

Development Action Group's Informal Settlement Upgrading Programme May 2007

Introduction

In this urban age for the first time, more people live in urban centres than in rural areas¹. In the context of globalization, it is now cities, as much as countries, that drive economic growth. Urban areas offer opportunities for employment, social interaction, cultural learning and creativity. However cities are often also centres of inequality acting as localities of exclusion and marginalization.

In South Africa economic growth in cities has contributed to rapid urbanization leading to high levels of informality. Informal settlements, the precarious, environmentally degraded and unplanned areas of cities, demarcate physically and visually the result of growing urbanization and urban poverty.

Attitudes regarding how best to deal with informal settlements and associated urban poverty, are shifting. It is increasingly acknowledged that incremental *in situ* upgrading is more likely to improve living conditions and reduce poverty as communities are able to maintain important social networks and livelihood strategies while improvements are made in their physical living environments.

Development Action Group's Informal Settlements Upgrading Programme aims to influence the dominant approach to upgrading toward a pro-poor multi-sectoral approach guided by the principles of inclusive participatory development. To achieve this objective, DAG will implement an advocacy programme which combines demonstration projects, policy engagement, research and training and capacity development and which is implemented in partnership with both community based organizations and the local government.

The Growth Of Informality, Informal Settlements And Vulnerability

Economic activity, poverty and inequality are highly concentrated in South African cities. According to the 2006 South African Cities Network 'State of the Cities Report', five of South Africa's major cities (Johannesburg, Cape Town, Tshwane, eThekweni and Ekurhuleni) provided 44.1% of the national number of jobs (chap 2, pg 8). This same report however also notes 46.5% of national unemployment and 77.31% of people living under the minimum living level are located within 60km of these same areas which generate no less than R1 billion of geographic value added (GVA) per annum.² So whilst nearly half the jobs available in our country are found in cities, economic growth has not provided sufficient jobs or regular income for the poor living in these areas and extreme poverty continues to exist in close proximity to economic hubs.

Of the 2.4 million households living in informal settlements in South Africa³, more than 30 % are estimated to be women-headed. The majority of these women lack economic security and find themselves relegated to generating an income in the informal sector.⁴ Informal workers typically do not enjoy the protection of labour laws, nor are they able to access credit due to very low incomes.⁵ Therefore the ability of women-headed households to access adequate housing is severely constrained.

1. UN Habitat, 2006

2 Geographic value added (GVA) is a measure of economic performance and reflects the level of output in the economy excluding taxes and subsidies.

3 Watson in State of the Cities report (2006)

4 According to the Gender Advocacy Programme three out of four African workers in the informal sector are women and are engaged in "lower" occupations such as domestic work.

5 A study conducted by Bivens and Gammage in 2003 found that 75% of workers in a sample of informal workers earned less than R 1 000 a month.

Women's survival strategies are fragile, multi-pronged and not always ethical – they include a wide range of tactics including everything from finding casual labour and domestic work, to scrap collecting, begging, shoplifting, selling child labour, working and running spaza shops and shebeens, making repairs, and prostitution to name but a few. Harsh circumstances create extreme vulnerability which leads to both creativity and desperation on the part of women. However many of the survival strategies employed have far-reaching impacts, causing often vicious cycles of perpetual poverty.

Various forms of home industry such as spaza shops, baking, hairdressing, dressmaking, and the provision of day care are common forms of women's activity in the informal sector. Security of tenure would thus afford women the opportunity to increase their economic productivity by using their stand or home as a production site. The capacity to offer fixed-property as security also may facilitate access to otherwise inaccessible credit.

The general health of any family is directly related to the quality of housing they enjoy. Many people living in informal settlements suffer ill-health in the form of diarrhoea, tuberculosis, pneumonia, HIV/AIDS, bronchitis and other respiratory diseases due to poor living conditions and inadequate access to clean water and proper sanitation. Women often bear the brunt of ill-health, fulfilling the role of caretakers due to cultural and reproductive gender roles. Time spent caring for others diminishes women's chances of securing paid employment and the financial resources necessary to access housing.

Settlement upgrading, security of tenure and access to housing are thus vital issues in the struggle for gender equity.

Informal Settlement Upgrading in South Africa

Housing instruments in South Africa cannot cope with the increasing demand for housing and as such this demand will not be appropriately addressed within the next 25 to 50 years. New strategies are required in order to reach more people within the constraints of state resources. The failure of housing delivery to address the growing demands of the urban poor, in part explains the increase in informality within South Africa. Other reasons for the increase in informality are attributable to changing demographics (high rates of influx and subdivision of existing households), macro, meso and micro economic factors (increasing unemployment in the formal sector); and exclusionary land use regularization (which favours the wealthy).

The rapid growth of informal settlements in the urban areas of South Africa poses significant challenges to both national and local level government. The State's response to informal settlements over the last twelve years has been characterized by disaster management strategies in the period prior to 2004 and thereafter programmes to eradicate informal settlements through large-scale capital intensive structural interventions (often as Roll-Over or Greenfield developments) have been underway.

During the former period, the response to urban informality was due to policy gaps and the resultant absence of flexible funding mechanisms to enable *in situ* upgrading⁶ and incremental housing.⁷ Up until 2005, there was 'reluctance to accept incremental housing as a legitimate housing process' (Engelbrecht, 2003:292), especially in the context of limited formal housing delivery, the expensive costs related to *in situ* upgrading, the high densities of informal settlements and the required high levels of community participation required by such approaches. International and local experiences of upgrading informal settlements, however, provide compelling evidence that **incremental *in situ* upgrading** is more likely to improve living conditions as the settlement is upgraded in its existing location thus maintaining or strengthening social networks and positively impacting livelihood strategies.

6 Upgrading which takes place where the settlement stands and with minimal disruption to the location of dwellings

7 Gradual upgrading

The introduction of the 'Breaking New Ground' framework in 2004 resulted in the first **Upgrading Informal Settlement Programme (UISP)** providing a platform to initiate upgrading projects which do not require project-linked housing subsidy finance. Since the introduction of the programme government has focused on an approach aimed to eradicate informality⁸, either through evictions or highly technocratic and often market-driven infrastructure development upgrading programmes⁹. These approaches are premised on the assumption that informal settlements are transitory places, which can be eradicated through generalized programmes of resettlement onto site and serviced plots on the urban edge. These approaches ignore the link between economic security and the growth of settlements and thus do not address the growing inequity in South Africa as they have marginal economic benefits for the poor and do not acknowledge and preserve investments which informal settlement dwellers place in their homes¹⁰. More progressive nuanced programmes of an *in situ* incremental nature are needed to offer improved household economic security and to integrate the poor into the fabric of the city.

Informal settlement upgrading by virtue of its nature, is not simply the responsibility of housing departments, but rather the **multi-sectoral** responsibility of a range of stakeholders or partners who should work collectively to address the community's development priorities through a range of complementary social and physical development initiatives that address urban livelihoods, land tenure, co-operative governance, social inclusion and environmental security. In this context, *in situ* upgrading creates an **impetus for inclusive and integrated development**, which has the potential to reduce poverty, and to socially, physically and economically integrate an informal settlement into the wider city.

Development Action Group's Informal Settlements Upgrading Programme

The overall objective of DAG's Informal Settlements Upgrading Programme is to influence the dominant upgrading approach toward a pro-poor multi-sectoral approach guided by the principles of inclusive participatory development.

DAG will work at multiple levels to achieve this and ensure that local government practice changes. Projects will be implemented to demonstrate the proposed alternatives whilst at the same time policy engagement takes place, research is undertaken and training and capacity development is carried out. To improve the chances of success various aspects of the programme will be implemented in partnership with both community-based organizations and local government.

To this end the following **activities** will be undertaken over the next three years:

- Implement the Freedom Park (Tafelsig) informal settlement upgrade for 498 households. This project is in its fourth year of implementation; infrastructure has been developed and a housing development will follow in 2007 and 2008. The project is being implemented as a self-help initiative in partnership with the community based organisation and with a private sector role-player. It will demonstrate the merit of community-based settlement upgrading.
- Implement the Hangberg (Hout Bay) *in situ* informal settlement upgrade for 360 households. The project will be implemented in partnership with the community based organisation and the local authority, the City of Cape Town. DAG will strengthen local institutions in Hangberg to develop partnerships to address issues related to land tenure, service provision and incremental housing. The *in situ* upgrading in Hangberg will demonstrate that a community-based *in situ* upgrading approach has a greater chance of protecting and enhancing local livelihoods, as well as integrating the settlement into the broader area. The project commences in 2007 and will involve the formal provision of basic services and improved tenure security. Subsequently household will be able to upgrade their dwellings on an incremental basis.

8 In 2004 a goal was set to eradicate all settlements by 2014

9 Marie Huchermeyer Unlawful Occupation. 2004

10 Hardoy, J, Mitlin, D and Satterthwaite, D. Environmental Problems in an Urbanizing World

- Facilitate horizontal learning between targeted communities in well-located informal settlements in South Africa by convening several workshops and exposure visits to disseminate the experiences and lessons emerging from Hangberg and Freedom Park to promote incremental *in situ* upgrading.
- Influence targeted government officials and policy makers on informal settlement upgrading by:
 - Convening an annual seminar to promote DAGs approach to informal settlement upgrading.
 - Making presentations to officials specifically at local and provincial government levels on *in situ* incremental upgrading and hosting field visits for the same group to the Hangberg project
 - Drawing on the Hangberg upgrade, develop and publish user-friendly ‘participatory planning guidelines for *in situ* incremental upgrading’ for use by officials and NGO’s to support participatory *in situ* upgrading processes.
 - Packaging a training programme to introduce officials to the guidelines and train them in its use.
 - Submitting a critique to the City of Cape Town of their informal settlement upgrading policy
 - Developing a publication on informal settlement upgrading (including case studies) which promotes DAG’s approach and is disseminated to targeted government officials and politicians
 - To complement the aforementioned report, evaluate the outcomes of informal settlement upgrading in South Africa between 2005 and 2008
 - Producing and disseminating research on the challenges for planning *in situ* upgrades in medium density settlements on well located land
- Raise the profile of incremental *in situ* upgrading with the general public and other urban development practitioners through:
 - Producing and distributing a popular version of the informal settlement upgrading publication
 - Documenting community experiences and voices using stories, photographs, and film and exhibiting locally and at the World Urban Forum in 2008
 - Convening an International Student Design Competition for local and foreign students to develop appropriate and affordable architectural design for dwellings in informal settlements
 - Media engagement to promote incremental *in situ* upgrading on well located land through use of the radio, television and print media

Conclusion

One of South Africa’s most significant challenges is growing inequality despite the country’s healthy economy. Evidence suggests that as more and more people are drawn to cities in search of a better life and economic opportunities, the trend towards the urbanization of poverty and informality will continue. Structural approaches to urban development, which do not account for the complex factors and processes driving urban vulnerability and which underlie the growth of informality, will invariably become unsustainable unless complemented with other strategies which address urban livelihoods, land tenure, cooperative governance, social inclusion and environmental security. With the support of its donors, DAG can implement its multi-sectoral and people driven approach to urban development, particularly in the context of urban informality and *in situ* informal settlement upgrading. It is imperative that inclusive, participatory and integrated approaches are designed and mainstreamed if urban development processes are to be sustainable and address the needs of the poor