

Social Housing and Upward Mobility in South African Cities

October 2020 – No. xxxx | UE-AFD Research Facility on Inequalities

PITCH

Not enough is being done to maximise the prospects of upward mobility for the tenants of South Africa's social housing programme. Household-level improvements in well-being are generally taken for granted in the current policy and regulatory environment, rather than actively pursued. In reality, improving life chances for individuals depends on a range of factors, including the selection criteria for tenants, the availability of supplementary support programmes, the location of social housing projects themselves in relation to jobs, public transport, schools and other amenities, and the general perception of social housing as a transformative space rather than a place of last resort.

ISSUES

South Africa's social housing policy has highly ambitious and important goals to narrow socio-economic and spatial inequalities. Social housing can play a valuable role in building an integrated, non-racial and prosperous society. Improving the well-being and life chances of individual households is an integral part of achieving wider social and spatial transformation. By providing a secure home base with access to economic opportunities and social facilities, social housing can help families to get on in life and thrive. Therefore, there is a compelling

rationale for social housing to help overcome the entrenched spatial and social divides in South African cities and to promote shared prosperity.

South Africa's social housing policy makes no mention of upward mobility for tenants even though this is implicit within the broader objectives of the policy. The lack of explicit recognition for tenant-level outcomes in the policy risks subordinating this goal below other priorities. There is no specific guidance given to SHIs indicating how they should promote household advancement and what pathways are most likely to produce sustained upward mobility. In addition, SHIs are not monitored or evaluated on the basis of the socio-economic status of households and their progression over time.

METHODS

The broad objective of this paper was to assess whether social housing in South Africa has improved the quality of life among beneficiaries. We assess a variety of household level outcomes including changes in employment status, income, personal safety, education, healthcare and the costs of public transport.

The evidence for the study was based upon a nationwide tenant survey of 1,636 households living in 10 social housing projects in Johannesburg, Tshwane, eThekweni

and Cape Town in 2019. The data was originally collected by the Social Housing Regulatory Authority as part of an official evaluation study but had not been fully utilised. We supplemented this evidence with administrative data from one of SA's leading social housing institutions who provided data on the profile of their tenants and an exit survey for the period Nov 2019 – Feb 2020.

RESULTS

The findings present a very mixed picture of the impact of social housing on individual-level outcomes.

There was little evidence of spatial transformation for tenants upon moving into social housing. This was partly because the majority of tenants were already living in and around the neighbourhood before taking up residence.

A severe limitation to spatial restructuring was the wide diversity in location types across social housing projects, with some projects located in townships on the urban periphery, while others were better located within the CBD. In most instances, the projects did little for racial integration, particularly where the racial mix within projects was fairly homogeneous and closely linked to the profile of the surrounding neighbourhood. In reality, there have been few examples of social housing located in

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Geography South Africa

Key words social housing, integrated communities, urban regeneration, well-located public land

Themes Economy, Cities, Poverty and Inequality



Funded by the
Development
Cooperation
Instrument of the
European Union



affluent, former white neighbourhoods.

In terms of social transformation, we found strong evidence that the programme was well targeted towards low-income households. Rentals seemed to have been set at an appropriate level, although the average household was still spending about 30% on rent and some as much as 40%. The focused targeting of low-income households is commendable but may also be a

threat to the financial viability and sustainability of SHIs.

Finally, we found only weak evidence of upward mobility on a range of socio-economic indicators from the household survey of 10 social housing projects. The diversity of experience across the sample of projects was striking and suggests that the practical realities of implementation and the differential motivation and commitment of SHIs outweigh the stated national policy goals. Projects that are driven by

clear objectives (such as access to jobs, schooling and income) would arguably generate more consistent responses from tenants, rather than the mixed outcomes that we detected.

Failure to clearly demonstrate success at the level of the household risks jeopardising the credibility of the social housing programme. The relatively high costs of social housing demand stronger evidence of performance in relation to the stated policy objectives.

RECOMMENDATIONS

- ▶ Prioritise the selection of well-located areas for new social housing projects and encourage stronger local partnerships with municipalities to ensure that social housing features strongly in neighbourhood renewal strategies.
- ▶ Develop guidelines for tenant selection for SHIs that factor in the chances of upward mobility. This means taking into consideration household age, demographic characteristics and proximity to place of work.
- ▶ Upwardly mobile tenants should be encouraged to graduate into homeownership by developing exit pathways. In contrast, special support should be offered to tenants that experience negative income shocks and need time to get back on their feet.
- ▶ SHIs should be encouraged to provide capacity building and related activities that offer a holistic package of social support beyond once-off improvements in housing conditions.
- ▶ Social housing policy may need greater flexibility in balancing support for more vulnerable households with financial sustainability. One approach would be to allow for a third tier of middle-income households, in order to permit further cross-subsidization and to deepen the social mix within projects. This could also release funds to improve the scale and intensity of capacity building.
- ▶ The national monitoring and evaluation framework should be adapted to include the regular collection of socio-economic outcomes of households. The poor availability of data undermines the ability to report on the programme's achievements.