Briefing Paper 376

March 2015

Radical Policy Change in Housing Provision?

1. Introduction: "No Free Housing for under 40s!"

On 21st October 2014 Human Settlements Minister Lindiwe Sisulu announced that government had decided that free housing would no longer be given to people under the age of 40 years. There was a tremendous amount of criticism and negative reaction to what the minister reportedly said, reflected in many newspapers and radio talk shows. Headlines ranged from: "Need a free house? Under 40? Tough: Sisulu"; "You've lost nothing to apartheid, Sisulu tells youth"; to "No free housing for under 40s – Sisulu". The minister was quoted as saying to journalists in Durban at the 6th Planning Africa Conference: "Now if it is not clear, say it in every language. None of you are ever going to get a house free from me while I live." i

There are four important issues at stake: Firstly, the insensitivity of some of the minister's comments about people under 40 and their relationship to the country's past. If the reports are true, to say to anyone previously disadvantaged that they 'lost nothing to apartheid'ii is at best unfortunate and at worst cruel. All lost so much that it is incalculable, even those born after 1994.

Secondly, putting aside the minister's unfortunate choice of words, there is in fact a radical shift in policy here, not simply as regards who gets a house first, but also in what is becoming the department's and the government's overall attitude to the challenge of housing in the country.

Thirdly, it raises a much wider question of whether this radical shift in policy is limited to human settlements, or whether it will be mirrored in other departments' policy changes where the challenges of poverty alleviation and development are concerned. For instance, should South Africans be concerned that with the rising cost of education there will be ministerial calls for more stringent

hurdles for accessing financial support for students?

Finally, there is already discontent among some regarding government policy, with the radicalisation of trade unions and the radicalisation of the poor themselves, and among others, a general attitude that argues that everything costs money and therefore everyone, including the poor, must pay the actual cost of everything.

2. The Poor Person's Burden

One of the policies of the National Party under Apartheid was to produce heavily subsidised electricity in order to underpin economic development. Post-1994, with the imperative to meet the needs of the poor and the previously disadvantaged, the then government decided that increasing electricity generation should be undertaken by private enterprise, and so there was an aborted push towards privatisation of electrical supply. Ultimately, insufficient new production capacity was secured. With the subsequent blackouts and load-shedding of the late 2000s, there was a rush to build new power stations, with ever escalating costs, leading to progressively higher electricity prices, and with more and more of the poor being asked to pay higher and higher prices. What is of concern is that, since the large electricity consumers locked ESKOM into long term contracts ensuring low prices for electricity, it now falls on the poor and hardworking ordinary families to subsidise and pay for the new power generation capacity. Thus the burden of electricity supply has increasingly started falling directly on the poor, ordinary citizens. With increasing electricity prices, and more poor people reverting back to cheaper paraffin, especially for heating and cooking, the post-1994 benefits of the electrification of all settlements. including informal human

settlements, in an attempt to reduce fires started by candles and paraffin stoves falling over, will diminish. The benefits of improved health among the poor – who had stopped using paraffin stoves, coal and wood fires, with negative respiratory consequences – would also be lost. This is because, as the price of electricity becomes more and more unaffordable, people begin to revert to unhealthy and dangerous but cheaper options for heating and lighting.

Thus, any change in housing policy that means those living in informal settlements who, because of their poverty stand a very slim chance of ever affording to buy a house or land, will endure consequences well beyond the immediate absence of decent shelter.

3. The Right to Housing

The preamble to the Housing Act 107 of 1997 says that, in terms of section 26 of the Constitution, everyone has the right to have access to adequate housing, and the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right; and, furthermore, that Parliament recognises that:

Housing, as adequate shelter, fulfils a basic human need;

Housing is both a product and a process;

Housing is a product of human endeavour and enterprise;

Housing is a vital part of integrated developmental planning;

Housing is a key sector of the national economy;

Housing is vital to the socio-economic well-being of the nation

Beyond that, the ANC's 1994 election manifesto, under 'human settlements and basic services', says that the party would seek to "ensure that all South Africans have access to adequate human settlements and quality living conditions through programmes that provide one million housing opportunities for qualifying households over the next five years, and providing basic services and infrastructure in all existing informal settlements".iii

With these ideals and promises stating clearly that the right to housing is for *all*, and not simply for some – such as the elderly or those in emergency need – on what basis can government summarily declare those under 40 no longer enjoy fully the right of access to housing?

4. Reading the Fine Print: Is Housing a Right or Not?

4.1 The Constitution:

Section 26 of the Constitution says that "everyone has the right to have access to adequate housing." However, a lot turns on the interpretation of the word 'access'. Since the right is not to housing per se, but to access to housing, it means that the state at all levels can legitimately argue that the Constitution is pointing to a legislative and structural framework that allows anyone to find and acquire a house, however and wherever they want to, without putting that burden of provision directly on the state. Thus, while no-one may be denied the opportunity to acquire a house because of their race, gender, marital status, etc., this does not mean that someone who cannot afford to buy a house is entitled to receive one free from the state.

It may be possible, however, to argue that other constitutional principles require the state to house people. Several of these exist but two are significant:

- a) Sections 10 and 11 of the Constitution recognise people's inherent human dignity, and right to life, and section 27(1)(c) provides people with a right of access to social security, including, if they are unable to support themselves and their dependants, appropriate social assistance. Thus, if anyone is unable to support themselves, and to preserve their dignity, or if destitution threatens their life, then the state arguably becomes duty bound to provide housing for them.
- b) Extremely significantly in South Africa, we come from a legacy of great injustice, and justice demands that those denied opportunities to housing, and those who had everything taken away from them, including denial of adequate education that would have enabled them to make a living and house themselves, cannot simply be discarded under the mantra of 'not promoting a culture of entitlement'. Those who enjoy comfortable if not luxurious housing on the back of a centuries of injustice, or those who have since

benefited from positions of privilege post 1994, cannot and should not turn on the poor and demand that they slave away saving a few rands to house themselves, while in the meantime living in the squalor and misery that poverty has consigned them to in the informal and squatter settlements across the country. It is simply immoral to blame the poor for being poor after being deliberately impoverished for years because of what they have gone through historically. Thus, providing housing for the poor is a demand of justice, and of restorative justice in particular.

c) The preamble to the Constitution refers to a recognition of the crimes of the past, and notes that the Constitution was adopted so as to, among other things, "improve the quality of life of all citizens and free the potential of each person" iv. Besides education and health, housing is a crucial part of the improvement of the quality of life of any person.

4.2. Integrity

Promises to build houses, made by politicians to the poor in return for votes, must surely be fulfilled. It is simply a matter of honouring one's commitments; after all, people do vote based on promises made. If, at the time of the 2014 election, it was the politicians' intention to limit free housing for under-40s, this should have been disclosed to the electorate.

5. The Will to Do What Needs to be Done

This brings us to the argument that the state cannot afford to build a house for everyone. It is true that budgetary constraints mean that the state cannot provide everything to everyone. However, after the Second World War, the German, Japanese, and British and other governments embarked on huge rebuilding projects and ensured that everyone ended up with not just housing, but adequate housing. Minister Sisulu herself, speaking on 16th October 2014 at the Human Settlements Indaba in Sandton, noted that it took Germany ten years to build six million houses. Thus, it has been done before and it can be done again. Maybe it is simply a question of will. Even if the state were to provide only serviced land, the greatest challenge in housing - squatter settlements - would be solved. South Africa has managed 2.68 million houses in 20 years, but much more is possible and indeed necessary!v

Writing in 1993, in the publication *The Forum, Vol* 2, Mark Napier, in a paper titled The Housing Problem in South Africa: Ideological perspectives, notes that between 1970 and 1984 there were at least 14 government investigations, inquiries and commissions about housing. In 1991, out of a population of 38 million, 7 million South Africans were estimated to live in urban informal housing. He noted that the Urban Foundation^{vi}, dissolved in 1995, had found that in 1991 there was a 1.22 million housing unit backlog, and a 133 000 annual need of new household formation, amounting to a need to build about 174 000 units per year for the next 20 years to keep up with population growth. vii At this point the state has built 2.8 million houses, twice what was required in 1991, but the need still remains.

In 2001, 16% of all households were informal, and in 2011, 13% were informal^{viii}. This means that it is possible to deal with the housing shortage, and that the state is going in the right direction. Instead of slowing down or giving up, the state should be encouraged by these successes and thus do more to give poor people the dignity they deserve.

6. If You Can't Meet Your Goals, Lower Them!

In September 2005, after much consultation, the *Social Contract for Rapid Housing Delivery* was produced, which articulated government policy direction and aims regarding housing. Two of the targets expressed were:

- The removal or improvement of all slums in South Africa as rapidly as possible, but not later than 2014.
- The fast-tracking of the provision of formal housing within informal settlements for the poorest of the poor and those who were able to afford rent of mortgages.

With this the government, through the programme *Breaking New Ground*, committed itself to undertake to "achieve housing for all by 2014".

Come 2014, because these ideals had not been met, it seems government decided that they would never be met and so should simply be lowered or abandoned, and the country resign itself to having huge numbers of people without adequate or any housing at all. Some would argue that the

government has decided to simply provide housing, not as a social ideal central to building a new society, but rather as a social service for pensioners and other 'vulnerable' groups. The idea that housing is a right and a necessity seems to be replaced by the idea that housing is a privilege. Thus, working for greater involvement of the private sector seems to be the new focus of housing policy.

If, as it seems, it is indeed the government's desire for a policy shift away from the ideals about housing espoused for over 20 years, and the ideals stated in the 2005 *Social Contract*, then all the problems associated with lack of housing will continue to haunt South Africa for many more years. Let us hope that the failure to invest in

housing for the future will not come back to haunt the country just as a failure to invest in electricity generation is haunting the country now. Let us hope that a future of land grabs, invasions of empty housing (already being seen in some places), violence associated with competition for scarce resources (which was one of the factors in the xenophobic attacks of 2008), reduced health outcomes, more squatter settlements and more violent protests and all associated phenomena, are not the legacy that is being set for the future, simply because of a seemingly failing will to do what needs to be done.

Matsepane Morare SJ Researcher

This Briefing Paper, or parts thereof, may be reproduced with acknowledgement. For further information, please contact the CPLO Office Administrator.

i http://www.polity.org.za/article/no-free-housing-for-under-40s-sisulu-2014-10-21

http://www.iol.co.za/the-star/we-are-not-short-of-ambition-1.1723723#.VEjorRb3jIc

iii http://www.citypress.co.za/politics/youve-lost-nothing-apartheid-sisulu-tells-youth/

iii http://www.anc.org.za/2014/wp-content/themes/anc/downloads/Manifesto_Booklet.pdf

iv http://www.gov.za/documents/constitution-republic-south-africa-1996-preamble

v http://www.sanews.gov.za/south-africa/housing-delivery-sa-how-have-we-fared

vi The Urban Foundation was set up in 1977 by Harry Oppenheimer and Anton Rupert as a privately funded think-tank formed in the wake of the 176 riots to provide neo-liberal solutions to the issues of apartheid. http://www.sourcewatch.org/index.php/Urban Foundation

vii http://research.ncl.ac.uk/forum/v2i1/Housing%20Problem%20in%20South%20Africa.pdf

viii Note that the 2011 census puts the number of informal households at 13 % while the Housing Development Association puts this at 11%. http://www.thehda.co.za/uploads/images/HDA_South_Africa_Report_lr.pdf and http://beta2.statssa.gov.za/?page_id=595