

Let's see the real value in RDP houses

by Kate Tissington, Kecia Rust, Robert McGaffin, Mark Napier and Sarah Charlton

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ON AUGUST 10, the North West human settlements department issued a media release — “RDP house turned into a tuckshop — Mohono acts,” which described how the North West human settlements MEC Desbo Mohono had made a “startling discovery” during her visit to assess progress on a new housing project in Tlhabologang, Coligny. Here she found one of the RDP houses occupied by a businessman operating a tuckshop from the premises, while the owner, who lives on a neighbouring farm, charged the tenant R700 a month in rent.

The MEC gave the businessman 14 days to remove his belongings, saying the owner would be deregistered and his house given to another beneficiary on the waiting list. According to Mohono, “these houses belong to the needy. We will not allow people to use them for personal profit.”

There are a number of problems with the MEC's approach. First, she has no authority to evict the legal tenant. Second, she cannot deregister the owner and reallocate the RDP house. The National Housing Act states that a beneficiary of a state subsidised house “shall not sell or otherwise alienate his or her dwelling or site”. However, letting property does not amount to alienating it.

The MEC's attitude belies a common perception of the usefulness of RDP houses. Why would a subsidy beneficiary choose to rent out their house for R700 a month?

One could point to the failure of the current RDP system and the predominant model of providing individual title in peripheral areas, where there are few socioeconomic amenities and limited job opportunities. One could also point to the success of the RDP system in the way it generates new and alternative economies that enable people to sustain their livelihoods amid high unemployment. The latter situation, however, is possible only where people are allowed to make rational choices about their own productive tradeoffs, housing arrangements and income-generation activities.

The housing subsidy system was initially developed on the assumption that a house is a valuable asset for an individual, as well as a neighbourhood and broader society. From the perspective of the subsidy beneficiary, income-earning potential may well be a valuable expression of the housing asset. For the owner, it makes sense to rent out his house for extra income.

From the perspective of the neighbourhood, the availability of a spaza shop in an otherwise residential dormitory would be a welcome addition. The state, too, should see benefit in the arrangement, as two people are economically empowered.

The Department of Human Settlements has charged itself with developing integrated, mixed-use “sustainable human settlements” that include social and economic amenities and opportunities. Until now, most RDP housing developments have not

catered for non-residential activities; thus RDP houses are used to provide a necessary service to the community.

Many small enterprises want to grow into more formal entities, but there is no affordable formal space available. The choice is often between informal street or spaza trading, and trading out of a shopping mall. There is a need for an intermediate trading space. This need can be fulfilled through the use of an RDP house.

Under SA's conditions of chronic poverty, inequality and structural unemployment, can it possibly make sense for the MEC to deprive two people of their livelihoods and destroy a mutually beneficial arrangement that is common in SA?

We need to understand the choices people are making in difficult economic circumstances, with a view to supporting successful endeavours rather than punishing people who are leveraging their RDP houses in rational and understandable ways. Most importantly, we need to start seeing housing provision within its broader macroeconomic context — linked to industrial policy and national planning initiatives — and acknowledge its intrinsic relationship to job-creation and livelihood strategies.

The writers represent the Socioeconomic Rights Institute of SA, FinMark Trust, Urban LandMark and Wits University.