

## **Peoples Housing Process- Good Practice Case studies**

Project: Masisizane Women's Co-operative, Ivory Park, Midrand, Gauteng

Outstanding feature: Savings/Innovative Financing

**Report prepared by Development Action Group, Cape Town.  
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## **1. Background to the project**

### **1.1 Name of project**

The project is called the Masisizane Women's Co-operative. This means "help one another" in Zulu.

### **1.2 Location and basic description**

The project is located in Ivory Park in Midrand, 25 km from the Johannesburg CBD and 28km from the Pretoria CBD in the province of Gauteng. Ivory Park itself is divided into three wards, namely wards 77, 78 and 79. Masisizane is situated in ward 78 and has 5000 residential stands. The area is undulating with a river valley bisecting the area. Foundation conditions are variable with special precautions required for some sections. Sites are serviced and provided with sewer, electricity and water supply. Main feeder roads are tarred with the minor streets in gravel.

### **1.3 Stakeholders we met**

The following people were interviewed on 19<sup>th</sup> May 2003 at the Masisizane Housing Support Centre:

- Anna Mofokeng: Director and founder of the project
- Grace Nkosi: Project Manager of the Gauteng Provincial Government, Housing Department
- Lorraine Nkabule: Project Administrator of the project

### **1.4 Who started the project and why**

The project was started by Anna Mofekeng in the early 1990's. She lived in the shack area of Ivory Park. The project had some basic infrastructure in the form of group toilets and water tankers to provide water. The people were very innovative and built shacks of poles and plastic sheeting that could be quickly pulled down when the authorities threatened them with demolition.

After a night of rain the local river was flooded. A woman and her two small children attempted to escape the rising flood waters and one of the children was drowned. Anna attended the funeral and listened to the rhetoric of the officials and politicians at the service and realized that despite all the promises, nothing would be done about the conditions in the squatter area.

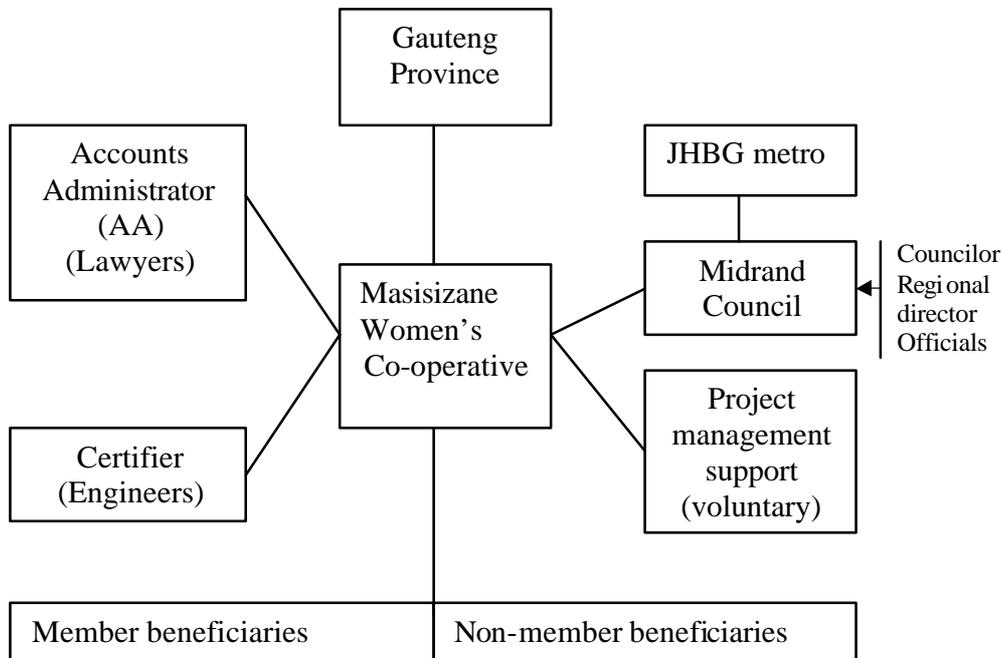
She then called a group of another 6 women together and they formed the first saving scheme to get money together to start building houses. Their vision for the financial principle was: a loaf of bread cost R3,50 and by making a daily sacrifice of this amount a weekly sum of R20 per beneficiary could be collected. The cost of the basic building materials for a 28m<sup>2</sup> house was R1400 (excluding cement) which equated to a membership of 70 beneficiaries per group each paying their R20 per week.

The first collection came to R140 and, at R2 per brick, was used to purchase 70 bricks. They also established the rule at that time that the person that was the worst off would be helped first. The second week they had 30 members and by the third week the first group of 70 members was complete.

## 2. Description and analysis of the outstanding feature

### 2.1 Organisational arrangements and stakeholder organograms

The relationship of the project with its stakeholders is illustrated in the organogram below:



Membership:

- There are 350 members divided into groups of 70 members each.
- Beneficiaries can join any group that has a vacancy. Membership is not defined by the area one lives in.
- Non-member beneficiaries will obtain support services for the HSC and they are under no obligation to become members.

### 2.2 Support and current conditions

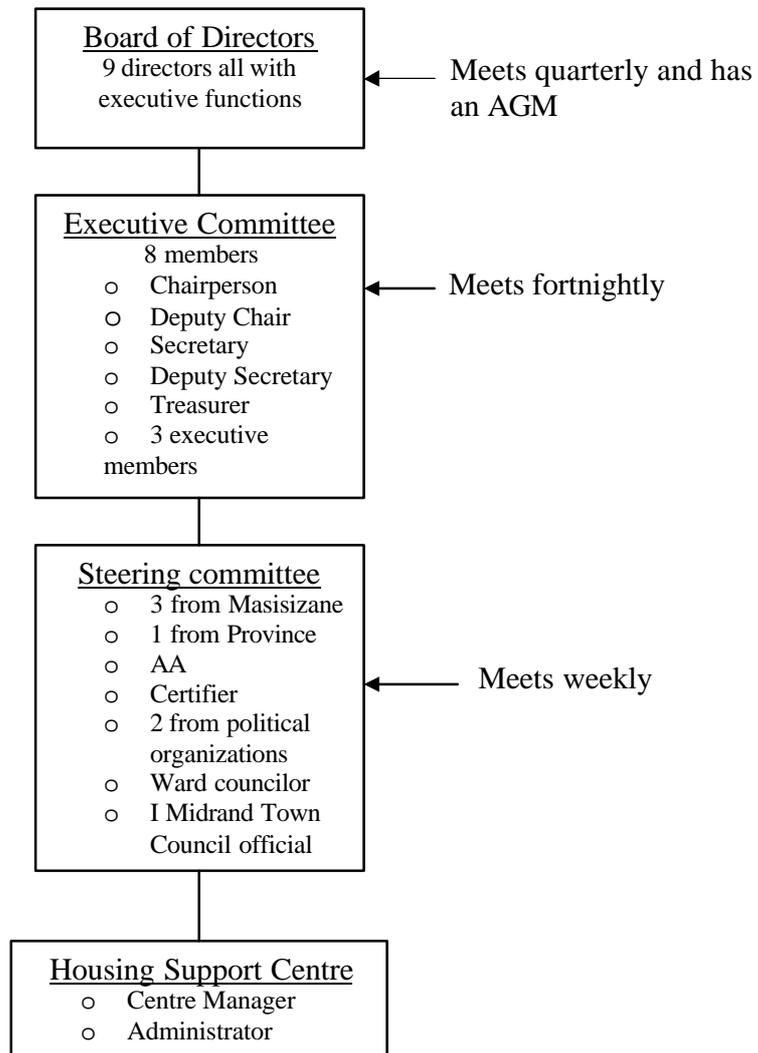
The project is surrounded by institutions and organizations that provide the necessary support and infrastructure to enable the project to operate efficiently. The organizational structure is not unique but in this instance has been provided with a dedicated directorate at provincial level that deals solely with PHP housing delivery. This has apparently contributed to the success of this project.

The Provincial Housing department has signed an agreement in January 2003 with the Masisizane Women's Co-operative appointing them as the Support Organisation for the project. This is the first community based organization that has been appointed as Support Organization by the Gauteng province and they are eager to provide the level of support and infrastructure that is needed to ensure the success of the project.

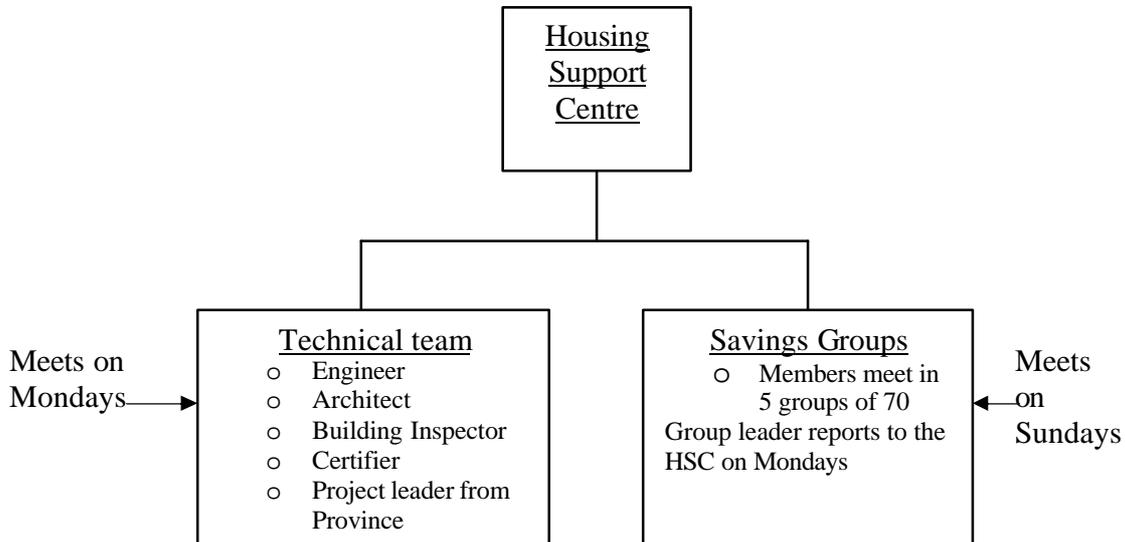
Some 260 subsidies have been approved for this financial year and an estimated R1,0m has been paid out against the Establishment Grant, the geotechnical conditions' 15% premium, and the capital grants. Some 40 subsidies per month are expected to be approved from now on. (The consolidation subsidy is an amount of R10900 plus a 15% surcharge [R2563] for the adverse geotechnical conditions requiring special foundation design.)

### 2.3 The Masisizane organogram

The Masisizane project has the following organisational structure:



The Housing Support Centre is the focal point for two further groupings:



The groupings illustrated above show a regular and organized structure with rules and procedures aimed at ensuring a high level of control over technical and financial matters.

#### 2.4 How the savings scheme operates

Membership of the Masisizane Women’s Co-operative is voluntary. There are currently 350 members that are divided into 5 groups of 70 members each.

The organization has a comprehensive constitution that was drawn up by the membership and to which all members subscribe. The organization was initially formed to help people to save to obtain houses and their current objectives remain largely the same. As the organization was formed at grassroots level it is owned by the members and has a “bottom up” management approach.

The weekly savings contribution made is R20 per member or name. This equates to R1400 per week that each group collects. This amount of money is sufficient to purchase the materials (excluding cement) that a beneficiary would need to build a 28m<sup>2</sup> house.

Groups meet on Sundays to make their contribution payments. The chairperson and secretary collect the money and count it out in front of everyone present. The beneficiary who turn it is to receive the money is them paid openly in front of everyone and becomes responsible for the money received by signing a receipt. The chairperson and secretary then report to the Housing Support Centre each Monday with the meeting report and any problems that they want to discuss and seek assistance for a resolution.

The group of 70 does not always equate to that number of beneficiaries. Any member with sufficient money can register themselves with as many names as they like. For

example, if someone is able to save R60 per week, they can register under three names and in this way can move their savings ahead faster. This innovative system ensures that beneficiaries that are working or have a regular income are able to save the necessary money at a faster pace.

Groups can start with as few as 30 members and those joining later have some options to catch up to the rest of the group. They can either back pay the earlier members to bring themselves up to date with the rest of the group, or they can start paying from their joining date as if they were in a smaller group. Higher weekly contributions can also be made by individuals and as they have more resources they move to the back of the list.

The groups also assist each other if for some reason a member is unable to make their necessary contribution on a particular Sunday. Their contribution is then made by another member that week and the short payment can then be made up the following week.

## **2.5 What comes after the savings**

The construction phase gets underway as the savings efforts are co-ordinated with the granting of the consolidation subsidy.

The cash input into the house consists of:

- The R1400 in cash the beneficiary gets on the Sunday their turn comes.
- The capital grant the beneficiary gets from State
- The beneficiary has material from the shack that can be re-used.

The participation equity that each beneficiary has consists of:

- *Financial* by means of cash and capital subsidy as described above.
- *Labour* input into the construction of the house.

The groups also practice “Letsema” i.e. group building schemes where beneficiaries help each other to build.

The elderly (Male 65years;Female 60years) and the disabled (must have medical certificate) get a R13400 subsidy from the State instead of R10900 as they are unable to contribute to the participation equity and must be able to pay someone to build their house.

Building materials are sourced by the project. Suppliers are asked for quotations and the cheapest quote is taken. The beneficiaries can also buy concrete bricks and blocks from the block yard that is run at the Housing Support Centre by the project.

For security purposes, the beneficiaries can open savings accounts with FNB with the money being earmarked to be used for materials only. A letter on the co-op’s letterhead to the bank authorizes the bank to make payments by cheque to those specified.

The saving scheme groups remain active after the houses are built. Money is raised for tertiary education and other uses. The beneficiaries also are extremely aware that the

completion of their houses is not the end of the project process. There are many more issues for them to be involved in, such as education, HIV/AIDS, child care, feeding schemes and care of the aged, among others. The impetus started by the savings groups amongst the beneficiaries is used to take on these community issues. One of the initiatives is the crèche run by the project using contributions, welfare payments and grants. Staff are volunteers who have been trained in child minding. The crèche solves the problem of single parents, releasing them from child minding duties to work on the project.

Transfer of skills takes place as those that are formally trained by the Department of Labour are required to teach those following them. Training has been provided for bricklayers, plumbers, welders, electricians, plasterers and steel fixers. Those that are to be trained are carefully selected and are mainly drawn from the youth so that the maximum benefit can be passed on to others. The project has also assisted with the training of paroled prisoners and the 4 that were trained were completely rehabilitated.

## **2.6 Assessment of why the system is successful**

- The system was developed by the members themselves. It was done in a bottom up way and they have ownership of it.
- The responsibility of each party is clearly laid out.
- There are structures and systems in place to exercise the necessary controls.
- Peer pressure exists to make beneficiaries comply with the requirements.
- “Ubuntu”. There is co-operation within groups. If one member is short of money that week, another member who is able will advance that members payment for them.
- Members support each other.
- Members can buy another’s membership if that person is in trouble. Members can reign and be replaced if they wish.
- There is flexibility in the system.
- The management style gives people the responsibility by taking a bottom up approach. Nothing is forced on anyone from the top.
- A track record of good management gives people the confidence to join and be part of a successful scheme.
- The “Support Centre” is exactly that...it looks after the well being of the community, helps to solve problems and interacts with other community role players such as the Department of Welfare and Police Services.
- The leadership and spirit of Anna drives this project and as in so many other projects where a strong, popular and loved leader is in charge, the enterprise can succeed. This is probably the single most important contribution factor to success.

**The importance of Anna transferring her skills is vital. She is already mentoring members of the executive committee at meetings and debates. She teaches through positive reinforcement. Anna also organizes “provincial” meetings in other areas and provides guidelines for the resolution of problems.**

## **2.7 Replication criteria**

To replicate the system, several critical points have been identified:

- The community must buy into the scheme and agree to abide the rules and regulations they will draw up.
- The management style must be open and participative to ensure that all beneficiaries develop a stake in the process. The “bottom up” approach.
- A strong and charismatic leader with a broad vision for the betterment of their community must act in a leadership role taking responsibility for the project.
- There must be a strong level of support from provincial government to ensure that subsidy grants are expeditiously processed so that beneficiaries can see real progress on site.

## **3. Evaluation of the PHP framework of this project**

This is the first community based organization that has been appointed as the project Support Organization and the provincial officials have developed a very good relationship with the project beneficiaries and leadership.

To enable the projects to understand the principles of PHP projects, guidelines were given by the provincial government. All stakeholders now understand their roles.

There were initial difficulties experienced when the Johannesburg Metro was the support organization as they had their own processes (e.g. on material procurement and payment procedures) that did not suit the PHP process. Progress was also found to be very slow.

Local authorities were found to have very rigid procedures and policies and appeared to want to act in the role of Accounts Administrator, when it has been found that this is better outsourced. The local authorities must still be involved in roles such as plan approval and building inspections.

The province, by prioritizing PHP, have created a specific directorate to deal with these projects in a more creative way. For example, facilitation and establishment grant payments are now organized in such a way to reflect the reality of the cash flows generated by a PHP project. Resources such as furniture have been donated to projects by the province.

The big drawback with provincial involvement directly with projects is the lack of personnel resources that provinces have. Technical people such as architects and engineers from Cuba have been working in projects giving their direct practical knowledge for the benefit of communities.

The problems have mainly been around the interpretation of policy. The Gauteng Province has now drawn up guidelines on the standard interpretation of policy and this will be implemented.

## **4. Other observations on the project**

### **4.1 The blockyard**

The Masisizane blockyard was established to manufacture and sell concrete blocks and bricks for the benefit of the members. The yard is situated next to the Housing Support Centre, and is staffed entirely by volunteers. Joyce Vezi and Eunice Dlamini oversee the operations on a daily basis.

Two types of masonry products are made. The external hollow core block is 450mm long, 140mm wide and 200mm high. It has two core holes which run right through the block. These blocks are used for external walls. The inside walls are made of solid bricks called “mamparras” which are 290mm long, 90mm wide and 140mm high. These bricks are solid with no cavities.

The products are manufactured by hand powered “egg layer” type moulding machines and left to harden in the place of the drop on a concrete slab.

The materials used are:

- 1 bag cement
- 4 barrows of “mortar” or fly ash
- barrows river sand
- Water

The cost of materials is:

- Cement: R42 per bag
- Fly ash: R450 per truck load
- River sand: R400 per cubic metre

The materials are mixed by hand and placed into the block machine which is then hand compacted to the maximum density. Four blocks or bricks are dropped at a time. The product is left on the slab for two days and is then moved to curing stacks for a further two days before they are dispatched.

The yard has the capacity to produce 1000 blocks per day and 1800 bricks per day. The capacity is limited by the size of the slab on which they work.

The blockyard volunteers have their specific duties. Four work on the large block machine, 3 people are mixing and others are transporting materials and stacking blocks. A security guard is on duty at night.

The selling price of the products is:

- Blocks: R2,20 ex works  
R2,50 delivered.

- Bricks: R1,20 ex works  
R1,50 delivered.

A sub-contractor with a truck is used for deliveries.

The problems being experienced are:

- A shortage of block making machines. They have a large machine which was donated to the project by the SABC and with an extra machine they could step up production significantly.
- The infrastructure is inadequate. They need a store room for cement and tools, a changing area for the workers, tools such as wheelbarrows, spades, boots, gloves and protective overalls.
- The work area could be better protected by providing some roofing and better shelter from the elements.
- The blocks are not tested against SABS standards and if product failure should occur, the beneficiaries would have no recourse for remedial compensation.

Despite the shortcomings, the volunteers manage to produce significant quantities of masonry product which have successfully been used to build houses. The product quality obviously does not compare to commercially produced blocks but they seem adequate for the purpose and no significant waste or wall cracking was noticed.

The production of building material at the Housing Support Centre extends to the manufacture of steel window frames and burglar bars and gates which are made by a person who was trained on a welding course.

#### **4.2 House visits**

Several houses were visited in the project area to obtain some idea of the type of houses being built and also some of the community work being done by the Masisizane project.

- House Anna Zondi

This is a 45m<sup>2</sup> house that was built by the members of the project as a donation for Anna who is a pensioner and was unable to help with the construction.

The house was built with the blocks from the block yard. The roof is asbestos Big 6 on timber purlins. The external and internal walls are plastered and painted. There are no ceilings and the house is provided with electricity. There is an outside toilet with a water point at the back of the house.

There are four shacks in the back yard which are rented out to tenants. The fourth shack is occupied by Anna's grandson. These shacks bring in rental income to the pensioner. This community gesture by the project has been of immense help to a member who was not able to fully participate in the PHP process.

- House Hilda Shabalala

Hilda is a member of one of the savings groups and has two formal houses on her plot. The first house is about 35m<sup>2</sup> in area and has been built in cement bricks with a pitched roof covered in concrete tiles. The second house is immediately behind the first and is being completed in two phases. This house is significantly larger than the first house and is built of concrete blocks and has a temporary corrugated iron roof. This roof will be replaced with a concrete tiled pitched roof when the second phase is complete. Hilda is a member of the savings club and regularly attends her Sunday club meetings to make her R20 payment.

- House HIV/AIDS

The community also built a 45m<sup>2</sup> house for an unemployed couple and their six children. The couple both had HIV and the husband has since died of AIDS. This effort by the community has enabled the family move out of their shack into more suitable permanent accommodation and have better living conditions for their children. A vegetable garden was also initially established to enable the family to improve their diet to combat the virus. Unfortunately the garden no longer exists.