458). This shows that the average number of dwellings managed by an HLM is similar that by a council in Britain (Murie and Willmott, 1988:5).

Furthermore, the legal status of an HLM is very different from that of the British local authority housing. Each HLM is a separate organisation and is legally independent of both central and local government. There are four main types of HLM. Two produce housing for sale and are much less important in scale. The other two main kinds of HLM whose dwellings are for rent, are the *offices publics*, and societies *anonymes*, which are non-profit companies.

The *offices publics* are obviously the HLMs most like Britain local housing authorities. Such HLMs are chaired by a mayor (who in France is the leader and chief executive of the local council rather than the figurehead for a year is the case in Britain). Even though the HLMs are said to be independent, the local council plays an

important part in the HLM policy and this makes housing system open to political and personal manipulations (Muarie and Willmott, 1988).

While local authorities work together with the RSLs in Britain, HLMs in France are totally independent and the local authorities are not responsible for what is done by the offices publics HLMs in their area. However, the relationship between the HLMs and the central government is very paradoxical. This has been supported by the evidence that offices publics as well as the society's anonyms receive the bulk of their funds by means of loans through a special financial market subsidized by the government (Murie and Willmott, 1988:6).

Apart from their financial dependence, the *offices publics* in particular, are subject to some form of control by the government. This is in contrast with the British system where all the activities of all social housing institutions are regulated by the housing corporation. In the case of Britain, the government plays a minimal role and is not directly involved in the management of social housing.

One other thing drawing a distinction between the two systems is that government representatives are appointed to the HLMs governing boards. Unlike the RSLs in Britain, *office publics* do not have a direct control over their own budgets and their income and expenditure are handled by the local *tresors publics*, state bodies.

5.3.3. Problems within French Social Housing Industry

Rent arrears is the problem existing in both the British and social housing sectors. Even though there has been an increase in rent arrears in the social housing provided by the council in Britain, the French have experienced a rather more serious problem as far as rent arrears are concerned. It has been found out that HLM rent arrears had risen from 3.4% to 4.5% between 1981 and 1984 McLennan, (1986:64). Poverty of some tenants and poor management has been highlighted as some of the major reasons behind the problem of rent arrears.

Housing allocation can also be problematic within the French social housing. For instance, it has been noted that some officer's publics HLMs, and particularly their mayors, exert too much personal patronage in choosing tenants (Murie and Willmott, 1988). At the same time, with both types of HLM, a number of other bodies as well as

the HLM management itself can have nomination rights, including local employers. This procedure inevitably effect on the population mix, which on particular estates has been a source of social tension. This is why various partners have often blamed each other for responsibility for homes being allocated to the difficult elements in the population (Murie and Willmott, 1988:64).

Most social housing estates in France are built on the outskirts of the cities. For this reason, they often suffer fro problems which are rare in the Britain social housing system. For example, (Murie and Willmott, 1988) argued that suburban HLMs have often been criticised because of the absence of shops, schools and other essential public services. To make matters worse, most job opportunities are not locally available and this makes the journey to work long and costly.

5.4 Lessons for South Africa

At this juncture, one can argue that the British as well as the French expectations provide very useful lessons to the evolving social housing industry in South Africa. It is obvious that a sound policy framework needs to be put in place to enable social housing to be affective in South Africa. As it has been seen, the British and French social housing systems operate within a specific regulatory framework which ensures that social housing institutions deliver high quality housing and improve their general housing management. The regulatory framework is yet to be developed in South Africa and until then , it will remain very difficult to extend social housing to the very poor section of the population.

It has also been realised that the government in both countries is actively involved in the funding of social housing associations. Their experience has shown that social housing institutions need a great of funding in order to make a significant contribution towards reduction of housing poverty. However, social housing institutions in South Africa have very limited access to funding especially because the private sector is reluctant to finance the sector given the absence of a clear legislative framework regulating the industry.

These institutions rely on external funding agencies to finance their projects. However these funds are insufficient to enable the institutions to effectively deliver social

housing at scale. It has been seen that the success of social housing institutions at international level is a result of the strong government financial support. For this reason, the South African government needs to be actively involved in social housing delivery and provide grants and other financial supports to social housing institutions. The present institutional subsidy is really not helping much in term of provision and social housing.

The Housing Institutions Development Fund (HIDF) is the only financier operating in the social housing sector at national level in South Africa. Notwithstanding its contribution in terms of financing social housing institutions, it is still difficult for new housing associations to meet the requirements set to qualify for financial assistance. This makes the growth of social housing associations in South Africa a very slow process. In light of this, a clear financial framework needs to be developed so that social housing institutions could effectively deal with the problem of housing poverty.

Finally, South Africa can learn from the British social housing sector in terms of tenants' participation which is very vital to the affective management of their own housing. For instance, Housing Corporation, in collaboration with the DETR, runs a programme in which tenants are equipped with the managerial skills. Tenants' training could eliminate poor management problems which led to the failure of the seven building programme which has now split due to tensions among tenants.

Having dealt with the international experience of social housing, the next chapter discusses social housing in South Africa.

Chapter Six - Social Housing in South Africa

6.1 Introduction

Social housing is defined as ‘good quality, higher density, subsidised housing, which should contribute to the regeneration of the area in which the housing stock is located’ (SHF, 1998: 15). It is characterised by two distinct features. Firstly, it is delivered by legally recognised institutions. Secondly, residents are involved in the management of the institution as well as their homes. The primary objective of social housing institutions is to acquire, develop and hold immovable property for qualifying beneficiaries to rent or purchase residential properties contained in the immovable property (Gauteng, 1998).

Social housing is about the provision and maintenance of homes at an affordable price to the low income people, of which majority cannot compete in the market place to provide their own roof. Even though social housing institutions differ widely in character, housing provision for the low-income people seems to be their central objective.

6.2 The Existing South African Housing Policy Framework

Social housing is still in an embryonic stage in South Africa. However, it has great potential in addressing the existing housing backlog and contributes to the regeneration of the inner cities. To date, there is no policy framework for social housing and the present housing policy does not provide an enabling environment for rapid development of social housing sector.

The Housing White Paper (HWP) of 1994 is the most important policy approach that shapes the government's vision on housing. In the same manner, The Reconstruction and Development Programme (RDP) of 1994 is the principal policy guide with which the government delivers

White Paper on Housing

The HWP provides for the very first time in South African history, a policy framework for all South African citizens and also gives the Provincial and Local Governments their full capacity to fulfil their constitutional obligations (HWP, 1994). It outlines various roles of government and the public sector in the housing process. The main aim of the HWP is to strictly focus on a people centred development in the housing delivery.

Self Help Housing

The HWP makes it clear that the objective is to harness the energy of the people, where the community is actively involved in the provision of houses. 'We believe that of all our resources, nothing compares with the latent energy of the people. The housing programme must be designed to unleash that energy' (HWP, 1994). This demonstrates that the White Paper is committed to supporting community initiatives to provide their own housing.

Housing Subsidy Scheme

A strategy that the government uses to housing delivery is the provision of subsidy. Beneficiaries may access subsidies either through a housing project providing homes for ownership, an initiative providing rental accommodation, or by means of

individual applications to the Provincial Housing Boards to buy individual housing units (Adler, 1996). The level of subsidy varies according to the level of income.

Reconstruction and Development Programme (RDP)

In 1994 the African National Congress produced the final draft of their RDP. Later that year (after winning the elections), the RDP was redrafted in the form of a White Paper and brought before parliament and approved. The RDP is a programme that seeks to redress the inequities and deprivation caused by the former government's apartheid policies.

One of the main thrusts of the RDP White Paper remained “to link reconstruction and development: to reduce poverty and create employment through programmes of infrastructure construction and maintenance.”

The programme is founded on six basic principles, linked together, which make up the political and economic philosophy that underlies the whole RDP:

- a. **An integrated and sustainable programme.** The legacy of apartheid cannot be overcome with piecemeal and uncoordinated policies. The RDP brings together strategies to harness all our resources in a coherent and purposeful effort that can be sustained into the future. These strategies will be implemented at national, provincial and local levels by government, parastatetals and organisations within civil society working within the framework of the RDP.

This programme is essentially centred on:

- b. **A people-driven process.** Our people, with their aspirations and collective determination, are our most important resource. The RDP is focussed on South Africa's people's most important resource. The RDP is focused on people's most immediate needs, and it relies, in turn, on their energies to drive the process of meeting these needs. Regardless of race or sex, or whether they are rural or urban, rich or poor, the people of South Africa must together shape their own future. Development is not about delivery of goods to a passive citizenry. It is about active involvement and growing empowerment. In taking this approach we are building on the many forums, peace structures and negotiations that our people are involved in throughout the land.

This programme and this people-driven process are closely bound up with:

- c. **Peace and security for all.** Promoting peace and security must involve all people and must build on and expand the National Peace Initiative. Apartheid placed the security forces, police and judicial system at the service of its racist ideology. The security forces have been unable to stem the tide of violence that has engulfed our people. To begin the process of reconstruction and development we must now establish security forces that reflect the national and gender character of our country. Such forces must be non-partisan, professional, and uphold the Constitution and respect human rights. The judicial system must reflect society's racial and gender composition, and

provide fairness and equality for all before the law.

As peace and security are established, we will be able to embark upon:

- d. **Nation-building.** Central to the crisis in our country are the massive divisions and inequalities left behind by apartheid. We must not perpetuate the separation of our society into a “First World” and a “Third World” – another disguised way of preserving apartheid. We must not confine growth strategies to the former, while doing patchwork and piecemeal development in the latter, waiting for trickle-down development. Nation building is also the basis on which to ensure that our country takes up an effective role within the world community. Only a programme that develops economic, political and social viability can ensure our national sovereignty.

Nation building requires us to:

- e. **Link reconstruction and development.** The RDP is based on reconstruction and development being parts of an integrated process. This is in contrast to a commonly held view that growth and development, or growth and redistribution are processes that contradict each other. Growth – the measurable increase in the output of the modern industrial economy – is commonly seen as the priority that must precede development. Development is portrayed as a marginal effort of redistribution to areas of urban and rural poverty. In this view, development is a deduction from growth. The RDP breaks decisively with this approach. If growth is defined as an increase in

output, then it is of course a basic goal. However, where that growth occurs, how sustainable it is, how it is distributed, the degree to which it contributes to building long-term productive capacity and human resource development, and what impact it has on the environment, are the crucial questions when considering reconstruction and development. The RDP integrates growth, development, reconstruction and redistribution into a unified programme. The key to this link is an infrastructural programme that will provide access to modern and effective services like electricity, water, telecommunications, transport, health, education and training for all our people. This programme will both meet basic needs and open up previously suppressed economic and human potential in urban and rural areas. In turn this will lead to an increased output in all sectors of the economy, and by modernising our infrastructure and human resource development; we will also enhance export capacity. Success in linking reconstruction and development is essential if we are to achieve peace and security for all.

Finally, these first five principles all depend on a thoroughgoing.

- f. **Democratisation of South Africa.** Minority control and privilege in every aspect of our society are the main obstruction to developing an integrated programme that unleashes all the resources of our country. Thoroughgoing democratisation of our society is, in other words, absolutely integral to the whole RDP. The RDP requires fundamental changes in the way that policy is made and programmes are implemented. Above all, the people affected must participate in decision-making. Democratisation must begin to transform both

the state and civil society. It is, rather, an active process enabling everyone to everyone to contribute to reconstruction and development.

An integrated programme, based on the people, that provides peace and security for all and builds the nation, links reconstruction and development and deepens democracy. The key area was special measures to create jobs that can link to building the economy and meeting basic needs in redressing apartheid-created infrastructural disparities. There must be a coordinated national public works programme to provide much-needed infrastructure, to repair environmental damage, and to expand and contribute to the restructuring of the industrial and agricultural base.

Such a programme must include: the provision of education and training; the involvement of communities in the process so that they are empowered to contribute to their own governance; the construction of technically sound assets; the maximisation of the involvement of women and youth in the poorest rural households and most deprived provinces; coordinate with and link to other job creation and labour-intensive construction initiatives; a national coordinating agency to ensure that the public works programme is based on the capital programmes at central, provincial and local level, give priority to job creation and training, target the most marginalised sections of society, and, where possible, encourage and support self-employment through small- and medium- enterprise creation to ensure sustainability of skills.

Housing is one of the important aspects addressed in the RDP. The principle that all South Africans have a right to a secure place in which to live in peace and dignity is endorsed in the RDP. Its main focus is to provide housing for the homeless and

community participation in housing delivery is regarded as the most important tool of empowerment.

The RDP attempts to address the market failure and acknowledges that housing crisis is caused by 'the unlimited range of the capitalist housing market' (RDP, 1994). For this reason, the RDP advocates for a housing bank and the housing subsidy be provided within a normalised market, via non-speculative housing i.e. the cost of the house must be paid upon selling the house.

Limitations of the Housing Policy

Despite all the efforts to improve delivery of housing in South Africa, there are still some factors impeding speedy housing delivery. Some of the factors limiting the housing policy in its attempt to provide housing are discussed below.

Private Market

South African housing policy is generally market-centred. For instance, the HWP does not consider the failing markets, but advocates a system for housing delivery and financing that is 'bound to reproduce market failure' (Adler, 1996). The HWP affirms that housing must be provided within the normalised market. However, the HWP does not recognise that the low-income housing sector is not as normal as the upper income, which is predominantly white sector. The market approach of housing delivery does not respond to the housing needs of the poor section of the society and this makes it difficult for this section of the population to access decent housing.

Housing Tenure

The HWP does not consider rental-housing stock and omits public housing stock in its policy. The focus is more on home ownership as the favoured tenure option; as a result, the housing policy ignores other tenure options available to the low-income earners who cannot afford home ownership.

Housing Subsidy

Subsidy scheme has been criticised for not being enough for the actual construction of a house. It only covers the cost of a serviced site and some building materials, but not a house (Barigye, 1996). Institutional subsidies allocated to housing institutions are also insufficient to enable the institutions to carry out housing projects.

Size and Quality of Housing

Even though the HWP attempts to tackle housing crisis, houses provided through the housing subsidy scheme are very small and are of low quality. The majority of beneficiaries have bigger households of which the houses cannot accommodate. The houses are built on small yards, which do not create enough space for extension of such houses in future.

The view has also been supported by Rust and Rubenstein (1996) who point out that ‘there are serious problems associated with subsidised housing provision. Houses are often built without a clear understanding of the needs of the target population, or the type of housing choices that would make given a more flexible system. Public housing schemes do not provide choice to housing in terms of the trade offs between size, quality, location and cost’.

Private Saving and Credit

It is constantly mentioned in the White Paper that credit is mobilised, but no set objectives and strategies on how to achieve this has been suggested. It is difficult to provide finance for the lower income groups because they cannot afford lump sum payments to take out loans as they have little assets and cannot afford large interest amounts (Deedat, 1998).

Social Housing

The HWP does not recognise the role of social housing provision for the low-income groups. It is mainly in support of self-help housing, which does not speed up housing delivery due to a range of difficulties, noted above. While there are other legislations such as the rental-housing bill of 1999 and the Gating Housing Act of 1998, which are related to social housing, there is still a need for a national social housing policy to be developed.

Conflicting Policies

Under the 1998 Presidential Pilot Project on housing, a new housing delivery model was initiated. An agreement was signed between business, labour, community and the government and all the parties agreed to support rental housing delivery model. Both the private sector and the government agreed to provide finance to enable social housing institutions to deliver rental housing at scale.

However, this new model seems to be in direct conflict with the current housing policy. For instance, Tomlinson (2000) believes that people would need to be

employed in order to service the rental for social housing. Hence, beneficiaries of this model would truly be members of the labour movement. Therefore, this new housing delivery model is contrary to the basic principle set down in the HWP, which re-focused housing expenditure on the poorest of the poor.

Social Housing

What is Social Housing?

Social housing is about providing housing to those who do not have homes or who have inadequate homes. The people for whom social housing is provided are involved in the management of their homes.

The concept of social housing is better explained by the SHF (1998) as a particular approach to affordable housing. Based on the strength of group or collective ownership, social housing seeks an institutional approach in accessing and managing affordable housing for low-income earners. It is a value based, or normative approach to housing, implying affordable, suitably located, quality housing accommodated within a legal entity.

A social housing programme is based on the belief that everyone has a right to decent and affordable accommodation. This means that:

- Social housing is aimed at people with low-incomes who cannot afford ordinary private accommodation. The housing is made affordable through various means including subsidies and self-help programmes.

- The housing is kept affordable by not being owned or sold privately so it is not affected by price increases in the private housing market. This means that the people living in this type of housing cannot get rich from selling their home, but they benefit from lower than normal costs (COPE, 1998).

The residents of a social housing project are meaningfully incorporated in the management of their housing and living conditions, and have significant legal rights in the institutions through which their social housing stock is provided. (SHF, 1998:6). There are three main forms of social housing tenure, namely: cooperative housing, housing associations and public housing.

Chapter Seven - Research Analysis and Findings

7.1 Introduction

Questionnaires were used in order to populate the required data. These questionnaires were both quantitative and qualitative questions (this where questions required some comments). The questionnaires were filled or answered using the structured interview method. That means questionnaires were not given out and collected later, but individuals were actually taken through these questions, each question was explained and follow up were made where necessary. This process was carried through the various levels or groups, which are as follows:

- Officials within Ekurhuleni Metropolitan Municipality (Head of the department, Director - Project implementation, Project managers – Project implementation directorate, Executive manager - Policy and planning directorate, Manager – Support services directorate).
- Professionals within the building industry:
 - i) Consultants currently employed as construction and project manager by Ekurhuleni on other programmes other than PHP.
 - ii) Consultants currently employed by the GDOH, as secondary support organization giving support to EMM in PHP projects.
 - iii) Developer (participating in housing projects outside Ekurhuleni Municipality).
 - iv) Private companies involved in housing.
- Material suppliers (involved in PHP).
- Community builder (participating in current PHP project in Ekurhuleni).
- Community members participating in PHP projects. (employed at one of the current operating support centres).

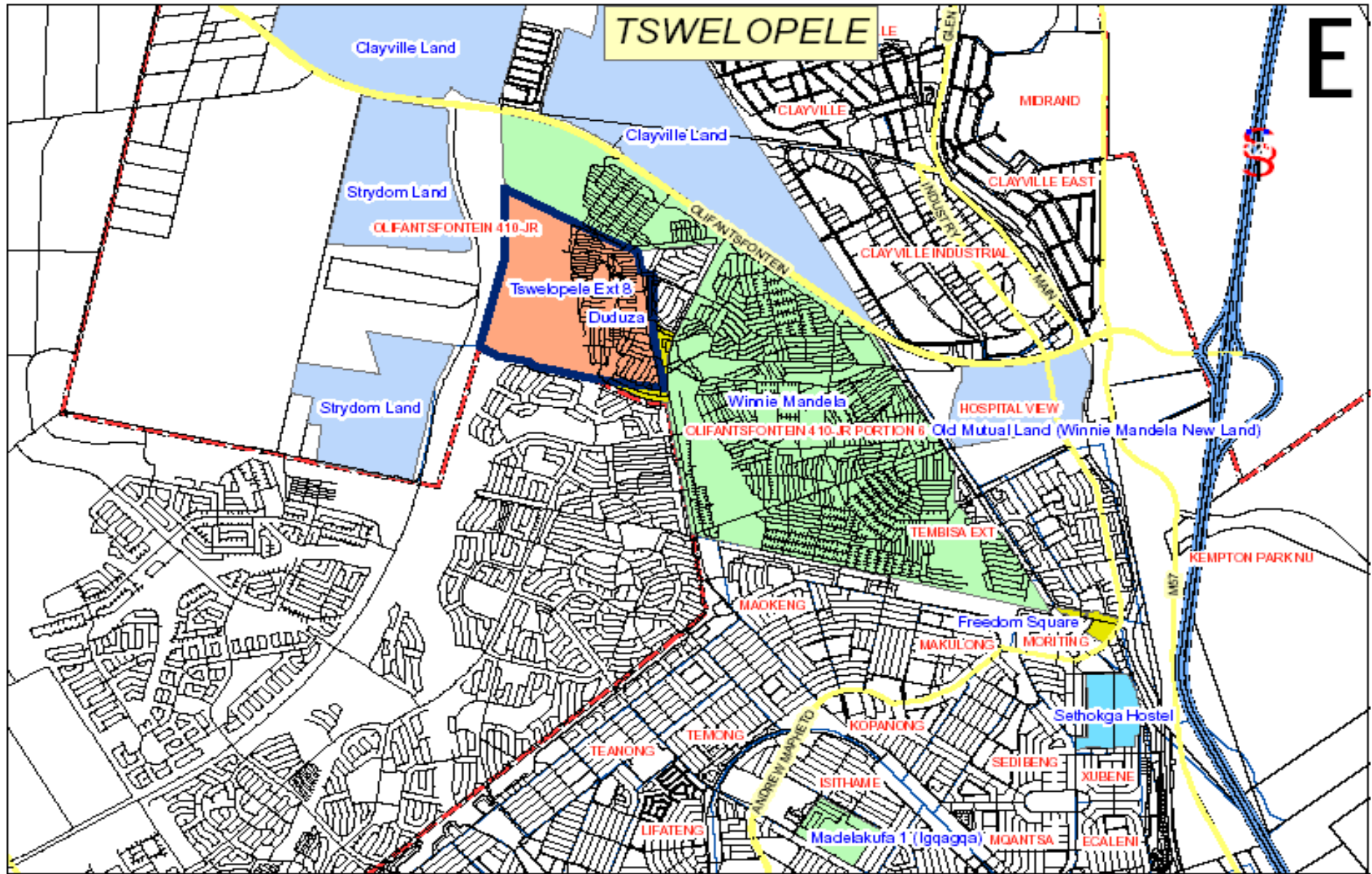
This populated data was made from thirty questionnaires. Ninety per cent of these questionnaires were filled in Gauteng at various parts of Ekurhuleni (Alberton, Tembisa, and Benoni). The rest of the ten per cent was carried in Cape Town (Institute of Housing South Africa – conference held in October 2003).

In carrying out this study a case study was also used as a research methodology. This was done on Tswelopele project, which is one of the current PHP project. This was done by directly being involved on a project (as a project manager from the EMM having consultants as a secondary support organization reporting to EMM.), on day-to-day basis. This study case was carried over a period of six months, interaction was made with all the involved stakeholders and all the observations were noted.

7.2 Case Study: Background

Tswelopele is a PHP project approved for 1358 subsidies, at R16, 079.00 per unit including the Geotech Variation, by the Gauteng Department of housing (GDOH), for the construction of 1358 top structures over a period of two years seven months. In terms of the PHP principles set by GDOH a support centre has to produce 500 houses per annum. Besides the basic housing subsidy an additional amount of R127, 500 was approved as the facilitation grant, and R153, 900.00 for the 2003/2004 financial year (maximum of R570 per subsidy/beneficiary), as the establishment grant. This project was approved and an agreement was entered into by the Gauteng Department of Housing (Funder) and EMM Housing (Support organization / implementer), in March 2004. Due to lack of capacity within the EMM housing, a service provider was appointed “Marnol management services (Pty) Ltd”, to perform functions of EMM housing as a support organization. Therefore Tswelopele is a managed PHP by Marnol on behalf of EMM housing, which is responsible for the implementation of the entire project.

7.3 Location Tswelopele Extension 6 (Winnie Mandela) PHP



Source: Ekurhuleni Department of Housing, (2005)

Tswelope 6 (at times referred to as Winnie Mandela Extension 6) is situated in the northern region of EMM, in an area called Tembisa. In 2001 the population of Tembisa in general was estimated at 350 000 people (Census Report: 2001). On top of the normal population growth rate, the area has grown significantly due to a number of informal settlements that have “*mushroomed*” within Tembisa since then.

Winnie Mandela is divided into four extensions, which fall into three different wards. Tswelopele 6 falls under ward 1, which is Councilor Mthuli’s ward. Winnie Mandela is a proclaimed and serviced (in terms of infrastructure), township. In other words the township has services such as tarred roads, sewer, storm water and water supply facilities. Although the area consists of 80 per cent formal housing, there are still some informal settlements available within this township. In 2001 the population of Winnie Mandela 6 was estimated at 5079 people (Census Report: 2001).

7.3 Social –Economic Study of Tswelopele Extension 6

Winnie Mandela / Tswelopele Extension 6 has a population of 5182, of which 2996 are males and 2186 are females. This population consists of 5176 blacks and 4 coloureds. In terms of age 1314 of these population are children between the ages of 0 to 14 years, while 944 people are registered as the youth (including teenagers), up to the age of 24 years old. 1549 people are recorded as the young adults (25 to 34 years of age). The total number of adults ranging from the age of 35 to 54 is recorded as 1242, while the elderly (55 to 80 and above) are 134.

There are a number of languages spoken in this community which are recorded as follows:

Table 6.1 “Social Economic Study on Tswelopele 6: Languages”

LANGUAGE	NUMBER OF PEOPLE SPEAKING THE LANGUAGE
Afrikaans	11
English	8
Isindebele	86
Isixhosa	248
Isizulu	466
Sepedi	2594
Sesotho	132
Setswana	79
Siswati	100
Tshivenda	128
Xitsonga	1102
Other	28

Source: Census Study, 2001

The study also made a research on the disability of people staying within the area, and out of this population 42 people were found to be having the sight problem, while 21 were experiencing the hearing problem. 3 people are recorded as having the communication problem. 22 people were recorded with physical disability, 11 intellectual disability and 3 with emotional disability. 3 people within this population were identified to be having multiple disabilities (that is combination of two or more of the above-mentioned disabilities). On the other hand 5078 people of the Tswelopele Extension 6 people were recorded with no disability.

In terms of the level of education within this population the results of census study 2001 reflects the following:

Table 6.2 “Social Economic Study on Tswelopele 6: Education”

People with no education background	598
People with partial primary education	417
People with complete primary education	257
People with partial secondary education	1338
People with standard 10 / Grade 12	835
People with higher education	119

Source: Census study, 2001

The study reflects 1298 black Africans as employed, 2024 of the same group being self-employed. Out of this group 512 people were recorded as being economically unstable. 3 people from the coloured community were recorded as self-employed.

In relation to services, six sources of lighting were identified. There was no electricity in this area then, 3 families were using gas as a source of lighting, while 116 families were using paraffin. 1546 families were using candles, and 4 families were using other sources not identified. Even though solar was also identified as a source of energy, like electricity this was not used in this community. The study's results in relation to water are as follows:

Table 6.3 “Social Economic Study on Tswelopele 6: Services”

Families with pipe-water system inside their dwellings.	4
Families with pipe-water system inside their yards.	1423
Families with pipe-water system on community stand (walking less than 250m).	18
Families with pipe-water system on community stand (walking more than 250m).	221
Other source of water supply	6

Source: Census study, 2001

Coming to sanitation, 1485 families were recorded as using flush toilets connected to the sewerage system, 6 families as using pit toilets with ventilation and 128 families with pit toilets without ventilation. 50 families at that time did not have any form of sanitation. The results in relation to refuse are recorded as follows:

Table 6.4 “Social Economic Study on Tswelopele 6 : Refuse Management”

Refuse removed by local authority at least once a week.	1522 families
Communal refuse dump	51 families
Own refuse dump	84 families
Families with no access to the rubbish disposal.	13

Source: Census study, 2001

375 of this population was found to be using cell phone as a mode of telephone communication, 9 people using the neighbour’s telephones and 1283 people using public telephones at various places including outside Tswelopele area. On the other hand the transportation data has been captured as follows:

Table 6.5 “Social Economic Study on Tswelopele 6: Transportation”

MODE OF TRANSPORT	NUMBER OF PEOPLE
On foot	1033
Bicycle	12
Motorcycle	9
By car as a driver	52
By car as a passenger	57
Minibus / Taxi	470
Bus	50
Train	524
Other	6

Source: Census study, 2001

The sizes of families residing in the area are recorded as follows:

Table 6.6 “Social Economic Study on Tswelopele 6: Families’ sizes”

NUMBER OF PEOPLE WITHIN A FAMILY	NUMBER OF FAMILIES
1	388
2	367
3	330
4	261
5	162
6	77
7	40
8	17
9	15
10	13

Source: Census study. 2001

The economical status of the area in terms of employment was recorded as follows:

Table 6.7 “Social Economic Study on Tswelopele 6: Monthly Income”

INCOME BRACKET (Monthly income for the employed individuals)	NUMBER OF PEOPLE
R1.00 – R400.00	93
R401.00 – R800.00	207
R801.00 – R1 600.00	583
R1 601.00 – R3 200.00	331
R3 201.00 – R6 400.00	62
R6 401 – R12 800.00	0
R12 801.00 – R25 600.00	4

Source: Census study, 2001

In 2001 these people's employment was recorded within the following industries:

Table 6.8 "Social Economic Study on Tswelopele 6: Industrial Statistics"

INDUSTRY	NUMBER OF PEOPLE
Agriculture	40
Mining	4
Manufacturing	334
Construction	175
Wholesale and retail trade	227
Transport, storage & communication	125
Financial, insurance, property and business services	138
Community, social and personal services	93
Private	96
Undetermined	67

Source: Census study, 2001

7.5 Objectives

- The main aim of all the housing programmes is to assist the government to provide housing delivery to the people of South Africa in order to meet the current housing backlog.
- Like the rest of the PHP projects, Tswelopele is aimed at community empowerment in terms of the following issues:
 - 1) Community involvement in terms of decision-making and the actual construction process.
 - 2) Freedom of choice in terms of houses to be built.

- 3) Proving exposure and or training to the beneficiaries.
- 4) Providing bigger houses to the community rather than the 32 square meters houses provided using the other programmes.
- 5) Finally PHP projects are targeting at utilizing local resources in terms of both labour and material supply.

7.6 Current Project Status

Sixty houses were completed as of the end of January 2005. An amount of seven hundred and ninety-one thousand, eight hundred and twenty rand (R791, 820.00), is the total expenditure to end of January 2005 on this project and this figure is comprises of the following:

- Professional fees: R27, 930.00
- Nominated sub-contractors: R285, 990.00
- Labourer: R70, 400.00
- Material for top structures: R407, 500.00

To date there are four building teams which, have been employed on the project consisting of four builders and sixteen labourers. Twenty-four people have been trained for this project and eighteen of them have also been employed on the very project. Both the foundations and the window sub contractors are sourced outside the Tembisa area.

7.7 Project Evaluation

In terms of delivery the project has failed. According to the project programme, which is part of the business plan prepared by Marnol and submitted to the GDOH the first

foundations were to be casted on the 19th of November 2003, and on the other hand the agreement between the GDOH and EMM was only signed in March 2004. This basically reflects that the project is behind the initial set schedule, which means that this project has to be fast – tracked. The question to be asked is: how can one fast – track a PHP project? The answer is it is almost impossible due to the programme’s rules and regulations – beneficiaries participating in building their own houses.

In relation to the community involvement regarding decision making and the actual the construction process, the aim is not fully fulfilled basically in the sense that the project planning from inception to the implementation stage has been done by Marnol in consultation with EMM housing but the community / beneficiaries were not necessarily involved. In other words the completed concept was presented to the beneficiaries, which limits their involvement in the whole process. The same thing goes for the freedom of choice in terms of the actual house type because the service provider (Marnol) came up with five typical plans from which the beneficiaries had to choose from. Meaning that there is also limited choice.

There have also been limitations towards training because only 2% (24 people), of the beneficiaries managed to get training and about 1% (16 labourers and 4 builders), of the approved beneficiaries, got employed on the project as the local labourers. The rest of the sub contractors were sourced outside Tembisa. Again when it comes to bigger houses Tswoelopele is building 36m² (minimum size of the PHP project), and for anything beyond that size beneficiaries have to contribute money or extra building material. Personally I don’t think a 36m² should be regarded as an advantage of a

bigger house because some of the EMM special projects or developer driven projects such as Esselen Park and Palm Ridge are also constructing houses of 36m².

Although quality has been identified as one of the main objective on this programme, it is also important to highlight that quality control is one of the biggest challenges on this project mainly because of the following reasons:

- Houses are scattered all over the (this is not a green field development).
- There is only one project manager from Marnol, who is not necessarily on site full time, and one community liaison officer (CLO), (construction not managed totally well).
- Trainees (42 day training), taking part in the actual construction of houses.

7.8 Research Analysis

The out come of the collected data indicated that the PHP's main objective is mainly of the social aspect that is to empower the beneficiaries by allowing them to participate in the housing delivery process. Even though ninety-eight percent of this data further indicated that the department of housing's main objective is to encourage people / beneficiaries to take responsibility in delivery their houses, people had different views in relation to the GDOH's focus on PHP. Other commentators believe that the focus on PHP by the GDOH is to improve the size and the quality of delivered houses, while others believe that the focus is to encourage the beneficiaries to participate in the construction process of their houses.

Seventy-three percent of this statistics believe that the standard of the PHP end product is average in relation to the standards required by the building industry. 20% indicates the very same standards as bad while 7% say the standards are good. On the other hand some commentators say there is not proper construction management in PHP, while others actually indicate that: “pace of delivery too slow, quality of product generally not acceptable, no organized government support.” Even out of the 73% who believes that the standards are average, part of this group still emphases that the average level can only be achieved if training and construction management are improved. Others even go to the extent that standards could be improved only if PHP is not used as one of the delivery tools in meeting the backlog: “standards can be improved if time is not structured as if PHP is commercial.” This is also reflected by the fact that 60% of the populated data do not believe that PHP can be used as the main delivering programme in order to meet the current housing backlog. Actually most commentators are saying the process is too slow and can only be used as a supplement housing delivery tool.

63% of the people who answered the questionnaires believe that management tools in relation to quality management are sufficient, 33% believes that such tools are insufficient and 4% believes that such management tools are not in place all together. Even though a higher percentage believes that there are management tools in relation to quality most commentators indicated that, that is only possible where there is a support organization to provide such a technical assistance. While others are indicating that for the fact that PHP is exempted from NHBRC, it is a reflection that there are no quality management tools in place. 77% of this population is happy with

the quality of the end product, while 23% indicated dissatisfaction on the quality of houses built through the PHP. An interesting part is that most commentators including some who are within the 77% indicated that most contractors involved in this process are emerging contractors without the construction background or experience, who actually gain the building skills as the process unfolds “Quality improves as building teams get experience in the construction process.” 40% of the very same population further does not believe that lack of quality management would hinder the deliver process in PHP projects, while the 60% actually say that insufficient or lack of such a skill could be an obstacle to the delivery process.

When it comes to management tools in place within the PHP process in relation to time, 56% of the populated data believes that such tools are in place while 44% believes that such tools are not in place. Most people within the 56% indicated that they only regarded such to be in place only in situation where there is a technical support from the support organization (managed PHP). Others within the 56% indicated that the process is slow but not necessarily because such tools are not in place but because of other processes such as delays in subsidy approvals. On the other hand, other commentators indicated that for the mere fact that beneficiaries need to be trained during this process that alone affects the set delivery period negatively. Regardless the fact that the higher percentage (56%), believes there are management tools in place in relation to time within the PHP process, 73% of the very same population indicated dissatisfaction with PHP performance in meeting the stipulated or set time frames. Most people indicated that the process is too slow. 57% of the population is saying that the time frames set or given by the department of housing to complete such projects are adequate, reasonable and possible.

According to the collected statistics 67% of the people believe that PHP projects run within the set budget and are happy with the cost management within the process, the reason being such projects run within the subsidy band, which does not fluctuate. On the contrary 33% of the very same population does not think that PHP is implemented within the budget. Other commentators have actually indicated that by the time the project starts, it is no longer affordable or viable financially.

97% of these populated statistics is agreeing to the fact quality, cost and time have an effect on the PHP delivery process. The populated data was collected from officials, developers, material suppliers involved in PHP, support organizations, community builders involved in PHP, PHP beneficiaries, as well as professional within the building industry. Out of the collected data the developers, material suppliers, professionals within the building industry, some of the officials are do not thinking PHP is an appropriate route to take in terms of delivery quality houses within the set time frames and budget. On the other hand community builders, support organizations, some of the PHP beneficiaries and officials are quite happy with the quality of delivered houses, time frames and the performance of PHP on provided budget.

Nine five per cent of people who participated in this study indicated that houses that were built through PHP are not thoroughly completed. That is some of the finishing trades are never implemented, that includes windows, doors, finished floors and at times some houses never even get to the roof level. Meaning in building bigger

houses the quality; cost and set time to complete such houses is compromised. According to McNulty the most important stage in the construction of a building is the completion stage, meaning without completion all the initial stages are not worthwhile.

According to McNulty (1982 experience has shown that there are five critical stages in the construction of a building. The first stage is getting started at all, breaking the ground, and laying out the building. The second stage is completing the foundation and starting the structure, whether it be structural steel or the concrete sequences. The third stage is starting the envelope and interior roughing which follows the structure. And the fourth stage is starting the finishing –trades sequence. Each of these first four stages depends on the previous stage being completed sufficiently for the next stage to start in one area with the expectation of there being sufficient work ahead. The fifth and final stage is the completion of the building. The true test of good field management is the skill with which the building is completed. The final stage is the moment of truth.”

7.9 The role of construction management in the People’s Housing Process

Construction management (CM) would assist in putting the management tools within the PHP process in terms of the building industry’s regulations and requirements. In terms of project and construction management professions act (Act No. 48 of 2000), only the registered professionals within the built environment can manage the construction process. In other words legally beneficiaries cannot run with the process unless they are under the supervision of a recognized (registered) professional.

CM would further assist in improving both the quality and the size of houses built. It goes without a say that for a mere fact that an individual's profession would be at stake if anything goes wrong, that such an individual will go an extra mile to make sure that the quality of work is in line with the set standards. One of the critical factors in CM is time which, in turn would assist in PHP's slow pace. In CM projects have both the starting and the finishing time, meaning projects cannot run for an indefinite period. If CM process is adhered to during the PHP process, it would mean an individual would be held responsible and accountable if targets dates are not met, and the same would go the project cost or allocated budget. Again in controlling and minimizing the waste of resources would eventually assist in producing bigger structures.

PHP can only be used as a main delivery programme in meeting the current crisis of the housing backlog provided the construction management principles are implemented. Even though CM would limit or even phase out the participation of individuals and or emerging contractors without the appropriate expertise or skills, it would still empower those individuals and or emerging contractors who have the recognized skills within this specialized industry of construction.

7.10 Conclusion

Chapter six has mainly discussed the methods used in gathering the information for this study that is, stipulating in detail how the study was carried out. In explaining the methods used in doing this research the chapter has focused on a specific case study which has given readers the broader picture of PHP in reality. While the focus has been on the actual study case, both the geographic and social – economic aspects affecting this area have specifically been highlighted in order to spark the debate at the back of the readers' minds as to whether PHP failed due to factors surrounding the above - mentioned aspects. Having analyzed this study, as well as giving the summary

on how CM would have improved the process, it is critical to come up with the way forward, that is to proposed or recommend how best PHP would be improved as a housing delivery mechanism.

Chapter Eight – Recommendations and Conclusion

8.1 Background

In order to deal with the problems faced with in PHP, it is quite critical to review policies within this program. This study firstly recommends a review on the policies in relation to the housing subsidies. It is quite important to highlight that most beneficiaries prefer to go the PHP route not necessarily because of its empowerment factors or benefits, but mainly to avoid the contribution of R2479.00 which a compulsory contribution to all the qualifying subsidies beneficiaries, yet exempted to the PHP. In other words it is quite essential that the department review such policies in order to close those gaps that can be easily manipulated, in other words let the basic conditions be the same so that people buy into concepts out of their own choice not because they are favored by conditions.

While the PHP concept is a good idea, it has a number of flaws as indicated in the earlier chapters and as a result of this it is recommended that PHP should not be used in its purest form as one of the main delivery mechanisms used for housing delivery. Besides the normal the annual housing demand rate due to the population growth there is also the current back log, as highlighted in the previous chapters, and this study has further indicated that PHP is quite slow to be used as a delivery tool. In other words it will be almost impossible for housing department to meet its targets, goals or achieve its delivery plans while using PHP. It is therefore recommended that PHP be used only for social purposes, meaning it should be used as a tool for building sustainable communities in a long run, and this would not necessarily need to be a housing initiative alone, but it should be seen as joint efforts between housing, other government departments like social welfare as well as the private sector

(professionals in the built environment). In other words government can set up a service delivery scheme, whereby all those professionals who benefit from government jobs are giving back to the community in any other way (that is either contributes financially or by training).

On other hand government could also review managed PHP as another angle of empowerment to emerging contractors, but again this should not be looked at as a main vehicle to the housing delivering process and there should always be an accredited professional to manage such projects. In its policy government states that: *“The role of the beneficiaries is to participate actively in the decision-making process and the building of their own houses.”* (Department of Housing, 2005:9). This study has proven that policies such as the above-quoted are not practical and need to be reviewed.

This study finally proposes that government should actually put in place another programme whereby these emerging contractors and community builders are fully assisted to grow (technically and economically), over a period of time and they should then be declared as “emerged or sustainable” contractors. Meaning at that stage they should be able to sustain themselves, participate, and compete like any other competitors within the building industry. In doing so government could have actually empowered these emerging contractors instead of encouraging people to misuse or manipulate government policies. For instance this would discourage “fronting”, when it comes to government tenders in relation to SMME’s policy, again this could also protect the building industry’s interest by eliminating inexperienced people to take advantage of the industry due to certain policies or programmes such as PHP.

Meaning it is also quite important to review policies in relation to BEE, SMME's, PHP as well as the entire government procurement policy.

8.2. Further Research

While this study has covered a fraction of problems faced in housing within the larger scope of the built environment, there are still a number of investigations or research studies which could be undertaken and in return such studies would eventually complement what this study has achieved. This study has discovered that some of the problems are centered on the government policies especially when it comes to procurement policies, therefore a research on how does the government procurement policies affect the project within the built environment will be of great importance. On the other hand it will be quite interesting to investigate the role of construction management in other housing programmes other than PHP and to compare the outcome within the various programmes.

Further more a research on the identification of factors affecting managed PHP would assist to check whether or not there are other factors contributing to the failure of PHP other than construction management factors. Again it will also be of importance to have a further research on factors affecting the housing delivery process. Further researches could also be on various ways to improve quality within the low income housing market, as well as innovative methods that are cost-effective that can be used in the very same market of housing sector. Finally a further research on how professionals within the built environment could add – value to government's efforts in turning around the current problematic situation faced by South Africa in relation housing, could also be a significant study.

8.3 Conclusion

The study has not only highlighted the background of housing in relation to policies that are in place, but it has further evaluated and related these policies to both the local and the international built environment specifically addressing mainly the housing as well as the construction sector. While the study looked at the broader picture of the both the housing and the construction sectors, the core factor has been PHP and its performance as a delivery tool. In assessing such a performance the study further looked at the process from both the local and the international perspective and further assessed the process in relation to other housing delivery mechanisms such as social housing. As part of the study, methods used to gather information have been stipulated and most importantly the information has been analysed and recommendations have been drawn based on the analyses. The following have been noted as critical issues highlighted by this study:

- PHP plays an important role in the housing delivery process in terms of affirming communities in decision-making as well as empowering them by improving on their skills. Besides this the government to a certain extent has achieved its goal of transforming a percentage of the people of this country to take part and ownership of houses delivered, or by being part of the government's initiatives. On the other hand while PHP has relatively performed well in terms of government social responsibility towards the society, it is also important to highlight the fact that it is a process.
- Researches including this study have indicated that contractors or community builders participating in PHP do not have the necessary skills and experience

in construction management. As explained previously in this study, this happens for a number of reasons, but there main factor is the non-profit making in PHP, and all the experienced contractors like in any other businesses are driven by profits in order for them to survive. For the fact that these contractors or community builders that are involved in PHP are inexperienced in the building industry, they are bound to do several mistakes, which as well compromise the quality of the work they produce and this finally hinders, the delivery process. This affects the delivery process negatively mainly because these houses at the end are viewed as government end product, which has to conform to at least the minimum set or acceptable standards. Meaning the government again has to intervene and find means of correcting the defects.

- In correcting the defects or re-doing some activities, the cost or budget of the project is negatively affected. In other words due to the contractor's lack of cost management the project can actually fail. Failing in this case would be the project has not performed as expected or as planned. As mentioned in the earlier chapters, it is quite important to highlight that in subsidised housing cost plays an important role as a beneficiary is entitled to one subsidy in his or her life time. Meaning over expenditure in a particular project actually minimizes or compromises other beneficiaries who are entitled to get subsidies.
- Again as indicated earlier in this chapter, PHP is a process and it is almost impractical to measure or align a process against time. On the other hand a

project has to have a start and the end. As a result of this lack of contractor's time management in PHP projects causes such projects to fail. In other words contractors in PHP do not perform within the set schedule of timeframes. This factor actually leads to some incompleting projects in PHP, as contractor eventually fail to catch up with the inflation in terms of the building material. Finally these three elements (quality, cost and time), which are part of the eleven elements that constitute the body of knowledge on construction management could improve the current status of PHP, if they are taken into consideration and are enforced, which would further improve the housing delivery process in South Africa. Meaning pure PHP cannot be used as a mode of housing delivery in developing countries.

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Annexure A

QUESTIONNAIRE

PART A.

Name: _____

Age:

Below 20	20 – 25	26 – 30	31 – 35	36 – 40	40 and Above
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Education Level:

Below Matric	Matric	Post Matric
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Gender:

Male		Female	
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Area of Project: _____

1. People's Housing Process's main objective or focus is to socially empower the beneficiaries in terms of participation or involvement during the process and freedom of choice of product.

YES

NO

Comment:

2. The Department of housing has mainly put focus on PHP mainly to encourage beneficiaries to take ownership of their homes.

YES

NO

Comment:

3. In terms of the standards set by the building industry how is PHP performing?

BAD

AVERAGE

GOOD

Comment:

4. Can PHP be used as a main delivering programme in order to meet the current housing backlog?

NO

PARTIALLY

YES

Comment:

5. Are there any measures / management tools put in place to monitor the process in terms of:

a) Quality

NONE

INSUFFICIENT

SUFFICIENT

Comment:

b) Time

YES

NO

Comment:

c) Cost

YES

NO

Comment:

6. Are you happy with the end – product of this process in terms of:

a. Delivery within stipulated periods

YES

NO

Comment:

b. Quality control

YES

NO

Comment:

c. Cost Management

YES

NO

Comment:

7. Do the contractors or community builders participating in PHP have the necessary skills and experience in construction management?

7.1. Does lack of quality management hinder the delivery process in PHP projects?

YES

NO

Comment:

8. Does the structure or the end product adhere to the approved or acceptable specification set by the building industry?

YES

NO

Comment:

9. Does lack of cost management in PHP from the contractor's side contribute towards the project's failure?

YES

NO

Comment:

10. Do contractor's or community builders in PHP perform within the stipulated budget?

YES

NO

Comment:

11. Can the contractor's lack of time management cause the PHP projects to fail?

YES

NO

Comment:

12. Do the contractors/community builders perform within the set schedule/time frame?

YES

NO

Comment:

13. Are the time frames set by the department of housing (National/Provincial/local), adequate, reasonable and possible?

YES

NO

Comment:

14. Do these factors “Quality, Cost and Time” have any effect on PHP delivery process?

YES

NO

Comment:

Annexure B

Project Programme

Activity	Period					
	<i>Feb. – July 2003</i>	<i>Aug. – Jan. 2004</i>	<i>Feb. – July 2004</i>	<i>Aug. Nov. 2004</i>	<i>Dec. – Jan. 2005</i>	<i>Feb. 2005</i>
Preparation for the proposal (Pre-registration phase)	█					
Literature Review	█	█				
Preparation of questionnaires and interviews		█	█			
Sending out questionnaires			█			
Conducting interviews				█		
Collecting questionnaires					█	
Analysing the collected data					█	
Writing the research			█	█	█	█
Presentation of the research						█

