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Contractor versus self-constructed housing: Thabong and Mangaung as case studies

HSRC RESEARCH OUTPUTS

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### 1. Introduction

South Africa's post-apartheid housing policy was announced in 1994, but has been developed during the transitional phase (1990-1994) (Rust and Rubenstein, 1996). With the development of a post-apartheid housing policy by the national Housing Forum during this period, a key question was whether the government should be involved in building houses for people or whether a more incremental type of policy (in which selfhelp is central) should be followed (Tomlinson, 1998). An initiative to support self-help housing, which became known within the South African context as the People's Housing Process (PHP), was finally launched by the government on a trial basis in 1998 (Jenkins, 1999). The PHP was introduced by government to assist communities to build houses on a self-help basis on a conventionally serviced site. This approach differs from the developer/contractor supplied housing that has made up the bulk of the delivery to date (Tomlinson, 2006). Furthermore, PHP arose from the need to provide communities that have organized themselves into savings groups of the Homeless People's Federation with a means of engaging with the new housing policy. In a nutshell, with PHP as a housing delivery mechanism, the initial intention was to ensure maximum participation by beneficiaries as well as other relevant stakeholders such as community-based organizations and non-government organizations while the government plays an overseeing role. In the process, beneficiaries were encouraged to group themselves into working structures called Housing Support Centres (Department of Housing, 2005).

Against the above background, the aim of this paper is to assess the different experiences of beneficiaries in a self-help project (Thabong, Welkom) where people were given building materials to build themselves and those in a contractor-driven programme (Freedom Square, Mangaung, Bloemfontein) where small housing units of  $18m^2$  were constructed by a contractor. With this aim in mind, the paper intends to address the following objectives:

- provide an overview of existing literature in respect of self help;
- provide a comparison in terms of levels of satisfaction between the two abovementioned categories of beneficiaries;
- determine the scale at which such programmes adhered to fundamental principles of self-help housing; and

 based on empirical findings, make a number of recommendations for further policy development

In order to realize the aim and objectives as set above, two methods were applied in gathering the necessary data, namely 400 questionnaires administered to heads of household (200 in Thabong and 200 in Freedom Square); focus-group meetings (two in each area) were also held. To identify participating households, systematic random sampling was used in both areas. The study also represents an attempt to represent data in a longitudinal manner as a similar study was conducted in 1998. Overall, the paper provides some preliminary evidence of the empirical findings and represents work in progress.

2. The background to self-help in South Africa

Against the national background outlined above, the People's Housing Process (PHP) was implemented in South Africa from 1998. However, as Napier (2003) correctly indicates, the PHP was, to a certain extent, a "latecomer" on the scene in the context of the South African housing policy environment. A second wave of interest in PHP developed in 2003 when serious concerns about the existing contractor-driven approach became apparent. The Department of Housing, in an attempt to address the inherently contradictory principles of the People's Housing Process, introduced some interventions in its Comprehensive Plan for the Development of Sustainable Human Scttlements, Breaking New Ground. These interventions included a redefining of the People's Housing Process, new funding mechanisms for PHP, and institutional restructuring (DOH, 2004:17). But, as Baumann (2003:7) points out, "The 'rediscovery' of the PHP is perhaps driven more by the failures of the latter paradigm (referring to contractor-driven housing) than a belief in its potential to deliver good housing at scale". Thus, the renewed interest in the PHP process had little to do with any belief in the acceptance, in principle, of self-help or that of dweller control. Rather, the PHP was seen as a way of solving the problem in respect of the contractor-driven approach. Subsequently, a new approach to the PHP has been developed, namely "Community Driven Housing Initiatives".

Although the jury is still out on the "new" direction of the Community Driven Housing Initiatives, the outcome of the PHP, which, with a few exceptions, has been implemented mainly by Housing Support Centres, has been far from positive. In general, NGOs have serious concerns, while the application of PHP has been limited (Baumann and Mitlin, 2003; Baumann, 2003; Napier, 2003). A number of critical concerns have been expressed in existing research and I shall briefly reflect on seven of these.

Firstly, it does not seem as if the concept of dweller-control is used in any significant manner in the PHP policy or in practice. In fact, the concepts of self-construction and "sweat equity", quality housing, and larger housing units are commonly cited to express the motivation for PHP. For example, the Housing Code motivates the PHP approach as follows: "Experience has proved that if beneficiaries are given the chance either to build houses themselves or to organise the building of houses themselves, they can build better houses for less money" (Housing Code, 2000), while the Minister of Housing in 1998, Sankie Mthembi-Mahanyele, stated: "Self-building through the PHP [has] proved to be one of the most effective strategies in producing quality housing. Most of the ... houses

<sup>&</sup>lt;sup>1</sup> The Housing Code contains the operational guidelines of the South African housing policy.

built through this process were of better quality and bigger than those delivered through pure subsidy grants" (Gauteng News, 2001). It seems as if the intention in respect of PHP lies mainly in self-construction or the expectation of receiving something better, larger or cheaper (more cost-effective) in comparison to the product received by means of the contractor-driven approach. The silence on dweller control in a programme in which it should have been prominent is overwhelming.

Secondly, there seems to be some confusion in respect of the ideological underpinnings of the motivation for the PHP process. In this regard, neoliberal ideas relating to sweat equity and self-construction in order to transfer costs from the state to individuals are used in the same breath as more socialist concepts such as quality housing and bigger housing.

Thirdly, and linked to policy intent as discussed above, the implementation of PHP has been structured in such a manner that it ensures state control – this, despite the fact that PHP was justified through neo-liberal arguments. Thurman (1999) argues that many NGOs were concerned about the bureaucratic regulatory framework which leaves limited space for innovation and for community or individual response. The framework associated with the capital subsidy was restrictive in nature. And as Baumann (2003) rightfully suggests, the guidelines provided were almost similar to those of the normal contractor-driven approach. Khan and Pieterse (2004:19) state that a government in pursuit of delivery objectives tends to violate PHP principles, limiting beneficiary choice to unpaid labour (sweat equity). Baumann (2003:10) summarises this emphasis on state control in the following words: "Relationships have not changed: the state defines and retains control over the process, and the interface between it and beneficiaries continues to be a layer of state-approved, formal institutions."

Fourthly, there has been an extraordinary emphasis on technical control. The Housing Code stresses the aspect of technical support, linking it to Housing Support Centres in the following words: "Technical assistance and support in this process is, however, critical. Consequently, a crucial imperative of the PHP approach is the requirement to establish a Support Organisation" (DOH, 2000). The technical intent was further reinforced through a large number of norms and standards in the PHP process. Baumann (2003) argues that, despite the fact that the PHP process was exempted from registering with the Home Builders Registration Council, other norms and standards did apply (in some provinces more prominently than others).

Fifthly, the PHP has not necessarily resulted in a larger degree of choice for the dweller. The literature on PHP suggests that the houses are usually much bigger than those provided through normal mechanisms (Huchzermeyer, 2002). In some provinces a minimum housing size was set for the PHP. The irony is that, in many projects, it was probably not possible to offer individual households the alternative option of constructing a smaller house with higher levels of internal finishes.

Sixthly, in the context of a policy in which dweller-control is central, it is reasonable to assume that the housing architecture is likely to be diverse in nature, since dweller-control will result in different people building in different ways. Many projects (especially those conducted for the PHP by newly-established NGOs) resulted in the

<sup>&</sup>lt;sup>2</sup> A council stipulating the minimum technical norms and standards for house construction and providing a guarantee (at cost) for any technical defaults.

construction of similar housing products, or limited choice in respect of design and layout. To a large degree, many of the Housing Support Centres followed a locally-based contractor-driven approach to housing delivery.

Lastly, the relevant literature points out the prominent role that support organisations such as NGOs and CBOs play - or rather should play - in PHP projects (Oldfield, 2000; 2002; Huchzermeyer, 2002; Baumann, 2003; Lemanski, 2007). These institutions are generally regarded as mediators between the state and communities. Poor communities rely on support organisations to voice their concerns to local authorities. Although communities prefer working with support organisations, government tends to work through developers and individual beneficiaries (BRCS, 2003; Khan & Pieterse, 2004: 20). In cases where local authorities work with organisations, a procurement policy is in place for government to regulate and appoint support organisations of its own choice (Manie, 2004:12). On the basis of experience, NGOs and CBOs develop their own flexible approaches to PHP (Manie, 2004:12). A flexible approach of this kind, reflecting real self-help principles, is contrary to government's approach, which is aimed at controlling the PHP process. However, the capacity and strength of support organisations is also dependent on their own governance and interrelation systems. As Manie (2004: 10) points out: "the lack of well qualified organisations both in the NGO and private sector has given rise to a number of fly-by-night support organisations that have stepped into the vacuum with very little understanding or appreciation of what PHP is".

### 3. The empirical evidence

The empirical evidence that is portrayed in this section reflects two alternative forms to self-help and is not in line with the main forms of self-help as applied in South Africa. Historically, these two types of settlement developed as part of the land invasions after February 1990. Both projects benefitted from the R7500 rand per site provided by the Independent Development Trust for the site and service scheme. However, Freedom Square was an in situ upgrading project while the Thabong project was a greenfields project.

### 3.1 Socio-economic comparison

Before it is possible to assess the housing processes and outcomes, a broad socioeconomic comparison is provided in order to contextualise the structural aspects playing a role (see Table 1)

Criteria	Freedom Sq (contractor d		Thabong (provided with materials)		
	1999	2008	1999	2008	
Percentage of households with females as heads	50.0	57.2	55.3	46.6	
Percentage of household members with no education		10.8		9.0	
Percentage of households with only primary education		27.4		27.3	
Percentage of household members married		16.8		17.0	
Average household income	617	1854	880	1611	
Average household size	3.9	3.92	4.5	3.87	
Percentage of population older than 18 looking for work but unemployed		38.2	,	37.8	
Percentage of the population older than 18 who are employed		21.6		10.3	
Average age of head of household	44.0	48.6	46	55.03	
Average age of population		27.9		29.7	
Percentage of households who settled here before 1996		74.7		97.4	

The largest difference between the profiles of the two settlements in 2008 lies in the percentage of people older than 18 years who are formally employed. The respective figures are 21.6% in Freedom Square and 10.3% in Thabong. The lower levels of formal employment in Thabong can be ascribed to the massive decrease in the mining industry in the Free State Goldfields where Welkom (Thabong) is located. Linked to formal employment, it is noteworthy that, in 2008, the average household income in Freedom square is higher than in Thabong while the opposite was found in 1999. The two most significant discrepancies lie in the gender of the heads of household, the percentage of households who settled in the area before 1996, and the average age of the heads of the household. Similarities were reported for the average age of household members, the percentage of people older than 18 looking for work, the percentage of household members with no education, and the percentage with only primary school education.

### 3.2 Comparing housing size

In this section, the housing size of the two areas will be compared. The main question that begs to be answered in this section is whether the self-help approach or the contractor driven approach has resulted in the largest extensions in respect of the original house (see Figure 1).

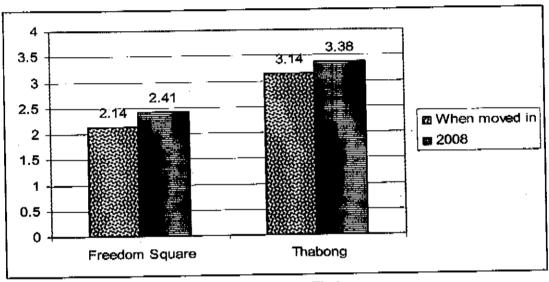


Figure 1: Housing size in Freedom Square and Thabong

The above figure suggests an increase in the housing size in both locations. In Freedom Square, housing size rose on average by 12% compared to 7% in Thabong. Considering the lower income in Thabong and the economic slump that the Free State Goldfields has experienced over the past ten years, it surely does not come as a surprise. Yet, self-help housing in Thabong still portrays larger units than the contractor-driven approach. It seems that much of the answer lies in the fact that the original house constructed by contractors was considerably larger than that constructed through self-help (considering that the same amount of subsidy was available for the two projects).

### 3.3 Extensions

Three aspects are considered in this section, namely the scale of extensions, nature of extensions, as well as the expectations for future extensions. The following key notes should be made in this respect:

- In Thabong, 17% of households have made extensions compared to 22% in Freedom Square.
- In Freedom Square, an additional 96 rooms and, in Thabong, an additional 39 rooms were added since the residents moved into their housing units.
- The average labour costs in Freedom square was R2 000 compared to 1750 in Thabong. Material costs in Thabong amounted to R1660. In respect of material, costs were R4 417 and R3 977 comparatively in Freedom Square and Thabong
- More importantly, only 5 respondents reported labour costs and 7 reported material cost in Freedom Square compared to 3 and 2 in Thabong.
- In Freedom Square, 96% of the residents used new building materials compared to 79.5% in Thabong.
- Overall, the highest percentage of extensions were financed through own savings.
   This is significant higher in Freedom Square (89.3%) than in Thabong (61.5%).
   The percentage of households who financed their housing extension through pension and severance packages in Thabong is high (15%) and can be ascribed to large-scale retrenchments in the Free State Goldfields.
- Family and friends assisted with the finance of 3% of houses in Freedom Square compared to 20% in Thabong.

- Cement blocks were the most common building material used in both places (69% in Freedom square and 61% in Thabong). Informal building materials constituted 5.4% of the extensions in Freedom Square and 10.6% in Thabong.
- The levels of self construction were extremely low with 16% of residents in Freedom Square and 7% in Thabong stating that they were building their houses themselves. Interestingly, 71% of respondents in Thabong appointed a contractor. This could probably be associated with the fact that severance packages (which resulted in a fairly large amount of money being available at a specific point) played a more important role in financing housing units.
- 72% of the respondents in Freedom Square and 79% in Thabong stated that they plan to extend their houses in future.

### 3.4 Levels of satisfaction

A number of interesting observations can be made in respect of levels of satisfaction. The respondents were asked about their satisfaction levels in respect of a range of housing aspects (see Table 2).

Table 2: Levels of satisfaction with housing in Freedom Square and Thabong, 2008

Statements	VS		S		U		D		VD	
	FS	T	FS	T	FS	T	FS	T	FS	T
The number of rooms in your	0.0	18.6	18.2	5.5	0.5	1.5	80.8	12,1	0.5	62.3
house	0.0	25.1	28.9	13.1	1.5	1.5	69.0	10.1	1.0	50.3
The size of the rooms in your house	0,0	23.1								
Type of material used to build your house	0.0	14.6	35.1	23.6	1.0	3.0	62.9	10.1	1.0	48.7
The layout of your house (interviewer explain)	1.6	49.1	81.8	28.1	1.0	3.1	15.6	6.1	0.0	13.8
The quality of the work done	0.1	24.4	38.7	16.6	1.6	4.7	56.6	16.6	2.6	37.8

It is evident from the table that the Thabong residents have far larger percentages in the very satisfied and very dissatisfied columns. The percentage of people who said that they are very satisfied is consistently more in Thabong than in Freedom Square. Although methodological aspects should not be excluded from impacting on these results (two different sets of fieldworkers were used), it seems as if self-help is more likely to create responses on both sides of the scale. This state of affairs can be ascribed to the fact that a large percentage of houses in Thabong has not been completed through the self-help process. Significantly, the high percentage of people being very satisfied with the layout of their housing unit should be noted.

### 3.5 The ability to integrate services into the house

As already mentioned, both housing projects were first funded by the IDT and was a typical site and service project in which beneficiaries were provided a stand, water on the stand, and waterborne sanitation through a separate toilet structure on the stand. Initially, no house was provided and the majority of households resided in an informal unit. The question is to what degree households were able to integrate the existing services into their housing units. The empirical results show the following:

• 4.6% of the respondents incorporated water into their housing units in Freedom Square compared to 10.3% in Thabong.

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Considering sanitation, 3.6% incorporated the original toilet into their housing in Freedom Square as opposed to 10.3% in Thabong.

Housing and business 3.6

The emphasis in breaking new ground is on understanding housing within the settlement environment. It is noteworthy that the percentage of households that operate a business from their housing units is considerably more in the case of Thabong. In the case of Freedom Square, 3.5% of the households operate a business from the house while 15.6% of households in Thabong operate an enterprise. Although this aspect requires more indepth research, it seems as if the ability to construct the final housing product according to one's own needs and not in terms of a uniform need could play a role in this respect.

### Conclusion 4.

The paper attempted to compare a self-help process with a contractor-driven housing construction process. The main conclusions that can be derived from this paper are:

- There have been serious concerns around the institutionalization and practice of self-help in South Africa.
- · Self-help in itself is not an automatic winning recipe. There is evidence of extremes in respect of residents' evaluation (either as very good or very bad).
- · Housing extensions in Thabong have been hampered by poor economic conditions in the Free State Goldfields.
- Self-help does not necessarily mean self construction or "sweat equity". In fact, the levels of self-construction are low compared to other mechanisms.
- Own savings contribute the largest percentage to the financing of housing extensions.

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## CONSTRUCTED HOUSING: THABONG AND MANGAUNG AS CASE STUDIES CONTRACTOR VERSUS SELF-

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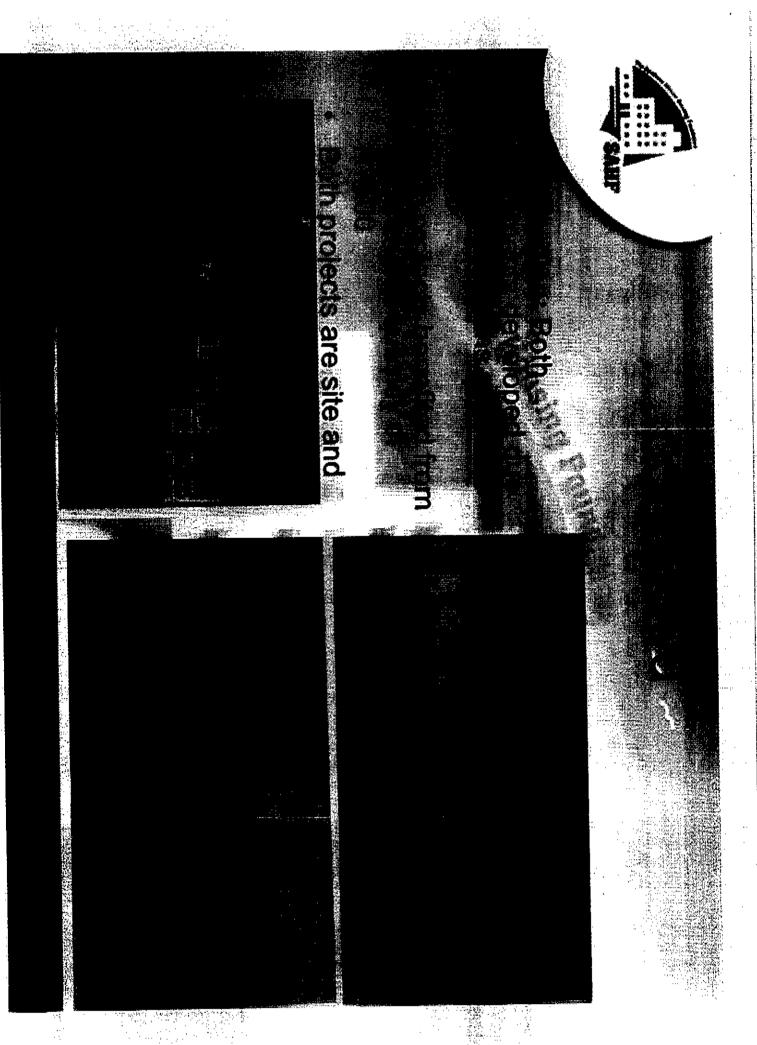


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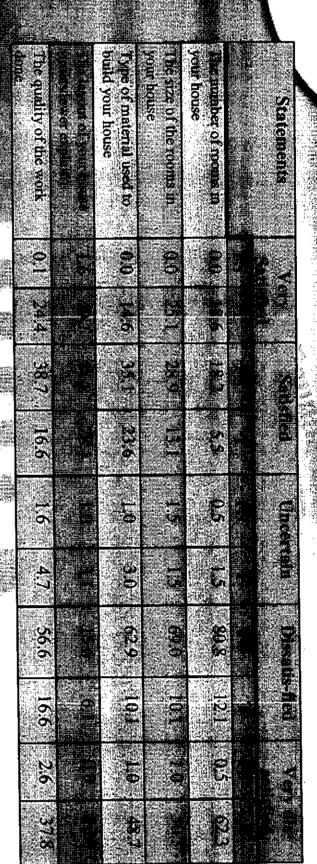
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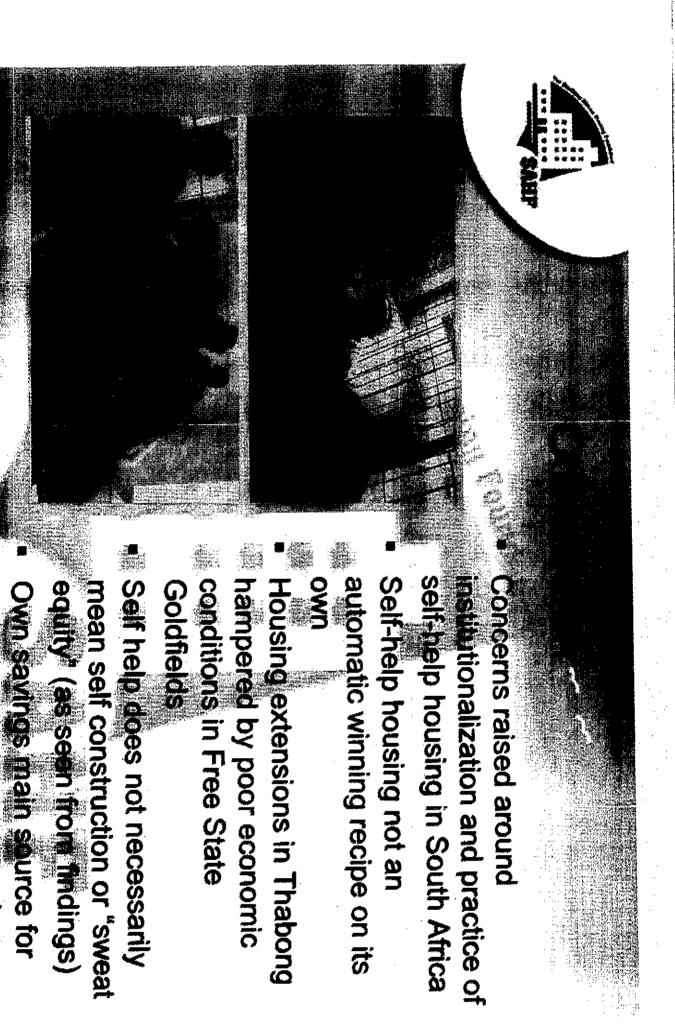
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