

A Review of the Housing Policy in Limpopo Province, South Africa

PRINT: ISSN 0970-9274 ONLINE: ISSN 2456-6608

Lourens Johannes Erasmus Beyers

Turfloop Graduate School of Leadership, University of Limpopo, South Africa

KEYWORDS Community Survey. Corruption. Housing Challenges. Reconstruction and Development Program. Rural Areas

ABSTRACT Limpopo Province is currently experiencing an acute housing shortage that is exacerbated by the unequal distribution of income in the country and the widening gap between the rich and the poor. Limpopo is also the province with the second highest unemployment rate in South Africa. This article analyzes the Department of Cooperative Governance and Traditional Affairs' (CoGHSTA) implementation of central government's housing policy in all five municipal districts in Limpopo Province and offers recommendations to address housing challenges. It identifies the major problems that hinder the provision of adequate housing, including a shortage of suitable government-owned land for housing and an unreliable Provincial Government database on contractors and suppliers of building material. The negative impact of corruption on the province housing need is also examined. The research study was mainly theoretical, with limited application of empirical research methods. It is recommended that zero tolerance towards any form of corruption should be applied in CoGHSTA's dealings with contractors in the province.

INTRODUCTION

Housing the nation is one of the foremost challenges facing the South African government. Like other provinces in the country, Limpopo Province suffers an acute housing shortage. The current backlogs are due to high levels of poverty and unemployment, economic stagnation, financial constraints and poor service delivery. Statistics South Africa's large-scale community survey from 2014 in Limpopo found that the population had increased from close to 4.6 million in 1996 to just over 5.2 million in 2007, an increase of 4.9 percent (Mashabane 2014). The same survey indicated that formal dwellings as a percentage of total dwellings in the province had increased from 72.5 percent in 2007 to 83.2 percent in 2014, while informal dwellings decreased from 7.1 percent to 5.6 percent in the same period (Mashabane 2014). A large proportion of Limpopo Province's population lives in rural areas.

The provincial housing target per annum is determined by the housing budget each finan-

cial year. The average target per year is between 30,000 and 40,000 houses. While reliable statistics are not available for previous years, in the 2013-2014 financial year, the Province built 8,000 housing units. The main problems associated with housing policy and its implementation in this province include tendering procedures, control measures, monitoring, and corruption (Mashabane 2014; Stentoft et al. 2015).

Purpose of the Study

The primary objective of the study was to critically analyze the formulation and implementation of the central government's housing policy by the Department of Cooperative Governance and Traditional Affairs in Limpopo Province. The study identified several problems that hinder housing provision in this province, including the fact that government land is often co-owned by different government departments (Alam 2015). This complicates the freeing up of land for housing. Furthermore, strategically situated land close to the city and towns is often privately owned. CoGHSTA's current database that guides housing developments is outdated, small private contractors often lack capacity to successfully develop housing projects, and politicians with a stake in the housing sector sometimes manipulate the procurement process. Recommendations on how to overcome these challenges will be provided (Mashabane 2014).

Address for correspondence:

Dr. L.J.E. Beyers
Turfloop Graduate School of Leadership,
University of Limpopo,
P. O. Box 756, Fauna Park,
0787, South Africa
Telephone: +27 15 2684243
Cell: 0723392602
Fax: 0867549664
E-mail: lourens.beyers@ul.ac.za

Research Problem

The implementation of the provincial housing policy created serious challenges in the Department of Cooperative Governance and Traditional Affairs. Therefore, this study critically analyzes this housing policy and its implementation by the Department of Cooperative Governance and Traditional Affairs in Limpopo Province. The study aimed to:

- ♦ Clarify CoGHSTA's housing policy in Limpopo Province in the Capricorn, Sekhukhune, Mopani, Vhembe and Waterberg Districts.
- ♦ Analyze CoGHSTA's housing policy in Limpopo Province by making observations and conducting interviews with five District Municipal Managers and two Senior Managers from the Provincial Department of Cooperative Governance and Traditional Affairs' Head Office.
- ♦ Investigate the functioning of the Department of Cooperative Governance and Traditional Affairs by visiting some of the projects in the districts and conducting interviews with the Head of the Department and Senior Manager, Human Settlements of Limpopo Province.

Literature Review

An analysis of the housing policy in Limpopo Province requires an understanding of national, provincial and local housing policy.

National Housing Policy

The following legal mandates governing housing policy were taken into consideration:

- ♦ The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)
- ♦ The Housing Act (Act 107 of 1997)
- ♦ The Reconstruction and Development Program (RDP)
- ♦ The Growth, Employment and Redistribution (GEAR) Strategy
- ♦ The White Paper on Housing
- ♦ The Urban Development Framework
- ♦ The White Paper and Policy Frameworks pertaining to Local Government and Public Service

South Africa's housing policy was formulated before the first national democratic election on 27th April 1994. The National Housing Forum

was established in October 1994 (De Vries and Nemec 2013). This multi-party, non-governmental negotiating body had 19 members, including representatives from business, the community, government, and development organizations as well as political parties outside the government (Limpopo Housing Budget 2014/2015). The National Housing Forum laid the foundation for a new government housing policy by adopting the National Housing Accord that was signed by a range of stakeholders representing the homeless, government, communities, the financial sector, emerging contractors, civil society, the construction industry, employers, developers, and the international community (Limpopo Housing Budget 2014-2015). The Housing Accord was followed by the White Paper on Housing, which was promulgated in December 1994. The White Paper paved the way for the National Housing Policy as well as the Housing Act, 1997 (Act 107 of 1997). The latter replaced the Housing Arrangements Act 1993 (Act 55 of 1993). It provides for the establishment of the National Housing Board. The four regional Housing Boards, which represented the four previous regions in South Africa, were replaced by the nine provinces (Limpopo Housing Budget 2014-2015). The former National Housing Fund was replaced by the South African Housing Fund. The White Paper on Housing and the Housing Act, 1997 (Act 107 of 1997) laid the legal foundations for the implementation of national government's housing program (Hassan et al. 2013).

Chapter Two of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), Section 26 clearly indicates that people have the right to decent houses. As the supreme law of the land, all policies must comply with the Constitution. Housing policy should therefore be based on the understanding that housing is a right rather than a privilege (Appelbaum et al. 2012). This suggests that those who implement the housing policy should have a clear understanding of what type of houses people want and be able to identify who the real beneficiaries are. The Housing Act, 1997 (Act 107 of 1997), Reconstruction and Development Program and Growth, Employment and Redistribution strategy are all pieces of legislation that govern the Housing Department. The principles governing housing policy and its implementation are divided into three sections including the Overall Principles for Housing Sector Activity, Princi-

ples for Housing Development and the Principles for Land Development (Limpopo Housing Budget 2014-2015).

Functions of the National Government

The Minister of Housing oversees the Department that works with all nine Provincial Members of the Executive Council (MECs) to develop the National Housing Plan. The minister determines national policy, including national norms and standards. National government has the responsibility to set broad national housing goals and to monitor the performance of the national government in cooperation with every MEC (De Vries and Nemec 2013; Lee 2012). National government also assists provinces to develop the administrative capacity required to perform these tasks. It is also the responsibility of national government to promote effective communication in respect of housing development (Hassan et al. 2013). The Minister allocates funds for national housing programs to provincial governments and obtains funds for land acquisition, infrastructure development and housing provision. The Minister must also publish the national Housing Code and establish the South African Housing Development Board (Masson 2015). The Director-General, with the assistance of the Minister, must establish and maintain a National Housing Data Bank. The National Government cannot work alone. The implementation of national housing plans must be delegated to provincial governments (Anderson 2012; Masson 2015).

Provincial Housing Policy

The Minister of Human Settlements mandates the MEC of CoGTA in each province to carry forward the housing mandates (Alam 2015). The MEC for Local Government and Housing in Limpopo Province released the Limpopo Provincial Housing Act, 1998 (Act 8 of 1998). In 2006, the Department released the amended Limpopo Provincial Housing Act, 2006, Act, 2006 (Act, 2 of 2006) (Matos et al. 2014). The MEC established the Limpopo Provincial Housing Development Board. Board members were nominated from various fields taking their expertise into consideration. They include legal experts, financial experts, contractors, politicians, and members of the business fraternity (McGeough 2015). The Department also established the Limpopo Provincial Housing Development Fund. It

is the MEC's responsibility to appoint the Head of Department who acts as the implementing agent for the Department. The Head of Department also advises the MEC on issues pertaining to managing the Department and is responsible for compiling an annual report to the National Department of Housing and the Limpopo Provincial Legislature (Salenhzadeh et al. 2015).

This brief background traces the linkages between all three spheres of government and outlines their powers and functions (Matos et al. 2014).

RESEARCH METHODOLOGY

The research study was mainly theoretical, with limited application of empirical research methods. While it is often assumed that empirical data collection is required for a sound research project, however, rigorous research can also be purely theoretical. The study is explanatory in nature, involving a qualitative approach (Edwards 2015; Smith et al. 2015). Various methods were utilized to collect data, including a documentary study which included interviews, observation, progress reports on projects, books, policies, Acts, journals, media reports, articles, and Internet sources. Two Senior Managers were interviewed to obtain information on housing provided by the Limpopo Provincial Housing Department (Guercini 2014). The critical analysis of housing policy and its implementation in Limpopo Province required the inclusion of provincial housing statistics. The study focused on various types of housing in all five District Municipalities in Limpopo Province, namely, Mopani, Vhembe, Capricorn, Sekhukhune and Waterberg. The researcher visited these Districts to observe some of the completed projects in order to assess implementation of the housing policy (Edwards 2015).

RESULTS AND DISCUSSION

The Department of Cooperative Governance and Traditional Affairs is confronted by several serious problems, including the following.

The State of Housing in Limpopo Province

Statistics South Africa's Community Survey in 2014 indicated that formal dwellings as a percentage of total dwellings in Limpopo Province increased from 72.5 percent in 2001 to 83.2 percent in 2014, while informal dwellings decreased

from 7.1 percent 5.6 percent and traditional dwellings decreased from 20.2 percent to 9 percent in the same period (Limpopo Housing Budget 2014-2015). The National Government has provided more than 2.3 million houses across the nine provinces, and the figure stands at close to 300,000 in Limpopo Province. When the provincial government builds houses, it must also install water, sanitation and electricity. Statistics South Africa's Community Survey in 2010 indicated remarkable improvement in this respect in Limpopo Province, where the percentage of households using electricity for lighting increased from 62.9 percent in 2001 to eighty-one percent in 2007 (Immonen et al. 2013), the percentage of households with access to water increased from 78.1 present 83.6 percent, and the percentage with sanitation increased from forty-four percent to fifty percent (Masson 2015; Provincial Housing Budget 2014-2015).

Types of Housing in Limpopo Province

Limpopo Province has the highest number of people living in rural areas in South Africa. The housing shortage in the province is therefore found in its rural areas. The following types of housing were taken into consideration.

Reconstruction and Development Program (RDP) Housing

Limpopo Province comprises of five District Municipalities, and each district was allocated a share of RDP houses. Rural communities received a larger share than urban areas in line with the distribution of the population in this province. RDP housing formed a substantial part of the 300,000 houses built by the Department. Before building houses, departmental officials compiled lists from various stakeholders such as civics, traditional leaders, municipalities and churches. However, the lists were not properly controlled and consolidated. Some RDP houses ended up with no proper owners and in some instances there were multiple owners (Dion 2012; Edwards 2015).

People's Housing Programs (PHP)

The Limpopo Department of Cooperative Governance and Traditional Affairs was also expected to build People's Housing Project (PHP)

houses in the province. The PHP strategy focuses on supporting and facilitating home building by individuals, families, or communities. PHP houses are mainly found in rural areas, and the policy targets families who have access to housing subsidies and who wish to build or organize the building of their homes. When the Limpopo Provincial Housing Department implemented the PHP, it also considered using local contractors or local builders (Northcott and Taulapapa 2012). Unfortunately, many of the PHP houses in rural areas were built in locations that suffer heavy storms and were affected by the floods in the year 2010.

The provincial housing policy included the implementation of agri-villages in the Province. Limpopo Province is home to numerous farmers that employ many people (Appelbaum et al. 2012). The government alone cannot provide all farm workers with houses, but needs to work in partnership with farmers. Where there is a need, farmers organize a meeting with the MEC for Local Government and Housing to get clarity and assistance from the relevant Department. For example, the Department of Local Government and Housing was instrumental in the construction of Mununzvu Newcomb Agrivillage in 2010. The MEC granted 50 PHP subsidies to qualifying farm workers. In 2007, the MEC awarded another 68 PHP housing subsidies (Immonen et al. 2015).

Subsidized Housing

The Limpopo Provincial Housing Department was also tasked to build subsidized houses for middle class people such as teachers, nurses, police and public servants. It also initiated Breaking New Ground (BNG) projects in various parts of the province (Salehzadeh et al. 2015). Most of the subsidized houses are located in urban areas where employees are housed close to their place of employment. Many stakeholders such as contractors, financial institutions and the National Home Builders Registration Council (NHBRC) were involved. Municipalities in the province played a meaningful role in identifying land to build subsidized houses and five districts received allocations for such houses (Adam 2015).

Social Housing

Social housing is one of the Provincial Housing Department's priorities. A Social Housing

Policy for South Africa was drafted in July 2010. According to this policy, the social housing sector depends on various international donors for funding support (Daniel 2015). The Social Housing Policy primarily caters to the rental tenure option and includes immediate individual ownership by residents. Social housing aims to benefit groups of people rather than individuals and caters for the housing needs of both single people and families. In Limpopo Province, social housing also targets women, children, people with disabilities, elderly people, orphans, and those with HIV and AIDS. Partnerships have played a meaningful role in assisting those in need (Chauhan 2015).

Emergency Housing

Emergency housing also plays a part in the provincial housing policy and its implementation in Limpopo Province. Such housing is found in all five districts. It is an unplanned type of housing, which comes in different forms. Every year the province allocates a budget for these kinds of houses and government and private companies are responsible for identifying those in need of emergency housing (Stentoft et al. 2015).

CONCLUSION

This paper identified the challenges confronting the Department of Cooperative Governance and Traditional Affairs in Limpopo Province in providing housing. Current housing projects were evaluated and recommendations were made, which could assist the Provincial Housing Department in future housing projects. The department has a well-documented housing policy in place that needs to be implemented in its totality. One of the major issues identified by this study is the need to abide by procurement regulations. Large projects, for example, the construction of 200 housing units, are awarded to emerging contractors without the Construction Industry and Development Board rating. They end up abandoning the projects after being fully paid. Therefore, the Department of Cooperative Governance and Traditional Affairs in the province should strengthen its evaluation and monitoring unit in order to track the progress of projects from the first phase of construction until final completion.

RECOMMENDATIONS

The following recommendations can be of assistance to the Department of Cooperative Governance and Traditional Affairs in Limpopo Province:

- ♦ Contractors should be required to utilize the funds allocated for skills development to properly train their employees in various building skills.
- ♦ Unscrupulous companies that are exploiting the Department of Cooperative Governance and Traditional Affairs should be blacklisted.
- ♦ Municipal councilors and Provincial Housing Department employees involved in fraud and corruption in allocating houses should be immediately dismissed.
- ♦ Anyone found selling RDP houses and not following the proper procedures should be arrested and charged.
- ♦ The Provincial Housing Department should focus on building quality RDP units to ensure citizens' safety and avoid wasting money.
- ♦ The procurement section should not allow politicians to influence the awarding of tenders to their spouses and relatives. Strict rules should be applied and penalties should be imposed on those found guilty of interfering with the procurement procedure.
- ♦ A monitoring system should be established to prevent people from obtaining RDP Houses in more than one province.

LIMITATIONS OF THE STUDY

The following limitations are identified:

- ♦ The long wait for approval to access information at the Department of Cooperative Governance and Traditional Affairs in Limpopo Province delayed the completion of the research.
- ♦ Departmental employees' reluctance to furnish the researcher with all the relevant information.
- ♦ Difficulties in interviewing some Senior Managers and Municipal Managers even though prior arrangements/appointments were made.

It would have been ideal to have a larger sample, however, this was not possible due to financial constraints.

- ♦ Although extensive research was done at the Department of Cooperative Governance and Traditional Affairs in Limpopo Province, it would have been ideal to conduct research at Departments in other provinces.

REFERENCES

- Alam M 2015. Resource allocation and service design in local government: A case study. *International Journal of Public Sector Management*, 28: 29-41.
- Anderson WP 2012. Public policy in a cross-border economic region. *International Journal of Public Sector Management*, 25: 492-499.
- Appelbaum SH, Habashy S, Malo JL, Hafiq H 2012. Back to the future: Revisiting Kotter's 1996 change model. *Journal of Management Development*, 31: 764-782.
- Chauhan S 2015. Acceptance of mobile money by poor citizens of India: Integrating trust into the technology acceptance model. *Info*, 17: 58-68.
- Daniel JL 2015. Workplace spirituality and stress: Evidence from Mexico and US. *Management Research Review*, 38: 29-43.
- De Vries M, Nemec J 2013. Public sector reform: An overview of recent literature and research on NPM and alternative paths. *International Journal of Public Sector Management*, 26: 4-16.
- Dion M 2012. Are ethical theories relevant for ethical leadership? *Leadership & Organization Development Journal*, 33: 4-24.
- Edwards A 2015. A tool for public services research and development. *International Journal of Public Leadership*, 11: 21-33.
- Guercini S 2014. New qualitative research methodologies in management. *Management Decision* 52: 662-674.
- Hassan S, Mahsud R, Yukl G, Prussia GE 2013. Ethical and empowering leadership and leader effectiveness. *Journal of Managerial Psychology*, 28: 33-146.
- Immonen M, Vilko J, Koivuniemi J, Laasonen K 2015. Outcomes of public health reform – service availability in rural areas. *International Journal of Public Sector Management*, 28: 42-56.
- Lee B 2012. New public management, accounting, regulators and moral panics. *International Journal of Public Sector Management*, 25: 192-202.
- Limpopo Province Housing Budget 2014/2015. Polokwane: Local Government Printers.
- Masson L 2015. Transformational leadership. *Strategic Direction*, 31: 25-27.
- Matos P, Simoes M, Esposito M 2014. Improving change management: How communication nature influences resistance to change. *Journal of Management Development*, 33: 324-341.
- Mashabane M 2014. *The Launch of the Housing Project in Musina District Municipality, 2014*. Polokwane: Local Government.
- Masson L 2015. Transformational leadership. *Strategic Direction*, 31: 25-27.
- McGeough F 2015. Performance reporting in Ireland: The ongoing gap between rhetoric and reality. *International Journal of Public Sector Management*, 28: 2-10.
- Northcott D, Taulapapa TM 2012. Using the balanced scorecard to manage performance in public sector organizations: Issues and challenges. *International Journal of Public Sector Management*, 25: 166-191.
- Salehzadeh R, Shahin A, Kazemi A, Barzoki AS 2015. Proposing a new approach for evaluating the situational leadership theory based on the Kano model: The case of university students. *International Journal of Public Leadership*, 11: 4-20.
- Smith J, Charles G, Hesketh I 2015. Developing understanding of the spiritual aspects to resilience. *International Journal of Public Leadership*, 11: 34-45.
- Stentoft J, Freytag APV, Thoms L 2015. Portfolio management of development projects in Danish municipalities. *International Journal of Public Sector Management*, 28: 11-28.