

Comments on “Attacking urban poverty with housing: towards more effective land markets” by C.Cross

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General Comments

The topic of the paper is interesting. Looking at housing as a weapon or tool to attack an enemy in the form of urban poverty already gives an indication of what the article is about. To suggest that the outcome should be effective land markets is already indicative of the fact that these markets are not effective and the challenge therefore is to make them more effective.

The paper itself is more about housing than it is about land *per se*. This is understandable given the difficulty of isolating land issues from housing issues especially in an urban context.

Running through the paper is an expression of guarded optimism about delivery and state capacity to meet its objectives. The paper sees policy as working and government delivering albeit insufficiently for the challenge.

Cross displays a good working knowledge of many housing development projects and lessons learnt from them. This is effectively used to illustrate and emphasise many points. There is repeated reference to projects such as Diepsloot, N2 Gateway and Crossroads.

More interesting is the paper's grasp of dynamics at grassroots level. How communities have sharpened their skills in effecting stoppages and how some of these are used by individual power brokers to gain access to higher office is well articulated.

Not convincing

It is both in the introductory chapter and in the debates and queries section that the paper attempts to convince us that the BNG process was widely consultative and that BNG represents South African thinking about the housing issue. The paper asserts that the BNG initiative was from the outset fully inclusive of important stakeholders and recognized experts.

There is documented evidence however, by one of the team members who put the [informal settlement] policy together, that the [policy making] process did not allow enough time for consultation. Marie Huchzermeyer has lamented the pressure under which her team had to produce [informal settlement policy research] within three months for the purpose of meeting the deadline set by cabinet for the production of a convincing plan.

The paper seems to try and make the argument that the intention had been to eliminate shacks and replace them with formal housing. It argues that it was the intervention of the Social Contract for Rapid Housing Delivery 2006 which actualised the improvement of existing shacks as opposed to eliminating them all.

This cannot be as the BNG itself recognises and accepts the need for improvement. After all, this has already been put into practice in many areas. In fact BNG advocates that where feasible, shacks will be upgraded where they are and only replaced where it is technically not feasible to improve them *in situ*.

The paper cites a study by the HSRC that reflects unknown numbers of households who already have formal housing leaving their RDP houses and moving back into shacks to argue that they do so because housing delivery has failed to lift them out of poverty.

It needs to be stated that there have been many observations about the affordability of formalized environments to the very poor. The burden of paying for services and the costs of transport from badly located formal low cost housing developments have been observed as some of the affordability issues impacting on those who have been allocated RDP houses.

Those abandoning RDP houses are not necessarily doing so because housing has failed to lift them from poverty. It is also as a result of allocations to those who want and not need housing. It is also those who are enterprising by putting their houses up for rental to augment income. Included are also those who do not value the RDP house because they have other houses in rural areas. Indeed the RDP house is limiting in space whilst some shacks are more spacious. It has never been the assumption of government policy that once people are allocated RDP houses they would have been lifted out of poverty.

Of interest

Cross goes into detail about informality. The paper describes informality as a process by which the poor evade regulated formal systems to arrive at desired outcomes. This they do because the formal processes are complicated and unaffordable. Literature on informality is examined and observations are made about how the literature is about addressing the prevalence of informality. It is about how to formalize housing and eliminate informal institutions that support it. The Millennium Development Goals target slums as negative and the informal institutions as undesirable. The World Bank argues for property rights for their uplifting effects. Improved housing and access to land do not only have direct effects on the lives of the poor but also sustainable land markets have the potential to exclude the informal institutions like shacklords and patronage politics.

The paper proceeds to observe that excluding informal institutions is not an easy task. This is so given that there is evidence of these informal institutions re establishing themselves in formalized areas and being able to marginalize the formal systems. Further observation is made of informal areas not being easily permeable to the larger economy

and the polity. The conclusion here is that the informal institutions are strong and entrenched and that persuading the poor to transact formally is a challenge.

The paper moves on to single out de Soto as having complicated the field of housing in South Africa by making a case for land titling as a means to bring dead capital into the market and thus empower the poor with tradable assets. The paper argues that evidence exists that poor people have been reluctant to pledge housing and land as collateral. The paper then concerns itself with the relationship between De Soto thinking and the housing policy as anti-poverty.

The inadequacy of social housing as a response to urbanisation pressures and current shack settlements is well argued in the paper. Here emphasis is put on speed with which well located social housing should be delivered.

In presenting the case for the role of housing for poverty alleviation within the social cluster, the paper examines the efforts of the social cluster to promote poverty alleviation, specifically singling out Social Welfare. The argument is for housing to be provided as a physical base complimenting the social welfare programmes. These programmes properly implemented in a complementary way should be able to shield the poor from poverty and propel them to self sustainability as their circumstances change.

Not raised

Perhaps it would have been helpful to touch on the African and South African perceptions of land and land values as an inhibiting factor to entering the market. In African traditional perceptions land is not a commodity for exchange. It is a platform on which family and family values are passed down to generations in perpetuity. It is a family base. The value of land and housing increases with time and is influenced by events such as births and deaths, and marriages: sad and joyous memories. The accumulated sentimental value tends to be difficult to convert into monetary value. Even in modern urban settings, families who have lived for long periods on a property will tend not to attribute a monetary value.