

# ADDRESSING HOMELESSNESS THROUGH PUBLIC WORKS PROGRAMMES IN SOUTH AFRICA

**Emeka E Obioha, PhD**  
*Professor of Sociology*  
Walter Sisulu University  
South Africa

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# OVERVIEW

- Introduction
- Homelessness as a Social Problem
- Situational Analysis and Extent of the problem of homelessness in South Africa
- Government Agencies and Public Works Intervention in Addressing Homelessness in South Africa
- Conclusion
- Policy Recommendations



# INTRODUCTION

- Homelessness Conceptualised
  - United Nations (2004), “households or people without a shelter that would fall within the scope of living quarters”
  - Canadian Observatory on Homelessness (2018) “the situation of an individual, family, or community without stable, safe, permanent, **appropriate housing**, or the immediate prospect, means and ability of acquiring it.”
  - Hanson –Easey et al (2016) “living in accommodation that is **below the minimum standard** or lacks secure tenure”
- Relativity or Particularism of Homelessness
  - Conceptualisation of homelessness based on developed country’s context is denoted by two main elements, ‘appropriate housing’ and ‘accommodation that is below minimum standard’ may differ from what obtains in developing country like South Africa and others in Sub-Sahara Africa where the conceptualization may exclude definitive measurement of appropriateness and standard.

# HOMELESSNESS AS A SOCIAL PROBLEM

- *Homelessness* is not just a problem of a number of households
- *Homelessness* has the tendency to affect the whole society in many and specific ways. The ripple effect is usually beyond specific households
- *Hypothesis* of an 'interconnected and cumulative ecology of disadvantage' Craine (1997); Haralambos, Holborn & Heald, (2004)

# SITUATIONAL ANALYSIS AND EXTENT OF THE PROBLEM OF HOMELESSNESS IN SOUTH AFRICA

- *What are the levels and trends of homelessness in South Africa – Nationally, Provincially?*
- Currently, there is no comprehensive and official estimate with regard to the extent of homelessness in South Africa
- Despite the unavailability of an official statistics, there is no contestation that homeless people or homelessness exist in the country, which dates back to the period of apartheid regime in South Africa, as reported in Olufemi (1998)
- Homelessness is gleaned from information on informal dwelling and reports from fragmented individual studies in selected cities

## Extent of Homelessness

- Homeless situation according to various studies
- Cross et al (2010) estimated the homeless population in South Africa to be in the range of 100 000 to 200 000, Human Sciences Resource Centre, South Africa puts the figure at 200 000, which is a significant proportion of the nation's population of 53.5 million in 2015 (Rule-Groenewald et al., 2015)
- Across South Africa, the number of people living on the streets has continued to increase since 1996 in various cities and provinces. Kok, Cross & Roux, (2010) Kok *et al.*, (2010) Bernardo, (2015) Black (2017),

## Drivers of Homelessness in South Africa

- Historical disadvantage
- Migration pattern
- Unemployment and low wages
- Social exclusion and cultural rights
- Loss of parents or household bread winner
- Home desertion
- Lack of Civic identification document
- Natural Disasters (Climate change related risks – flash flood, gully erosion, tornadoes, wind etc)

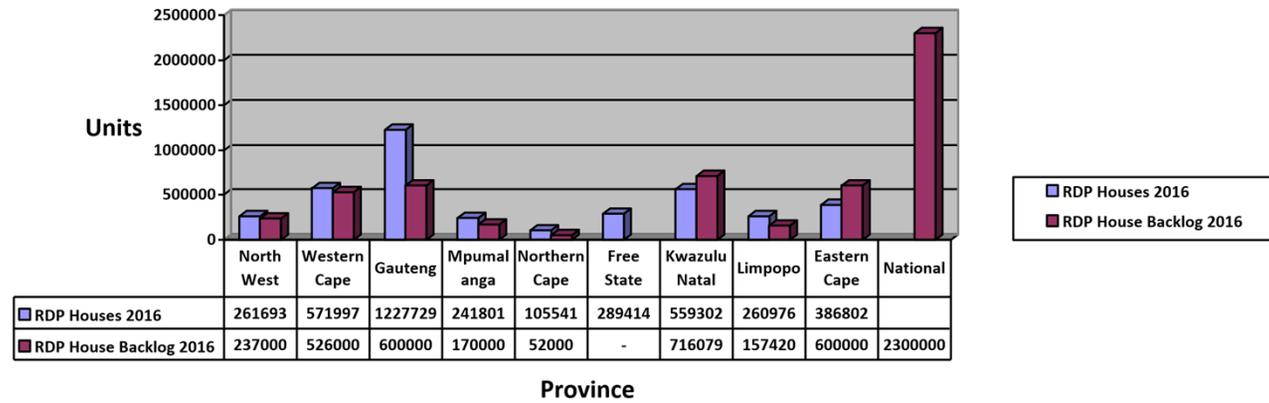
## Extent of Housing Need in South Africa

- “Housing development needs highlight the ***existing gaps*** regarding inadequate houses, ***the number of houses and the number of people in need of a house***” (National Department of Housing, 2005).
- Housing Need is Calculated by means of a compilation of ***the existing housing stock*** and estimated ***future trends***, including the estimated population growth, migration to urban areas and the household size (Moroke, 2009).

## ***Trends of Housing Need***

- Housing Backlog - 1994 was estimated to be 1.2 million houses (South African Government News Agency, 2014),
- Housing Backlog/informal dwelling - 1996 was estimated to be 1.5 million households (Statistics South Africa, 1996 Census)
- Housing Backlog/informal dwelling – 2017 was estimated to be 2.2 million households in makeshift structures (Statistics South Africa , 2017 General Household Survey)
- Housing Backlog – 2018 was estimated to be 2.3 million (MSINDO, E. *nd*)
- There is an estimated annual growth of 178 000 units due to population growth, migration and other factors
- There is more pressure in the Metropolitan Cities/Provinces (Gauteng, Western cape and Kwazulu – Natal), in spite of more housing delivery.

**Figure 1: RDP Housing Dwellings and Backlogs 2016 by Province**



# GOVERNMENT AGENCIES AND PUBLIC WORKS INTERVENTION IN ADDRESSING HOMELESSNESS

- “ House as a social and Public good” constitutionally.
- Government agencies involved in addressing homelessness
  - Department of Human Settlement
  - Department of Home Affairs
  - Department of Social Development
- In South Africa, there are selected government agencies and departments that are constitutionally involved in public works, but the public agency on the frontline is the National Department of Human Settlements (NDHS). Its responsibility includes provision of adequate and affordable housing and ensuring that all South Africans live in ‘proper’ houses with basic amenities.

## What is being done since 1994 in addressing homelessness in South Africa?

- ***Social Protection Support Services interventions in facilitating access to homes***
  - Civic documentations by the Department of Home Affairs
  - Place of Safety provided by Department of Social Development -
  - In conjunction with the Home Affairs Department, some categories of “homeless” (underage orphans, mentally challenged etc) are provided shelter “home” by the Social Development Department, due to their inability or legal capacity to enter into contract or make an application for a personal house, which may involve some sort of attestations and affidavits.

## ***Legislations, Policies and programmes to address the forces of homelessness***

- ***1994 Housing White Paper on Reconstruction and Development Programme (RDP)***. This provided a framework for housing development target of building 1million state funded houses, within the first 5 years at a target of 338 000 units per year.
- ***Republic of South Africa Constitution 1996***: Section 26of the constitution stipulates that 'everyone has the and other measures with right to adequate housing; the state must take reasonable legislative in its available resources, to achieve the progressive realisation of this right'
- ***Housing Act 1997***: This Act provides for the facilitation of a sustainable housing development process and lays down the roles, responsibilities and functions of the different spheres of government.
- ***The National Norms and Standards***: This policy stipulates the minimum standard for a 'proper' house in South Africa. It stipulates that each house must have at least 40m<sup>2</sup> of floor space, two bedrooms, a separate bathroom with a toilet, a shower and hand basin, and a combined living area and kitchen.

## ***Legislations, Policies.....***

- **PIE Act (1998) *The Prevention of Illegal Eviction from and Unlawful Occupation of Land Act (PIE)*** is an act of the Parliament of South Africa which came into effect on 5 June, 1998, and which sets out to prevent arbitrary evictions
- ***Rental Housing Act, 1999 (Act No. 50 of 1999) as amended in The Rental Housing Amendment Act 35 of 2014.*** This Act regulates the relationship between landlords and tenants and it provides for dispute resolution by the Rental Housing Tribunal.
- ***The social Housing Act (2008).*** This Act was meant to establish and promote a sustainable social housing environment; to define the functions of national, provincial and local governments in respect of social housing; to provide for the establishment of the Social Housing Regulatory Authority in order to regulate all social housing institutions obtaining or having obtained public funds; to allow for the undertaking of approved projects by other delivery agents with the benefit of public money; to give statutory recognition to social housing institutions; and to provide for matters connected therewith.

## ***Legislations, Policies.....***

- ***2004 Breaking New Ground***: This initiative outlines a comprehensive plan for the development of sustainable human settlements. *Policy shift from quantity to quality* and emphasised on the process of housing delivery, i.e. the planning, engagement and the long-term sustainability of the housing environment. Key objective-to eradicate all informal settlements.
- ***National Development Plan (NDP)***: In its Outcome 8 (sustainable human settlements and improved quality of household life. NDP's vision of transforming human settlements and the spatial economy to create more functionally integrated, balanced and vibrant urban settlements by 2030.
- ***Land expropriation without Compensation Bill 2018*** (under way) This policy is about getting some land for re-distribution to the landless, dispossessed and dislocated during the apartheid regime. It aims at resettlement, redress of past injustices in relation to land.

## ***Department of Human Settlement Interventions in providing Free and Affordable Housing***

- ***Establishment and Maintenance of Housing Entities (Table 1)***
  - These entities exist as the implementing agencies of the department. They are collectively the legalised role players in ensuring that the South African vision of addressing homelessness is realised.
- ***National Housing Needs Register (NHNR)***
  - The central database that offers households the opportunity to register their need for adequate shelter by providing information about their current living conditions, household composition and to indicate the type of housing assistance they require from government.
- ***National Upgrading Support Programme (NUSP)***
  - Through the NUSP, the Department of Human Settlement (DHS) aims, amongst others, to promote incremental upgrading and strengthen capacity of government and professional practitioners to implement community-based upgrading. The NUSP was expected to provide project level technical support to municipalities over the medium term for planning the upgrading of informal settlements

**Table 1: Housing Entities under Department of Human Settlement**

Entity	Functions	Grant from NDHS 2018/19
<a href="#">National Home Builders Registration Council (NHBC)</a>	<ul style="list-style-type: none"> <li>• Provides warranty protection to consumers against defined defects in new homes.</li> <li>• Regulates the home building industry</li> <li>• Provides training and capacity building to promote compliance with technical standards</li> </ul>	NHBC does not receive financial assistance from the NDHS
<a href="#">Community Schemes Ombud Service</a>	<ul style="list-style-type: none"> <li>• Provides a dispute-resolution service for community schemes</li> <li>• Monitors and controls the quality of all governance documentation relating to sectional title schemes; and</li> <li>• Takes custody of, preserves and provides public access to scheme governance documentation.</li> </ul>	R29.4 million
<a href="#">Estate Agency Affairs Board</a>	<ul style="list-style-type: none"> <li>• Regulates, maintains and promotes the conduct of estate agents</li> <li>• Issues certificates from the Estate Agents Fidelity Fund</li> <li>• Prescribes the standard of education and training for estate agents</li> <li>• Investigates complaints lodged against estate agents, and</li> <li>• Manages and controls the Estate Agents Fidelity Fund.</li> </ul>	Nil. Does not receive financial assistance from the NDHS
<a href="#">Housing Development Agency</a>	<ul style="list-style-type: none"> <li>• Identifies, acquires, holds, develops and releases state-owned and privately owned land for residential and community purposes and project Manages housing developments for the creation of sustainable human settlements.</li> </ul>	R210.67 million
<a href="#">National Housing Finance Corporation (NHFC)</a>	<ul style="list-style-type: none"> <li>□ Broadens and deepens access to affordable housing finance for low-to middle income households by facilitating private-sector lending for housing purposes.</li> </ul>	R100 million
<a href="#">National Urban Reconstruction and Housing Agency (NURCHA)</a>	<ul style="list-style-type: none"> <li>□ Provides bridging finance to contractors building low to moderate income housing, infrastructure and community facilities.</li> </ul>	Nil.
<a href="#">Rural Housing Loan Fund (RHLF)</a>	<ul style="list-style-type: none"> <li>□ Facilitates access to housing credit to low income rural households by providing wholesale finance through a network of retail intermediaries and community-based organisations.</li> </ul>	R50 million
Social Housing Regulatory <a href="#">Authority (SHRA)</a>	<ul style="list-style-type: none"> <li>• Regulates the social housing sector, and ensures a sustainable and regulated flow of investment into the social housing sector</li> <li>• Providing capital grant to accredited social housing institutions.</li> </ul>	R926.96 million

## ***Department of Human Settlement Interventions.....***

- ***Formal Housing Delivery Methods and Mechanisms***
- There are formal delivery methods and mechanisms designed by the department (Table 2). These twelve methods with different funding mechanisms and targeted tenure options and solutions are meant to fit different categories of the poor in need of assistance to own a house “home.”
- Means Test is conducted to ascertain whether the household qualifies or not.
- Clustered into three main categories.
  - ***Subsidized income group*** (households with R0 – R3500 per month). Houses delivered to this group of households are either free of charge or on highly subsidized rental in the case of public hostels and rent to own for household houses of minimum of 40m<sup>2</sup>.
  - ***Gap Income Group*** for households that earn between R3, 501 – R10, 000 per month. There are also free housing delivery in this category. The mechanisms involved in the housing ownership assistance is through provision of financial assistance to enable the households own a home through either rent – to- own or purchase at a highly subsidized less than market price.
  - ***Private Market Assist***: The government also designed the third method purely to assist households that earn a total income of R10, 000 and above per month to access private market houses that are not built in the public housing schemes, but mainly in the suburbs or other private locations.

## Formal Housing Delivery Methods and Mechanisms

<b>Table 2: Formal Housing Delivery Methods, Funding Mechanisms and Tenure Options attached</b>		
<b>Formal Housing Delivery Method</b>	<b>Funding Mechanism</b>	<b>Tenure Options/ Type of Response / Solution</b>
<b>Subsidised Income Group (R0 – R3500 – per household per month)</b>		
“RDP” Housing Delivery - National	Subsidy provided by National government for the construction of housing units (top structure).	Full ownership New house on owned stand
Backyard Rental Programme (Gauteng Only)	The Affordable Rental Accommodation Grant is given to qualifying landlords to repair and rebuild backyard accommodation	Rental Informal and backyard solution
Upgrading of Informal Settlements (UISP) - National	Municipalities will assume role of developer and will identify informal settlements to be upgraded and apply to the Provincial Housing Department for funding. Subsidies given to individuals. .	Full ownership Informal and backyard solution
People’s Housing Process – National	A support organization must be established that then approaches the Provincial / Regional office to make a project application on behalf of applicants. Access is then provided to subsidies as well as other support measures.	Full ownership New house on owned stand
Community Residential Units (CRU) – National	Development or refurbishment of public housing stock including hostels CRU programme provides a subsidy for the total capital costs of project preparation and development of public property and a once-off maintenance grant after 5 years.	Rental / sectional title / full ownership. upgrading / Regeneration
Enhanced Extended Discount Benefit Scheme – National	This scheme promotes home ownership among tenants of publicly-owned rental housing (municipal and provincial). Facilitated by Consolidation subsidy – transfer of long-term state funded housing. Purchasers can receive a discount on the selling price of the property.	Rent-to-buy
Integrated Residential Development Programme (IRDP) – National	The IRDP enables the development of well-located, socially diverse projects that provide a mix of income groups and land uses	Rental / sectional title / full ownership. upgrading / regeneration
Urban Settlement Development Grant (USDG) –	Developed as an instrument to address linkage between public housing and economic growth to simultaneously contribute to Human Settlements.	
<b>Gap Income Group R3,501 – R10,000 – per household per month)</b>		
Social Housing Institutions (SHIs) – National	The subsidy is paid to approved institutions to provide subsidised housing on deed of sale, rental or rent-to-buy options, on condition that the beneficiaries may not be compelled to pay the full purchase price and to take transfer within the first four years of receiving subsidy	Rental / sectional title / full ownership. upgrading / regeneration
Financed Linked Individual Subsidy Programme (FLISP) - National	In order for those within the gap market to acquire existing properties or to buy a serviced site. The Financed Linked Individual Subsidy Programme (FLISP) applies to people who earn R 3 501 and R 7 000 per month.	Full ownership
Gap: Inclusionary Housing	Inclusionary housing projects include both affordable housing and accommodation for middle income households. This is usually done by regulating projects done by private developers to provide a percentage of affordable units benefiting households earning below R10 000 per month.	
<b>Private Market R10,000 + ( per household per month)</b>		
Developer Implementation, Market Driven; private Sector.	Bonded; Privately funded Usually provided for people earning between R7, 500 and R40, 000 per month.	Rental / sectional title / upgrading /

## *Housing opportunities provided 1994 - 2019*

- A total of about 4.8 million housing opportunities delivered
- 3.3 million housing units,
- 1.1million serviced sites completed
- 369 330 Enhanced Extended Discount Benefit Scheme (EEDBS).
- An average of 45 000 serviced sites per annum,
- An average of 130 533 houses built per annum
- An average of 14 773 EEDBS per annum.



## Housing opportunities provided 1994 - 2019

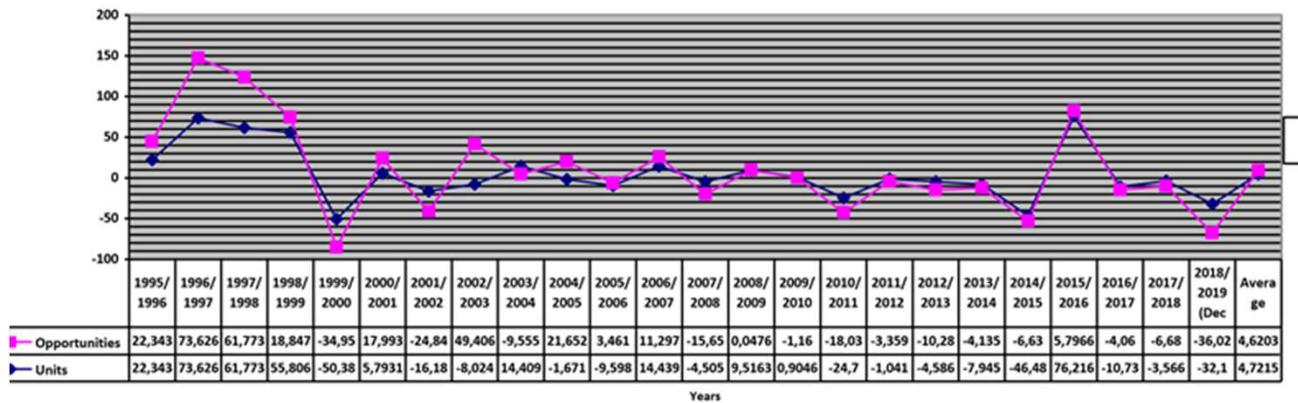
Table 3: Total Housing Opportunities (serviced sites, houses/units and EEDBS) Provided 1994 - 2018			
YEAR	SERVICED SITES COMPLETED	HOUSES/UNITS BUILT	TOTAL HOUSING OPPORTUNITIES
1994/95	-	82060	82060
1995/96	-	40974	40974
1996/97	-	129 193	129 193
1997/98	-	209 000	209 000
1998/99	12 756	235 635	248 391
1999/2000	-	161 572	161 572
2000/01	19 711	170 932	190 643
2001/02	-	143 281	143 281
2002/03	82 286	131 784	214 070
2003/04	42 842	150 773	193 615
2004/05	87 284	148 253	235 537
2005/06	109 666	134 023	243 689
2006/07	117 845	153 374	271 219
2007/08	82 298	146 465	228 763
2008/09	68 469	160 403	228 872
2009/10	64 362	161 854	226 216
2010/11	63 546	121 879	185 425
2011/12	58 587	120 610	179 197
2012/13	45 698	115 079	160 777
2013/14	48 193	105 936	154 129
2014/15	49 345	94566	143911
2015/16	52 349	99904	152253
2016/17	56 886	89186	146072
2017/18	50 309	86006	136315
2018/19 (Apr to Dec 2018)	28 827	58394	87221
<b>TOTAL Sites &amp; Houses</b>	<b>1 141 259</b>	<b>3 263 331</b>	<b>4 404 590</b>
<i>Average per year</i>	<i>45 650</i>	<i>130 533</i>	<i>176 184</i>
<b>1994 to 2018</b>	<b>EEDBS*</b>		<b>369 330</b>
<i>Average per year</i>			<i>14 773</i>
<b>Total Housing Opportunities (Serviced Sites, Houses/ Units &amp; EEDBS)</b>			<b>4 773 920</b>
<i>Average Total Per Year</i>			<i>190 957</i>

## *Housing opportunities provided 1994 - 2019*

- annual growth percentage change (Figure, 2)
- An average of 4.6% and 4.7% annual positive growth for housing opportunities and housing units respectively
- 1996/1997 and 2015/2016 were the peak years of highest housing opportunities (service sites and houses combined)
- 1999/2000 and 2018/2019 were the bleak years (based on the current data of 2019 up to December 2018).
- Similar trend was also observed in the actual housing units that were delivered, which may be explained by a number of variables, including economic conditions (GDP etc), limited budget for the sector at a particular period, corruption, politicking and regime change.

# Housing opportunities provided 1994 - 2019

Figure 2: Annual growth on Housing opportunities and House Units 1995 - 2019



## ***Commitments and Sustainability Achievements towards Public Housing***

### ***• Financial Commitments***

- For the financial year 2016/2017 and 2017/2018 compared, the department (NDHS) vested more expenditure in 2017/2018 (Figure 3). More money was spent on Housing Development Finance and Programme Support in the two years than in any other programme.
- Considering the expenditure growth pattern (Figure 4), an annual growth of 9% was observed in the total expenditure.
- Even though more growth was observed in the expenditure on Policy, strategy and planning, followed by Housing Development Finance, substantial expenditure was made on Housing development based on the nominal amount of money spent and percentage change over the year

# Commitments and Sustainability Achievements towards Public Housing

Figure 3: Financial Commitment 2016 -2018

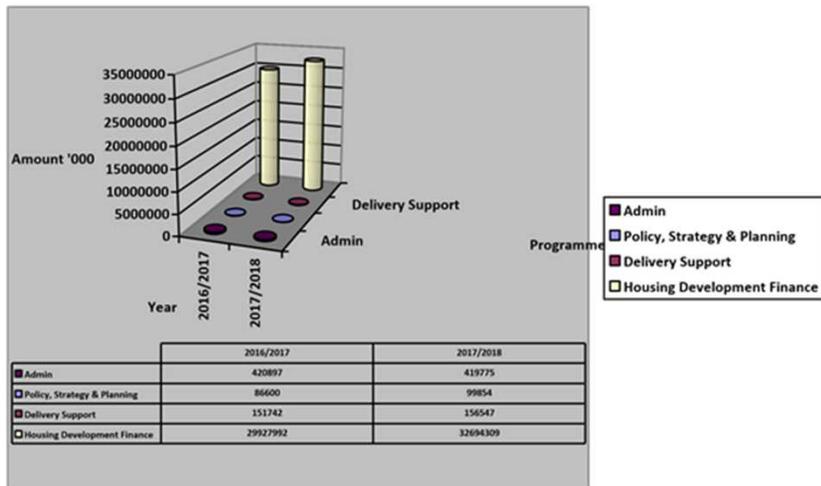
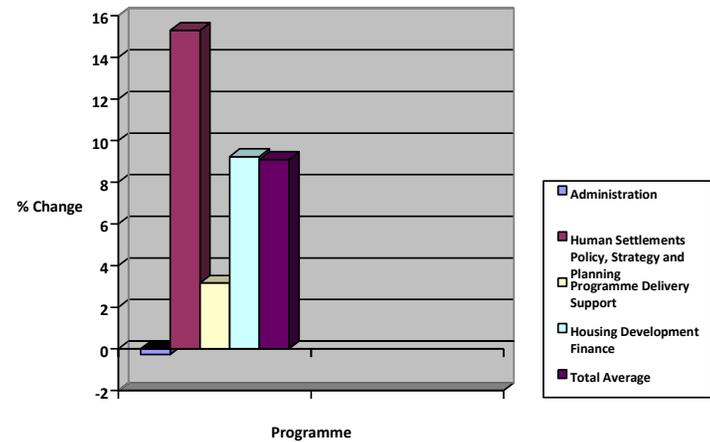


Figure 4: Growth % Change in Programme Expenditure 2016/2017 - 2017/2018



Administration	-0.266573532	
Human Settlements Policy, Strategy and Planning	15.30484988	
Programme Delivery Support	3.166559028	
Housing Development Finance	9.243242915	
Total Average	9.099398373	

## ***Financial Commitments***

Government commitment can also be gleaned from the expenditure pattern in 2016/2017 and 2017/2018 financial years.

- Overall, Department of Human Settlement received
- NDHS spent fourth largest amount of money in both financial years.
- More importantly, NDHS was also the fourth department (at about 9%) in order of expenditure growth

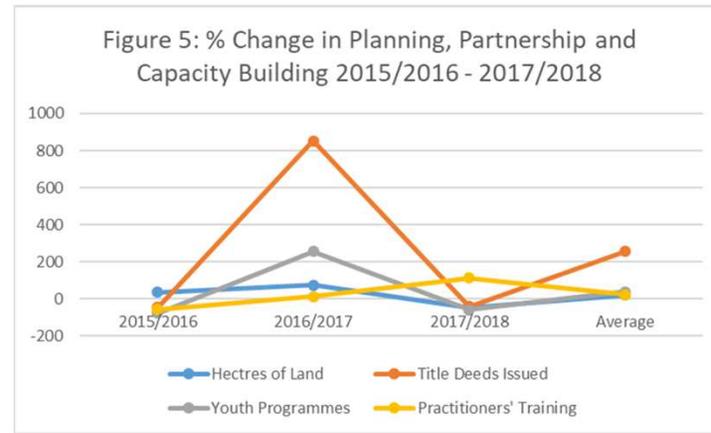
Table 4: Government Expenditure 2016/2017 – 2017/2018			
Departments	2016/17	2017/18	% Change
Basic Education	226.6	243	7,2
Economic Affairs	201.7	215	6,6
Defence, public order and safety	190	198.7	4,6
Human Settlements and Municipal Infrastructure	179.8	195.8	8,9
Health	170.9	187.5	9,7
Social Protection	164.9	180	9,1
General Public Service	70	70.7	1
Higher Education and Training	69	77.5	12,3
Agriculture, rural development and land reform	26	26.5	1,9

## ***Commitments and Sustainability Achievements towards Public Housing***

- ***Planning, Partnerships and Technical Capacity Sustainability Trajectories***
  - The actual achievements of the department in selected aspects within the four financial years 2014/2015 – 2017/2018 attest to what the relevant public work department is doing in realizing the dream of affordable housing to South Africans (Table 5).
  - The department achieved substantially in all the four aspects measured
    - An average of about 4000 Hectares of land,
    - An average of 64588 title deeds,
    - An average of 180 youth bursary programme supported and
    - An average of training of 602 settlement skills related practitioners in the four year period.
    - On the average, all the target areas experienced positive growth, especially the number of **Title deeds** issued which witnessed about 256% (Figure 5)

- **Commitments - Planning, Partnerships and Technical Capacity Sustainability Trajectories**

Programme performance indicator	2014/2015	2015/2016	2016/2017	2017/2018	Average
Number of hectares of well-located land <b>acquired</b> and released for new developments	2 635.1	3 589.1	6 250.385	3329,446	3951,00775
Number of pre-and post- 1994 title deeds issued	26 279	14 266	135 878	81 929	64588
Number of youth supported through the Bursary Programme	300	70	249	101	180
Number of practitioners trained in human settlements skills development programmes	803	350	400	855	602



	2015/2016	2016/2017	2017/2018	Average Growth %
Hectares of Land	36,2	74,1	-46,7	21,2
Title Deeds Issued	-45,7	852,4	-39,7	255,6
Youth Programmes	-76,6	255,7	-59,4	39,8
Practitioners' Training	-56,4	14,2	113,7	23,8

# CONCLUSION

- Addressing homelessness still remains one of the priority programmes of South African government through its public works agencies.
- The government of Republic of South Africa has addressed the social problem of homelessness from various directions mainly through legislations, policies and sustained by commitments and partnerships.
- Considering the implementation of this noble project, the South African government through its frontline public works agency, the Department of Human Settlement has delivered housing opportunities and units to a huge number of households and population that is equivalent to that of some medium size countries.
- Even though, further analysis has revealed consistent positive growth in the housing delivery through legislated methods and mechanisms in the country, *the housing programme is faced with some challenges that are material and human in nature.*
- Even though giant strides have been made over the years in delivering over 3.3 million housing units and 4.8 Million housing opportunities, many more houses are yet to be built as the population increases. There seems to be a vicious, unending cycle of housing need in the country, which need to be addressed.

# POLICY RECOMMENDATIONS

- Sustenance and intensification of Civic documentation issuance (national identity document, birth certificates etc)
- Extension of Housing benefits right to the previously excluded population.
- Implementation of shelter rights for all citizens, including the mentally challenged in accordance with 1996 Constitution
- The National Housing Needs Register should be designed to accommodate housing succession information. This will entail a follow up on houses whose originally allotted owners are deceased to officially hand such houses over to next family member in succession and register them as such.
- Implementation of complete ban on sale or purchase RDP (freely acquired houses) and other types of houses.
- Implementation of greater access to housing through compulsory employment policy on housing, as currently done with Medical Aid and pension benefits. Employers must provide houses for employees through rent-to-own etc.
- Extension of public housing to semi-rural areas to arrest the influx into urban areas to obtain houses.
- Similarly, economic diversification and strengthening of rural economies should be made a priority in order to create jobs in the rural areas and limit rural urban migration.
- Besides, economic development in the country should be made more evenly distributed across provinces, municipalities and local authority areas. This will lead to more even distribution of economically active population, including those in housing need, which is perceived as more severe in some cities and provinces than in others.
- The government should apply the appropriate legislation to expropriate more land for the purpose of redistribution to the landless and building houses for the homeless.

