

A NEW RESPONSE TO INFORMAL SETTLEMENTS

By Mark Misselhorn



At least 10 percent of South Africa's 44 million people live in urban informal settlements. This equates to more than 1.2 million households and an informal settlement population of over 4.4 million.¹ Approximately 23 percent of the households in South Africa's nine largest cities are estimated to be without adequate shelter.² In reality, the actual numbers are probably significantly higher than these figures suggest.

Living conditions within these settlements are typically poor with residents facing a range of basic livelihood challenges, including poor access to basic sanitation and water supply, solid waste accumulation, recurrent shack fires, safety and security risks, and a range of health hazards. Despite the best intentions of government, and the progressive nature of policies such as Breaking New Ground, limited progress has been made in bringing much needed development and quality of life improvements to this significant portion of our population.

The rights and commitments enshrined in our constitution and various national and international development goals are not being sufficiently realised resulting in growing frustration at grassroots level. An inability to deliver against the ongoing political promises of housing and basic services has added fuel to the fire. The issue of informal settlements has thus become a developmental and political powder-keg in South Africa, which now requires swift, innovative and effective action.

Emerging Consensus

Against this backdrop, there is now a growing realisation that the provision of emergency relief and interim basic services for informal settlements in a broad-based fashion is a necessary and appropriate response that needs to be rolled out and up-scaled as soon as possible. Some metros, such as eThekweni, already deliver such responses (outside of their housing programmes) and are in the process of intensifying them, because they recognise that the delivery of housing itself is a slow and extremely resource intensive process.

However, despite the broad consensus which is emerging, there is not yet consensus on two key issues, which are critical for success: (a) the need to de-link the new responses from the delivery of housing subsidies (and possibly from the housing programme itself); and (b) the need for a dedicated national programme and associated funding source (grant), which provides the necessary mandate and financial resources to metro's and municipalities where informal settlements are concentrated. The lack of a broad-based consensus on these two issues now poses a critical constraint to rapidly up-scaling and mainstreaming much needed developmental responses for informal settlements.

1 Statistics South Africa 2007 and South African Cities Network 2004 • 2 Statistics South Africa 2003

The purpose of this article is therefore three-fold:

- To engender greater pragmatism, understanding and compassion in addressing the critical issue of informal settlement in South Africa;
- To outline the change in methodological approach that is required (based on a rapidly emerging national consensus); and
- To suggest the institutional arrangements and funding mechanisms that are required.

Housing Delivery is Not a Stand Alone Strategy

At the outset it must be recognised that the conventional approach to addressing the challenges posed by informal settlements simply cannot deliver a sufficiently rapid response at sufficient scale. This is due to a range of underlying constraints to which there is no easy solution. The conventional approach has been premised mainly on the delivery of subsidised low income housing, sometimes through *in situ* upgrading, but more often by means of the relocation of informal settlements. The constraints to this approach succeeding as a stand alone strategy are insurmountable. The limited success in addressing the informal settlement housing backlog over the past fifteen years bears testimony to this. The scale of informal settlements, instead of decreasing, has increased over this period.

The constraints include:

- The insufficiency of budget to cover the huge capital costs required (i.e. for housing as well as the associated land and infrastructure);³
- A severe shortage of sufficient suitable and affordable land;
- Constraints in terms of the adequacy of existing bulk services;
- Capacity limitations both within the private sector and government;
- The difficult nature of many informal settlement sites (e.g. high densities, steep slopes, geotechnical and drainage problems);
- And a lack of suitable relocation destinations (e.g. which are suitably located relative to job opportunities and social services such as education and health).

It should also be recognised that housing delivery is also an inherently slow process. Despite aspirations to fast-track delivery, historical analysis shows that it takes an average of at least nine years from the commencement of preparing an *in situ* upgrade project to its completion.⁴

Advantages of the New Response

Whilst the delivery of low income housing undoubtedly has an important role to play in addressing the challenges posed by informal settlements (mainly by means of upgrading), it thus needs to be rapidly augmented by a more broad-based and

inclusive response that is complementary to housing delivery, but which focuses only on the rapid delivery of emergency relief measures and basic interim services. Such an approach has a range of important advantages, including its ability to more rapidly deliver a range of tangible developmental benefits at a relatively low financial cost. Importantly, it can also contribute significantly to national and international development goals, including the 2014 Millennium Development Goals, for example, by means of rapidly providing access to basic water and sanitation at a significant scale.

What Does the New Response Consist of?

Emergency relief and interim basic services are responses that address immediate and pressing day-to-day challenges within informal settlements. Some key characteristics of the new approach are as follows:

- *They may or may not form part of a long-term upgrade.*
- *The responses provided need to be informed by an understanding of the specific needs and conditions within each informal settlement, and would vary from one settlement to another. Amongst other interventions, they would typically include a mix of the following: basic water and sanitation, fire protection measures, solid waste removal, emergency vehicular access (where possible), and footpath access.*
- *Rapid up-front assessment and grading of informal settlements at municipal and area levels is therefore an essential first step in order to determine the appropriate level of developmental response.*
- *Project preparation in the form of a simple settlement development plan then needs to be undertaken for each targeted settlement. This would include engagement with community leadership and a technical evaluation of such factors as topography, existing services, geotechnical conditions, land ownership and bulk service availability. The resultant plan would identify and prioritise the most important basic or emergency services and provide broad specifications and cost estimates for their delivery.*
- *Land acquisition, planning approvals and tenure provision cannot be pre-requisites for the delivery of the emergency or interim services, since this would effectively prevent their rapid provision. (Although in cases where a full upgrade is intended, then these activities would also need to be dealt with at the appropriate time.)*
- *The approach needs to be made a requirement for inclusion in the municipality's housing sector plans and infrastructure delivery plans so that the national strategies arising from Breaking New Ground and a (yet to be established) informal settlement development programme are actually put into practice at local level.*
- *There needs to be effective and transparent communication between municipalities and the*

3 Notwithstanding other constraints, the author estimates that it would take at least ten years to provide the funding necessary to eradicate the informal settlement backlog, assuming (optimistically) that 75 percent of the entire national housing subsidy budget could be allocated to addressing informal settlements. This is based on a comparison of the current national housing budget allocations against the actual informal settlement backlog and the actual costs of housing delivery. 4 This includes the time required for preliminary planning and design, land acquisition, housing subsidy and other funding approvals (e.g. land and infrastructure top ups), detailed planning and design, planning approvals and township establishment, construction, of internal services and in some cases bulk infrastructure, and top-structure delivery.

residents of informal settlements so that the constraints and plans relating to their settlement are understood, as well as the (realistic) timeframes for implementation.

- Wherever possible, measures need to be taken to *limit or eliminate further densification and influx*, especially once a developmental process has been initiated. Negotiation with community leadership and shack numbering are amongst the ways to achieve this. If this is not done, then developmental responses will inevitably be compromised and urban influx may be (artificially) stimulated.

The New Response and the Existing Housing Programme

Whilst the new response could in theory be provided via the national housing programme, in reality this has not occurred, nor is this likely unless some fundamental changes occur. In theory, a funding mechanism exists via the informal settlement upgrading grant, and while Breaking New Ground, in theory, creates sufficient flexibility, in practice this would require a dramatic departure from the usual thinking and practices within housing departments. The inertia is too great.

Simply put, housing officials are very unlikely to move in an entirely new direction and allocate the necessary budget to do so, unless there is a clear and unequivocal instruction to do so from above. At a practical level, such basic pre-requisites, such as the necessary application forms, evaluation criteria and decision-making processes, do not yet exist. Housing departments therefore remain focused only on housing.

The newly established National Upgrading Support Programme (NUSP), which falls under the National Department of Human Settlements, is a notable exception and holds significant promise. Yet it too will need to overcome the inertia. In addition, its focus appears to be confined to settlements that are on a developmental pathway to full upgrading and eventual housing delivery. Settlements not on this pathway, which are significant in number, would be potentially excluded.

National Informal Settlement Development Programme

In order to successfully implement the new approach, a dedicated national informal settlement development programme needs to be established that receives the necessary priority and funding allocations. It is important that this programme be infrastructure-led rather than housing-led and that it either be located outside of the national housing programme or else established as a clearly differentiated programme within it.

There are four main reasons why the programme needs to be clearly differentiated from the main housing delivery programme:

- a) The intervention is about basic services and not housing.
- b) The basic services provided may often not lead to a full upgrade (including housing).
- c) If interim services and emergency relief were to be provided under the 'banner' of housing departments, then they would

probably not be accepted by communities who would regard them as a second grade substitute for a complete RDP house, which has often already been promised.⁵

d) Housing policy requires a very formal developmental process with onerous pre-requisites, such as land acquisition and planning approvals, before capital funding for project implementation can be released, whereas emergency relief and interim basic services cannot be rapidly expedited if such onerous pre-requisites are applied.

Funding Mechanism

While a range of funding mechanisms could be considered, it is important that the chosen mechanism be rapid (quick funding release), flexible (accommodative of differing local conditions), and non-bureaucratic (simple, accessible and free of red tape). In theory, it could be located with the existing housing programme or within MIG. Both options would present challenges: as part of the housing programme it would be difficult to delink from housing subsidies and would thus come with political risk, whilst MIG is already over-burdened administratively dealing with extensive infrastructure backlogs outside of informal settlements. It is therefore suggested that a dedicated funding stream (grant) be considered, which flows directly from a national informal settlement development programme to metros and municipalities, in order to streamline the flow of funding and decision-making processes. This could either occur by means of an existing conditional grant, such as the provincial infrastructure grant or else by means of a new and dedicated grant.

The programme would need to clearly specify the conditions for the release of such funding. Funding would need to be released in three tranches:

- a) Rapid upfront assessment and grading (broad categorisation of settlements at an area or municipal level and prioritisation of those for which emergency relief or interim services are appropriate).
- b) Project preparation for the development of settlement development plans for prioritised settlements, which would provide the basic specification and cost estimates.
- c) Construction of emergency or interim services.

Irrespective of where the programme was located, it would need to be clearly de-linked from the provision of housing subsidies, or else there will be an automatic expectation by communities that they are now on a housing waiting list and that the provision of housing will inevitably follow. If the expectation of housing subsidies is created, then rapid influx into the targeted settlements would be the inevitable result as people scramble to secure their place in the housing queue. This needs to be avoided at all costs since it distorts informal property markets and increases the scale of informal settlement. In reality, many informal settlements may not in fact be fully upgradeable in the medium term and some may in fact never be fully upgradeable.

Understanding Informal Settlements Better

In delivering the above-mentioned programme it should be recognised that, while informal settlements are certainly problematic in many respects for residents, local authorities and policy makers alike, they also undoubtedly play an

5 In this regard it is noted that within eThekweni Municipality, emergency services and interim servicing are provided by the City's engineering services department rather than its housing department.

important de-facto function in providing the urban poor with easy cost effective access to urban environments. Informal settlements typically represent the best available residential opportunity for the urban poor relative to their survival strategies and livelihood needs in an environment where there are few, if any, other affordable residential options available.

Whilst facing a range of day-to-day challenges, residents are typically able to achieve better access to employment, livelihood opportunities, education, health care and other amenities than the 'next best' available residential option, which is typically either more costly or else located at a greater distance from the urban centre or with poorer access to affordable public transport. It is for this reason that low income, subsidised houses, often in poor localities, are sold informally by beneficiaries who then return to living in informal settlements.

In the long run, the underlying socio-economic causes of informal settlements ultimately need to be recognised and more effectively addressed. This will require greater emphasis on more effective education, appropriate skills development, and economic growth. The provision of basic infrastructure and housing should not deflect us from our priority focus on the development of our human capital, which is the only sustainable basis for the socio-economic restructuring and transformation of our country.

Changing the Language Used

The use of language such as 'slums eradication' or 'slums elimination' is problematic, because it tends to alienate residents of informal settlements and create uncertainty. Such language creates the perception that informal settlements and their residents are regarded as illegal and unwanted, that they are therefore somehow 'outside' of our new democracy, and that the state's primary response to them will be through processes such as evictions and relocations. The use of such language thus tends to undermine the good intentions enshrined in such policies as Breaking New Ground.

In Conclusion

In conclusion, a clearly focused national informal settlement development programme represents a practical and necessary alternative response to conventional housing delivery, which rapidly delivers a range of tangible development benefits to informal settlement residents at significant scale. Such a response can help to bridge the gulf that currently exists between the state and a key portion of civil society whose current experience is one of neglect and marginalisation. It is critical that this alternative response in the form of emergency relief and interim servicing be more broadly and rapidly activated and that it receives the necessary political, administrative and budgetary commitment it requires. **T**

THE PROCESS OF RAPIDLY GRADING INFORMAL SETTLEMENTS FOR APPROPRIATE DEVELOPMENTAL RESPONSES

A rapid upfront evaluation of all informal settlements should be undertaken at municipal and area levels in order to ensure that appropriate developmental responses are made that are informed by a basic understanding of the status quo, including the developmental constraints. The main categories of informal settlement that should be utilised can be summarised as follows:

Category A:

Settlements for which housing subsidies and infrastructure funding are already approved, and which are either already scheduled for full upgrading (full services + individual tenure + top-structure provision) or relocation with a suitable destination already or imminently available. It is anticipated that this category will constitute a relatively small proportion of all informal settlements, probably no more than ten to fifteen percent.

Category B:

Settlements that do not warrant immediate relocation (for example, no imminent environmental danger such as flooding), but for which there is not yet any approved or imminent funding for full scale upgrading or relocation. These settlements therefore require some form of interim servicing or emergency relief; for example, fire protection, basic water, sanitation, and solid waste removal. It is expected that this category will constitute the bulk of in-

formal settlements, probably between 70 and 80 percent. There are two possible sub-types within this category:

1. Those for which full upgrading (full services + individual tenure + top-structures) is possible in the medium to long term. In addition to the provision of emergency relief, in the case of these settlements, it may also be appropriate to commence with a process of incremental upgrading; for example, commencing with interventions such as preliminary planning, land acquisition and more comprehensive servicing.
2. Those that may be difficult or impossible to fully upgrade; for example, due to difficult topography or very high settlement densities; and for which no more than the provision of emergency relief is appropriate.

Category C:

Settlements where the residents are in immediate danger or at high risk; for example, subject to regular flooding or toxic waste exposure; or where land is urgently required for other purposes. In these instances, the provision of emergency relief is not appropriate and urgent action needs to be taken in order to enable rapid relocation, such as identification, acquisition and planning of alternative land. It is expected that this category will constitute a relatively small proportion of informal settlements, probably no more than 10 percent to 15 percent.

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