

HOUSING MARKETS IN GREATER SOWETO

BY

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ABSTRACT

This thesis examines and seeks to understand the formation and operation of housing markets in Greater Soweto, an agglomeration of black townships on the outskirts of Johannesburg, South Africa. The thesis falls into six parts: 1) a description of the demographic, socio-economic and settlement characteristics of Greater Soweto, drawing on a household survey and on original source material which has not previously been subjected to analysis; 2) an historical study which examines the development of housing markets from the 1820s to the late 1970s, paying particular attention to the progressive depriving of African people of their rights in housing and land, including rights to reside or even be present in an urban area; 3) a study of the machinery for providing housing and how it operated (1930 to the early 1980s); 4) an examination of the allocation policies of successive administrations and tenure markets (1930 to the early 1980s); 5) a study of the privatisation of council-built housing (the late 1970s to 1994); and 6) a case study of private sector finance for house purchase and the role played by Meadowlands purchasers in safe-guarding their newly acquired property rights (mid-1980s to 1994).

Particular attention has been paid to the mechanisms of housing market formation and operation, using ideas contained in theories developed by academics in developed countries and originally applied to those countries. This study shows that it was the conjunction of economic, racial

and housing policies and measures (the desire for cheap labour, the priority attached to extraction of mineral resources and the systematic depriving African people of any property stake) which shaped housing and population in Greater Soweto over the years. Fundamentally, however, this thesis shows that it was through pressure from grassroots movements that housing policies today (whilst still being driven by the needs of capital) have come to be based on the mechanism of giving people enforceable and tradeable housing rights and choice.

<u>CONTENTS</u>	<u>PAGE</u>
List of Tables	4
List of Figures	8
Acknowledgements	14
CHAPTER 1 INTRODUCTION	15
1.1 Greater Soweto	15
1.2 The aims of the research and this thesis	19
1.3 Research questions and hypotheses	25
1.4 Research methodology	26
1.5 Overview and thesis structure	34
CHAPTER 2 THEORETICAL PERSPECTIVES	37
2.1 Introduction	37
2.2 Housing markets and housing tenures	37
2.3 Ecological approach	44
2.4 Neo-classical economics approaches	47
2.5 Institutional approaches	50
2.6 Marxist approaches	56
2.7 Summary and theoretical criticisms	60
CHAPTER 3 PEOPLE AND HOUSING IN GREATER SOWETO TODAY	62
3.1 Introduction	62
3.2 Population in Greater Soweto	62
3.3 Population structure	69
3.4 Local administration areas	72
3.5 The housing stock and types	74
3.6 Other formal housing types	86
3.7 The backyard and informal shacks	92
3.8 The household survey	95
3.9 Housing tenures	110

	<u>Page</u>
3.9.1 Council renting	111
3.9.2 Owner-occupation of council-built houses	113
3.9.3 Backyard renting	116
3.9.4 Owning and renting informal shacks	118
3.9.5 Owner-occupation of privately built housing	118
3.9.6 Renting privately built housing	121
3.10 Housing conditions and market externalities	123
3.11 Summary	127
CHAPTER 4 THE DEVELOPMENT OF HOUSING MARKETS (1820-late 1960s)	129
4.1 Introduction	129
4.2 Settler colonisation and the development of mining	129
4.3 The subjugation of black labour	137
4.4 Politics, race and the capitalist economy, 1899-1939	141
4.5 Dispossession of land rights and African resistance	149
4.6 The growth of Johannesburg and the first evictions	154
4.7 National policy mechanisms	163
4.8 The formation of Soweto	167
4.9 The emergence of squatter markets	174
4.10 The final removals	178
4.11 Conclusion	181
CHAPTER 5 THE DEVELOPMENT OF HOUSING STOCK, 1930-1994	187
5.1 Introduction	187
5.2 Housing finance	187

	<u>Page</u>	
5.3	Housing production and costs	195
5.4	Rate of addition of new units to the housing stock	204
5.5	Other forms of construction	210
5.6	Housing shortage	210
5.7	Backyard and informal dwellings	213
5.8	Conclusion	215
CHAPTER 6	POLICIES, ADMINISTRATION AND TENURE MARKETS (1930-94)	217
6.1	Introduction	217
6.2	Local government	209
6.3	Allocation policies and tenure markets	224
6.4	Site permits	226
6.5	Certificates of occupation	228
6.6	Residential Permits	229
6.7	The lodger's permit	230
6.8	Tenure connections	233
6.9	The backyard market	240
6.10	The informal market	242
6.11	Existing policy proposals	243
6.12	Conclusion	247
CHAPTER 7	THE TRANSFER OF STATE-OWNED HOUSING IN TO PRIVATE TENURE, mid 1970s-to 1996	248
7.1	Introduction	248
7.2	Background to shift to privatisation	249
7.3	The 99-year leasehold scheme	252
7.4	Rent struggles	264
7.5	The Greater Soweto Accord	279
7.6	The EFK Tucker INC. report	289

	<u>Page</u>	
7.7	The sale of housing to council lessees	300
7.8	Housing bureau	311
7.9	Effects of private tenure	317
7.10	Conclusion	324
CHAPTER 8	PRIVATE SECTOR FINANCE OF HOUSING PURCHASE versus GRASSROOTS CAMPAIGN IN MEADOWLANDS WEST ZONE 9, mid 1980s-1995	326
8.1	Introduction	326
8.2	The legislative framework of private sector finance	327
8.3	Private sector finance for housing purchase	332
8.4	The 97 Residents' experiences of housing finance	348
8.5	The formation of the 97 Residents' Committee	355
8.6	Broadening the campaign	361
8.7	Conclusion	384
CHAPTER 9	CONCLUSION	387
9.1	Theoretical perspectives	387
9.2	Empirical research findings	392
9.3	Theoretical and empirical research implications	400
APPENDIX A1		403
APPENDIX A2		424
BIBLIOGRAPHY		429

<u>LIST OF TABLES</u>	<u>PAGE</u>
2.1 Four approaches to housing and residential structure	46
3.1 Population estimates for Greater Soweto	67
3.2 Estimates of people accommodated in the formal sector in Greater Soweto	68
3.3 Estimates of people accommodated in Greater Soweto's backyards and informal shacks	68
3.4 Estimates of people accommodated in Greater Soweto's hostels	68
3.5 Age-gender structure of Greater Soweto	70
3.6 The formal housing stock in Greater Soweto	78
3.7 The council-built house types (according to number of rooms per unit) in Soweto	81
3.8 The flat unit types	89
3.9 The hostel unit types	89
3.10 Backyard rooms/shacks in Greater Soweto	93
3.11 Informal shacks in Soweto	93
3.12 Characteristics of Orlando West sample of household heads	96
3.13 Employment status of Orlando West sample of household heads	96
3.14 Pensioner household heads and number of adults over 60 of Orlando West sample	96
3.15 Heads of households aged between 20 and 59 years	99
3.16 Orlando West sample of heads of households with children under 15	99
3.17 Monthly income profile of the surveyed heads of households in Orlando West	99
3.18 Length of residence in Orlando West of sample of heads of households	103
3.19 Migration (moves) of sample of heads of households to Orlando West (analysed according to where respondent heads of households came from, 1940-1994)	105

	<u>Page</u>
3.20 The reasons of the heads of households for moving to present home in Orlando West	105
3.21 Preferred choice of Orlando West sample of heads of households of other residential areas within Greater Soweto	105
3.22 Characteristics of Meadowlands West Zone 9 sample of heads of households	106
3.23 Employment status of Meadowlands West Zone 9 sample of heads of households	106
3.24 Migration (number of housing moves) of heads of households to Meadowlands West Zone 9 (analysed according to last housing type)	108
3.25 Migration (moves) of Meadowlands West Zone 9 sample of heads of households to present home (analysed according to where respondents came from)	108
3.26 Length of residence in Greater Soweto of heads of households sample before they moved to present home in Meadowlands West Zone 9	109
3.27 Tenure categories of Orlando West sample of heads of households	110
3.28 Age of household heads by tenure	112
3.29 Length of residence of household heads by tenure	112
3.30 Tenurial patterns within the council-built housing stock in Greater Soweto	115
3.31 Owner-occupied housing built with private sector finance	120
3.32 Monthly bond repayments for owner occupied and rentals for properties in possession	122
4.1 Acts of Parliament passed affecting the administration of black people in South Africa, 1945-1956	168
4.2 Acts of Parliament passed affecting the administration of black people in South Africa, 1957-1966	169
4.3 Percentage of each urbanised population group in South Africa, 1911-1946	173

	<u>Page</u>
5.1 Johannesburg City Council's native revenue account: Source of Funds, 1918-30 June 1965	193
5.2 Johannesburg City Council's native revenue account, 1930-1965	194
5.3 Costs of housing schemes built in Soweto by private constructors, 1944-1947	201
5.4 Selected costs of privately tendered building material contracts in the building of Soweto, 1954-1964	202
5.5 Construction costs of individual housing units in selected townships of Greater Soweto	203
5.6 Council-built housing, 1930-1960 (analysed according to total number produced per year)	208
5.7 Council built housing, 1961-1982 (analysed according to total number produced per year)	209
6.1 Houses built under the 30-year leasehold scheme and in terms of Regulations 6 and 8 of 1968	235
6.2 Government's proposed capital subsidy levels	245
6.3 Estimated housing costs	246
6.4 Monthly income profiles of white and black households in South Africa	246
7.1 Monthly increases in rent and services charges in Soweto, 1977-1986	268
7.2 What it costs to provide services (each month)	288
7.3 Formula for selling the council-built houses under the 99-year leasehold scheme	304
7.4 House prices of council-built dwellings sold under the 99-year leasehold scheme in selected townships	304
7.5 Houses which present problems with conferring private tenure	309
8.1 The value of residential building plans passed for Greater Soweto, 1986-1990	340
8.2 The value of additions and alterations to residential building plans passed for Greater Soweto, 1986-1989	340

	<u>Page</u>
8.3 The value of commercial plans passed for Soweto (alone), 1986-1991	341
8.4 Faulty construction problems in Meadowlands West Zone 9	359
8.5 Total number and amount of bonds issued and average bond costs in Meadowlands West Zone 9	366
8.6 Total number of properties in possession in Meadowlands West Zone 9	366

<u>LIST OF FIGURES</u>	<u>PAGE</u>
1.1 Map of Gauteng showing Soweto in relation to Johannesburg	17
3.1 Map of Soweto	63
3.2 Age-gender structure of population in Greater Soweto	71
3.3 Structure of Greater Soweto's local housing areas	73
3.4 Private sector house types: accommodating the elite market	75
3.5 Private sector house types: accommodating the middle-income market	76
3.6 The 'elephant' house type: comprised of 2-roomed, 3-roomed and 4-roomed semi-detached units located in the Mofolo/Jabavu and Orlando West housing areas	79
3.7 The 'row', 'train' or 'coach' house types: comprised of 2-roomed, 3-roomed and 4-roomed units located in the Pimville/Klipspruit and Meadowlands housing areas	82
3.8 The 'matchbox' house type: comprised of 2-roomed, 3-roomed and 4-roomed single and semi-detached units	83
3.9 Asbestos roofing	87
3.10 The flat unit types	90
3.11 The hostels	91
3.12 Informal shacks	94
3.13 The informal sector economy	101
3.14 Burst water pipes	125
4.1 Map of Johannesburg and its suburbs, 1890-1914	156
4.2 Map of Pretoria and the Witwatersrand showing Klipspruit in relation to Johannesburg, 1905	160
7.1 Commercial and industrial activity in Greater Soweto	288
8.1 The layout plan drawn by the private developer without approval from office of surveyor general	375

	<u>Page</u>
8.1 97 Residents' Committee's grievances against and their demands	382
8.2 97 Residents' Committee's campaigning leaflet against banks	383

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CHAPTER ONE

INTRODUCTION

"There shall be houses, security and comfort ... Residential segregation is the order of the day throughout South Africa, with massive shortage of and bad housing for non-whites, and huge homes and flats most of which are either empty or not fully used, for the White minority ... The Democratic State established after the victory of the revolution shall ensure the right of people to live wherever they choose, to be decently housed, and to bring up their families in comfort and security ... Slums ... shall be eliminated ... New suburbs shall be built where proper facilities shall be provided for transport, lighting, playing fields, creches and social centres. The aged, the orphans, the disabled and the sick shall be cared for by the State ... Fenced locations and ghettos shall be abolished and laws which result in the break-up of families shall be repealed."¹

1.1 Greater Soweto

Greater Soweto² is a low density³ 'urban sprawl' situated between 15 kilometres (at the nearest) and 30 kilometres (at the furthest) from Johannesburg, a metropolitan city of the Pretoria, Witwatersrand and Vereeniging (PWV and now

¹ African National Congress 1985. Selected Writings On The Freedom Charter, 1955 - 1985, p.13. A Sechaba Commemorative Publication, African National Congress, London.

² The term Greater Soweto is here defined as a geographical unit representing the old race-based township administrative areas of Soweto, Diepmeadow and Dobsonville. By early December 1994, these areas (together with other former race-based authorities of Johannesburg, Sandton, Alexandra, Randburg, Roodepoort, Ennerdale and Lenasia South-East) had been integrated into a transitional administrative structure, The Greater Johannesburg Transitional Metropolitan Council (GJTMC).

³ In the sense of the land layout averaging 17 buildings/houses per hectare, but high density in terms of house overcrowding.

Gauteng) region and a financial capital of South Africa. The development of Greater Soweto (as will be shown in Chapter 4) is inextricably linked to the development of the capitalist mode of production in conjunction with a white⁴ racial ideology, and also to the emergence and subsequent expansion of the city of Johannesburg (figure 1.1).

The housing provided in Greater Soweto, as in other black residential areas across urban South Africa, is of poor quality compared to formerly 'white' residential areas. However, poor quality and the undersupply of adequate housing are not unique to black townships of South Africa, but a feature of the housing situation in most developing countries. Even in the 'developed' countries there is evidence of shortage, inequality in the allocation process and problems of affordability.⁵ As people throughout the whole world (notably in developing countries) continue to move and settle in towns and cities, 'the housing problem' is continually formulated and reformulated.

What is different, however, and of particular significance to Greater Soweto, the area under study, is that the characteristics of the housing situation can be seen to stem

⁴ This term is not used to refer to all white people in this study. Instead, it refers to the 'white' political and economic power.

⁵ See Bourne, L.S. & Hitchcock, J.R. 1978. "Housing Research and Policy Development: Themes from the Conference". In L.S. Bourne and J.R. Hitchcock (eds), *Markets*, p. 1. University of Toronto, Toronto.

Figure 1.1: Map of Gauteng showing Soweto in relation to Johannesburg



Source: South Africa, Lonely Planet Travel Survival Kit, Lonely Planet Publication 1996.

directly also from the physical and socio-economic policies underpinned by a particular ideology commonly known as 'apartheid'. An investigation of the impact of these policies forms a major part of this study.

In Greater Soweto the present-day housing structure (house types and their spatial distribution) is characterised by many physical and visual characteristics inherited from the past. In addition, the present-day housing situation is also characterised by the lack of infrastructural and other services provision and by the difficulties faced by the majority of black residents with respect to access to finance. Hundreds of township residents continue to live in dilapidated housing which is overcrowded, and in backyard and informal shacks which lack basic amenities such as water and energy supply, sanitation and drainage.

The impact of the policies applied under apartheid⁶ is captured in the African National Congress (ANC) housing policy objectives presented at the beginning of this chapter. The extent of the residential patterns, for example, who lives where, in what type of housing, with what security of tenure and at what cost (as will be shown) are

⁶ The term 'apartheid' refers to the official government policy of racial segregation which was legislated following the election to power of the Nationalist Party in 1948. Apartheid as the official government policy was superseded by similar policies, notably 'separate development' or 'residential segregation'. In this thesis the term 'apartheid' is used as a shorthand description of the post-1948 regimes up to 1994 when the Government of National Unity assumed power.

in part consequences of policies embarked on by successive governments which sought to protect the socio-economic and political interests of the white group, at the expense of the African⁷ people. This situation has changed very little since the first multi-party elections of 1994 and the assumption into power of the ANC-led Government of National Unity (GNU).

However, in recent years there has been a shift in Government policies from government provision of housing through local authorities to the promotion of private tenure (which paradoxically has been inherited and continued by the GNU). One of these policies relates to the sale and free transfer of council-built houses from local authorities to individual households. The other is concerned with the promotion of home-ownership through private sector finance for housing. Private sector finance for housing is a recent development which can be seen to have led to the development of houses built by private developers. Both these policy areas are important to this study as they are primarily concerned with the privatisation of housing in the townships of Greater Soweto.

1.2 The aims of the research and this thesis

The subject of this thesis is a two-fold phenomenon: a) the

⁷ The term 'African' is used in this thesis to refer to black people.

formation and operation of housing markets in Greater Soweto, especially the variety of tenures (different rights in housing and land); and b) the process by which this has come about, given the dominance of policies and measures under the apartheid regime that had the effect of depriving Africans of rights in housing and land. This implies achieving a deeper and fuller understanding of the formation and operation of present-day housing markets in Greater Soweto.

The process by which the present housing situation, characterised by a diversity of rights in housing and land, had come about is particularly interesting given that no such rights were conferred to Africans from the 1930s when the first townships were established, until the early 1980s. The time dimension is very significant in this study. Essentially it chronicles how, over a long period, African people were deprived of rights in housing and land including rights to reside in an urban area, and how, in recent years, they have regained such rights. It is an account of a people, told through their struggles for housing rights.

Six approaches were followed. The first approach is a contemporary description of the demographic, socio-economic and settlement characteristics of Greater Soweto, drawing on a household survey and on original source material that has not previously been subjected to analysis.

The second approach is a historical study which examines the development of housing markets from the 1820s to the late 1970s, paying particular attention to the progressive depriving of African people of their rights in housing and land including rights to reside or even be present in an urban area. This period covers the rise of the mining industry, intensive capitalist urbanisation, the growth of manufacturing, and the imposition of racial segregation and apartheid. It also chronicles the progressive removal of housing rights to the lowest point following the evictions of Africans from the Johannesburg areas of Sophiatown, Newclare, Martindale and other areas in the mid-1950s. It pays particular attention to the operations of the economic system and the housing policies of successive governments.

The third approach is a study of the machinery for providing housing and how it operated from 1930 to the early 1980s. This approach comprises an in depth examination of the development of the stock and the diversity of the housing situation (including backyard and informal units) paying particular attention to the financing mechanisms, costs of housing production, the size, age, type, distribution of the stock and rate of change in (additions of new units to) the stock in the different local housing areas of Greater Soweto.

The fourth approach is an examination of the allocation policies of successive administrations and tenure markets

from 1930 to the early 1980s. This approach examines the policies for allocating houses to Greater Soweto residents with particular emphasis on the tenure structure and how these tenures were differentiated from and connected to another. It also documents the rise of backyard and informal tenures since the 1980s and examines existing housing policy proposals.

The fifth approach is a study of privatisation of council-built housing from the late 1970s to 1994. This approach comprises an examination into the role played by grassroots campaigns and rent boycotts in the transfer of housing from state ownership to private tenure resulting in the rise of markets (different rights in housing and land).

The sixth approach is a case study of private sector finance for house purchase and the role played by Meadowlands West Zone 9 purchasers in safe-guarding their newly acquired property rights from mid-1980s to 1994. These approaches pay particular attention to the changing nature of social, economic and political processes.

A growing body of academic research literature on black townships has been generated over many years. Much of this literature is historical and tends to concentrate on the broad socio-economic 'exploitation' and political

'repression' of apartheid.⁸ In 1982, Beavon⁹ called on urban geographers in South Africa to concern themselves with 'scholarly studies of Black townships'. When this call was made by Beavon, there were only two entries of articles¹⁰ on Soweto by geographers in the South African Geographical Society's cumulative index spanning a period of 63 years.¹¹ Very few empirical studies have examined housing in Greater Soweto. These analyses have tended to examine the relationship between: the shaping of housing policy and capital accumulating activities,¹² housing and the

⁸ See for example, Bozzoli, B. 1979. "Popular History and the Witwatersrand". in B. Bozzoli, (ed.), Labour, Townships and Protest, pp. 1-18. Ravan Press, Johannesburg; see also Lemon, A. 1991. "The Apartheid City". In A. Lemon, (ed.), Homes Apart, pp. 1-25. David Philip, Cape Town; Parnell, S.M. and Pirie, G.H., "Johannesburg", A. Lemon, A. (ed.), (op.cit.pp. 129-145); Mandy, N. (1984) A City Divided: Johannesburg and Soweto, Macmillan, Cape Town; Payne, R., (undated). The Social History of Soweto, paper presented for IDASA, Urban Research Services, Braamfontein. For background information on Soweto, see Morris, P. 1980. Soweto: A Review of Existing Conditions and Some Guidelines for Change, Urban Foundation, Johannesburg; see also Carr, W.J.P. 1991. Soweto: Its creation, life and decline, South African Institute of Race Relations, Johannesburg; Mashabela, H. 1987. Townships of the PWV, South African Institute of Race Relations, Johannesburg.

⁹ Beavon, K.S.O. 1982. "Black Townships in South Africa: Terra Incognita For Urban Geographers", South African Geographical Journal, Vol. 64. No. 1. pp. 3-20.

¹⁰ Lewis, P.R.B. 1966. "A City within a City - the creation of Soweto", South African Geographical Journal, 48, pp. 45-85; Mashile, G, and Pirie, G,H, 1977. "Aspects of Housing Allocation in Soweto", South African Geographical Journal, 59, pp. 139-149.

¹¹ Beavon, K.S.O. 1982. (9, op.cit.)

¹² See Hendler, P. 1987. "Capital Accumulation and Conurbation: Rethinking the Social Geography of the 'Black' Townships", South African Geographical Journal, Vol. 69, No.1, pp. 60-85

reproduction of labour power,¹³ and rent struggles and the distribution of resources.¹⁴

None of these studies has examined the formation and operation of housing markets in Greater Soweto in terms of the diversity of housing, locality, type, the rise of different tenure markets and such matters as movement and other connections between these markets, pressure points for housing where demand exceeds supply, housing for first, second and third generations, and housing of last resort. Thus, little attention has been paid to the residents who occupy different positions in the Greater Soweto housing markets.¹⁵

A major weakness in the growing body of literature that has

¹³ See in particular, Pigott, M.J.D. 1985. Townships For African Workers: A Study of State Intervention in South Africa, 1945 to 1965, Unpublished doctoral thesis, School of Oriental and African Studies, University of London; see also Wilkinson, P. 1981. A Place to Live: The Resolution of the African Housing Crisis in Johannesburg, 1944 to 1954. African Studies Seminar, African Studies Institute, University of the Witwatersrand, Johannesburg, July.

¹⁴ See Seekings, J. 1988. Why Was Soweto Different? Urban Development, Township Politics, and the Political Economy of Soweto, 1977-1984, African Studies Seminar Paper, African Studies Institute, University of the Witwatersrand; see also PLANACT, 1989. Soweto Rent Boycott, A Report by PLANACT Commissioned by The Soweto Delegation, Yeoville.

¹⁵ These limitations have led to the treatment of housing as if it were a monolithic whole, comprised of uniform tracts of state housing. See for example, Mather, C. and Parnell, S. 1990. "Urban renewal in Soweto". In D. Drakakis-Smith (ed.), Economic Growth and Urbanization in Developing Areas, p. 239. Routledge, London; see also Hendler, P. 1991. "The Housing Crisis". In M. Swilling, R. Humphries and K. Shubane (eds), Apartheid City in Transition, p. 202. Oxford University Press, Cape Town.

focused on the black townships has been the lack of any systematic documentation of housing markets in Greater Soweto.¹⁶ I have attempted to draw from what literature there is those aspects that are relevant, and analysed the useful background information contained in the literature. What is new is that housing is a central focus.

1.3 Research questions and hypotheses

The phenomenon which this study seeks to understand is the formation and operation of housing markets in Greater Soweto, which imply the existence of different kinds of rights in housing and land and entrance qualifications or eligibility criteria. This situation has come about over a long period of time. More than 40 years ago, following clearances and evictions of black people from Johannesburg areas of Sophiatown, Newclare, Martindale and others, there was one type of housing tenure (specifically state/council rental) and people's rights were minimal. The central research question for this thesis is: how has this change come about? Specifically, why are housing markets in Greater Soweto as they are today?

The present housing situation, characterised by a diversity of markets, also presents other important research questions for this study. In what ways are these markets connected to

¹⁶ The lack of references with a specific focus on housing is disturbing, especially because of the place which housing occupies in the South Africa political struggle.

and differentiated from another? In what ways has the housing policy in which private tenure dominates been established? What are the driving forces for this change and what factors have enabled or facilitated it?

The central hypothesis is that contemporary housing situation has come about via a multiplicity of mechanisms: social, political and economic, the latter embracing not only housing markets but the associated markets in land, finance capital, materials and labour, and the complex interactions between population, housing and employment.

The research on which this thesis reports is designed to discover these mechanisms.

1.4 Research methodology

The major instruments employed in this study were of both field and desk research. With regard to the field research, two household surveys were conducted, one in Orlando West and one in Meadowlands West Zone 9, between January and July 1994. These two townships were chosen because they had similar housing conditions and both are characteristic of the Greater Soweto area.

Questionnaires and personal interviews were used for collecting information from a total sample of 236 households (151 in Orlando West and 85 in Meadowlands West Zone 9). The questions contained in the questionnaires were piloted

between mid-November and early December 1993 in Naledi township. The single biggest problem revealed by the pilot survey concerned a climate of suspicion and mistrust arising from the political situation at the time. For example, some of the respondents and potential interviewees thought that I had been sent by a local authority. Others suspected that I belonged to a political organisation. In this respect the question of income proved to be the most intractable, for example, some respondents suspected that the only reason I asked that question was because of the continuing rent boycotts. Others were simply reluctant to answer this question. Thus in this case revealing one's income appeared to be a personal matter which residents were not prepared to talk about.

Other respondents wanted to know if I was capable of solving their problems with the local authorities, particularly with respect to the poor conditions of their houses, including the persistent interruption of their water supply and blocked toilets. But since I could not promise them anything other than telling them that the purpose of my research was purely an academic exercise aimed at providing general information, some of these respondents simply could not believe that they were being asked questions which would not result in the improvement of their conditions.

This was not helpful considering not only the climate of fear and mistrust generated by the turbulent history of

Soweto, but also the relatively recent violent struggles waged between township residents and local authorities. Seeing that this exercise would result in failure, I explained my problems to one of the top leaders of the South African National Civic Organisation (SANCO), Mr Sandy Mgidlana who suggested that I contact a local (Naledi) representative Mr Pat Lepunya. After several attempts to reach this man but without any success I eventually enlisted the help of an influential member of the local civic branch, Mr Glega Mokgele in seeking to find ways through which I could allay residents' fears.

Mr Mokgele suggested that it would be very difficult for me to conduct interviews due to the level of mistrust caused by various factors such as the so-called 'third force' activities carried out by 'vigilante groups' composed mainly of unknown men with guns carrying out violent murders and acts of intimidation in the townships. None the less, he subsequently helped inform the civic branches in Naledi of my presence and the nature of my research. But this meant that I could only conduct a survey in Naledi where Mr Mokgele was known locally.

Moreover, from these trials I became convinced that the townships were very unstable for any man to go about asking questions about whatever issue without risking being shot. Townships had recently undergone a traumatic period in which children as young as 15 had demonstrated that they were

capable of killing. As a result of these conditions which posed a certain amount of physical danger to myself, including the dangers to me posed by taxi wars, I became convinced that the hostility towards women was less pronounced and decided to adopt different strategies. It was therefore for me to see how I could take advantage of the gender bias.

As one of the investigative methodologies, I employed a recently qualified local teacher, Hlale Hilda Mohlala, whom I trained in Naledi at Mr Mokgele's civic branch community as my research assistant. Not that I was an experienced researcher myself, but the practical training I offered her included the importance of flexibility and the avoidance of leading questions in favour of discretion in order to give residents more confidence. I had decided to employ this local teacher following the meeting I had with Professor Ronald Mears at the Vista University in Soweto to discuss my research problems.

Professor Mears had told me that in his 1993 Demographic Study of Greater Soweto he had used his students as fieldworkers in areas where they lived, and there were some areas into which these students were not prepared to go. In my case I had been away from Soweto since 1976 and a lot had changed since then. Since Hlale Hilda Mohlala had come to live in Naledi since 1992 from Orlando West, I decided that we should conduct interviews at her original area to see if

the situation would be different.

The problems regarding the climate of mistrust still remained, particularly because some of the residents of Orlando West had been victims of violence (in the past) carried out by some unknown people believed to be residents of the nearby Dube and Lifateng hostels. Nevertheless, the fact that the area chosen for the interviews was centrally located and therefore visited by all sorts of different people, and characterised also by a major presence of taxi operators persuaded me to ask my research assistant to conduct trial interviews within that area.

Surprisingly, my assistant did not encounter the problems I had experienced in Naledi, although she did face the problem that respondents felt invited to talk about several issues which tended to deviate from the set questions and prolonged the interview schedules. Hence I was persuaded that with proper guidance my research assistant would do a good job. It was on this basis that I decided that she became responsible for conducting all the interviews at Orlando West, while I concentrated on the interviews at Meadowlands West Zone 9.

The Meadowlands West Zone 9 interviews were very different from the experiences I had encountered at Naledi in that they involved individual home-owners who had already formed into a strong residents' group around specific housing

problems. These problems concerned the poorly constructed houses erected by private developers (some of which were already falling apart or had serious cracks and a range of other defects). These home-owners had formed into a pressure group in order to force the developers and financial institutions (the issuers of their mortgage bonds) to rectify the defects. I had been introduced to this group by Dr Patrick Bond of Planact (a non-governmental organisation which was investigating and publishing on housing issues regularly).

The research strategies I used at Meadowlands West Zone 9 involved both the questionnaire-based method of collecting information and action research. The action research involved attendance at all the workshops held by the residents' group at which strategies were designed, including the campaigns to improve their housing conditions. Also, this research entailed attending networking activities between the Meadowlands West Zone 9 residents' group and other organisations and agencies involved in campaigns designed to improve housing conditions in the townships.

However, it was difficult to obtain unbiased information from the respondents. In addition, as it was difficult to conduct interviews after hours as a result of the fear of violence from whatever source in the Greater Soweto area, both Hlale and I conducted most interviews during the day and also on weekends. As far as possible I would ensure that

Hlale returned (made a second visit) to the same house after the first visit in cases where the household was not available. However, Hlale was to interview the immediate neighbour if after those two visits the head of the targeted household was still not available, as well as in cases where members of a targeted household refused to be interviewed. In the Orlando West survey, my research assistant was refused an interview by only 4 targeted respondents. In Meadowlands I encountered no refusals. After each visit to Orlando West I would meet with my research assistant at home in Naledi to discuss the problems we encountered.

I had also been trying hard to follow through the contacts which I had made with the Dube Civic Association. I tried to see Mr Issac Mogase (then President of the Soweto Civic Association, and from December 1994 elected Chairman of the Greater Johannesburg Transitional Metropolitan Office) but I had no success in gaining an interview with him. I was informed by members of staff at Dube Civic Association that broadly, the civic and community leaders were too busy, mostly investigating housing issues and other concerns regularly at workshops, conferences and housing forums, at the metropolitan chamber and at other venues.

During the period of my field research the political environment in South Africa was going through a rapid transition. The first multi-party democratic elections were held in April 1994, halfway through my field work: heated

debates with regard to the restructuring of power and the reorganisation of local authorities were taking place at the time. Under these conditions it was generally difficult to find these people.

A range of other research methods were employed, including unstructured interviews with local authority managers and interviews with heads of departments (deeds offices and surveyor general's office) at the Central Government Building in Pretoria and also at offices located in Johannesburg.

The employed council officials in the local authority offices were even more elusive. I had to track down some of them by physically waiting for them at their offices until they showed up. Not only would these council officers fail to return my calls, but whenever I managed to find them they would undertake to furnish me with the information I needed and then fail to supply it. For example, on five occasions one of these officials told me to come and collect the information (once from his wife, an estate officer, who also works with him at the same office, and four times from his secretary) but all to no avail.

I concluded that these council officials had previously not been exposed to research investigations, and also, that they perceived any member of the township community as a potential enemy. Nevertheless, after persistent efforts I

eventually managed to get valuable information from these council officials.

My field research also entailed collecting housing and mortgage bond figures from the local authorities in Greater Soweto and the Deeds Registry Office in Pretoria. This data has been collated: the first time that such an analysis has been carried out.

The desk research on the other hand examines the literature related to the study. Thus a range of documents including books, memoranda, housing policy documents and statistical reports, surveys, journals, financial mail, and newspaper reports were identified and relevant information extracted. It is important to emphasise that this research has been directed at uncovering the dynamics of the housing situation as a whole and to gain insights: generalisations about households are made only where it appears safe to do so.

1.5 Overview and thesis structure

A total of nine chapters make up this study. Chapter Two summarises the theoretical perspectives employed in this thesis. Chapter Three addresses the contemporary demographic, socio-economic and settlement characteristics of Greater Soweto and the findings of the household survey in Orlando West and Meadowlands West Zone 9. The historical development of housing markets in Greater Soweto from the

1820s to the late 1970s is discussed in Chapter Four.

The machinery for providing housing and how it operated is the main focus in Chapter Five. In this chapter housing supply is analysed in terms of the financing and production mechanisms, and the rate of additions to the housing stock in Greater Soweto. Chapter Six examines the allocation policies of successive administrations and tenure markets from 1930 to the early 1980s. Chapter Six also provides a background of the shift in housing policy from building by the councils to privatising housing in the 1980s and 1990s that the local authorities had built in the past.

The privatisation of council-built housing from the late 1970s to 1994 is examined in detail in Chapter Seven. Chapter Eight is a case study of private sector finance for house purchase and the role played by the Meadowlands West Zone 9 purchasers in safe-guarding their recently acquired property rights from mid-1980s to 1994. In this chapter the campaign against the role of private developers and financial institutions by the Meadowlands West Zone 9 (97 Residents' Community) is examined in detail. The mortgage bond housing market situation in Greater Soweto (presented in tabular form in Appendix A1) is also assessed and analysed in Chapter Eight.

The significance of the Meadowlands West Zone 9 case study (in Chapter Eight) to the objectives and structure of this

thesis is that it chronicles the importance to the residents, of the recently acquired property and housing rights, hence their campaign for social justice against poor construction standards of private developers and the failure of financial institutions (as financiers) to exercise a monitoring role over private constructors. The concluding chapter, Chapter Nine, returns to the subject of mechanisms generated from theoretical arguments presented in Chapter Two of this thesis in order to test their relevance and applicability to the special case of Greater Soweto. It also draws together the salient conclusions from the empirical study showing how African people were deprived of enforceable and tradeable rights in housing and land, and how, in present-day Greater Soweto, they have regained those rights, including freedom of movement and choice.

CHAPTER TWO

THEORETICAL PERSPECTIVES

2.1 Introduction

This chapter sets out approaches to housing markets developed by academics in advanced capitalist countries and applied to those countries, in order to make explicit the mechanisms that they imply and generate questions that I could ask in looking for these mechanisms in Greater Soweto. This is important because never before has the housing question in Greater Soweto been analysed in terms of market processes, hence this study breaks new ground.

The housing question has been approached from various perspectives,¹ all of which have generated different ways of understanding housing markets. What makes these perspectives different, however, is that they posit different mechanisms: human ecology, neo-classical economics, Weberian sociology and historical materialism (table 2.1). It is to these that this chapter now turns.

2.2 Housing markets and housing tenures

Precise definitions of housing markets are problematic because of the particular characteristics of housing.

¹ See for example, Malpass, P. and Murie, A. 1990. Housing Policy and Practice, Third Edition, Macmillan, London.

The conventional western view is that housing markets are differentiated from those in other economic goods by the conditions of exchange and the unusual characteristics of housing which include 'its high cost of supply, its durability, its heterogeneity and its immobility'.²

Housing is seen as a durable and fixed good lasting a long time in relation to, for example, the family cycle (20-30 years) and an individual's working life (40-50 years) and providing stability of occupation and a range of other consumption services. The 'durability' of housing also implies that houses are built in accordance to certain building and safety standards in order to avoid shoddy building practices and other short-run construction decisions whose effects would impact on the health of residents.³ Housing is also seen as a necessary and commodity good.

The stock of housing built over a long time is said to be many times larger than any housing units built in any given year. Therefore, housing markets have a tendency to be characterised by the dominance of the existing housing stock. The stability of occupation of dwellings by individual households is seen to be evident particularly

² Bourne, L.S. and Hitchcock, J.R. (eds), 1978. Urban Housing Markets, University of Toronto Press, Toronto.

³ See Goldberg, M.A. 1983. The Housing Problem: A Premier on Housing Markets, Policies and Problems, University of British Columbia Press, Vancouver.

where only a small proportion of the existing stock is exchanged (bought and sold) in the market in the short term. Housing is also said to be characterised by a 'disequilibrium' (an imbalance) between housing supply and demand in a given area.⁴

The conventional western view also views housing as being 'fixed' in location. According to this view, houses, unlike other goods, cannot be moved or transported, even if there is excess demand in one area and excess supply in another. Moreover, in buying a house one also buys access to jobs, schools, health facilities, and other services. The fixedness of housing implies that housing markets are localised⁵ and therefore segmented according to size and physical configuration. It is primarily in reference to size and physical arrangements that housing is seen to be 'heterogeneous'. According to the conventional western approach, the 'heterogeneity' of housing also denotes qualitative and quantitative differences of the stock of housing.

Housing is also seen to be 'expensive'⁶ in relation to a household's income. This in turn implies the existence of

⁴ Ibid.

⁵ Bourne, L.S. and Hitchcock, J.R. 1978 (2, op.cit.); Le Grand, J., Propper, C. and Robinson, R. 1993. The Economics of Social Problems, Third Edition, Macmillan, London.

⁶ Ibid.

different supply or seller markets (financial, developers etc.) and demand or buyer markets. According to Randolph,

"Housing markets possess distinctive structures that reflect the autonomous processes underlying the nature of housing production and supply, for example, tenure structure, dwelling type...These processes largely determine the form in which housing is supplied and have their own impact on housing market structure, quite distinct from those processes operating in the labour market. Any theorization of housing market structure, therefore, needs to accommodate the distinctive roles of both housing consumption and production processes."⁷

Housing markets are also seen as consisting of different independent local submarkets in terms of the diversity and character of the existing stock, the determinants of supply and demand, and the nature of housing problems found in each urban area. Thus housing markets are seen to be different in terms of the demographic settlement characteristics of the population and growth, household size and income, type, size, age, structure, price, quality, location and rate of change in the stock. According to Quigley, housing markets comprise a:

"collection of closely related, but segmented, markets for particular packages of underlying commodities, differentiated in size, physical arrangement etc., and location. These submarkets are connected in a complex way."⁸

It is important to recognise that housing markets are much

⁷ Randolph, B. 1991. Housing markets, labour markets and discontinuity theory, p. 30. In J. Allen and C. Hamnett, (eds), Housing and Labour Markets: Building the Connections, Unwin Hyman, London.

⁸ Quigley, J.M. 1978. Housing Markets and Housing Demand: Analytical Approaches, p. 25. In L.S. Bourne and J.R. Hitchcock (2, op.cit.)

more than structures of housing production and supply, and a set of price signals. Whilst they involve the key decisions of policy makers (central, regional and local governments) financial institutions (banks and building societies), developers, builders, exchange agents, buyers and sellers, landlords, and others, they are inherently characterised by a system of rights of use, control and disposal.

Central to the analytical departure which this study makes is that the question of tenure and rights is not clearly established in conventional western approaches but implied. This distinction is important in two specific ways: a) in order to avoid strictly economic definitions where transactions in the housing market are viewed in terms of the 'efficiency' considerations, for example, those who benefit and those who lose from the workings of the market; and b) to clarify the conceptualisation of housing markets used in this thesis. Thus, according to Ball and Kirwan,

"...the housing process within an urban area can be described simply as the means by which the flow of housing services from the stock of dwellings in the area is allocated between the households living in that area, and the responses, and consequential adjustments, occurring in both the stock of dwellings and the population as a result of these allocation procedures and of changes in other parts of the urban system. These mechanisms ... operate within a well-defined set of procedures, property rights and institutional rules ... the most difficult features of the market to abstract from ... are existing tenure relationships and the property rights conferred on households living in dwellings in different tenures."⁹

⁹ Ball, M. and Kirwan, R. 1975. The Economics of an Urban Housing Market, Bristol Area Study, pp. 12-13, Centre for Environmental Studies, Chandos Place, London.

The conceptual focus of housing markets used in this thesis is on tenure and transactions taking place in terms of enforceable, tradeable, saleable and rentable rights. Thus the different tenures are defined by different sets of legal rights which are simultaneously enabled and constrained by a system of rules. According to MacLennan,

"The concept of tenure essentially relates to the legal arrangements existing between properties and their owners and inhabitants. Thus tenure differences are essentially variations in property rights and obligations of property owners and inhabitants. That is, tenure may influence the ways in which households acquire, use, alter and then ultimately dispose of housing ..."¹⁰

It is important to recognise that housing markets comprise the buying and selling of ownership rights and rental rights to occupy a dwelling, the duration of those rights and the right to transfer those rights. As Saunders put it,

"Minimally these may be identified as the right to exclusive use and benefit for as long as title is held, the right to control and the right to dispose ... rights are never absolute. The same law which grants rights to property holders also limits them. The same case or statute which establishes the right to keep people out of one's home also establishes the right to various police officers, meter readers and sundry inspectors to enter it. Recognition of the right to sell the house as one chooses is at the same time prohibition of the right not to sell it to someone on the grounds of their race."¹¹

The importance of rights is that they are set down in the law of the land ('de jure'), and are enforceable through the

¹⁰ MacLennan, D. 1982. Quoted from Saunders, P. 1990. A Nation of Home Owners, p. 98, Unwin Hyman, London.

¹¹ Saunders, P. 1990 (10, op.cit. p. 99)

courts if there is access to them, or may be enforceable in practice ('de facto'), for example, where the law enforcement agents (such as the police, bailiffs and others) do not act to evict squatters. A statement of 'rights' commonly specifies (a) what an individual may enjoy and have use of, (b) how long an individual may continue enjoying/using into the future (duration), (c) under what conditions an individual may transfer his/her rights to enjoy. It is differences in rights that distinguish the different tenures.

It is important to recognise that the commodity in housing markets is 'rights'. It is rights (as described above) that are bought and sold. It follows that tenure sectors comprised of particular transactions taking place (housing rights being bought and sold or rented in the market place) correspond to distinct markets because the commodity is (rights are) different. The tenure divisions define sectors and within those sectors there are common occupational rights. Thus each of these tenure sectors confers different rights and rules of entry, implies different costs and allocation mechanisms to a household seeking accommodation. These tenure differences also define submarkets which are characterised by distinct sectors of demand and supply. Questions generated by the importance of rights for Greater Soweto are: what rights exist in Greater Soweto? How can they be distinguished? Are they acknowledged/traded with or without a formal legal basis?

2.3 Ecological approach

The human ecology approach was developed by a group of sociologists based at the Chicago school early this century. According to Dunleavy, the human ecology model entailed a study of the city as an independent unit or object with 'human qualities' where the 'struggle for survival' in the cities favoured the 'fittest' (rich) over the 'weak' (poor).¹²

Competition, domination and invasion-succession processes postulated an ecological order.¹³ Within this ecological tradition, E.W.Burgess developed the 'zonal or concentric' model of urban growth. According to this model the 'core' of cities comprised a central business district (CBD) with the market responsible for causing change in the area of transition through a number of invasion-succession processes. The expansion of the CBD due to the growth of businesses and other industries necessitated the invasion of the zone of transition which was characterised by old dilapidated houses. In turn the zone of transition found itself surrounded by that of working-class families who had been pushed from dilapidated and subdivided homes in the

¹² Dunleavy, P. 1982. Perspectives on Urban Studies. In A. Blowers, et al, Urban Change and Conflict: An Interdisciplinary Reader, The Open University Press, London.

¹³ Ibid.

zone of transition.¹⁴

However, these working-class families could not be pushed furthest away from the zone of transition and employment in the CBD. Beyond the zone of working-class families lay the residential zone characterised by spacious apartments and single-family housing for the upper-classes. These dwellings in turn were encircled by the commuters zone for the elite suburbs.¹⁵ Consequently, the expansion of the CBD squeezed more housing units in the zone of transition, setting in motion a chain reaction of various processes of competition for residential space and invasion of other residential spaces, culminating in the eventual displacement of existing by new households.

Burgess's concentric theory based on the human ecological model also suggests that people move out of working-class areas as they acquire the resources that enable them to compete in middle-class and elite markets. The ecological approach suggests competition, domination and invasion-succession mechanisms. The questions generated by these mechanisms for Greater Soweto are: where do immigrants to the city settle? Is there a ladder of opportunities up which people move? If so how did it come about?

¹⁴ Ibid., see also, Johnson, J.H. 1972. Urban Geography, Pergamon Press, London.

¹⁵ Ibid.

Table 2.1 Four approaches to housing and residential structure

Approach	Wider social theory	Areas of inquiry	Exemplar writers
ecological	human ecology	spatial patterns of residential structure	Burgess (1925)
neo-classical	neo-classical economics	utility maximisation, consumer choice	Alonso (1964)
institutional managerialism	Weberian sociology	gatekeepers, housing constraints,	Pahl (1975)
locational conflict		housing classes	Rex and Moore (1967)
		power groupings, conflict	Form (1954)
Marxist	historical materialism	housing as a commodity, reproduction of labour power, urban social movements	Harvey (1973), Castells (1977) Castells (1976)

Source: Bassett, K. and Short, J.R. 1980. Housing and residential structure: Alternative approaches, Routledge & Kegan Paul, London, p. 2.

2.4. Neo-classical economics approaches

A long established tradition of neo-classical economics has been to view societal and economic organisation in terms of individual preferences. Neo-classical economics treats households as economic units. According to this perspective, the 'utility maximization' on the part of individual households' preferences is characterised by their demand for goods and services.¹⁶ It is within this context that this approach has been viewed as both a 'description of the private market system' as well as providing 'justifications for it'.¹⁷

Thus, under perfect competitive market conditions, individual households are said to 'trade-off' accessibility to the 'centre' against living space. Depending on the particular trade-off mechanisms and their personal circumstances, better-off households locate away from the central business district. Conversely, high-income earners are also likely to remain in high density areas paying more for their housing, if they value time and leisure more than space. Low-income households, on the other hand, locate close to the central business district because of their low income-elasticity of space demands. Thus, they pay more for housing in higher density areas, but less in transportation

¹⁶ Bassett, K. and Short, J.R. 1980. Housing and residential structure: Alternative approaches, Routledge & Kegan Paul, London.

¹⁷ Ibid.,

costs to their work.¹⁸ The trade-off model also presumes that both the high-income and low-income households are distributed in relation to a single urban labour market which is in the central business district.

The 'new urban economics approach' provides further extensions to the 'standard model' (trade-off model) of residential location. In addition to space demands, this model suggests the importance of 'environmental quality, housing quality and social prestige' to the household decision-making process. Thus these premiums are also seen to be declining from the centre. In this case residential differentiation reflects an amalgam of 'neighbourhood premiums'.¹⁹

The 'individual choice model' which is inherent in the old and new urban economics models, implies housing allocation by household decision. In a way, it represents a further elaboration on the standard model (discussed above) in so far as the distinction between the location patterns of high-income and low-income households is concerned. Its departure from the standard model, however, is its emphasis on perceptions of individual households in relation to the structure of the housing system. Thus this model suggests that 'residential mobility' of individual households within the housing market is a consequence of households'

¹⁸ Ibid.; see also Quigley, J.M. 1978 (8, op.cit.)

¹⁹ Bassett, K. and Short, J.R. 1980. (16, op.cit.)

'perceptions' in relation to the structure of the housing system.²⁰

Within the neo-classical tradition there is also the filtering model which suggests that an adequate supply of new high quality housing for higher-income brackets makes the need for building lower-income housing unnecessary. This is because as the high-income groups move up the housing ladder to occupy new 'quality' housing, the vacated units filter downwards to the next income bracket, and the houses at that level in turn filter further to accommodate eventually the lowest stratum of households.²¹

According to Goldberg, other factors such as effective demand, finance, land costs, building materials, investment risks and government regulations determine profitability in housing for developers and investors. If the combination of all these factors is perceived to yield a worthwhile profit, developers will provide more houses. The supply of housing will also be stimulated when there are equilibrium conditions between rising costs and falling prices. But rising interest rates, rent controls and falling rents will make housing less profitable for developers and reduce additions to the stock, but not have the same effect as

²⁰ Ibid.

²¹ Weicher, J.C. and Thibodeau, T.G. 1988. "Filtering and Housing Markets: An Empirical Analysis", *Journal of Urban Economics*, 23, 21-40.

demolitions.²²

There are a number of mechanisms suggested by the neo-classical approaches: a) individual choice within limits of what is available; b) competition against others who are better-off, in similar position and worse-off; c) profit-motivated behaviour of landowners, developers and financial institutions; d) competition drives up prices; and e) filtering. These mechanisms in turn generate the following questions for Greater Soweto: how much making choice is there? What kinds of trade-off mechanisms are there? What is valued? How do supply and demand influence each other? How much segregation is there? At what point in the family life cycle do people move? Do they move when about to start a family or when they have one child and another on the way? Do they move at all? Is filtering visible?

2.5 Institutional approaches

The state is said to intervene in the housing market in two important respects. Firstly, through legislation governing 'real property' transactions and the behaviour of various agents in the housing market from the national level down to the regional and local levels. These rules comprise of the following regulatory framework: fiscal and monetary policies, zoning, subsidies, mortgage policies, employment, building standards (safety inspection, fire protection

²² Goldberg, M.A. 1983 (3, op.cit.)

etc.), deeds registry laws, real property and land laws, leasehold rights, ownership rights and others. Also, the regulatory framework is said to be concerned with the role of agents who are responsible for effecting transactions between buyers and sellers in the housing markets such as, property estate agents, lawyers, conveyancers, local authority managers, landlords and the institutions involved in housing production and supply.²³

Secondly, the state is said to intervene in the housing market through the direct provision of housing. This form of intervention in the housing market, for example, became prominent after the second world war in most advanced capitalist countries. The governments of these countries identified a need for greater state involvement in the provision of housing in order to meet the needs of those least able to afford housing at market driven rates.²⁴

This approach represents a fundamental departure from the ecological and neo-classical frameworks of housing market analysis. It recognised that a household's location was decided administratively, not by its own choice (albeit fettered). According to this approach, the housing market was influenced by the state, notably housing departments and policy makers. The housing market was also constantly being

²³ Ibid., p. 47).

²⁴ Ball, M. 1988. Housing Provision and Comparative Housing Research. In M. Ball, et al, Housing and Social Change in Europe and the USA, Routledge, London.

shaped by private sector 'agents' (builders, developers, investors, financial intermediaries, landlords, estate agents) all of whom had different aims and objectives and were able to exercise discretion in their administrative decision-making.

Therefore any study of housing market structure had to start with the key decision-making processes of producers and suppliers of housing rather with housing consumers. In particular, it had to recognise the distinction between decisions to do with supplying housing in terms of development and redevelopment and those to do with allocating people over the housing stock (for example, letting decisions).

The 'housing classes' approach of Rex and Moore draws from both the ecological framework documented above and Weberian sociology. Max Weber was concerned to show that 'social classes' were not only a manifestation of the position of individuals in the labour market, but included the common positions and interests shared by groups under any market conditions. Society, according to Weber, was stratified in terms of inequalities resulting from the distribution of opportunities at the levels of the socio-economic and political power structures.²⁵

²⁵ Bassett, K. and Short, J.R. 1980. (16, op.cit.); see also Dunleavy, P. 1982. (12, op.cit.)

The access differentials to 'life chances' were seized upon and qualified by Rex and Moore to include the position of individuals and groups in the urban residential structure and housing markets. For Rex and Moore, desirable housing in the suburbs is scarce, therefore, urban residents are differentially situated in 'competition and conflict for it'. This competition and conflict for housing is partly a reflection of the 'class struggle in industry', but with considerable differences particularly with regard to 'access to housing'.

Individuals or groups may share the same position in the job market and yet have varying degrees of access to housing, depending on allocation factors such as race, access to finance, length of residence and others. Rex and Moore identified 'housing classes' in Britain along the main lines of tenure divisions in the following hierarchy of status:

- (1) the outright owner of a whole house;
- (2) the owner of a mortgaged whole house;
- (3) the council tenant -
 - a) in a house with a long life;
 - b) the council tenant in a house awaiting demolition;
- (4) the tenant of a whole house owned by a private landlord.
- (5) the owner of a house bought with short-term loans who were compelled to let rooms in order to meet his/her repayment obligations.
- (6) the tenant of rooms in a lodging house.²⁶

The criterion of income suggests that better-off people have easy access to desirable housing while those without income are subjected to varying conditions of access. Accordingly,

²⁶ Rex, J. and Moore, R. 1967. Race, Community and Conflict, p. 274. Oxford University Press, London.

the outright winners in this competitive struggle for housing are the elite who need not satisfy any qualification requirements because of their wealth or capital. The rest are subjected to varying degrees of entry requirements by mortgage lenders, local authority bureaucrats, landlords and others.

Rex and Moore's 'housing classes' are further differentiated from those of class relations in the workplace by an element of bureaucratic control. In their study of Birmingham, they showed how the 'five year residence rule' graded applicants into various degrees of suitability for different qualities of council housing.²⁷ Thus they drew attention to people's different positions with respect to 'bureaucratic' rules. This approach laid the basis for further theoretical exposition with regard to housing allocation policies in both the public and private sectors.

Pahl developed the thesis of 'housing classes' to include the role of managers.²⁸ He saw urban inequalities as resulting from the world of employment. He also saw the distribution of opportunities for individuals and accessibility to urban resources to be dependent primarily on the market and bureaucratic factors.²⁹ Thus the state

²⁷ Saunders, P. 1981. *Social Theory and the Urban Question*, Hutchinson, London.

²⁸ Pahl, P.E. 1973. *Patterns of Urban Life*, Longman, London.

²⁹ Ibid.

through the distribution of 'public resources' contributed to the distribution of opportunities for individuals. According to Pahl, access to vital urban resources was controlled by different managers or 'gatekeepers'. In this context, urban managers by virtue of their position in relation to the distribution and allocation of urban resources were the 'controllers' of the urban system.

Moreover, according to Dunleavy, Pahl argued that an understanding of the distribution of urban resources required a study that focused on urban managers as an 'independent variable'.³⁰ Pahl later refined his framework of managerialism which, he said, played an important role in the provision of goods and services at the levels of the state, local authority and industry.³¹

The mechanisms suggested by the institutional approaches are decision-making, class struggle within the housing system, access and allocation, and gate-keeping. These mechanisms have generated the following questions for Greater Soweto. What has the state done? Who are the 'agents'? What positions do they occupy? What 'rules' do they operate? How is access and allocation of housing determined? To what extent is continuing to stay in one's house dependent on the decisions of urban managers? Can 'housing classes' be

³⁰ Lambert, J., et al, 1978. Housing Policy and the State, Macmillan, London.

³¹ Ibid.

distinguished? In what ways do housing opportunities of the residents reflect the inequalities in employment?

2.6 Marxist approaches

This framework draws attention to the structure of the system within which bureaucrats, gatekeepers and others operate and in particular to the interacting social, economic, physical and political/government structures. This approach represents a significant departure from all the theoretical work reviewed above. The marxist approaches have been concerned with the general conditions of the capitalist system of economic organisation.

The production and pattern of housing consumption are said to be closely linked to the requirements of finance capital. Thus housing is seen both as a commodity and source of profits for developers and financial institutions.³² Unlike other commodities which are normally produced in the factories, some housing is assembled on site from factory-produced components. Because of these peculiar features of housing, its production is sometimes subjected to stoppages, as a result of potential interruptions in the flow of finance and building materials, labour problems and others.

³² Larmache, F. 1976. Property development and economic foundations of the urban question. In C.G. Pickvance, (ed), Urban Sociology: Critical Essays, Tavistock Publications, London.

According to the marxist approaches, the high cost of supply compels the majority of households to borrow money from financial institutions to purchase and pay for housing over an extended period of time. This process rewards developers with immediate profits which are then ploughed back to the production of more houses, and by extension, profits. In turn, financial institutions realise their profits by charging interest on loan-financed housing.

According to Harvey,³³ the relation between housing and capitalist production is integrated and corresponds to the 'power relation' between the capitalist sector and the work force, and can only be understood in terms of its historical context. This power relation, argues Harvey,³⁴ may be viewed primarily as a 'force of class structuration' in capitalist societies particularly because of its importance in shaping 'class' or 'social configurations' as a result of the dynamics of the capitalist mode of production.

The integration of social relations (authority relations, property relations, tenure divisions, family relations, including attitudes) with the wider consumption patterns, according to Harvey, is vital for the stability and functioning of the capitalist system. In this respect the appropriation of surplus value by different capitalist

³³ Harvey, D. 1989. The Urban Experience, Basil Blackwell, London.

³⁴ Ibid.

sectors through the provision of different types of housing reinforces attitudes that are designed to reproduce certain patterns of housing consumption and social relations. In turn this leads to segmentation in housing markets and residential differentiation based on class cleavages. In this respect the fragmentation of society into different residential communities and the fragmentation of the workforce become entrenched and perpetuate capitalism.³⁵ At the level of the family, adequate housing is vital for the socialisation of the future workforce.

These social relations are seen to be affecting changes in the structure and operation of housing markets, which are increasingly controlled by 'financial and government institutions'. These public and private market institutions, according to Harvey, form a hierarchy characterised by authority relations whose function is to coordinate 'housing market behaviour' from the national level downwards to the regional and local levels, and thus influence the reproduction of certain 'consumption classes' or 'groupings' and perpetuate residential differentiation. Under these conditions individuals are left with no choice but to conform and adapt to the imperatives of advanced capitalism.³⁶

According to the marxist approaches, the state intervenes

³⁵ Ibid.

³⁶ Ibid., pp. 118-124.

(ideologically, economically, legally and politically) to resolve a moment of crisis in the process of capitalist expansion and accumulation by maintaining social cohesion of capitalist formations, but also as a consequence of the pressure exerted by 'urban social movements', while at the same time directly enforcing the domination of the workforce by the capitalists. But this intervention does not lessen the class conflicts which are rooted in the contradictions of capitalism, rather it actually exacerbates them.³⁷

Urban social movements³⁸ are said by Castells to be an important part of the housing system. These urban movements have become increasingly organised and have politicised and engaged in direct action on such issues as deteriorated neighbourhoods, rents and rising housing costs. In seeking to influence the housing system they have extended urban conflict from the sphere of production to the sphere of consumption and thus revealed the integrated nature of the relationship in urban problems between the state and capital.

The Marxist approaches suggest the following mechanisms: profit-driven behaviour of developers and financial institutions, class conflicts, and mobilisation, campaigning and negotiating of urban social movements. These mechanisms

³⁷ Ibid.

³⁸ Castells, M. 1977. *The Urban Question*, Edward Arnold, London.

have generated the following questions for Greater Soweto. What is the relationship between housing and labour markets? Are spheres of production and consumption linked? What forms of capital are there? How has the state intervened? On whose side? What urban conflict is there? What profit-driven behaviour is there? What urban movements are there? What were the levers by which pressure was exerted?

2.7 Summary

In this chapter, I have reviewed the major approaches to housing markets which have been developed by academics in the advanced capitalist countries. In addition, the mechanisms implied by these approaches have also been noted throughout this chapter. These mechanisms have generated questions which will be applied to see whether they are sufficient in bringing out the salient features of housing markets in Greater Soweto and their historical development; secondly, by seeing whether actual patterns of residential location and movement in Greater Soweto fit (conform to) them.

It is also important to stress that this study builds where appropriate on the substantial factual information presented in tabular form in chapters below. This study uses theories as guides for collecting information and for analysing it. At the one level this is an empirical study of housing markets in Greater Soweto. At another carrying out the study

has involved making an empirical examination of theoretical perspectives for what they yield in terms mechanisms at work.

CHAPTER THREE

PEOPLE AND HOUSING IN GREATER SOWETO TODAY

3.1 Introduction

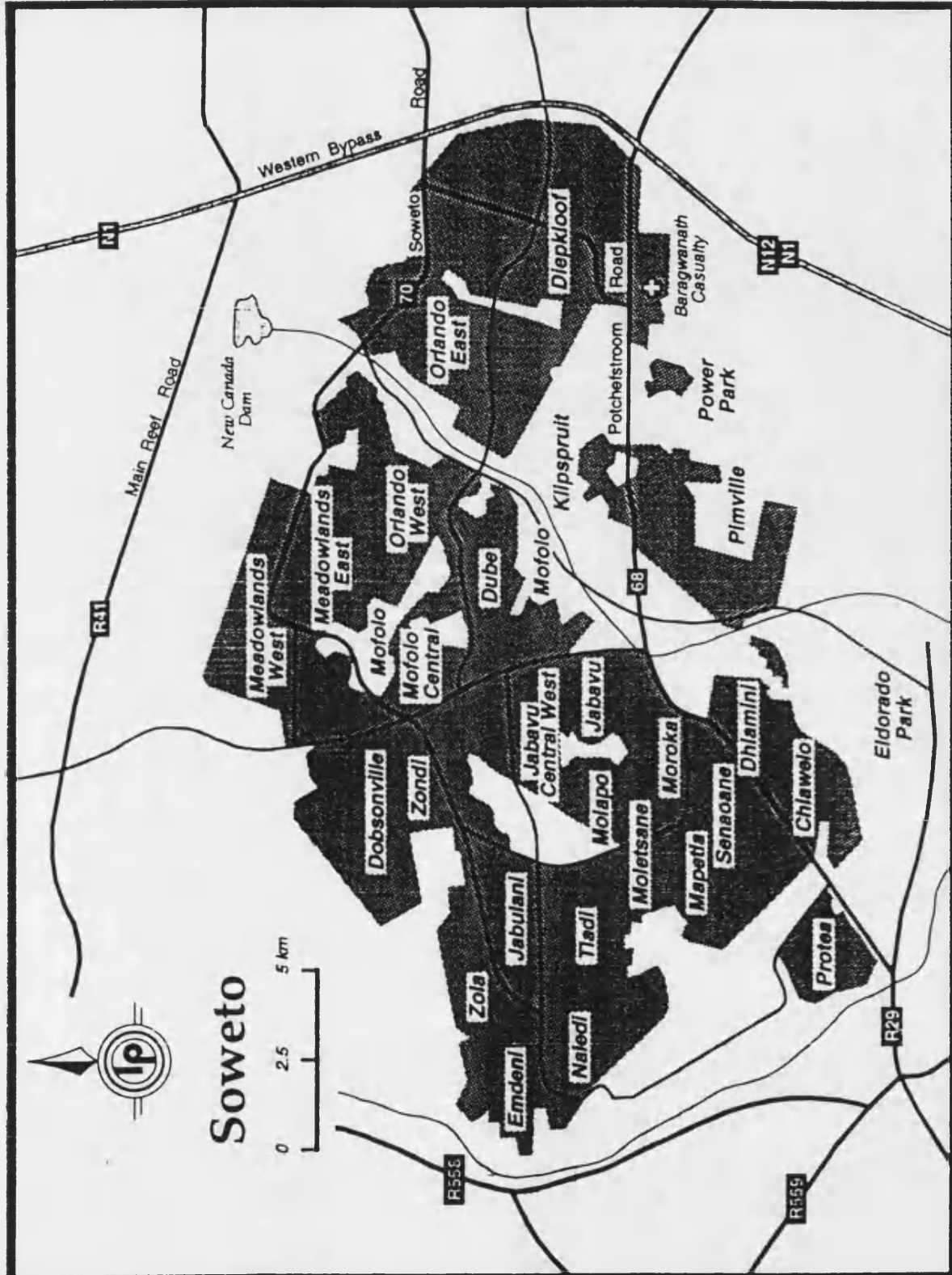
This chapter provides a description of the Greater Soweto population and housing situation in 1994. It concerns itself with the distribution of the population spatially and across the present stock of dwellings. It describes the area under study and thus provides a basis for the analysis set out in later chapters. Greater Soweto covers an area of just over 8,000 hectares¹ and comprises Soweto, Diepmeadow and Dobsonville (see figure 3.1).

3.2 Population in Greater Soweto

The present size of the population in Greater Soweto is not known accurately. The readily available population figures on Greater Soweto comprise a variety of estimates (table 3.1), which vary widely. For example, in 1989 alone, seven different estimates were recorded, ranging from a lower figure of 888,443 to a higher figure of 3,500,000 people (table 3.1). Similarly, also presented in table 3.1 are five different estimates for 1990: the lowest of these is

¹ See Mashabela, H. 1988. Townships of the PWV,, South African Institute of Race Relations, Johannesburg. See also, Mandy, N. 1991. Local government finance and institutional reform. In M. Swilling, R. Humphries and K. Shubane (eds), Apartheid City in Transition, Oxford University Press, Cape Town.

Figure 3.1: Map of Soweto



Source: South Africa, Lonely Planet travel survival kit, Lonely Planet publication, 1996.

1,033,000 and the highest is 2,169,000. In addition, two different estimates for 1991 (891,000 and 1,300,000) are shown in table 3.1, with a single estimate of 969,236 for 1992 and a further two estimates of 811,974 and 888,210 for 1993.

It appears from these estimates (table 3.1) that not only is the size of the Greater Soweto population not accurately known, but that current estimates are inadequate, unreliable and confused. In the light of the uncertain and unreliable population figures shown in table 3.1 and for the purpose of this thesis, I have used the 1994 local authority occupation rates for the Diepmeadow area (as there were no local authority figures for the whole area) to estimate the population of Greater Soweto. According to the Diepmeadow statistics for 1994 a total number of 291,857 residents were accommodated in the 29,309 formal houses (table 3.2). Of these 79,958 were accommodated in 8,711 formal houses in Meadowlands East, 68,150 were housed in 7,977 formal dwellings at Meadowlands West and a further 143,749 occupied 12,621 formal units in Diepkloof. Furthermore, 139,166 Diepmeadow residents were housed in the backyard and informal shacks (44,795 at Meadowlands East, 12,916 at Meadowlands West and 73,140 in the Diepkloof area).

Thus the mean occupation rate in the formal housing sector in the Diepmeadow area was 9.9 (table 3.2) and 4.0 persons per shack (table 3.3) in the backyard and informal shacks

sector. On the basis of both these averages I was able to estimate the total population of residents who are housed in the formal and backyard/informal housing sectors for Dobsonville and Soweto municipalities, based on the actual number of units in each sector.

According to the data presented in table 3.2, there are 6,148 formal housing units and an estimated population of 60,865 in Dobsonville, while Soweto has 85,466 formal dwellings and an estimated population of 846,113. Based on these figures the total estimated population of those who are accommodated in the 120,923 formal units in Greater Soweto is 1,198,835 (table 3.2). However, an additional estimated population of 306,938 (139,166 in Diepmeadow, 11,412 in Dobsonville and 156,360 in Soweto) is housed in the backyard and informal shack sectors (see table 3.3). Moreover, there are approximately 37,697 people who are accommodated in the hostels (table 3.4). Based on all the figures presented above (see tables 3.2, 3.3 and 3.4) the combined estimate of the entire population of Greater Soweto in 1994 used in this thesis (see table 3.1) was 1,543,470 (440,929 in Diepmeadow, 76,760 in Dobsonville and 1,125,781 in Soweto).

On the basis of the 1,543,470 estimate used in this thesis, the townships of Greater Soweto (covering an area of 8,000 hectares as stated above) have a mean population density of 193 persons per hectare. In comparison, the white municipal

areas of the Central Witwatersrand: Johannesburg, Randburg, Roodepoort and Sandton have a mean population of 16 persons per hectare. These areas measure over 86,654 hectares and accommodate an estimated population of 1,350,000.²

As explained above, there are no known-to-be accurate figures on the population of Greater Soweto. Mashabela (table 3.1), for example, reckoned the population of Greater Soweto to be 1,542,000 (261,000 for Diepmeadow, 86,000 for Dobsonville and 1,195,000 for Soweto) in 1988. The Soweto Rent Boycott report commissioned by the Soweto Delegation in 1989 noted Mandy's figure of 1,740,000, which it considered 'to be the most reliable', but without actually showing how reliability was ascertained or gauged (table 3.1).

Mandy (table 3.1), in his 1989 report for the Centre For Policy Studies, used a number of estimates which ranged from a low figure of 728,000 for 1985 to a high figure of 3 million for 1988. Mather and Parnell (table 3.1) noted a figure of approximately 2 million for 1990, whilst the 1994 Soweto City Council's estimates for Soweto (excluding Diepmeadow and Dobsonville) was 3,5 million (see table 3.1). In 1993, Professor Mears of Vista University estimated the population of Greater Soweto to be 811,974 (table 3.1). Therefore, although unquestionable accuracy cannot be claimed for the population figures used in this thesis, they are consistent with what is known of the population and of

² Mandy, N. 1991. (1, op.cit.)

Table 3.1: Population estimates for Greater Soweto

Mashabela, H. 1988*	1 542 000
Centre For Policy Studies 1989+	3 000 000
The Soweto Rent Boycott 1989#	1 740 000
UNISA BMR 1989	1 022 768
Market Research Africa 1989	888 443
Black Towns of the PWV 1989: low	1 500 000
Black Towns of the PWV 1989: high	3 500 000
JOMET 1989	966 443
Development Bank 1990	1 253 026
JOMET 1990	1 033 406
Black Demographic Handbook 1990	2 169 000
Urban Foundation 1990	1 140 000
Mather and Parnell 1990**	2 000 000
1991 Census Figures***	891 000
SA Township Annual 1991	1 300 000
Soweto Housing Department 1992	969 236
1993 Census Figures	888 210
Professor Mears' Estimates, 1993++	811 974
Soweto Housing Department 1994##	3 500 000
My Own Estimates for 1994@	1 543 470

Source: Mabin, A. and Hunter, R. 1993. Report of the Review of Conditions and Trends Affecting Development in the PWV, Unpublished Report Prepared for the PWV Forum, University of the Witwatersrand; *(Mashabela, H. 1988. Townships of the PWV, South African Institute of Race Relations, Johannesburg); +(Mandy, N. 1989. Research Report: Johannesburg and Soweto, Centre for Policy Studies, Graduate School of Business, University of the Witwatersrand, Johannesburg); #(PLANACT 1989. The Soweto Rent Boycott, A report by Planact Commissioned by the Soweto Delegation, Johannesburg); ** (Mather, C. and Parnell, S. 1990. Upgrading the 'matchboxes': urban renewal in Soweto, 1976-86. In D. Drakakis-Smith, (ed), Economic Growth and Urbanization in Developing Areas, Routledge, London); *** (Central Statistical Service, 1991. Demographic Statistics, Pretoria); (Soweto Housing Department, Soweto City Council figures for Soweto, excluding Diepmeadow and Dobsonville); ++ (Mears, R. 1993. Demographic Characteristics of the Population in Greater Soweto, Unpublished paper, Economics Department, Vista University, Soweto). ## (Soweto Housing Department, Soweto City Council estimates for the Soweto area (i.e. excluding Diepmeadow and Dobsonville); @ (These estimates are based on calculations derived from the extrapolation of Diepmeadow figures (as already discussed) and the average occupation rates both in the formal and informal sectors, which I then used to calculate estimates for the whole of Greater Soweto - see also tables 3.2, 3.3 and 3.4).

Table 3.2: Estimates of people accommodated in the formal sector in Greater Soweto

Area	Total number of formal houses		Population		Average occupancy rate
	No	%	No	%	
Diepmeadow+	29 309	24.2	291 857	24.2	9.9
Dobsonville*	6 148	5.1	60 865	5.1	9.9
Soweto**	85 466	70.6	846 113	70.6	9.9
Total	120 923	100	1 198 835	100	9.9

Source: +Diepmeadow (Meadowlands East, Meadowlands West and Diepkloof) Statistics, 1994; *Dobsonville housing figures have been adapted from Davies, Bristow & Associates, 1990. Black Towns of the PWV, Property Consultants, Durban; **Soweto Statistics, 1994.

Table 3.3: Estimates of people accommodated in Greater Soweto's backyards and informal shacks

Area	Backyard and informal shacks		Population		Average occupancy rate
	No	%	No	%	
Diepmeadow+	34 194	44.9	139 166	44.9	4.0
Dobsonville*	2 853	3.7	11 412	3.7	4.0
Soweto**	39 090	51.3	156 360	51.3	4.0
Total	76 137	100	306 938	100	4.0

Source: +Diepmeadow Statistics, 1994; *Adapted from Davies, Bristow & Associates, 1990. Black Towns of the PWV, Property Consultants, Durban; **Soweto Statistics, 1994.

Table 3.4: Estimates of people accommodated in Greater Soweto's hostels

Area	Number of hostel beds		Population	
	No	%	No	%
Diepmeadow	9 906	26.2	9 906	26.2
Dobsonville	4 483	11.8	4 483	11.8
Soweto	23 308	61.8	23 308	61.8
Total	37 697	100	37 697	100

Source: +Diepmeadow Statistics, 1994; *Adapted from Davies, Bristow & Associates, 1990. Black towns of the PWV, Property Consultants, Durban; **Soweto Statistics, 1994.

the formal and informal sectors, as well as with most other estimates.

3.3 Population structure

The information regarding the population pyramid used in this study is based on the household survey undertaken by Professor Ronald Mears of Vista University in his 1993 study of the demographic characteristics of Greater Soweto involving 800 households. The findings of Professor Mears' study on the demographic composition of Greater Soweto's population are shown in table 3.5. As table 3.5 shows, 51.5 per cent of Greater Soweto's population were females and 48.5 per cent males. According to this data, it appears that the ratio of males to females has normalised, a significant change from the past where the urban population was predominantly males (see Chapter 4).

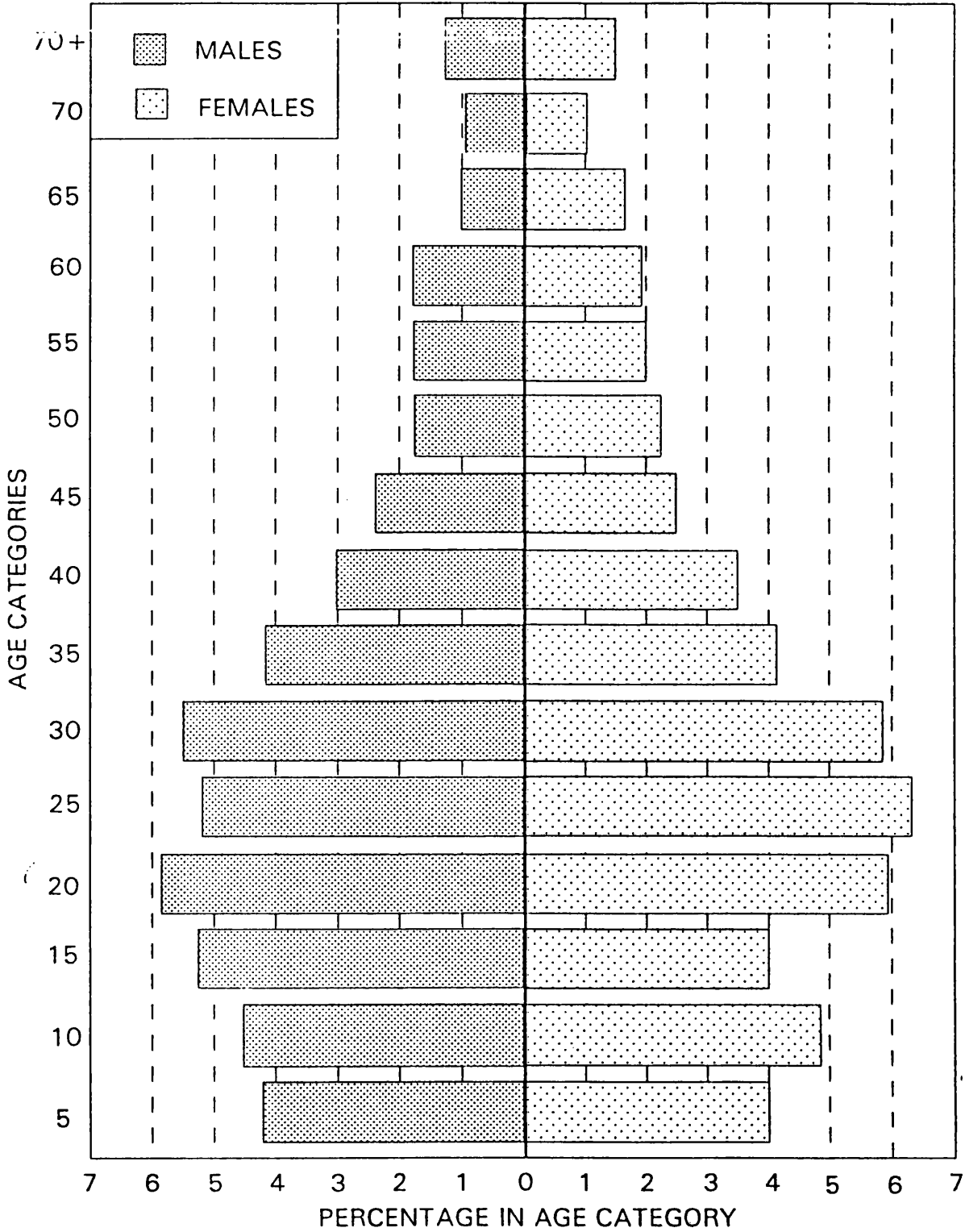
About 26.8 per cent of Greater Soweto's population consists of children aged between 0 to 15, and this age group is larger than the total of those aged 46 and above (table 3.5). A further 34.5 per cent comprises young adults and potential new households aged between 16 and 30. Those aged between 31 and 45 make up 19.6 per cent, while those aged 46 and above comprise 19.1 per cent. This data (table 3.5) appears to be clear evidence of a permanent population. A town composed of migrant workers would not have so many young and old people who are economically inactive, a large

Table 3.5: Age-gender structure of Greater Soweto

Age category	Percentage males	Percentage females	Total number of sample	Total percentage of sample
0-5	4.2	4.0	344	8.2
6-10	4.6	4.8	395	9.4
11-15	5.2	4.0	389	9.2
16-20	5.8	5.9	491	11.7
21-25	5.1	6.3	479	11.4
26-30	5.6	5.8	479	11.4
31-35	4.1	4.1	343	8.2
36-40	3.0	3.5	272	6.5
41-45	2.3	2.6	204	4.9
46-50	1.8	2.3	171	4.1
51-55	1.8	2.1	162	3.9
56-60	1.8	1.8	153	3.6
61-65	1.0	1.7	116	2.7
66-70	0.9	1.0	79	1.9
71+	1.3	1.6	120	2.9
Total	48.5	51.5	4 197	100

Source: Adapted from Mears, R. 1993. Demographic characteristics of the population in Greater Soweto, unpublished paper, Economics Department, Vista University, Soweto, p. 12, Table 11.

Figure 3.2: Age-gender structure of population in Greater Soweto



Source: Adapted from Mears, R. 1993. (op.cit. p. 13.)

percentage of whom represent a potentially active population, and possibly a male: female split so close to 50:50. The population structure of Greater Soweto is also graphically illustrated in figure 3.2.

3.4 Local administration areas

Greater Soweto comprises three principal townships which are further subdivided into thirteen local administrative areas: nine in Soweto, three in Diepmeadow and one in Dobsonville (figure 3.3). Soweto alone comprises the following local housing areas: Chiawelo/Protea, Mofolo/Zondi, Senaoane, Pimville/Klipspruit, Tladi, Orlando East, Orlando West, Moroka/Jabavu and Zola local administration areas. Diepmeadow on the other hand is comprised of Meadowlands East, Meadowlands West and Diepkloof.

Each of the thirteen local housing areas in Greater Soweto is differentiated from the other by location, the size, type and age of the housing stock (table 3.6). For example, there are 420 flats in the Chiawelo/Protea housing area, but none in the Orlando East; there are 2,093 new additions to the Pimville/Klipspruit housing area (constructed by private developers with private sector finance since 1982) compared to 183 in the Mofolo/Zondi housing area (table 3.6).

Figure 3.3: Structure of Greater Soweto's local housing areas

Local administration areas	Housing area structure
Chiawelo	Chiawelo Extensions 1-5, Dlamini, Dlamini Extensions 1-2; Protea, Protea North, Protea South, and Protea South Extension 1
Mofolo/Zondi	Mofolo Central, Mofolo North, Mofolo South; Zondi; and Central Western Jabavu
Senaoane	Senaoane; Phiri, Mapetla; Mapetla Extension and Molapo Extension
Pimville/Klipspruit	Pimville Zones 1-7; Klipspruit and Klipspruit Extensions 1-2
Tladi	Tladi; Moletsane; Jabulani Extension; Jabulani Flats; Naledi and Naledi Extensions 1-2
Orlando East	Orlando East Extensions 1-3
Orlando West	Orlando West Extensions 1-3 and Dube
Moroka/Jabavu	Moroka; Moroka North; Central Western Jabavu; and Jabavu Extensions 1-3
Zola	Zola North; Zola South; Zola Buffer; Jabulani; Emdeni South; Emdeni Extension and Emdeni Buffer
Meadowlands East	Meadowlands East Zones 1-5
Meadowlands West	Meadowlands West Zones 6-10
Diepkloof	Diepkloof Zones 1-6, and Diepkloof Extension
Dobsonville	Dobsonville, and Dobsonville Extensions 1-3

Source: Compiled from Greater Soweto Statistics (Soweto, Diepmeadow and Dobsonville), 1994; see also Greater Soweto map above

3.5 The housing stock and types

In 1994 there were a total of 120,923 formal housing units in Greater Soweto. Of these 85,466 were in the Soweto area, 29,309 in Diepmeadow and 6,148 in Dobsonville. Thus, as table 3.6 shows, apart from 2,638 pre-1982 self-built houses, 874 flats, 440 manses and caretaker cottages, there were 102,018 houses built by the white municipalities (the Johannesburg City Council, Native Resettlement Board and Roodepoort City Council) in Greater Soweto (71,257 in Soweto, 26,461 in Diepmeadow and 4,297 in Dobsonville). The remainder (14,953 units) were added to the Greater Soweto housing stock from the mid-1980s by private developers with financing from the banks (table 3.6). The types of privately built houses vary widely (figures 3.4 and 3.5).

The data on council-built housing types were not available for the whole of Greater Soweto. The available data on house types are examined in this chapter with respect to the Soweto area alone. However, the house types (in terms of number of rooms) that are described below also predominate in both Diepmeadow and Dobsonville. Table 3.7 shows the variations of house types in terms of number of rooms and the size of each type in the overall Soweto housing area. It should be noted that the data presented in table 3.7 are for houses built by the JCC, and exclude self built houses, flats, manses, caretaker cottages and dwellings built on trading residential sites (table 3.6).

Figure 3.4: Private sector house types: accommodating the elite market



Figure 3.5: Private sector house types: accommodating the middle-income market



The figures presented in table 3.7 are self-explanatory in terms of the distribution of the Johannesburg City Council (JCC) housing types. For example, in the Soweto area, there are 7,548 2-roomed units (11 per cent of the total), 7,450 3-roomed dwellings (10 per cent of the total), 52,611 4-roomed units which constitute 74 per cent of the housing stock and only 3,295 5-roomed units representing 5 per cent of the stock.

It is important also to emphasise that the housing units are characterised by substantial variations in both qualitative and quantitative terms. For example, the 2-roomed unit comprises two key categories. The first type is a 'pre-cast concrete' dwelling all round, including the roofing. Its whole shape is characteristic of a concrete tank and as a result has acquired the term 'elephant' house. Internally, this type is very small and lacks insulation against heat and cold, and its roofing has a tendency to leak (figure 3.6). Furthermore, it cannot be improved nor altered under any circumstances. A total of 188 of these 2-roomed 'elephant' units are located in the Mofolo/Zondi housing area and a further 1,700 are situated in the Moroka/Jabavu housing area (see table 3.7 and figure 3.6).

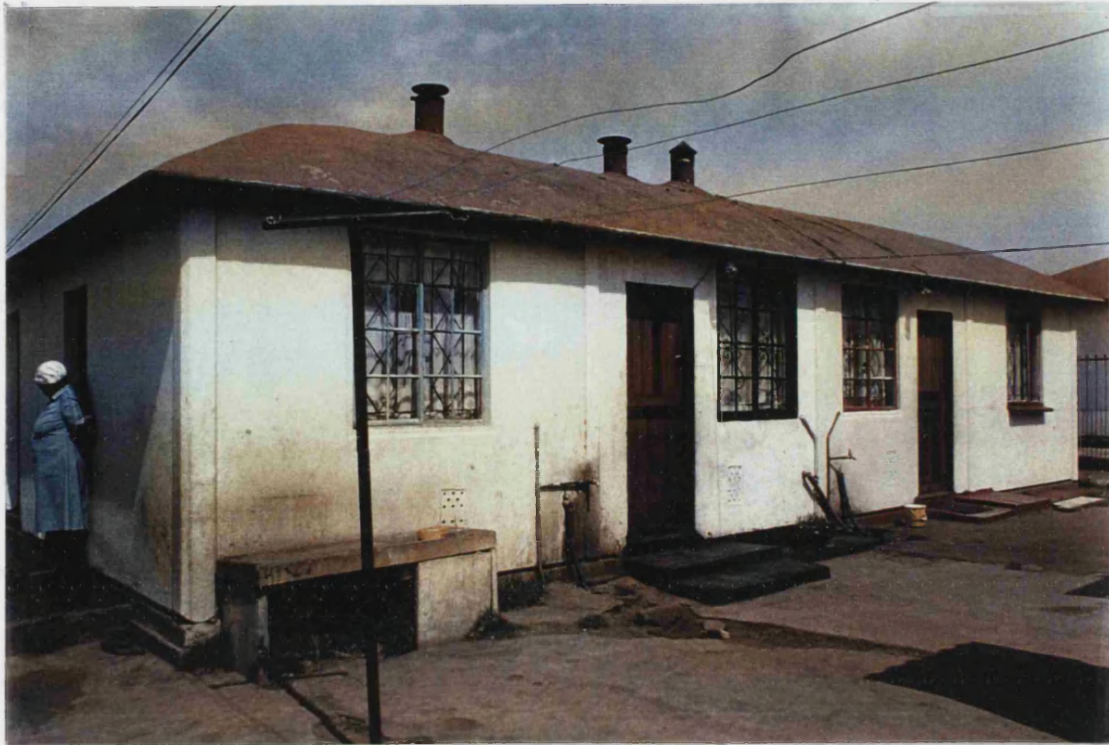
The second type is the conventional unit built with bricks but is comprised of four different sub-types. The first sub-type was originally constructed as a semi-detached 4-roomed unit, but later subdivided in order to house four different

Table 3.6: The formal housing stock in Greater Soweto

Local housing area	Council -built houses	S/B	MC, CC, TR.	Flats	Built by P.D.**	Total
Chiawelo	6,698	292	33	420	4,965	12,408
Mofolo/ Zondi	6,451	301	46	12	183	6,993
Senaoane	7,366	139	45	--	261	7,811
Pimville	5,583	1130	30	4	2,093	8,840
Tladi	9,699	141	53	434	742	11,069
Orlando East	5,913	48	44	--	9	6,014
Orlando West	7,393	246	40	--	393	8,072
Moroka/ Jabavu	10,248	341	95	--	724	11,408
Zola	11,909	--	54	4	884	12,851
Med. East*	8,314	--	--	--	397	8,711
Med. West*	7,482	--	--	--	495	7,977
Diepkloof*	10,665	--	--	--	1,956	12,621
Dob'ville+	4,297	--	--	874	1,851	6,148
Total	102,018	2638	440		14,953	120,093

Source: Soweto Statistics 1994; *(Diepmeadow Statistics, 1994); +(Dobsonville figures were adapted from Davies, Bristow & Associates, 1990); S/B (Self-built houses, constructed before 1982 by individual residents under the 30 year leasehold scheme - see Chapter 6 for further discussion of this scheme); MS (Manses), CC (Caretaker cottages); TR (houses built on trading residential sites); **(Houses constructed by private developers with private sector finance from financial institutions).

Figure 3.6: The 'elephant' house type: comprised of 2-roomed, 3-roomed and 4-roomed units located in the Mofolo/Jabavu and Orlando West housing areas



families. There are a total of 600 subdivided 2-roomed units all of which are located in the Senaoane housing area. The second sub-type is continuous 'row' housing (208 units) with 2 rooms each and is concentrated in the Pimville/Klipspruit housing area (see table 3.7). The 'row' housing type is similar to most of the 'train' or 'coach' units found in the Meadowlands East and Meadowlands West housing areas (see figure 3.7).

The third sub-type is a 'matchbox' (51/6) 2-roomed single (detached) unit which is similar to the 4-roomed detached 'matchbox' unit (see figure 3.8). There are 777 2-roomed 'matchbox' dwellings located in the Tladi housing area. The fourth sub-type consists of 2-roomed units (known as type J) which are found in the Orlando East housing area. These are comprised of both single and semi-detached units. Sub-type J is 39 sq/ft in floor area and comprises the entire 2-roomed housing stock of Orlando East (table 3.7). Thus, of the total 4,075 2-roomed units in the Orlando East housing area (table 3.7), 3,572 are single units and 503 are semi-detached dwellings. Moreover, as table 3.7 further shows, not only is the 2-roomed housing unit the most dominant in the Orlando East housing area, but it also represents the largest share (60 per cent) of the entire 2-roomed housing stock in the whole of Soweto.

The 3-roomed 'matchbox' unit is also comprised of different sub-types. In Orlando East, for example, the 3-roomed

Table 3.7: The Council-built house types (according to number of rooms per unit) in Soweto.

Local housing market	Number of 2 rooms	Number of 3 rooms	Number of 4 rooms**	Number of 5 rooms**	Total number of units per local housing market area
Chiawelo /Protea	--	--	5,898	800	6,698
Mofolo/Zondi	188*	373*	5,696	194	6,451
Senaoane	600@	--	6,715	48	7,363
Pimville	208+	55+	5,181	139	5,583
Orlando East	4,075	1,815	21	2	6,013
Orlando West	--	1,806#	4,104	1,483	7,393
Moroka/Jabavu	1,700*	3,401*	4,608	539	10,248
Tladi	777	--	8,832	90	9,699
Zola	--	--	11,909	--	11,909
Total	7,548	7,450	52,964	3,295	71,256

Source: Calculated from Soweto Statistics, 1994. *(Elephant types); **(Matchbox types); @(Row, coach or train types); @(Subdivided semi-detached types); #(600 of these are elephant and the rest matchbox types). In addition those in columns 2 and 3 which are not highlighted with any symbol are the matchbox (K and L) types found in Orlando East and Orlando West. Furthermore, the 777 units shown in column 2 and row 9 are also matchbox types.

Figure 3.7: The 'row', 'train' or 'coach' house type: comprised of 2-roomed, 3-roomed and 4-roomed units, common in the Pimville and Meadowlands housing areas

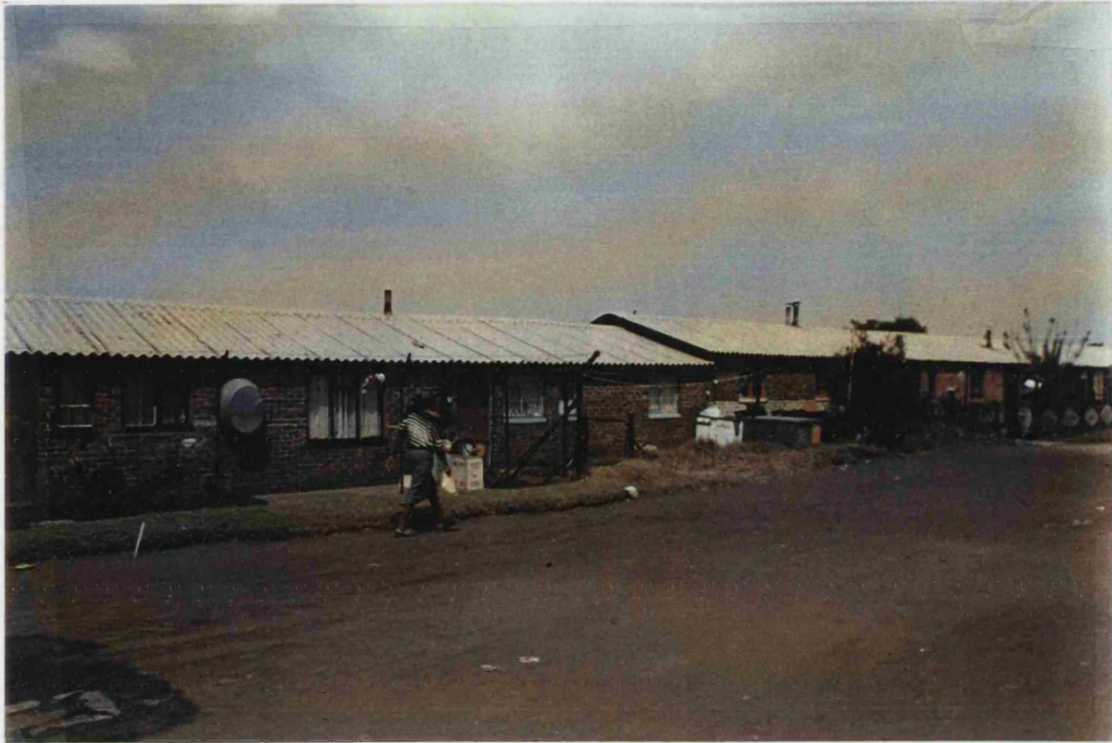
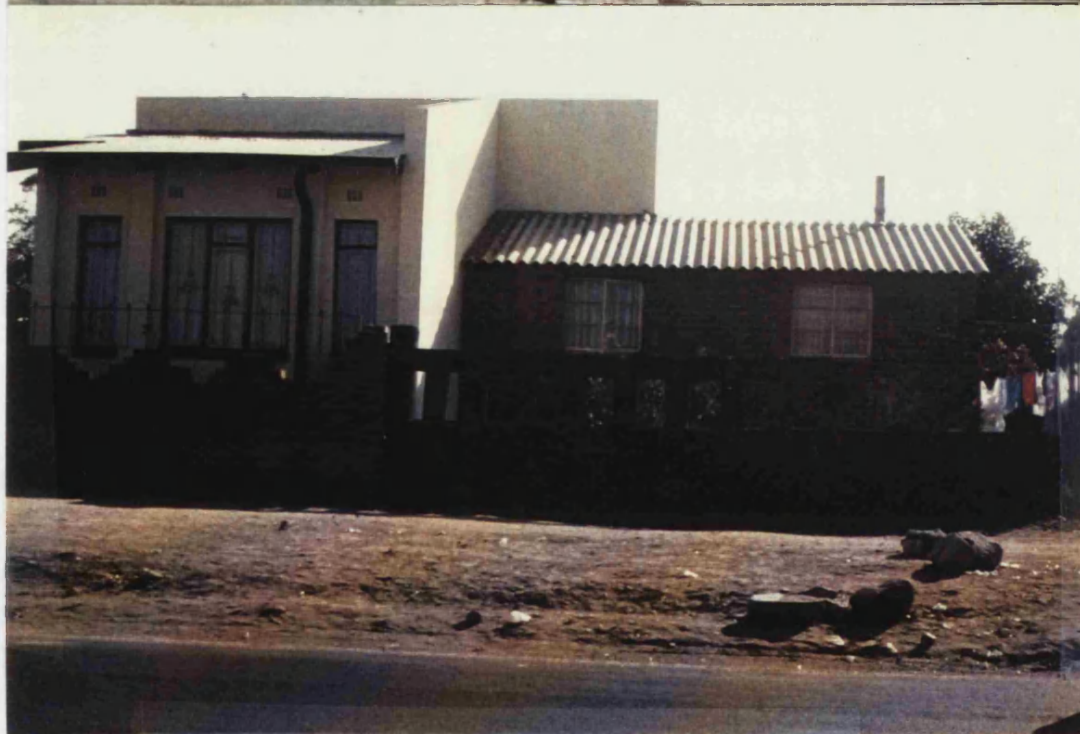


Figure 3.8: The 'matchbox' house type: comprised of 2-roomed, 3-roomed and 4-roomed single (detached) and semi-detached units.



'matchbox' unit consists of sub-types K and L. Sub-type L is 532 sq/ft in floor area and comprises 1,109 detached units with three rooms including a kitchen. Sub-type K on the other hand is 512 sq/ft and comprises 443 detached dwellings and 263 semi-detached units. Of the 1,806 3-roomed housing units situated in the Orlando West housing area, 331 are semi-detached units of the K sub-type (similar to the Orlando East K sub-type described above), 616 are semi-detached 'elephant' houses (similar to those shown in figure 3.6) and 859 are detached dwellings (table 3.7). In addition, apart from the 'elephant' sub-type all the 3-roomed units in Orlando West are larger than those of Orlando East. For instance, the average floor area in Orlando West houses is 714 sq/ft. None of the houses were provided with internal doors and windows when they were first constructed, but they were provided with external doors, internal steel door frames and steel window frames. Neither were floors nor ceilings provided. These were to be provided at the expense of the resident occupants themselves. All that was constructed was the core/shell structure of the house. The roofing consisted of corrugated iron.

There are a further 3,774 3-roomed 'elephant' housing units in the Soweto housing area. Of these 273 are located in the Mofolo/Zondi housing market and 3,401 are situated in the Moroka/Jabavu housing area (table 3.7). Moreover, as table 3.7 further shows, the 'elephant' sub-type is the single

largest representing 51 per cent of the total 3-roomed housing stock in Soweto.

The 4-roomed unit is also characterised by three categories. The first is the 'elephant' sub-type consisting of 353 semi-detached dwellings which are located in the Orlando West housing area (table 3.7 and figure 3.6). The second sub-type is the 51/6 detached unit and the third sub-type is the 51/7 semi-detached dwelling shown in figure 3.8 (both commonly known as 'matchboxes'). Apart from being a semi-detached unit, the 51/7 sub-type is basically similar to the 51/6 unit. Of the total 52,964 4-roomed dwellings (table 3.7), 31,597 are detached 51/6 units, 21,014 are semi-detached 51/7 dwellings and 353 (as already explained) are 'elephant' semi-detached units located in the Orlando West housing market. Both the 51/6 and 51/7 units are approximately 40,4 sq/m in floor area, consisting of 4 rooms including a kitchen. The exterior and interior are characterised by a steel outside and inside door, the provision of internal steel door frames without doors and the absence of an internal water system, internal bathroom and lavatory. Water is drawn from a tap attached to the outside lavatory. Again, most of these units were provided with no floors or ceilings and virtually all of them have asbestos roofing (figure 3.9).

The 4-roomed (51/9) unit on the other hand represents an improved version of the 51/6 'matchbox' housing type (figure

3.6). The 51/9 unit in turn represents relatively the best quality ever to be constructed by the JCC in Soweto. It is characterised by 44 sq/m in floor area, better internal finishes with respect to the provision of ceilings, doors and contains also an internal bathroom. But very few units were built in Greater Soweto.

Further variations in terms of the size of the housing stock and the dominant type of dwelling in the local housing areas are shown in table 3.7. For example, not only is the Zola housing area the largest representing 17 per cent of the JCC built housing stock, but it is also comprised of only 4-roomed dwellings. It is also significant that the Chiawelo housing area is comprised of only 4-roomed and 5-roomed units, whilst the Tladi housing area is characterised by the lack of any 3-roomed dwellings, and with an insignificant number of 5-roomed units (only 2) located in Orlando East housing area (table 3.7).

3.6 Other formal housing types

Apart from the housing types which are shown in table 3.7, other formal housing types that characterise the Greater Soweto housing stock include flats and hostels. The flats were added to the Greater Soweto housing stock during the early 1980s. There are a total of 874 flats shown in table 3.8 above (434 are located in Tladi, 420 in Chiawelo, 12 in Mofolo/Zondi, 4 in Pimville and 4 in Zola). These flats are

Figure 3.9: Asbestos roofing



also comprised of different types (see figure 3.10). They are further differentiated by the number of rooms per unit. Information regarding the size of the stock of flats in terms of the number of rooms per unit in each local area was not available. However, in Chiawelo there are 1-roomed, 2-roomed and 3-roomed flat units. In Mofolo/Zondi and Pimville/Klipspruit housing areas there are 1-roomed and 2-roomed flats, while Tladi and Zola are comprised of only 2-roomed and 3-roomed flats. Thus none of the Greater Soweto flats has more than 3 rooms.

The Greater Soweto housing area is also characterised by council-built hostels which were constructed during the 1960s (figure 3.11). There are a total of 10 hostels in Greater Soweto. Of this total the breakdown according to the administrative areas can be seen in table 3.9: 6 in Soweto with a total of 23,308 beds, 2 in Diepmeadow with a total 9,906 beds and 2 in Dobsonville with a total of 4,843 beds.

The Soweto hostels comprise the following: Dube, Jabulani, Mapetla, Nancefield, Lifateng and Orlando West. Meadowlands and Diepkloof hostels are located in the Diepmeadow area. Sikhele and Wilford hostels are situated in Dobsonville. Apart from the Orlando West Women's hostel, all the others have historically housed men, mostly migrant labourers.

Table 3.8: Flat unit types

Local housing area	Number of flats	Percentage of total units
Tladi	434	49.6
Chiawelo	420	48.0
Mofolo/Zondi	12	1.3
Pimville	4	0.4
Zola	4	0.4
Total	874	100

Source: Adapted from table 3.6

Table 3.9: Hostel unit types

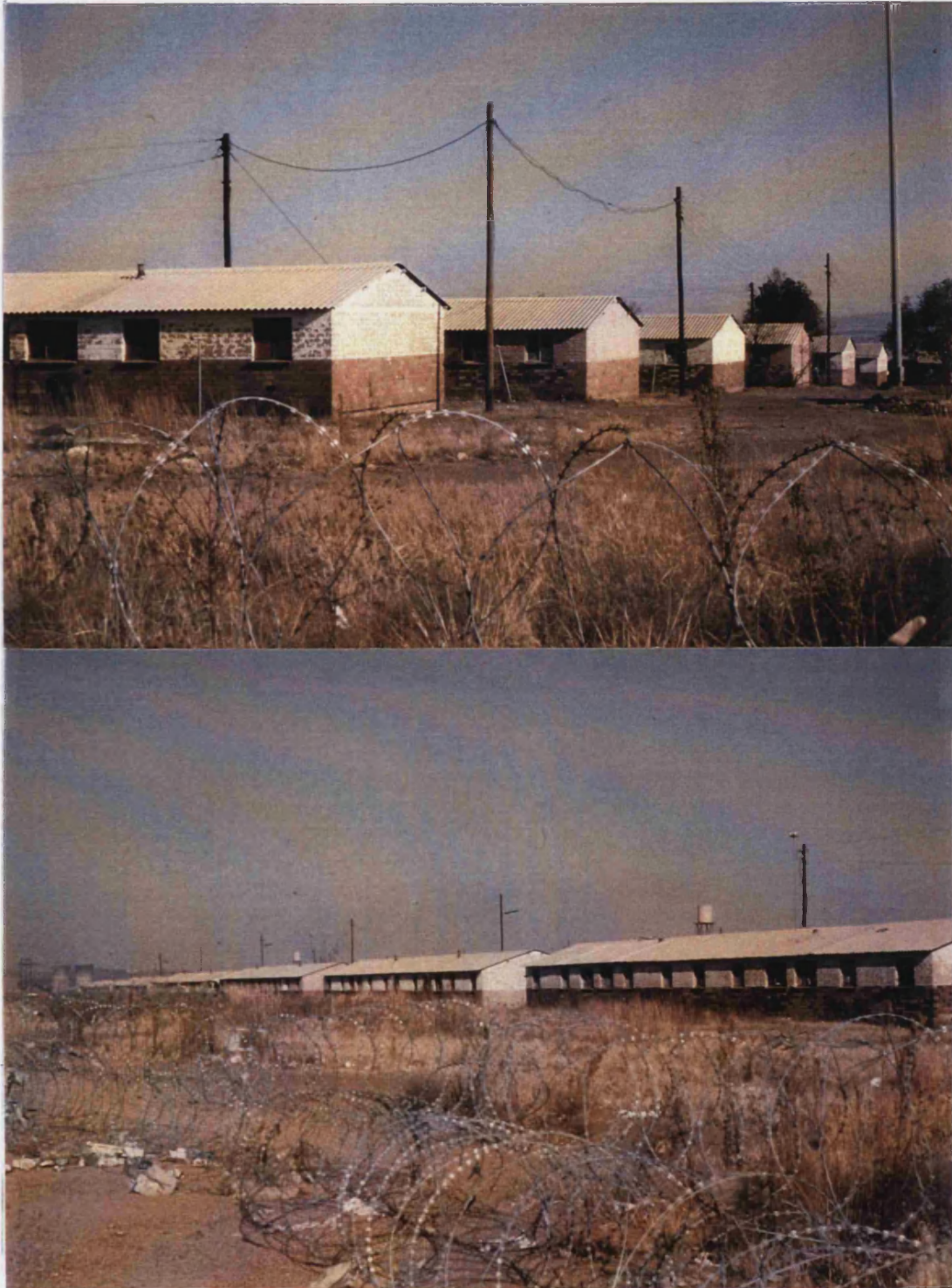
Area	Number	Number of beds	Percentage of total number of beds
Soweto	6	23 308	61.8
Diepmeadow	2	9 906*	26.3
Dobsonville	2	4 843*	12.8
Total	10	37 697	100

Source: Compiled from Soweto statistics, 1994; *(Davies, Bristow and Associates, Black Towns of the PWV, 1990).

Figure 3.10: Flat unit types



Figure 3.11: The hostels



3.7 The backyard³ and informal shacks

Since the early 1980s, there has been a substantial growth of backyard and informal units. These units have been constructed from whatever building materials are available, for example, the conventional brick, corrugated iron and cardboard box structures. They are also characterised by a wide range of sub-types and conditions. These include on the one extreme shacks, and on the other 2-rooms and garage units built of bricks. The figures of the backyard and informal shacks are presented in tables 3.10 and 3.11.

It is noteworthy that some 28.4 per cent of backyard rooms/shacks are located in the Diepkloof area, 22.5 per cent in Orlando East and 14.7 per cent in Meadowlands East as all these three areas are located relatively closer (in terms of distance and transportation costs) to the city of Johannesburg compared to other local areas of Greater Soweto. Some 68.1 per cent of informal shacks (33.2 per cent at Protea South, 20 per cent at Chicken Farm and 14.9 per cent at Race Course) developed 'illegally' on open land without the owner's permission indicating the availability of land in those areas than proximity to the city. The data on informal shacks may in fact represent an underestimate of present figures as some of these shacks are built overnight.

³ Backyards are differentiated from informal shacks by their location (at the backyard of residents' homes) and some of these are quality units built with bricks and with financing from the banks.

Table 3.10: Backyard rooms/shacks in Greater Soweto

Area	Number of backyard structures/shacks	Percentage of total number of shacks per area
Chiawelo	1 640	2.4
Mofolo	1 744	2.6
Mofolo/Jabavu	3 057	4.5
Orlando East	15 295	22.5
Orlando West	1 534	2.2
Pimville	1 596	2.3
Senaoane	880	1.3
Tladi	1 023	1.5
Zola	3 310	4.8
Meadowlands East	10 049	14.7
Meadowlands West	5 543	8.4
Diepkloof	19 302	28.4
Dobsonville@	2 853	4.2
Total	68 026	100

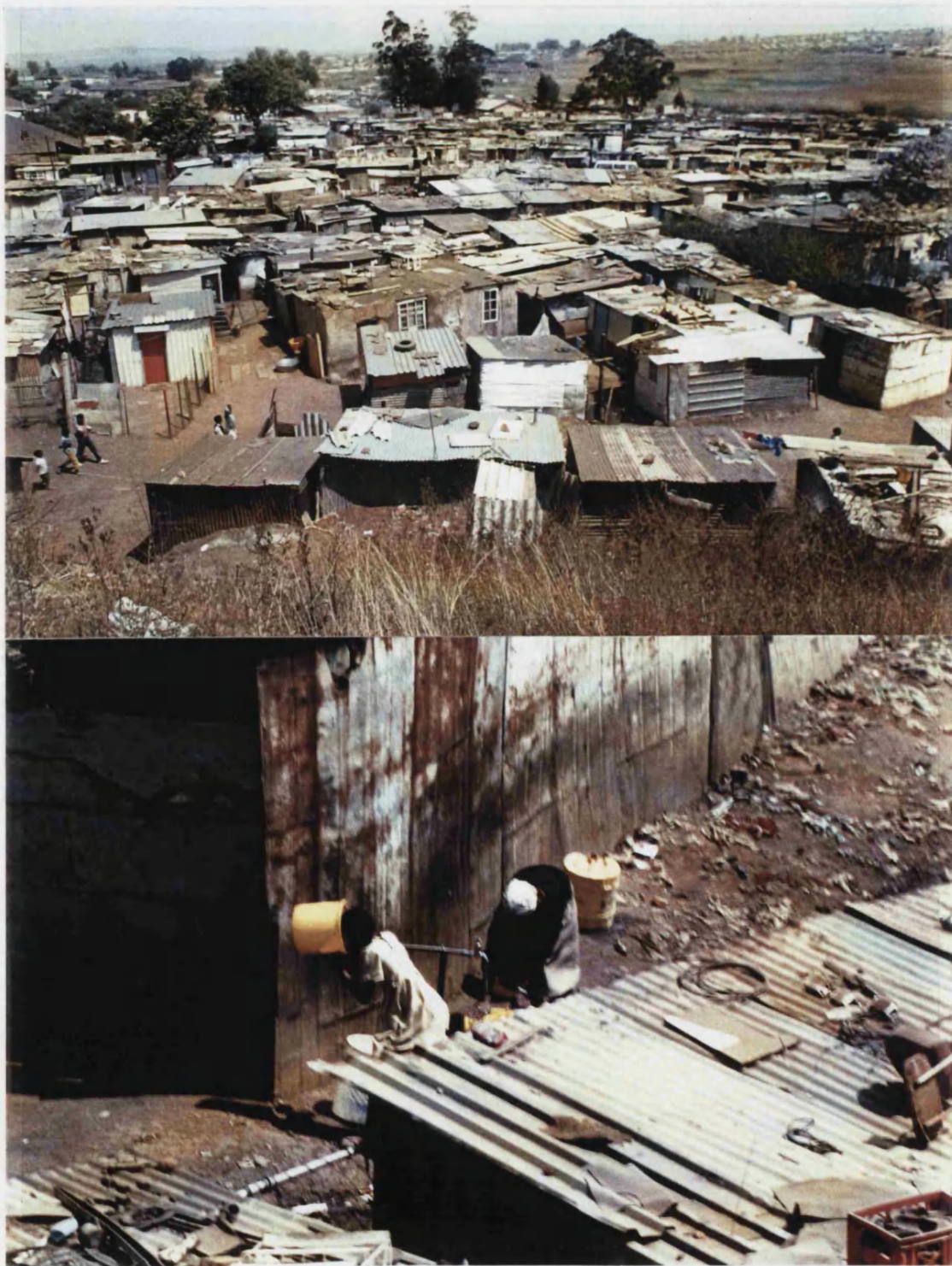
Source; Compiled from Diepmeadow and Soweto statistics, 1994. @(Figures for Dobsonville were compiled from Davies, Bristow and Associates, Black Towns of the PWV, 1990).

Table 3.11: Informal shacks in Soweto

Local area	Number of informal structures/shacks	Percentage of total number of informal shacks
Dlamini Camp 1	284	3.1
Dlamini Camp 2	346	3.8
Chiawelo Camp 1	452	5.0
Fred Clark	359	3.9
Naledi Camp 1	524	5.8
Naledi Camp 2	354	3.9
Naledi camp 3	29	0.3
Mshenguville	513	5.6
Chicken Farm@	1 804	20.0
Race Course@	1 346	14.9
Protea South@	3 000	33.2
Total	9 011	100

Source: Compiled from Soweto statistics, 1994. @(Illegal squatters on open land)

Figure 3.12: Informal shacks



3.8 The household survey

In order to gain some understanding into the position of individual households within the housing markets of Greater Soweto, a household survey was undertaken in each of two townships, Orlando West and Meadowlands West Zone 9. Interviews at which the questionnaires were completed with heads of households were carried out in both townships. The research methodology and reliability of results and the question of how far they may be safely generalised from, have been discussed in Chapter 1.

The Orlando West survey sample comprised 151 heads of households of whom 52.3 per cent (79) were males and 47.6 per cent (72) females. A household head is here defined as a head of a family unit responsible for providing income for the living expenses of members of that particular household. The age profile of this sample is presented in table 3.12. Thus only 1.3 per cent of the sample interviewed fell below the age of 30 compared to 13.9 per cent who were more than 70 years old. The age groups of 30-39, 40-49 and 60-69 years were evenly matched with 19.3 per cent each, while 25.1 per cent of heads of households aged between 50-59 were the most numerous of the 10-year cohorts. Of the 151 surveyed sample in Orlando West, 33.8 per cent were pensioners (i.e. a large proportion of the 60 year over 70 year old cohorts), 31.8 per cent were in formal employment, 27.8 per cent were self-employed and 6.6 per cent unemployed (table 3.13).

Table 3.12: Characteristics of Orlando West sample of household heads (sample number: 151 (79 males and 72 females))

Age group (years)	Number of respondents	Percentage of total respondents
20-29	2	1.3
30-39	30	19.8
40-49	30	19.8
50-59	38	25.1
60-69	30	19.3
70-79	21	13.9
Total	151	100

Table 3.13: Employment status of Orlando West sample of household heads

Employment status	Number of household heads in formal housing	Number of household heads in backyard shacks	Total number of household heads	% of total number of household heads
Pensioners	51	--	51	33.8
Formal employment	30	18	48	31.8
Self-employed	23	19	42	27.8
Unemployed	8	2	10	6.6
Total	111	40	151	100

Table 3.14: Pensioner household heads and number of adults over 60 of Orlando West sample

Pensioner households with adults over 60	No of Pensioner households over 60	No of Pensioners over 60	Percentage of total number pensioner households
1 adult	36	36	70.5
2 adults	15	30	29.5
Total	51	66	100

Table 3.13 also shows the employment situation of the sample of household heads in Orlando West according to the type of housing they occupied. Thus of the 31.8 per cent who were in formal employment 19.8 per cent (30 heads of households) were accommodated in the formal housing sector while 11.9 per cent (18 heads of households) were accommodated in the backyard shacks (table 3.13). Of those in self-employment 15.2 per cent (23 heads of households) were accommodated in the formal housing sector while 12.5 per cent (19 household heads) were accommodated in the backyards of residents' homes. Of those who were unemployed 5.2 per cent (8 household heads) were accommodated in the formal housing sector while 1.3 per cent (2 heads of households) occupied backyard shacks (table 3.13).

The Orlando West sample comprised 51 pensioner households aged 60 and above, 61 households aged under 60 and accommodated in the formal housing sector and 39 households (also under 60) who were accommodated in the backyard shacks. Of the 51 pensioner households aged 60 years and over, 70.5 per cent were headed by a single adult (of whom 26 heads of households were female and 10 males) compared with 29.5 per cent of households (i.e. 15 households) with two adults and the male household head (table 3.14). None of these pensioner households had an adult aged under 60 years (see also table 3.12).

Of the 61 households aged under 60 and accommodated in the

formal (council-built) housing sector in the Orlando West sample (i.e. those aged 20-59 as shown in table 3.12), 37.0 per cent (37 households) were headed by a single female adult, 22.0 per cent (22 households) had two adults with the male as head of the household (table 3.15). Of the 39 heads of households in the backyard sector 9.0 per cent (9 households) were headed by a single female adult, 14.0 per cent (14 households) by a single male and 20.0 per cent (20 households) had two adults with the male as head (table 3.15).

Among the 151 sample, 73 respondent households had children under 15 years of age. Of these households 49.3 per cent had 1 child under 15, 30.1 per cent had 2 children, 8.2 per cent had 3 children, 9.6 per cent had 4 children and 2.7 per cent had 5 children or more (table 3.16).

The income profile of the surveyed heads of households in Orlando West is presented in table 3.17. The Orlando West sample as table 3.17 shows, consisted of predominantly low-income earners: 2.1 per cent of the sample had monthly incomes of up to R199, 13.4 per cent had incomes of R200-R299, 44.6 per cent had incomes of R300-R399, 9.9 per cent had incomes of R400-R499, 4.9 per cent earned R500-R599, 11.3 per cent earned R600-R699, 2.8 per cent earned R700-R799, 5.6 per cent earned R800-R899, 2.8 per cent earned R900-R999 and 2.1 per cent had incomes totalling R1,000 and above per month. According to the South African Institute of Race Relations, the household subsistence level (HSL) for a

Table 3.15: Heads of Households aged between 20 and 59 years

Type of household head	Formal housing	Backyard shacks	Total number of heads of households	% of total number of household heads
Single female	37	9	46	44.0
Single male	--	14	14	14.0
Male with 2 adults	22	18	40	44.0
Total	61	39	100	100

Table 3.16: Orlando West sample of heads of households with children under 15

Household with children under 15	Number of heads of households	Number of children under 15	Percentage of total number of heads of households
1 child	36	36	49.3
2 children	22	44	30.1
3 children	6	18	8.2
4 children	7	28	9.6
5 children +	2	10	2.7
Total	73	136	100

Table 3.17: Monthly income profile of the surveyed heads of households in Orlando West

Income per month (Rand)	Number of households	Percentage of total number of households
0 - 199	3	2.1
200 - 299	19	13.4
300 - 399	63	44.6
400 - 499	14	9.9
500 - 599	7	4.9
600 - 699	16	11.3
700 - 799	4	2.8
800 - 899	8	5.6
900 - 999	4	2.8
1000 +	3	2.1
Total	141	100

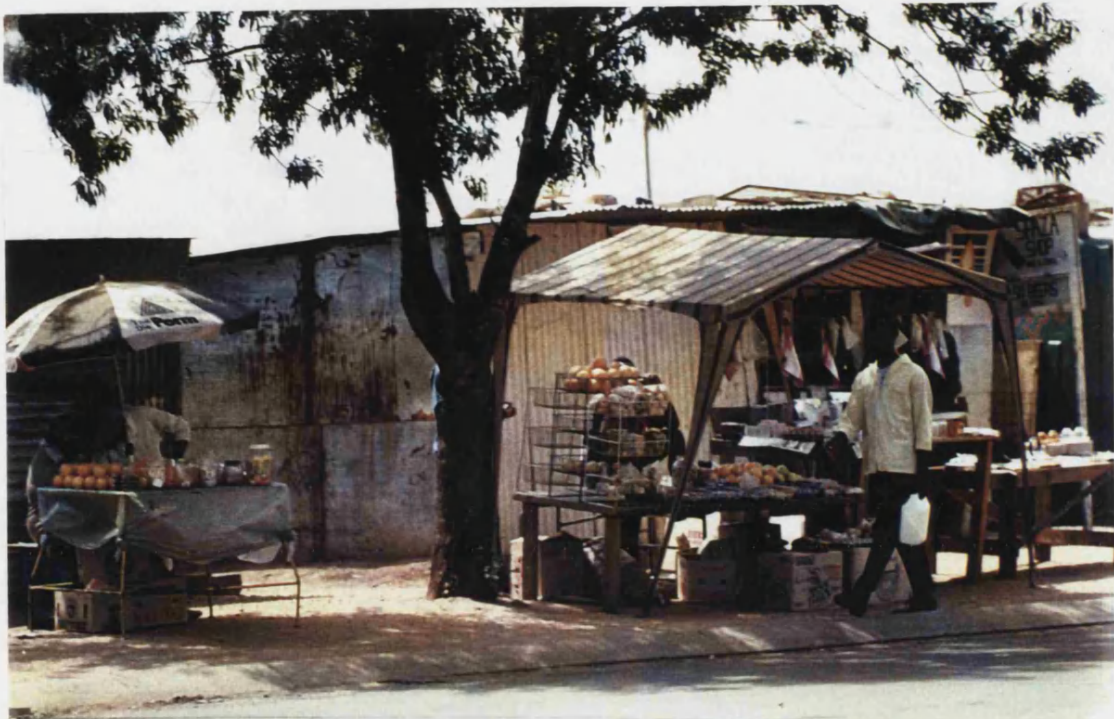
'lower income family of six' for Johannesburg in 1993-1994 was R906.69 per month.⁴

Of the 44.6 per cent who had incomes of R300-R399 per month, 36.1 per cent (table 3.17) comprised pension incomes averaging R370 per pensioner household per month. Apart from the incomes derived from the pensions, the rest of the incomes were generated elsewhere both within the formal sector economy and informal sector activities. Thus 31.7 per cent heads of households who were employed in the formal sector had occupations which consisted of a range of low-income paid activities: domestic work in white residential areas, general work, cleaning, hair dressing, working as labourers in stores, warehouses and in the manufacturing sector, and professional driving in the city.

The activities of the 27.8 per cent of heads of households who were self-employed also varied: selling fruits (see figure 3.13) and vegetables, selling sweets, soft drinks and carrier bags, street cooking for taxi drivers and the general public, casual work in the coal yards, selling beer (shebeens), street mechanics, doing small time building, electrical and plumbing work, knitting, hair dressing, repairing radios, televisions and cars within Orlando West. The unemployed 6.6 per cent heads of households depended on help from the extended family network and from friends.

⁴ SAIRR 1993/94. South African Institute of Race Relations, Johannesburg.

Figure 3.13: The informal sector economy



The length of residence of respondents in Orlando West varied widely. There are, for example, respondents who had maintained continuous residence since the area was first established as a township in the 1940s and those who had moved in not very long ago. The data in table 3.18 shows numbers and percentages of household heads with different length of residence. A substantial number of respondents (31.7 per cent) first occupied their houses as new migrants to the city between 1940 and 1949. This first entry into the Orlando West housing market is consistent with the date in which this township was first constructed (see Chapter 5 table 5.6). Between 1950 and 1960 the rate of entry into the Orlando West housing market had declined. The sharp decline (table 3.18) between 1960 and 1969 with only 4.6 per cent of respondents entering the Orlando West housing market is indicative of the stringency of 'influx' control during this decade (see Chapters 4, 6 and 7).

A significant 27.8 per cent heads of households had migrated to occupy their present dwellings from within Orlando West, indicating mobility (housing moves) within the local housing area. It is also noteworthy that the largest percentage (36.4) of the sample migrated to Orlando West from within Greater Soweto (table 3.19). The respondents had moved out of their former accommodation into Orlando West because of a combination of pull and push factors. The single biggest factor cited by respondents related to quality in spatial terms and housing conditions.

Table 3.18: Length of residence in Orlando West of sample of heads of households

Year of arrival in Orlando West	Length of residence (years)	Number of heads of households	Percentage of total number of heads of households
1940-49	45-54	48	31.7
1950-59	35-44	12	7.9
1960-69	25-34	7	4.6
1970-79	15-24	24	15.9
1980-89	5-14	34	22.5
1990-94	0-4	26	17.2
Total	---	151	100

Table 3.19: Migration (moves) of sample of heads of households to Orlando West (analysed according to where respondent heads of households came from, 1940-94)

Area	Number of heads of households	Percentage of total number of heads of households
From within Orlando West	42	27.8
From Orlando East	33	21.8
From other areas in Greater Soweto	55	36.4
From outside Greater Soweto	21	13.9
Total	151	100

Thus 50.3 per cent of respondents moved into Orlando West in order to obtain a bigger and better house. Overcrowding (17.8 per cent) was the second factor. New household formation as a result of marriage (5.9 per cent) was the third. The fourth concerned preference for renting own accommodation (5.2 per cent). The desire to own a house was the fifth factor (3.9 per cent). And a further 3.9 per cent of residents had been pushed out of their former homes by the incidence of crime (table 3.20). When asked about the choice of residence, some 68.8 per cent of respondents indicated a preference for their current homes, 15.5 per cent would prefer to live in Diepkloof Extension, 7.9 per cent chose Dube and 3.3 per cent indicated a preference to live anywhere outside Greater Soweto (table 3.21).

In comparison to Orlando West, the Meadowlands West Zone 9 sample comprised 85 heads of households of whom 88 per cent were males and 12 per cent female (table 3.22). The sample age profile ranged as follows: 0.6 per cent fell below 30 years, 24.5 per cent were aged between 30-39 years, 22.5 per cent comprised those aged between 40-49, 7.9 per cent were aged between 50-59 and 0.6 per cent were aged 60 years old and above (table 3.22).

The employment status of the Meadowlands West sample is shown on table 3.23. Thus 85.8 per cent were in formal employment, 9.4 per cent were self employed and 5.8 per cent unemployed. Table 3.24 illustrates the migration patterns

Table 3.20: The reasons of the heads of households for moving to present home in Orlando West

Reasons	No of heads of households	Percentage of heads of households
For bigger and better house	76	50.3
Overcrowding	27	17.8
Marriage	9	5.9
To rent own home	8	5.2
To buy own home	6	3.9
Too much crime	6	3.9
Owner sold house	5	3.3
Access to employment	4	2.6
Family problems	4	2.6
Dispute with owner	3	1.9
Wanted change of residence	2	1.3
Former house set on fire	1	0.6
Total	151	100

Table 3.21: Preferred choice of Orlando West sample of heads of households of other residential areas within Greater Soweto

Township	No of heads of households	Percentage of heads of households
Remaining at present home	104	68.8
Diepkloof Extension	19	12.6
Dobsonville Extension	12	7.9
Outside Greater Soweto	9	5.9
Dube	5	3.3
No preference	2	1.3
Total	151	100

Table 3.22: Characteristics of Meadowlands West Zone 9 sample of heads of households (sample number: 85 (75 males and 10 females))

Age Group	Number of heads of households	Percentage of total number of heads of households
20-29	1	0.6
30-39	37	24.5
40-49	34	22.5
50-59	12	7.9
60-69	1	0.6
Total	85	100

Table 3.23: Employment status of Meadowlands West Zone 9 sample of heads of households

Employment status	Number of heads of households	Percentage of total heads of households
Formal employment	73	85.8
Self-employed	8	9.4
Unemployed	5	5.8
Total	85	100

in terms of housing moves) of the sample of household heads before they moved to Meadowlands West Zone 9. Thus 38.8 per cent had formally occupied a formal dwelling elsewhere within the township housing market before moving to Meadowlands West Zone 9. 21.3 per cent had moved from a formal dwelling to a backyard shack within Greater Soweto before buying a home in Meadowlands West Zone 9. 24.7 per cent of the sample had moved from a formal dwelling and moved twice within the backyard sector before moving to Meadowlands West Zone 9, and 14.1 per cent of heads of households had moved three times within the backyard sector (after their initial move from the formal sector) before purchasing a house in Meadowlands West Zone 9 (table 3.24).

The migration (moves) of the Meadowlands West Zone 9 sample of respondents to their present homes are shown in table 3.25. Of the total sample of household heads in Meadowlands West Zone 9, 58.8 per cent were resident elsewhere within the Meadowlands housing areas before moving to occupy present dwellings, 25.8 per cent moved from other housing areas of Greater Soweto, while 15.3 per cent migrated from other areas outside Greater Soweto (table 3.25). Of the total household heads, only 2.3 per cent had lived in the Greater Soweto housing area for less than 14 years, 49.4 per cent had been born within the township housing areas, 14.1 per cent had been resident within the townships for a period of between 45-54 years, and 4.7 per cent for a period of 15-24 years (table 3.26).

Table 3.24: Migration (number of housing moves) of sample of heads of households to Meadowlands West Zone 9 (analysed according to last housing type)

House type	Number of moves of heads of households to Meadowlands West Zone 9			Percentage of total heads of households
	1	2	3	
Formal housing	33	--	--	33
Percentage	38.8			38.8
Backyard shacks	19	21	12	52
Percentage	22.3	24.7	14.1	61.1
Total frequency	51	21	12	85
Total percentage	61.1	24.7	14.1	100

Table 3.25: Migration (moves) of Meadowlands West Zone 9 sample of heads of households to present home (analysed according to where respondents came from, 1987-1994)

Area	Number of heads of households	Percentage of heads of households
From within Meadowlands	50	58.8
From other areas in Greater Soweto	22	25.8
From outside Greater Soweto	13	15.3
Total	85	100

Table 3.26: Length of residence in Greater Soweto of heads of households sample before they moved to present home in Meadowlands West Zone 9

Year of arrival in Greater Soweto	Length of residence in Greater Soweto (years)	Number of heads of households	Percentage of total heads of households
Born in GS@	Since birth	42	49.4
1940-49	45-54	12	14.1
1950-59	35-44	18	21.1
1960-69	25-34	7	8.2
1970-79	15-24	4	4.7
1980-89	5-14	2	2.3
Total	---	85	100

@ Greater Soweto

3.9 Housing tenures

In Greater Soweto there are the following housing tenures:

a) council renting, b) owner-occupation of council-built housing, c) renting backyard rooms/shacks, d) owning and renting informal shacks, e) renting privately built housing and d) owner-occupation of housing built by private developers with private sector finance.

The tenurial patterns of the surveyed heads of households in Orlando West are shown in table 3.27. Council tenants comprised the largest category, 46.3 per cent of respondents rented their accommodation from the council, while 27.8 per cent had bought their homes from the council. Backyard tenants who rented rooms in the backyards of residents' houses constituted some 25.8 per cent of the sample (table 3.27). There were significant but not substantial correlations in the Orlando West sample between tenure and other variables such as age, household size of respondents and length of residence. The following sections examine the findings on each of the tenure submarkets.

Table 3.27: Tenure categories of Orlando West sample of household heads

Tenure of respondents	Number of respondents	Percentage of total respondents
Council renting	70	46.3
Purchased from council	42	27.8
Renting backyard rooms	39	25.8
Total	151	100

3.9.1 Council renting

Table 3.28 shows correlations between housing tenure (the numbers and percentages of those who continue to rent their accommodation from the council, those who purchased their dwellings from the council and those renting rooms/shacks at the backyards of residents' homes) and the age of heads of households. There were considerable variations between renting a council-built dwelling and the age of household heads in Orlando West. As table 3.28 shows, of all household heads (46.3 per cent) who continued to rent their homes from the council in Orlando West, a significant 23.1 per cent were between 50-59 years old. It is also noteworthy that a further 10.5 per cent of heads of households were aged between 40-49 years, compared to the 2.6 per cent who were aged between 30-39 years and the significant absence of opportunities for young couples or heads of households aged between 20-29 years renting council-built housing.

There were also some interesting variations between tenure and length of residence in the council-rented sector. As can be seen in table 3.29, of all household heads residing in Orlando West the highest percentage (14.5) was for those who had rented their council accommodation for 5-14 years. A further 12.5 per cent of the Orlando West sample had continued to rent their dwellings from the council for 15-24 years, compared to the percentages of those who had been council tenants for 25 years or more.

Table 3.28: Age of household heads by tenure (sample: 151)

Age of household head	Head of household still renting council-built housing		Head of household who purchased the council-built housing		Head of household renting backyard rooms/shacks		Total number h/head
	no	%	no	%	no	%	
20-29	--	--	--	--	2	1.3	2
30-39	4	2.6	1	0.6	25	16.5	30
40-49	16	10.5	4	2.6	10	6.6	30
50-59	35	23.1	1	0.6	2	1.3	38
60-69	12	7.9	18	11.9	--	--	30
70+	3	1.9	18	11.9	--	--	21
Total	70	46.3	42	27.8	39	25.8	151

Table 3.29: Length of residence of household heads by tenure (sample: 151)

Year of arrival of h/heads in present home in Orlando West	Length of residence of h/heads in Orlando West (years)	H/head still renting council-built housing		H/head who purchased council-built housing		H/head of house renting backyard rooms/shacks		Total no of h/heads
		no	%	no	%	no	%	
1990-94	0-4	2	1.3	2	1.3	22	14.5	26
1980-89	5-14	22	14.5	-	--	12	7.9	34
1970-79	15-24	19	12.5	-	--	5	3.3	24
1960-69	25-34	6	3.9	1	0.6	--	--	7
1950-59	35-44	8	5.2	4	2.6	--	--	12
1940-49	45-54	13	8.6	35	23.1	--	--	48
Total	-- --	70	46.3	42	27.8	39	25.8	151

3.9.2 Owner-occupation of council-built houses

As with council renting, the distribution of numbers and percentages of those who bought their homes from the council and their age groups is shown in table 3.28. The comparison between this form of owner-occupation and continued renting of council-built housing suggests that the former tenure has been monopolised by pensioner households (those age 60 and above) of the surveyed sample in Orlando West (table 3.28). The relative significance of this is demonstrated by the evidence of a considerable 11.9 per cent of heads of households aged between 60-69 who bought their houses from the council and an equal percentage of those aged 70 years or more, compared to those aged under 60 (table 3.28).

Of all household heads aged 60 and above, 36 out of 51 have purchased. But of all the 50-59 household heads, only 1 out of 38 has purchased (see table 3.28). Owner-occupation of council-built housing by pensioner households is also correlated to the length of residence of household heads (table 3.29). The considerably more households (23.1 per cent of the total) who bought their houses from the council had been resident in own homes for between 45-54 years compared to fewer household heads who had occupied their dwellings for shorter periods (table 3.29). This shows how seized up the housing market is. Thus, whether a household has purchased or continues to rent a council-built dwelling is correlated with age and length of residence of heads of

households. Moreover, correlations between housing tenure and age (table 3.28) and between tenure and length of residence (table 3.29) of heads of households are complicated when there are no transactions taking place (people staying put and not moving out) and when there is the demand which is not met by supply.

Overall the tenure sectors of the surveyed sample within the council-built housing were different (62.5 per cent rented and 37.5 per cent owned) from those in the whole of Orlando West (41.1 per cent of the council-built units were rented while 58.8 per cent were owned), but similar to those in the whole of Greater Soweto: 60.7 per cent of the council-built stock was rented and 39.3 per cent owned (table 3.30).

The distribution of tenures within the council-built dwellings in other local housing areas of Greater Soweto is shown in table 3.30. There were considerable differences both between the rented and owner-occupied sectors and within each sector. The highest owner-occupation rates (apart from Orlando West) were in Mofolo/Zondi (65.5 per cent) and Dobsonville (53.5 per cent). The lowest owner-occupation rates as shown in table 3.30 were in Meadowlands East (26 per cent), Moroka/Jabavu (27.5 per cent) and Diepkloof (32.3 per cent).

It is also noteworthy that the rented sector was the higher in ten of the thirteen local housing areas (table 3.30). The

Table 3.30: Tenorial patterns within the council-built housing stock in Greater Soweto

Local housing area	Rented		Purchased		Total	
	no of units	% of units per area	no of units	% of units per area	no of units	% of total units
Pimville/ Klipspruit	3 209	57.4	2 374	42.5	5 583	5.4
Orlando East	3 611	61.0	2 302	38.9	5 913	5.7
Orlando West	3 044	41.1	4 349	58.8	7 393	7.2
Moroka/Jabavu	7 428	72.4	2 820	27.5	10 248	10.0
Mofolo/Zondi	2 224	34.4	4 227	65.5	6 451	6.3
Chiawelo/ Protea	3 820	57.0	2 878	42.9	6 698	6.5
Senaoane	4 360	59.1	3 006	40.8	7 366	7.2
Tladi	6 286	64.8	3 413	35.1	9 699	9.5
Zola	8 008	67.2	3 901	32.7	11 909	11.6
Meadowlands East	6 152	73.9	2 162	26.0	8 314	8.1
Meadowlands West	4 394	58.7	3 088	41.2	7 482	7.3
Diepkloof	7 215	67.6	3 450	32.3	10 665	10.4
Dobsonville*	1 995	46.4	2 302	53.5	4 297	4.2
Total	61 746	60.7	40 172	39.3	102 018	100

Source: Statistics for Soweto and Diepmeadow 1994. *(Adapted from Davies, Bristow and Associates, 1990). See also table 3.6.

average cost of the council-built houses for those who moved into owner-occupation (private tenure) was R2,000 (see Chapter 7, table 7.4), while council tenants paid average rents of R45.00 per month in the different submarkets of Greater Soweto. The significant point to be established here is that the council-built housing stock developed primarily as a rented sector housing the transient labour required by capital, but since the mid-1980s, its role has changed as some of the stock (table 3.30) has moved into private ownership.

3.9.3 Backyard renting

The growth of backyard rooms/shacks (see section 3.7) has changed the overall pattern of provision and tenure structure of housing in Greater Soweto. As with council renting and owner-occupation of council-built housing, there were significant variations between age of household head of the surveyed sample in Orlando West and tenure, and between length of residence and tenure (see tables 3.28 and 3.29 above).

In the Orlando West sample backyard renting was dominated by 25 out of 39 heads of households aged between 30-39 years (16.5 per cent), while those aged between 40-49 represented the second largest group (6.6 per cent) compared to the considerably fewer household heads aged 20-29 and 50-59 who had an equal 1.3 percentage share (table 3.28). There was

also a strong correlation between backyard renting and the low rate of residence in Orlando West. Thus some 14.5 per cent of heads of households had rented backyard rooms/shacks for up to 4 years compared to the 3.3 per cent who had been backyard tenants for over 15 years (table 3.29).

Backyard renting can be seen as a mode of provision fulfilling several roles. First, it constitutes a source of income to the landlords who provide this form of housing stock specifically for renting. Second, it provides a first home for newly formed households. Third, it provides accommodation for the new immigrants to the city and for the employed who are also mobile. Fourth, it houses those who have not gained access to the council rented sector and owner-occupation of council-built housing. Fifth, it provides accommodation to those who want to make minimum expenditure on housing to assist their envisaged entry into the owner-occupied tenures (both within the council-built stock and the houses built by private developers with financing from financial institutions) and acts as tenure of last resort.

Allocation in the backyard rented sector is on the basis of the ability and willingness of tenants to pay rent (effective demand). In the case of the surveyed sample of heads of households in Orlando West, the monthly rentals for backyard tenants was R60 per month.

3.9.4 Owning and renting informal shacks

The different roles played by the backyard sector were also evident in the informal shacks sector. The importance of the informal shacks sector was that it provided accommodation both to the homeless and to those who were unable to find accommodation in the other tenures. It also played a crucial role as a first step before movement and entry into the backyard sector and to the owner-occupied tenures.

Allocation in this sector was on the basis of invasion of available piece of land. However, where the invasion of a piece of land and the subsequent erection of a shack had been undertaken by a potential landlord who was interested in speculative activities or who wanted to make a rate of return through renting, allocation was both through effective demand and by agreement between the landlord and the tenant. In the latter case the overriding objective was the prevention of the invaded piece of land being taken over by potential land invaders, hence a tenant in this situation may or may not pay rent to the landlord.

3.9.5 Owner-occupation of privately built housing

In addition to the tenure changes affecting the council-built housing stock, there has also been a total of 14,953 houses constructed in Greater Soweto since the mid-1980s by private developers with financing from banks and other

financial institutions (table 3.31). The conditions through which these units originated are examined in Chapters 7 and 8. As table 3.31 shows, there are considerable variations both in terms of the location and size of this stock in the Greater Soweto submarkets. Thus, 33.2 per cent of these units are located in the Chiawelo/Protea local housing market, 13.3 per cent in Pimville/Klipspruit, 12.3 per cent in Dobsonville and the rest are scattered through the other local housing markets of Greater Soweto (table 3.31). These units only represent 26 per cent of the entire formal housing stock in Greater Soweto that is privately owned (see also table 3.29). As has already been shown (see table 3.29), there are 40,172 council-built units (out of a total of 102,018) in Greater Soweto that have moved into the owner-occupied sector.

The privately constructed houses (table 3.31) were built by private developers specifically for owner-occupation. Two specific forms of tenure submarkets and associated property rights exist within the owner-occupied sector of privately built housing: a) outright owner-occupation of a house and b) owner-occupation of a dwelling which is bonded or mortgaged to a financial institution and paid for over a long period of time. Unfortunately, there are no known figures on these tenure submarkets. However, in Orlando West, only 3 heads of households out of the surveyed sample of 42 owner-occupiers bought their houses outright. The rest had mortgage bonds with financial institutions (see

Table 3.31: Owner-occupied housing built with private sector finance

Local housing area	Number of houses	Percentage of total number of houses
Pimville/ Klipspruit	2 093	13.9
Orlando East	9	0.06
Orlando West	393	2.6
Moroka/Jabavu	724	4.9
Mofolo/Zondi	183	1.2
Chiawelo/Protea	4 965	33.2
Senaoane	261	1.7
Tladi	742	4.9
Zola	884	5.9
Meadowlands East	397	2.6
Meadowlands West	495	3.3
Diepkloof	1 956	13.0
Dobsonville	1 851	12.3
Total	14 953	100

Source: Soweto, Diepmeadow and Dobsonville statistics, 1994.
See also table 3.6, column 6.

also Appendix A1, table A.2). The ability to pay determined allocation of privately built housing within these owner-occupied tenure submarkets.

3.9.6 Renting privately built housing

Although the private sector housing was built for the owner-occupied tenure submarkets described in the preceding section, not all household heads owned their dwellings. Some of these dwellings had been repossessed by the mortgage bond lenders (banks and other financial institutions) as a result of the problem of mortgage bond arrears. To secure a commercial rate of return to bonded houses, mortgage bond lenders have responded by selling repossessed properties or providing rental arrangements to the owner-occupiers who were in arrears and could not afford to maintain monthly mortgage bond repayments. The effect of this was to change the tenure status of households from owner-occupiers to tenants of mortgage bond lenders.

Renting from mortgage bond lenders is illustrated well by the Meadowlands sample of heads of households all of whom occupied privately built housing constructed by private developers. Thus, of the surveyed heads of households, 10.5 per cent were renting their accommodation from mortgage bond lenders (financial institutions), while 89.4 per cent owned their homes (table 3.31). These tenure divisions (renting from mortgage bond lenders, owner-occupation tied to

mortgage bonds and outright owner-occupation) constituted different housing and property rights in the different submarkets of Greater Soweto.

The rental costs for those renting their homes were R400-R499 per month, whilst the mortgage/bond repayments ranged from R500 to R1,000 per month (table 3.32). Of the 89.4 per cent owner-occupiers (table 3.32), 5.8 per cent paid R500-R599, 14.1 per cent R600-R699, 43.5 per cent R700-R799, 15.2 per cent R800-899 and 4.7 per cent R1,000 per month for the occupation and use of their dwellings.

Table 3.32: Monthly bond repayments for owner-occupiers and rentals for properties in possession

Monthly repayments (Rand)	Number of households heads	Percentage of total household heads
400 - 499@	9	10.5
500 - 599	5	5.8
600 - 699	12	14.1
700 - 799	37	43.5
800 - 899	13	15.2
900 - 999	5	5.8
1000 +	4	4.7
Total	85	100

@ Monthly rentals for properties in possession.

3.10 Housing conditions and market externalities

A striking feature of the Greater Soweto council-built housing is the regularity of the layout of the areas, described by one visitor as a 'severe barracks-like order'.⁵ Another feature of the council-built housing units is that they are characterised by an outside lavatory (toilet). The age characteristics of the housing units varies widely. Notably, the entire housing stock of Orlando East is approximately 60 years old or more, whilst half of Orlando West is approximately 50 years old and 58,533 dwellings in the Soweto area alone are more than 30 years old. Of the 12,723 dwellings built by white municipalities in Soweto since 1962, only 1,715 units were constructed during the early 1980s (see Chapter 5).

Moreover, housing decay in the council-built units has been exacerbated by the absence of any maintenance of the stock since it was first constructed. Not only were resident occupants expected to instal the necessary fittings which were not provided by the councils when the houses were first constructed, such as floors, doors and window panes: they were expected to address the maintenance problems themselves. But this could only be done by relatively few residents. The majority of residents were either constrained by the income realities (as demonstrated by the income

⁵ See Gorodnov, V. 1983. Soweto: Life and Struggles of a South African Township, p. 63. Progress Publishers, Moscow.

profile of the Orlando West sample) or simply had no need to maintain these houses, particularly because of the temporary urban status conferred on them (see Chapter 4). As a result a substantial repairs problem has become a characteristic feature of the housing stock.

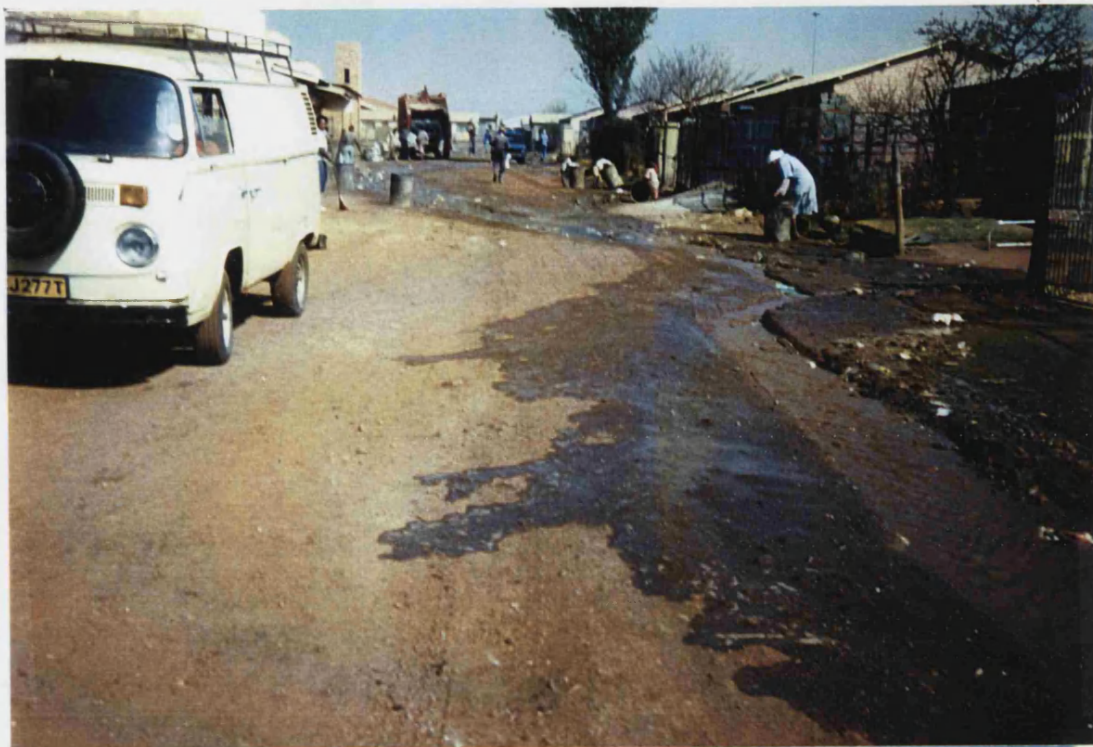
The provision of services in Greater Soweto is poor and inadequate. The nature of service provision is characterised by the persistent problem of interruption (cuts) to the water supply and burst water pipes (see figure 3.14), the absence of stormwater drainage (hence stagnant pools of water everywhere during the rainy season), lack of street lighting (criminals and vigilante groups exploit these conditions), the prevalence of garbage on almost every street corner and open space because of the absence of organised removal, and high levels of pollution produced mainly by the use of charcoal cookers and dust from deteriorated gravel roads.⁶

The hostels lack the most basic facilities found in the council-built houses.⁷ Informal shacks also lack service provision, such as electricity, water supply and proper sanitation facilities. The stench caused by the sewerage overflows in most townships of Greater Soweto, and the

⁶ See for example, PLANACT, 1989. The Soweto Rent Boycott, A Report by PLANACT, Commissioned by The Soweto Delegation, PLANACT, Yeoville.

⁷ See Morris, P. 1980. Soweto: A Review of Existing Conditions and some Guidelines for Change, Urban Foundation, Johannesburg.

Figure 3.14: Burst water pipes



blocked overloaded sanitation system has led some residents to keep their windows and doors shut. Some of these residents are forced to relieve themselves under the cover of reeds or on open land.^e

Market externalities include the ever present reality of violence, particularly expressed through so-called 'taxi wars' which characterise the transportation problems of township residents. In this respect nobody is safe until they have arrived at their intended destinations. Choosing to travel by train instead of a taxi exposes one to the dangers of being attacked by unidentified men. There is an over-capacity of taxis operating between local areas and between local areas and Johannesburg. The conflict is often triggered by this fact alone, that is, the supply of taxis exceeding demand from customers.

It is within this context of competition for scarce customers that guns are fired in anger. Travelling in a taxi could mean the possibility of being killed (in cross fire involving a shootout between the taxi owners) or forcibly removed from one's taxi by rival owners and forced into their own, being beaten up in the process. The hijacking of cars through the use of guns is another feature of Greater Soweto. All car users have to live with the fear that they could actually be forced to give up their cars or possibly be killed if they resist. This affects potential development

^e Sunday Times, 22 January 1995.

projects because project officers, road engineers, and other such personnel are often targeted for their cars. Some have actually been killed. It is these externalities which also make the Greater Soweto housing markets different.

3.11 Summary

This chapter has shown how the population is distributed spatially and across the housing stock. In view of the limitations of accurate population data, it was found necessary to utilise various estimates for the purpose of understanding the distribution of people in different sectors of the housing system: the formal housing stock, hostels, backyard and informal units. The age-gender base was shown to have significantly narrowed towards a 50:50 male-female split.

The findings of this chapter have shown that Greater Soweto comprises a diversity of housing situations, and by extension, a proliferation of tenures. This chapter has shown the structure of housing markets in terms of the administration and composition of different local housing markets: size of local areas, size of the housing stock, geographical location of the housing stock and housing types.

The position of households within the housing structure: pensioner households, households headed by a single adult

and households with young children was also shown. The occupation and income profiles of households, and the cost of housing in different sectors was assessed and described. Also shown in this chapter was the part played by Orlando West in the Greater Soweto housing market as a whole, as a place both for long term residents and newcomers. The findings of this chapter suggest also that the Greater Soweto housing markets are today characterised both by stability and mobility within and between the different sectors.

CHAPTER FOUR

THE DEVELOPMENT OF HOUSING MARKETS, 1820-late 1960s

4.1 Introduction

Any inquiry into present day housing markets in Greater Soweto will be assisted by being placed within an account of the emergence and subsequent development of the capitalist mode of production that was imposed in South Africa in the course of its colonisation by Europeans. This is important because it is the long term processes of the development of capitalism in South Africa that have led to the existing social-spatial structure and the present-day position of African people in the housing system and the economy.

4.2 Settler colonisation and the development of mining

Until the late 1820s, the 'settler colonial' economy was dominated by agricultural and mercantile activities of farmers and merchants concentrated in colonial towns, notably Cape Town and Port Elizabeth. During this period there also existed a number of indigenous states such as the Pedi, Mpondo and Zulu kingdoms. From the 1830s colonial towns were characterised by a rapid growth of 'commercial and financial institutions'.¹ The expansion of colonial

¹ Mabin, A. 1992. Dispossession, exploitation and struggle: an historical overview of South African urbanization. In D.M. Smith, *The Apartheid City and Beyond*, Routledge, London and New York.

settlers in the mid-1830s from coastal colonial towns into the interior sparked off conflict with indigenous inhabitants, resulting in the loss of rights in land and housing for African communities, forced labour for colonialists and the growth of a commercial sector characterised by 'exchange relationships'.²

An expanding trading and export industry of wine and wool products began to develop by the late 1840s. These economic changes began to pressure Africans (rural-to-urban migration) to enter the wage economy in colonial ports and towns: on docks, railways, warehouses and the emerging manufacturing industries. Africans wielded bargaining advantages because they could rely on the indigenous economy for alternative employment and could leave an employer for better wages and conditions elsewhere. As a result some employers paid higher wages to attract workers.³

Economic activity from the 1850s was characterised by both the growth of foreign investment and a rapidly expanding export of diamonds (discovered in Kimberely in 1867).

Between 1869 and 1870 several minor gold fields were discovered in the Transvaal Republic (a Boer state formed in 1858).⁴ These mineral discoveries wrought an aggressive

² Ibid.

³ Freund, B. 1988. *The African Worker*, Cambridge University Press, Cambridge.

⁴ Marks, S. and Trapido, S. 1979. "Lord Milner and the South African State", *History Workshop*, 8. pp. 50-80.

recruitment drive for the mining sector. Alongside the mineral discoveries were rapid changes (both in scale and character) in other economic and urban activities: agriculture, commerce, transport and construction. In turn these economic changes had a huge impact on rural-to-urban migration as African communities found themselves pressured to tap into the growing wage-labour economy.⁵

From the 1870s onwards the British imperial and mining interests grew rapidly. In 1871 the British annexed the diamond fields at Kimberly. In 1877 the British annexed the Transvaal Republic (also referred to as Zuid Afrikaansche Republiek (ZAR) or South African Republic SAR). Although the British withdrew from the SAR in 1881 following the Boer uprising: they insisted on being recognised as the paramount power in the region.⁶ In 1886 deep-level gold fields were discovered on the Witwatersrand in the Transvaal, from where Johannesburg was founded. By 1889 De Beers Consolidated Mines had monopolised the diamond mining industry.⁷

By then not only was the scale of economic changes unprecedented, but a number of indigenous states such as the Pedi, Mpondo and Zulu kingdoms had already been destroyed (depriving Africans of rights to their land) and replaced by the British-controlled Cape Province and the Afrikaner

⁵ Mabin, A. 1992. (1, op.cit.)

⁶ Marks, S. and Trapido, S. 1979. (4, op.cit.)

⁷ Ibid., see also Mabin, A. 1992. (1, op.cit.)

Republics following the wars fought between 1879 and 1902: the Zulu war of 1879, the Anglo-Boer wars in 1880 and 1881 and the Gun (frontier war) of 1881 in the Cape. But it was the Jameson Raid of 1895 and the Anglo-Boer war of 1899-1902 which marked a decisive shift from the previous wars. The Anglo-Boer war (including the imperial war propaganda which stressed British guardianship of African political rights), for example, appears to have been designed to make mining investments safe, as well as creating the necessary conditions for the development of the capitalist mode of production. As Marks and Trapido argued,

"The goal of British policy in Southern Africa ... had little to do with granting Africans political rights, or with 'freedom and justice'. Imperial goals are determined by the interest of imperial ends: in the case of southern Africa, there was no intention to change the [colonial] property relations already existing in the region, though the war and the reconstruction that followed it were intended to transform the nature of the class structure of the territory by hastening the development of a capitalist state, which would be more capable of fulfilling the demands of the mining industry."⁸

Prior to the Anglo-Boer war, President Kruger's SAR was characterised by both an agrarian economy (landholdings and agriculture) and the existence of merchant capital. During the early 1880s, however, Kruger's concessions policy⁹ (to financial investors who included mine magnates) had already

⁸ Marks, S. and Trapido, S. 1979. (4, op.cit. p. 52)

⁹ Production, distribution, exchange and trading rights specifically granted to commercial monopolies, notably the dynamite monopoly and the concession granted to a railway commercial company. The existence of these monopolies had the effect both of adding to the costs of mineral production and of preventing free trade.

stimulated the growth of a labour- and capital-intensive mining industry, construction (railways and roads) industry, goods and transport industry (cabbies and later electric trams), domestic industry (washerman and later laundry), factories, breweries, offices and shops.¹⁰

The Rand had already been linked by rail with the Cape in 1893 and with Delagoa Bay (Mozambique) and Natal in 1895. The recent discovery of the vast seams of deep-level gold had also brought into the Witwatersrand region (the Rand) European financial and technological capital and waves of immigrants. These immigrants included speculators, skilled labour, prostitutes and pimps attracted from Europe and America, poor whites pushed out from the agricultural sector¹¹ and Africans from the rural hinterlands displaced by white settlers. Dispossession (depriving Africans of rights to use land) had labour supply consequences.

Kruger's government had been determined to assist the gradual growth of an independent industrial base which would largely be sustained by the agrarian economy. Kruger's concession policy which had assisted the growth of the above industries appears to have been designed to facilitate (rather than displace and destroy) the growth of an export-led agrarian economy. It was to this end that Kruger's

¹⁰ van Onselen, C. 1982. *Studies in the Social and Economic History of the Witwatersrand 1186-1914*, Vol. 1 New Babylon, Longman, New York.

¹¹ Ibid.

tariffs (taxation policy) on the mining sector were directed. The success of the brewing industry, for example, which had converted agricultural produce into distilled liquor products (accruing substantial profits as a result) was important to the Kruger government, hence the policy of protecting agricultural producers. This industry had produced mixed results. On the one hand the mine-owners (with financial interests in the industry) had benefitted from the profits, on the other hand alcohol consumption was considered to be detrimental because of its perceived lowering of the productivity of the workers.¹²

Furthermore, some of the industries mentioned above frequently offered higher wages. Workers were still free to move between employers in search of better wages. A significant percentage of African workers in these industries also worked as 'target'¹³ or temporary workers often for shorter periods under the 'togg system' (casual labour). Under this system Africans could decide when to work and not to work, aided in this by the fact that there also existed employers offering only casual work, demanding low paid labour only for specific jobs. The 'togg' system and the consumption of alcohol by black workers became unacceptable to the mining magnates as they made it

¹² Ibid.

¹³ See for example, Newbury, C.W. 1975. Historical Aspects of Manpower and Migration in Africa South of the Sahara, in Colonialism in Africa 1870-1960: The Economics of Colonialism, Vol. 4, Cambridge University Press, Cambridge.

difficult to meet the labour needs of the mines. This was at a time when the exploitation of low grade ores at deeper levels of between 4,000 ft and or more entailed substantial production costs to the so-called 'Randlords' (mine-owners).¹⁴ In order to cut labour costs and ensure a ready supply of labour, the mine owners pressured the Government for a more coercive regime¹⁵ in controlling the black workforce in other industries besides their own.

The Randlords demanded government assistance in meeting the costs of materials (such as the dynamite, the supply of which had been monopolised) necessary for deep-level mining operations. Other demands from the mine magnates to the Kruger government were: as described by Marks and Trapido,

"the call for the transformation of the machinery of state for a modern bureaucracy, ... an effective police force and incorrupt judiciary ... the call for the elimination of the concessions policy and the operation of free trade with reduction and elimination of tariffs ... the calls for the mechanisms to control and direct labour ... the need to ensure the reproduction of the labour force both black and white ... the magnates themselves sought to reduce and eliminate competition among themselves and between themselves and commercial farming and commercial capital ... they sought institutions which would create ideological supports for the new economic order ... a compliant press as well as a suitably adapted educational system ... essential if the stabilization as well as the reproduction of the white working class was to be achieved."¹⁶

¹⁴ Walshe, A.P. 1986. "Southern Africa". In A.D. Roberts (ed.), *The Cambridge History of Africa*, Vol. 7, 1905-1940, pp. 544-601. Cambridge University Press, Cambridge.

¹⁵ Marks, S. and Trapido, S. 1979. (4, op.cit.)

¹⁶ Marks, S. and Trapido, S. 1979. (4, op.cit. p. 63)

Kruger's government introduced some of the reforms demanded by the mine magnates, such as the total prohibition of the sale of beer to Africans and granted citizenship to British immigrants (uitlanders) who had been denied the vote.¹⁷ However, the Kruger government did not concede to all the major demands noted above. According to Van Onselen, to have conceded to all the pre-war demands of the so-called Randlords, Kruger would have given away his country to the British.¹⁸ As a result, Kruger's government was seen by the Randlords to be remote,¹⁹ not capable of practising capitalism and devoid of economic, political and military control on the Rand.

This was also a period in which Britain's gold reserves were very insecure as demonstrated by the 1890 Baring crisis,²⁰ a situation which threatened Britain's 'monetary power in the world'.²¹ Moreover, there was also the Great Depression of 1873-1896, and British manufacturing markets now challenged by Germany and America,²² the British imperial army was at war in 1899 against the Boer

¹⁷ van Onselen, C. 1982. (10, op.cit.)

¹⁸ Ibid.

¹⁹ Marks, S. and Trapido, S. 1979. (4, op.cit.)

²⁰ See Hobsbawm, E.J. 1989. The Age of Empire 1875-1914, Cardinal, London.

²¹ Ibid., see also Marks, S. and Trapido, S. 1979. (4, op.cit.)

²² Hobsbawm, E.J. 1989. (20, op.cit.)

republic.²³ At the outbreak of war in 1899 the Rand accounted for about 27 per cent of the world's gold output.

4.3 The subjugation of black labour

The development of the capitalist system and its considerable expansion in South Africa was both a violent²⁴ and an unrewarding experience for black people. Although blacks had been forced to participate in its creation and subsequent expansion, they were excluded from its benefits. The forced recruitment drive of Randlords appears to have been designed to upset African pre-settler systems of production, distribution and exchange, deprive Africans of rights in land and housing, and prevent them from successful competition through extra-economic forces to increase the supply of cheap African labour.²⁵

The way in which African became paid workers (in the labour market) was very different from that of whites. In 1870 a compound system was introduced to prevent illicit diamond trade.²⁶ It became a means of producing and maintaining

²³ See Marks, S. and Trapido, S. 1979. (4, op.cit.)

²⁴ Legassick, M. 1975. "Capital Accumulation and Violence in South Africa", *Economy and Society*, 3:3, pp. 253-291.

²⁵ Wolpe, H. 1975. "Capitalism and Cheap Labour Power in South Africa: From Segregation to Apartheid". In *Economy and Society*, 1, pp. 425-455.

²⁶ Turrell, R. 1982. *Kimberley: labour and compounds, 1871-1888*. In S. Marks and R. Rathbone, *Industrialisation and Social Change in South Africa*, Longman, London.

inequality between black and white workers. It also became a system of isolating and degrading black workers, who were searched and kept naked for several hours at the end of their shift. The pass system was introduced in 1896. It enabled the mining magnates to enforce a more effective compound regime (effectively a housing/residential location control).

The mine-owners had established the Witwatersrand Native Labour Association (WNLA) to unify labour recruitment policies. However, the tendency of competing mining interests to poach labour from other mines, which had the effect of raising the price of labour, continued. Because of this conflict and competition within the mining industry, the Robinson Group broke ranks with the WNLA in order to pursue its policies. The period leading to the outbreak of the Boer war of 1899-1902 saw the WNLA being replaced by the Chamber of Mines (representing diverse mining interests such as De Beers, Central Mining and Investment Corporation, and Eckstein and Company). In its attempt to unify African labour recruitment policies, hold down wages and prevent the free movement of labour between mines, the Chamber of Mines sought support from the Government. The Government gave way to the demands of mining magnates for labour recruitment policies designed to lower the costs of reproduction. Desertion from the mines was outlawed, strikes by Africans were prohibited, and a breach of a mining contract became a criminal offence.

After the Boer war (1899-1902) demand for labour in mines exceeded supply. As a result, in 1904 the Chamber of Mines, with support from Lord Milner's²⁷ administration, decided to import some 60,000 Chinese workers on three-year contracts, with the specific purpose of replacing African labour in the mines. Despite the costs involved in recruiting Chinese workers, the mining industry could still make substantial profits out of their labour. For example, it was difficult for the Chinese to desert the mines as they were banned from taking up any work outside the mines. With the introduction of a new regime of policing, these workers were forcibly kept within the limits of the mining compounds whenever they were not on duty. These workers acquired skills and experience to use the new technology introduced in the extraction of low grade ore at deeper levels of mining.²⁸

These skills had been imparted to the Chinese workers by white skilled labour, who had been recruited from America, Britain, Australia and other countries. The period 1900-12 witnessed the importation of white women domestics²⁹ by the South African Colonisation Society (SACS) who would

²⁷ Between 1897-1905 Lord Milner (formerly Sir Alfred Milner) was British high Commissioner in South Africa. During this period, he also held posts as Governor of the Cape and Transvaal.

²⁸ See Marks, S. and Trapido, S. 1979. (4, op.cit.); Van Onselen, C. 1982. (10, op.cit.); Walshe, A.P. 1986. (14, op.cit.)

²⁹ Marks, S. and Trapido, S. 1979. (4, op.cit.); Van Onselen, C. 1982. (10, op.cit.)

release black male labour from the domestic industry to work in the mines. The presence of white women was also intended to stabilise the predominantly male white skilled section of the workforce. This white workforce possessed the knowledge necessary for the use of expensive mining machinery for deep-level mining which had been imported from Europe. Because of their skills they had been attracted by the offer of higher wages and placed in supervisory positions within the mines.

However, as soon as the African and Chinese workers had acquired these skills and experience the mine-owners decided to lower the production costs of white workers. When white miners went on strike in 1907 against these new conditions, mine-owners relied on the skills of the African and Chinese workers to break the strike. The Government intervened, sending imperial troops to protect strike breakers, and mine-owners also provided work to the unemployed Afrikaners. These poor unskilled Afrikaners were nevertheless placed into supervisory positions in the mines. There was agitation from unemployed Afrikaners against Chinese labour: they demanded their repatriation and the Chinese workers were eventually repatriated back to China in 1908.³⁰

African labour recruitment policies of mine-owners were consolidated under the Native Labour Regulation Act of 1911. Their impact was to increase the supply of forced labour and

³⁰ Ibid.

yet hold down the wages of Africans to a subsistence level. Africans were required by law to carry one or more passes which enabled employers to restrict movement of black workers in towns, the right to choose residential location and access to housing.

4.4 Politics, race and the capitalist economy, 1899-1939

When the 1899-1902 war ended, the British (who had annexed the SAR in 1901) had achieved economic, political and military control over the Africans and the Boers. The war years had disrupted production, supplies and dispersed labour. However, the capitalist economic foundations characterised by an emerging industrial development also occurred during and after the war.

Central to the post-war administration of Lord Milner was a reconstruction programme aimed at restoring profitability to capitalist investors and addressing severe labour shortages (hence the importation of Chinese workers). For the social, political and economic reconstruction programme to move forward, the Milner administration also began implementation of the pre-war demands of mine magnates (discussed in 4.2). In 1905, under the Milner administration, the report of the South African Native Affairs Commission (SANAC) made proposals for a racially defined society: strict segregation

of Africans by race, land ownership, residential location and political representation.³¹

The 'native policy' contained in the SANAC report also proposed to forcibly squeeze out indigenous African producers from the land in order to create a workforce out of them (thus establishing in the long-term circular labour migration). A precedent of this racially determined order both in terms of race and land policy (dispossession of African land and the denial of individual tenure to Africans or title rights to urban property) was established in the Cape under the Glen Grey Act of 1894 by Cecil Rhodes.³²

The post-war elections of 1907 brought self-government in the Transvaal to the defeated Afrikaner wartime leaders: Louis Botha and Jan Christian Smuts and their organisation, Het Volk (The People), and in the Orange Free State to Barry Munnik Hertzog and his organisation, Orange Unie³³ (Union). In 1910 a single capitalist state dominated by whites was established with the unification (Union of South

³¹ Freund, B. 1984. *The Making of Contemporary Africa*, Macmillan, London.

³² Ibid.; See also, Dubow, S. 1987. *Race, civilisation and culture: the elaboration of segregationist discourse in the inter-war years*. In S. Marks and S. Trapido, *The Politics of Race, Class and Nationalism in Twentieth Century South Africa*, Longman, London; Davenport, R. 1991. *Historical background of the apartheid city to 1948*. In M. Swilling, R. Humphries and K. Shubane, *Apartheid City in Transition*.

³³ Freund, B. 1984. (31, op.cit.); Marks, S. and Trapido, S. 1987. *The politics of race, class and nationalism*. In S. Marks and S. Trapido (eds), (31, op.cit.)

Africa) of the colonies of the Cape, Orange Free State and Transvaal.

The Union government (with Louis Botha as prime minister), unlike the Kruger regime before the war, was prepared to compromise with mining capital and imperial interests, but failed to meet the challenge of the perceived social, economic and political aspirations of Afrikaners who formed the largest voting constituency: in particular, their national identity, history, language and culture.³⁴ Factions began to emerge within the ruling strata when Hertzog broke ranks with Botha and formed the National Party in 1913 with emphasis on the Afrikaner language question. According to Marks and Trapido, there also emerged a new Afrikaner intelligentsia who

"called for the systematic revision of the vernacular to create a standardised respectable Afrikaans, purged of its lower-class and 'Coloured' associations and capable of holding its own against English. Its Dutch inheritance was to be strengthened to give Afrikaans a modern technical and professional vocabulary and link it with a European language ... no artefact was too substantial or too small not to have its Afrikaans version, no occupation too eminent or too humble, not to have its Afrikaans mutation."³⁵

By 1914 about 40 per cent of the world's gold output was being produced on the Rand. Mining accounted for 27 per cent of national income, with agriculture generating 17 per cent and manufacturing 7 per cent. During the same year domestic

³⁴ Marks, S and Trapido, S. 1987. (31, op.cit.)

³⁵ Marks, S. and Trapido, S. 1987. (32, op.cit., p. 17)

exports amounted to £64m³⁶ (£43m worth in gold and the remainder deriving from diamonds, wool and agriculture). The period 1914-1920 witnessed the consolidation of firms in these key extraction and production sectors. But, it was also a period in which the economy grew slowly: the decline in gold output in 1916 and the abandonment of the gold standard in Britain in 1919.³⁷

By the time of Louis Botha's death in 1919, blacks had become more skilled and semi-skilled both in the mining sector and the emerging secondary manufacturing industries (albeit still poorly paid), and employers had increasingly opted for their labour than that of whites. This had the effect of excluding unskilled white workers³⁸ from employment who, because of the colour of their skin could only be employed at higher wages. Amongst the growing number of unemployed whites were recent Afrikaner immigrants to the city who had been driven off the land by the current depression.³⁹

When Smuts succeeded Botha in 1919, his South African Party was seriously being challenged for power by the growth of Afrikaner nationalism. SANLAM, an Afrikaner insurance company had been established in the Cape, and a secret

³⁶ Walshe, A.P. 1986. (14, op.cit.)

³⁷ Ibid.

³⁸ Ibid.

³⁹ Ibid.

society, Broederbond, based on Calvinist theology and ideological orientation was founded in 1919.⁴⁰ The Labour Party (led by Frederick Creswell), with similar aspirations to the National Party (described above), had already been swept into power in the City Council of Johannesburg following the 1918 local elections.

Creswell had campaigned for the introduction of a job 'colour bar' (also referred to as a 'civilised') labour policy⁴¹ aimed at protecting Afrikaner workers from the rationalisation of industrial and mining labour policies. These labour policies were seen to be responsible for the de-skilling and job fragmentation of white workers. Of the total 210,000 workforce employed in the mines in 1918, 180,000 were black, 15,750 were Afrikaners and the remainder were white mineworkers from Europe and elsewhere.⁴² Most of the European skilled artisans who had earlier dominated the mining industry had gone on active service during the First World War, and the vacancies created had been filled by Afrikaners.⁴³

In 1920 the Smuts government established the Reserve Bank, and by 1922 had set up the national supply commission

⁴⁰ Walshe, A.P. 1984. (14, op.cit.); Marks, S. and Trapido, S. 1987. (32, op.cit.)

⁴¹ Lipton, M. 1986. Capitalism and Apartheid, Gower, Hants.

⁴² Walshe, A.P. 1986. (14, op.cit.)

⁴³ Ibid.

(ESCOM) and made plans for the creation of the national iron industry (ISCOR). With the growth of nationalised industries and the expansion of both manufacturing and commercial activities (including greater protectionism and subsidies for white agriculture), the dominance of foreign investment was gradually replaced by local investment. The Smuts government imposed taxes on profits made by mining companies. The revenue raised was ploughed back as investment into nationalised industries.⁴⁴

In 1921 the Chamber of Mines proposed to reduce its wage bill for 21,000 white mineworkers by replacing 2,000 semi-skilled whites with black labour. In response to the Chamber of Mines' proposals which were subsequently put into effect, white workers went on strike (the Rand Revolt) in 1922. The potential replaceability of white workers by black labour was underlined by this strike in that production in the mines continued much as before.⁴⁵ This strike was repressed by Smuts.

In 1924, Smuts lost power to the nationalists. A 'Pact Government' (an alliance of the National Party and Labour Party) was formed, with Hertzog as prime minister and Creswell in charge of the new ministry of labour. The colour bar or 'civilised labour' policy became law. This policy had

⁴⁴ Wilson, F. 1984. Southern Africa. In M. Crowder, (ed), *The Cambridge History of Africa*, Vol. 8, 1940-1975, pp. 251-330. Cambridge University Press, Cambridge.

⁴⁵ Walshe, A.P. 1986. (14, op.cit.)

serious implications for the African population. Thousands of skilled and semi-skilled black workers began to be replaced rapidly by white labour in all sectors of the economy.⁴⁶ This policy further entrenched and consolidated class divisions between white and black working classes. According to Lipton,

"The 1924 election settled not only the struggle over the colour bar and civilised labour policy, but also the questions of protection and subsidy for White agriculture and manufacturing. It was a major victory for 'white' national interests against foreign capital, ensuring that a high proportion of surplus generated by the gold mines would be ploughed back into the development of the SA economy, rather than repatriated abroad, despite the fact that foreigners then held 80 per cent of gold mining shares."⁴⁷

The late 1920s were characterised by the world depression: a remarkable decline in economic activity, deteriorating agricultural base, rise in unemployment, poor wages and labour struggles waged between workers and employers. Mining investment during the 1930s had become to be dominated by a single conglomerate (in both diamonds and gold), Sir Ernest Oppenheimer's Anglo American Corporation.⁴⁸ This conglomerate began to invest in other industries besides mining.

There was a rise in the price of gold after 1930 as a result of which Hertzog's government abandoned the gold standard in

⁴⁶ Ibid.

⁴⁷ Lipton, M. 1986. (41, op.cit. p. 366.)

⁴⁸ Freund, B. 1984. (31, op.cit.)

1932 and Roosevelt devalued the US dollar in 1934.⁴⁹ The United Party was formed in 1933 when Hertzog's National Party was fused with Smuts' South African Party to meet the challenge of the depression. Divisions within the Afrikaner nationalist movement were created by this fusion. Hertzog was seen to have abandoned the interests and aspirations of Afrikaner nationalism. This split resulted in the formation in 1934 of the Purified Nationalist Party (PNP), led by Dr Daniel Francois Malan.⁵⁰ From its formation, the PNP came to be dominated by Calvinist Broederbond intellectuals who stressed the destiny of their language and culture in relation to their service to God, their biological superiority over Africans and the dangers of a foreign capitalism.⁵¹ This set the stage in the long-term for a determined struggle waged for the control of the capitalist system by Afrikaaners against foreign interests.

The growth of manufacturing after 1935 marked a decisive shift (as a result of a boom created by soaring gold prices) from the dominance of mining, with introduction of new economic activities. ISCOR went into production in 1934. Between 1936 and 1958 the area of land with access to electricity supply rose from 20,000 sq. miles to 139,000 sq miles. In 1961 ISCOR's output of steel rose to 2.4 million

⁴⁹ Wilson, F. 1984. (44, op.cit.)

⁵⁰ Freund, B. 1984. (31, op.cit.); Marks, S. and Trapido, S. 1987. (32, op.cit.)

⁵¹ Marks, S. and Trapido, S. 1987. (32, op.cit.); Wilson, F. 1984. (44, op.cit.)

tons and to over 5 million tons by 1975.⁵²

4.5 Dispossession of land rights and African resistance

The 1913 Land Act was a consolidating one. This Act was used as a legal mechanism for the expropriation of 87 per cent of African land. It also became the major urban policy mechanism of forcing blacks off their land. Because of the forceful expropriation⁵³ permitted by this Act, Africans became squatters on what had been their own land. They were now also prevented from buying and owning this land and prohibited too from sharecropping (renting land) from white farmers. The land rental arrangements currently in existence (between white farmers and African tenants) were immediately terminated by the Act. Instead, the compound system was extended to farms. The former tenants were now obliged to become farm labourers often at subsistence wages or under conditions amounting to slavery.

The 1913 Act also provided for setting up a system of 'reserves'. The reserves system would maintain the continued supply of migrant labour. Africans were required to work in the mines and to return to the land designated as 'reserves' when their contracts had expired⁵⁴ or to spend the rest of their lives in the reserves. The reserves were literally

⁵² Wilson, F. 1984. (44, op.cit.)

⁵³ Legassick, M. 1975. (24, op.cit.)

⁵⁴ Wolpe, H. 1975. (25, op.cit.)

reservoirs of labour.

The pass system too had been designed to complement the reserves system. It also served as a mechanism for enforcing racial divisions in the work place. Africans were required to carry passes at all times. Passes entitled one to movement (albeit controlled) in designated areas and to employment subject to the availability of jobs. The failure to meet the requirements of the pass system attracted prison terms often to be carried out working for white farmers or in labour camps.

The creation of the reserves also involved the coercion of tribal authorities⁵⁵ (chiefs). These tribal authorities were under threat of physical punishment to collect poll taxes, hut taxes and dog taxes in their respective regions. They were also obliged to carry out various policing duties on behalf of the Government, such as informing the local government officers of events in their areas, assisting with labour recruitment for the mines and the construction industry (roads and railways and other colonial and imperial projects). Failure to meet these obligations and resistance was regarded as treason punishable by death.⁵⁶

⁵⁵ Roux, E. 1978. *Time Longer Than Rope*, The University of Wisconsin Press, London.

⁵⁶ Ibid.

More than 4,000 Africans⁵⁷ were put to death for failing to pay the poll tax. When Chief Bambata (acknowledged by Africans as a great leader whose heroism was later to inspire the liberation movements) was killed for rising against the poll tax, his head was cut off and displayed to his subjects. This was intended as a warning and deterrent against disaffection and resistance to the poll tax.⁵⁸ We can learn something of the thinking of those in Government from the published contemporary writing of Lord Alfred Milner (then Administrator of the Transvaal) in 1903:

"Our welfare depends upon increasing the quantity of our white population, but not at the expense of its quality. We do not want a white proletariat in this country. The position of whites among the vastly numerous black population requires that even their lowest ranks should be able to maintain a standard of living far above that of the poorest section of the population of a purely white country...However you look at the matter, you always come back to the root principle - the urgency of that development which alone can make this a white man's country in the only sense in which South Africa can become one, and that is, not a country full of poor whites, but one in which a largely increased white population can live in decency and comfort. That development requires capital, but it also requires a large amount of rough labour. And that labour cannot to any extent, be white, if only because, pending development and subsequent reduction in the cost of living, white labour is much too dear."⁵⁹

In 1912, the Native African Congress (later African National Congress) was set up. From its formation it tended to be reformist, basing its programme on constitutional methods

⁵⁷ Ibid.

⁵⁸ Ibid.

⁵⁹ Quoted from Marks, S. and Trapido, S. 1979. (4, op.cit. p. 66.)

and its faith in Britain. The ANC focused on defending existing rights, such as the 'property vote',⁶⁰ and had no effective strategy aimed at gaining power, instead it was more concerned to see the Cape 'property vote' extended to the whole of South Africa.⁶¹

Until 1918 African resistance to segregationist policies was minimal. By 1919, alongside the ANC had grown up the Industrial and Commercial Union (ICU). Under this union African workers began organising and engaging in various strike actions throughout the country. But it was the 1920 African mineworkers strike which was particularly noteworthy. Provoked by the intransigence of mine-owners over demands for higher wages that would match those of white miners, this strike brought out more than 72,000 African workers.⁶² White mineworkers refused to support the strike as it threatened their own survival. The strike was suppressed with brutality by the police and army, but it

⁶⁰ Between 1853 and 1935 Africans qualified to vote in the Cape Province provided they could raise a property qualification and pass a literacy test. From 1936, however, the property franchise was replaced by an Advisory Native Representative Council (NRC) which comprised of three elected white representatives. The responsibilities of these white officials (with no executive power) were to represent the interests of those removed from the Cape franchise in the House of Assembly. In addition the establishment of the NRC also made provision of the entire African population of South Africa to elect four white senators who would represent their interests. See for example, Walshe, A.P. 1986. (14, op.cit.); Freund, B. 1984. (31, op.cit.)

⁶¹ Lodge, T. 1983. Black Politics in South Africa since 1945, Longman, New York.

⁶² Walshe, A.P. 1986. (14, op.cit.)

registered resistance against both mining capital and the job colour bar policy.

It was after this strike that the ANC began identifying closely with the interests of African workers. By the early 1940s, African resistance fundamentally shifted to include bus boycotts, the setting up of the Defiance Campaign and subsequent adoption of the Freedom Charter in 1955.⁶³

However, by the 1960s this resistance was effectively crushed through the suppression of political and trade union movements and the imprisonment of the leaders and activists of the organisations. The South African state at this time was characterised by unlimited police powers of arrest, detention without trial, disappearances and extra-judicial murders. The 1970s, however, saw the birth of a new African resistance which would in 1994 achieve a new beginning in South Africa. This fundamental reversal was triggered by the Soweto student revolt⁶⁴ which contrasted sharply with the forms of resistance to the Government's repressive machine and capital of earlier decades.

⁶³ ANC 1985. Selected Writing on the Freedom Charter, 1955-1985, A Sechaba Commemorative Publication, African National Congress, London. See also, Walshe, A.P. 1986. (14, op.cit.); Lodge, T. 1983. (61, op.cit.)

⁶⁴ There is a wealth of information on the Soweto students' uprising, see for example, Brooks, A. and Brickhill, J. 1980. Whirlwind before the Storm: The Origins and Development of the Uprising in Soweto and the Rest of South Africa from June to December 1976. International Defence and Aid Fund for Southern Africa, London.

4.6 The growth of Johannesburg and the first evictions

Johannesburg started as a mining camp of gold diggers in 1886, attracting waves of immigrants (colonialists, financiers, foreign labour migrants, prostitutes) all of whom gained a foothold in the housing market through various forms of private rental markets located in various suburbs of Johannesburg (see figure 4.1). According to Charles van Onselen,

"By 1896 the 3,000 diggers of the original digging camp were lost in a town of 100,000 residents and, by 1914, the 100,000 men were in turn harder to find in a city with over a quarter of a million inhabitants. The inexorable pressure exerted by people, houses, shops, offices, factories pushed back the municipal boundaries from five square miles in 1898, to nine square miles in 1901, and then - more ambitiously still - to an enormous 82 square miles in 1903."⁶⁵

The settlement patterns for indigenous Africans even at this stage (1900) were characterised by varying degrees of controls. In the mines black workers were accommodated in the compounds. Other workers had to provide for their own accommodation, which they did mostly through squatting on land owned by the Government and private land owners, as most of the surrounding land had either already been bought by the Randlords or belonged to the municipality.

As Johannesburg's boundaries continued to be pushed back, various clustered settlements of different characteristics

⁶⁵ van Onselen, C. 1982. (10, op.cit. p. 2)

soon developed.⁶⁶ Within these compounds, there also developed conditions of squalor, overcrowding and disease resultant from the lack of services (stormwater drainage, water supply and sewerage system). The lack of a housing system that would cope with the rapid rate of urbanisation aggravated these conditions. Moreover, the pittance of African wages meant that they could not improve their living conditions. In 1904 there was an outbreak of bubonic plague in Johannesburg. This provided justifications for the removal of Africans from the cities. As Beavon has noted,

"Amongst the first, but not the only victims of the plague were Black workers. Under the Public Health Act, then in force, regulations were promulgated that empowered the authorities to remove Black people to a site or 'Location' where they would no longer be a health threat to the community."⁶⁷

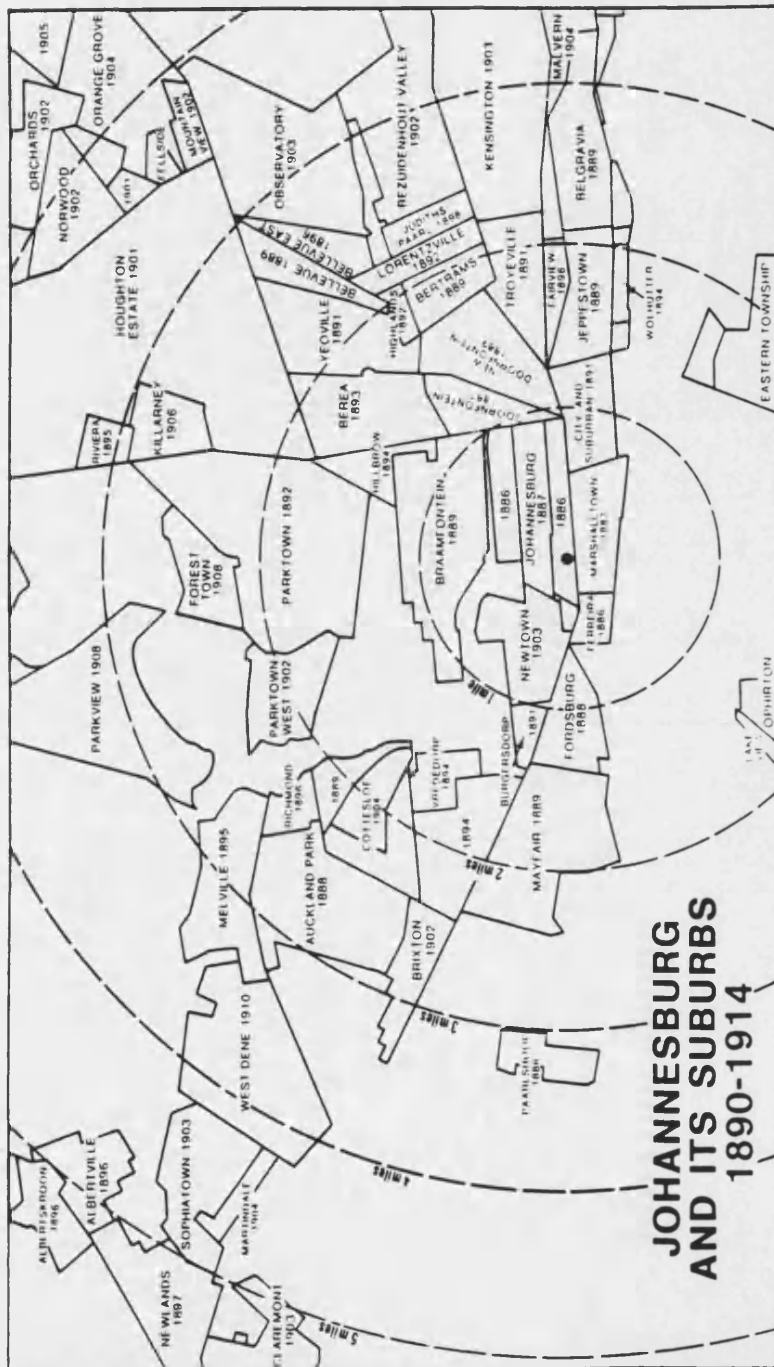
But if the fear (on the part of the white community) of the spread of bubonic plague provided justification for the removal of Africans to distant locations and, as happened, their subsequent dumping at sites situated close to sewage farms and refuse dumps,⁶⁸ the fact that the health syndrome was employed (whether as a pretext or not) in the removal of Africans, it allowed the authorities to escape

⁶⁶ See for example, Moroney, S. 1982. "Mine married quarters: the differential stabilisation of the Witwatersrand workforce, 1900-1920". In S. Marks and R. Rathbone (eds) (26, op.cit.)

⁶⁷ Beavon, K.S.O. 1982. "Black Townships in South Africa: Terra Incognita for Urban Geographers", South African Geographical Journal, Vol. 64, No. 1, p. 6.

⁶⁸ Lemon, A. 1991. The Apartheid City. In Lemon, A. (ed.), Homes Apart, David Philip, Cape Town.

Figure 4.1: Map of Johannesburg and its suburbs, 1890-1914



Source: Van Onselen, C. 1982. *Studies in the Social and Economic History of the Witwatersrand, 1886-1914*, Vol. 2 New Nineveh, p. 58, Longman, New York

any obligation that they might otherwise have felt to rehouse Africans within the city. The bubonic plague had struck at a time when both the Government and the Randlords had just begun intervening in the housing market by building houses for the white working class. Rather than extending this intervention to address the housing needs of Africans, the white ruling elite instead chose to remove Africans from the cities. This laid the basis for later removal strategies of Africans from the cities adopted by successive governments in South Africa.

In 1904 blacks were forcibly removed from Johannesburg areas of Brickfields and Coolie Location and dumped next to a sewage site at Klipspruit (figure 4.2), a farm owned by the Johannesburg City Council (JCC) some 12 miles south west of the town. Klipspruit later became one of Greater Soweto's townships. These removals displaced the slum living conditions of Africans from Johannesburg's inner cities, but failed to improve them at Klipspruit. For no sooner had the residents begun to settle at Klipspruit than insanitary conditions developed,⁶⁹ particularly exacerbated by the absence of a water-borne sewerage system. The only form of rented accommodation to be provided by the JCC was in the form of 99 former water tanks (corrugated tin shelters), which were cut in half and sealed at one end by a wall.

⁶⁹ Carr, W.J.P. 1990. Soweto: Its creation, life and decline, South African Institute of Race Relations, Johannesburg.

The JCC also leased stands to the residents on which they could built their own houses (often shacks) which varied in type and quality. The monthly tenancy for these stands cost individual residents 5s per month.⁷⁰ The only difference between this form of settlement and informal settlements generally was that it had been sanctioned by the Government through the JCC, which also generated income from renting its own 'water tank' houses⁷¹ and the residential sites. This in turn had the effect of conferring some form of housing rights to the residents of Klipspruit. It also meant that those with the means erected bigger shack structures with more rooms, which they then rented out. The cost of these ranged between £2 and £5 per month.⁷² The fact that landlords could earn so much when they themselves paid only 5s per month to the JCC, suggests that there were some profits being made in the Klipspruit shack rental markets.

The removal of residents and their relocation at Klipspruit (12 miles away from the CBD of Johannesburg) also posed great transportation problems. At that time the public transport system had consisted of horse drawn carts operating as 'cabbies' in the city. Demand for a transport service system had generally been sluggish because there was very little if any physical separation between workers'

⁷⁰ Ibid.

⁷¹ Payne, R. (undated). The Social History of Soweto, paper prepared for IDASA, Urban Research Services, Braamfontein.

⁷² Carr, W.J.P. 1990. (69, op.cit.)

homes and places of work.⁷³ But the city continued to expand, and residence and work became increasingly separated, and an electric tram system began running in 1906 in and around Johannesburg. This development did not benefit the residents of Klipspruit. Therefore, for most of this period Klipspruit residents had difficulties travelling to and from work in Johannesburg. It was not until 1905 that the JCC had negotiated with the South African Railways (SAR) for a subsidiary rail line off the main Johannesburg and Bloemfontein route'⁷⁴ (see figure 4.2) that the transportation problems of Klipspruit residents eased somewhat.

Even with this change, however, Klipspruit residents were faced with higher transportation costs than the city dwellers. Alongside these transportation costs, the living conditions of Klipspruit residents were deteriorating.⁷⁵ In 1918 Klipspruit, like other black residential areas across South African cities, was swept by an influenza epidemic which killed about 200,000 blacks⁷⁶ and about 400 black babies out of every 1,000 lost their lives.

By 1919, confronted with the deterioration of living

⁷³ Ibid.

⁷⁴ Payne, R. (71, op.cit.)

⁷⁵ Ibid.

⁷⁶ Callinicos, L. 1987. Working Life, Ravan Press, Johannesburg.

Figure 4.2: Map of Pretoria and the Witwatersrand showing Klipspruit in relation to Johannesburg in 1905



Source: van Onselen, C. 1982. *Studies in the Social and Economic History of the Witwatersrand, 1886-1914*, Vol. 1, New Babylon, New York.

conditions, the harassment of those in rent arrears by the JCC and rising transportation costs, the residents of Klipspruit resolved to take direct action against the authorities by attacking the superintendent and the administration police.⁷⁷ Although the authorities responded to this first community resistance at Klipspruit by suppressing it, they also promised to address residents' grievances.⁷⁸ However, the commission of enquiry subsequently established by the Transvaal Commission Administration (TCA) did not lead to any significant alleviation of the community's grievances.

Rural-urban migration had continued apace as a result of the impact of both wars (the Boer War and the First World War). During the First World War, wartime shortages had resulted in the diversification of the economy.⁷⁹ Whereas most of Johannesburg's earlier African population were predominantly male migrant workers, after the First World War growing numbers of women and children were also drawn into the city. Most of these women found work as domestic workers. However, wartime inflation was disastrous for black workers in all sectors of the economy: mines, the emerging manufacturing industry, domestic industry and 'white' farms. Their wages were kept to the already low pre-war levels,⁸⁰

⁷⁷ Payne, R. (71, op.cit.)

⁷⁸ Ibid.

⁷⁹ Walshe, A.P. 1986. (14, op.cit.)

⁸⁰ Ibid.; Callinicos, L. 1987. (76, op.cit.)

and since they had no bargaining power, it is not surprising that so many Africans were killed by the influenza epidemic of 1918 as they could not provide for their food and medicines. Population growth combined with the very low wages of Africans also exacerbated overcrowding and insanitary conditions where they lived.

In 1921 the JCC's Parks and Estates Committee (PEC) (then responsible for the so-called native administration) established the Western Native Township (WNT). This township, like its predecessor, Klipspruit, was located near a sewage disposal site, at Newlands^{e1} (see figure 4.2). The PEC built 227 houses for Africans at Western Native Township (formerly Brickfields). A further 1,000 units were added to Western Native Township by 1927. Also in 1927, 400 units were constructed at Eastern Native Township. Together these townships provided accommodation for about 15,000 people,^{e2} at an average of 9,2 persons per house. This was less than 15 per cent of the total African population of Johannesburg, estimated at 96,000 in 1927 (excluding all those housed by the mining industry). Even by these conservative estimates, it is clear that of the 96,000 population, a substantial number, 81,000, had to house

^{e1} Proctor, A. 1979. "Class Struggle, Segregation and the City: A History of Sophiatown, 1905-1940". In B. Bozzoli (ed.), Labour, Townships and Protest, Ravan Press, Johannesburg.

^{e2} Lewis, P.R.B. 1966. "A City within a City: The Creation of Soweto", South African Geographical Journal, 48, pp. 45-85.

themselves, as a result of which slum living conditions became unavoidable.

Up to this time housing for Africans in Johannesburg comprised three key sectors: domestic servants' quarters, compounds (mining compounds, employers' compounds and disused compounds which were either bought or hired from the mining sector by the Parks and Estate Committee for housing Africans), and municipal townships. Entry into the townships was controlled by the criteria of employment and bureaucratic rules. Only a few employed residents with a pass qualified for housing in these two townships. Access to mining compounds controlled by the PEC was along similar lines. In order to qualify for accommodation in the mining compounds one had to be employed in the mines. A similar qualification applied to domestic servants' quarters.

4.7. National policy mechanisms

From the preceding section it is clear that until 1921 successive national Governments had no urban policy which aimed at housing urban Africans in Johannesburg. But from 1921 the national Government, now largely under pressure from emerging Afrikaners, enacted various pieces of legislation specifically designed to control the movement and settlement of Africans. A precedent had been supplied by the Native Land Act of 1913, under which (as pointed out above), blacks were prohibited from either owning or leasing

land outside the so-called homelands. This was followed by the Native (Urban Areas) Act of 1923 (subsequently amended in 1930) which effectively institutionalised residential segregation in South Africa. Under the terms of this Act, local authorities were required both to segregate the urban residential land and to provide housing for employed Africans whilst at the same time regulating their entry into the cities and controlling their movement within the towns. If any local authority failed to implement these measures, the Act also empowered the central government to compel them to do so, and if this also failed, the state could then step in to effect these measures and then compel the local authority to meet its costs.⁸³

However, in practice the central government increasingly used this Act to obstruct the JCC and the efforts to provide housing for urban Africans. Thus it employed various bureaucratic tactics, such as withholding loans and cancelling or delaying the approval of building contracts as a way of controlling the urban influx of Africans. Under the 1923 Act, Africans could only be allowed entry into urban areas subject to their preparedness to serve their white employers, and they would have to depart from these areas once those tasks had been fulfilled.⁸⁴ According to Lemon,

⁸³ Carr, W.J.P. 1990. (69, op.cit.)

⁸⁴ See Lemon, A. (ed), 1991. (68, op.cit.); Carr, W.J.P. 1990. (69, op.cit.); Parnell, S.M. 1991. "The ideology of African home-ownership: the establishment of Dube, Soweto", South African Geographical Journal, Vol. 73, No. 2.

the 1923 Act

"embodied the central principles of segregation (and hence relocation) and influx control. All these principles were developed and strengthened in subsequent legislation up to and in some respects including the Botha reforms of the 1980s."⁸⁵

The 1923 Act was followed by the Slums Act of 1934 which was ostensibly invoked as a mechanism for removing Africans from the slumyards of Johannesburg. The Native Laws Amendment Act of 1937, increased the administrative measures and policing mechanisms over the African urban population. Under the 1937 Act, for example, Africans had 14 days from the day they entered the city to find work or face forced removal and deportation to the reserves. By 1945 they had only 3 days to find work. The Native (Urban Areas) Consolidated Act No. 25 of 1945, more elaborately provided a framework for the grading and screening of housing applicants according to their ethnicity, the urban influx qualification of the male, his family and children, and their residential address (see Chapter 6). These 'urban fences'⁸⁶ (influx control mechanisms) were manipulated and tightened under the Group Areas Act No. 41 of 1950.

Prior to 1950, however, the Smuts government had been under pressure from various groups to relax segregation, and its own appointed Native Laws Commission (known as the Fagan

⁸⁵ Lemon, A. (ed), 1991. (68, op.cit. p. 35)

⁸⁶ See Giliomee, H. and Schlemmer, L. 1985. Up Against The Fences, Poverty, passes and privilege in South Africa, St Martin's Press, New York.

Commission) published its report in 1947. It argued that:

"It should be clear, firstly, that the idea of total segregation is utterly impracticable; secondly, that the movement from country to town has a background of economic necessity - that it may, so one hopes, be guided and regulated but that it cannot be stopped or turned in the other direction; and thirdly, that in our urban areas there are not only Native migrant labourers, but there is a settled, permanent Native population."⁸⁷

This new thinking on the segregation question was however thwarted by the coming to power of the Purified Nationalist Party in 1948. The overriding objective of Dr D.F. Malan's PNP government was to establish a racially pure Afrikaner-controlled state. Moreover, potential investors and industrialists were now required to establish their industries in the so-called homelands (bantustans) or reserves in order to restrict the flow of blacks into the so-called white cities. As the PNP government's appointed Tomlinson Commission reported in 1955:

"A choice will have to be made by the people of South Africa between two ultimate poles, namely that of complete integration and that of separate development of the two main racial groups. Taking all factors into consideration, the Commission recommends the later choice, namely that of separate development. The initial step towards the practical realisation of separate development of Europeans and Bantu lies in the full scale development of the Bantu Areas. The development of the Bantu Areas will have to embrace a fully diversified economy, comprising development in the primary, secondary and tertiary spheres."⁸⁸

⁸⁷ Mandy, N. 1984. *A City Divided: Johannesburg and Soweto*, p. 94, Macmillan, Johannesburg.

⁸⁸ *Ibid.*, p. 95.

Between 1950 and 1966 more than 80 pieces of legislation aimed at controlling aspects of urban living of Africans were passed (see tables 4.1 and 4.2).

4.8 The formation of Soweto

In 1927, there already existed three townships (as noted in 4.6 above) specifically for African residence: namely, Pimville (formerly Klipspruit), Western Native Township and Eastern native Township. In 1928 the JCC's Department of Native Affairs DNA appointed a Committee on Native Affairs charged with the task of establishing an 'ordered and distinct housing' for Johannesburg's African population.

The JCC had also bought 1,300 'morgen' of land (about 2,600 acres) on the farm Klipspruit No 8 (some 15 km from Johannesburg), about 2 miles away from the Pimville location. Orlando East was established on farm Klipspruit No 8 in 1930. Competitive layout and design tenders for a 'model township' that would accommodate 80,000 Africans, with prizes of £500 (for the best), £200 (second best) and £100 (third), were invited from local architects.⁸⁹ The houses built in Orlando East soon became a prototype for today's Greater Soweto housing stock. Orlando East was named after

⁸⁹ Carr, W.J.P. 1990. (69, op.cit.); Payne, R (71, op.cit.); Lewis, P.R.B. 1966. (82, op.cit.)

Table 4.1: Acts of Parliament passed affecting the administration of black people in South Africa, 1945-1956

Title of Act	No of Acts
Natives (Urban Areas) Amendment Act, 1945	43 of 1945
Natives (Urban Areas) Consolidation Act, 1945	25 of 1945
Native (Urban Areas) Amendment Act, 1946	42 of 1946
Native Laws Amendment Act, 1947	45 of 1947
Native Laws Amendment Act, 1949	56 of 1949
Group Areas Act, 1950	41 of 1950
Immorality Act, 1950	21 of 1950
Population Registration Act, 1950	30 of 1950
Bantu Authorities Act, 1950	68 of 1951
Prevention of Illegal Squatting Act, 1951	52 of 1951
Native Building Workers Act, 1951	27 of 1951
Group Areas Amendment Act, 1952	65 of 1952
Native Laws Amendment Act, 1952	54 of 1952
Native Services Act, 1952	64 of 1952
Prevention of Illegal Squatting Amendment Act, 1952	24 of 1952
Bantu Education Act, 1953	47 of 1953
Native Building Workers Act, 1953	47 of 1953
Native Labour (Settlement of Disputes) Act, 1953	48 of 1953
Reservation of Separate Amenities Act, 1953	49 of 1953
Bantu Education Amendment Act, 1954	44 of 1954
Native High Court Abolition Act, 1954	13 of 1954
Natives Resettlement Act, 1954	19 of 1945
Native Trust and Land Amendment Act, 1954	18 of 1954
Representation of Natives Amendment Act, 1954	36 of 1954
Group Areas Amendment Act, 1955	6 of 1955
Group Areas Development Act, 1955	69 of 1955
Group Areas Further Amendment Act, 1955	68 of 1955
Land Settlement Amendment Act, 1955	31 of 1955
Native Administration Amendment Act, 1955	13 of 1955
Native Building Workers Amendment Act, 1955	60 of 1955
Native Labour (Settlement of Disputes) Amendment Act, 1955	59 of 1955
Native (Urban Areas) Amendment Act, 1955	16 of 1955
Criminal Procedure Act, 1955	56 of 1955
Group Areas Amendment Act, 1956	36 of 1956
Native Administration Amendment Act, 1956	42 of 1956
Natives (Prohibition of Interdicts) Act, 1956	64 of 1956
Native (Urban Areas) Amendment Act, 1956	69 of 1956
Native Trust and Land Amendment Act, 1956	10 of 1956
Population Registration Amendment Act, 1956	71 of 1956
Riotous Assemblies Act, 1956	17 of 1956
Bantu Education Amendment Act, 1956	36 of 1956
Native Trust and Land Amendment Act, 1956	73 of 1956

Source: Lewis, P.R.B. 1966. (81, op.cit. pp. 77-78

Table 4.2: Acts of Parliament passed affecting the administration of black people in South Africa, 1957-1966

Title of Act	No. of Acts
Group Areas Act, 1957	77 of 1957
Group Areas Amendment Act, 1957	57 of 1957
Housing Act, 1957	10 of 1957
Native Laws Amendment Act, 1957	36 of 1957
Native Laws Further Amendment Act, 1957	79 of 1957
Native Transport Services Act, 1957	53 of 1957
Wage Act, 1957	5 of 1957
Witchcraft Suppression Act, 1957	3 of 1957
Housing Amendment Act, 1958	24 of 1958
Native Taxation and Development Act, 1958	38 of 1958
Native Trust and Land Act, 1958	41 of 1958
Trespass Act, 1959	6 of 1959
Bantu Education Amendment Act, 1959	33 of 1959
Bantu Investment Corporation Act, 1959	34 of 1959
Promotion of Bantu Self-Government Act, 1959	81 of 1959
Housing Amendment Act, 1959	72 of 1959
Native Affairs Act, 1959	55 of 1959
Native Building Workers Amendment Act, 1959	56 of 1959
Population Registration Amendment Act, 1960	30 of 1960
Reservations for Separate Amenities Amendment Act, 1960	10 of 1960
Unlawful Organisations Act, 1960	34 of 1960
Bantu (Urban) Councils Act, 1961	79 of 1961
Bantu Education Amendment Act, 1961	55 of 1961
Group Areas Amendment Act, 1961	23 of 1961
Bantu Beer Act, 1962	63 of 1962
Group Areas Amendment Act, 1962	49 of 1962
Housing Amendment Act, 1962	5 of 1962
Native Laws Amendment Act, 1962	46 of 1962
Better Administration and Designated Areas Act, 1963	51 of 1963
Bantu Laws Amendment Act, 1963	76 of 1963
Bantu Labour Act, 1964	67 of 1964
Bantu Laws Amendment Act, 1964	42 of 1964
Housing Amendment Act, 1964	53 of 1964
Bantu Special Education Act, 1964	24 of 1964
Bantu Homelands Development Corporation Act, 1965	86 of 1965
Group Areas Amendment Act, 1965	56 of 1965
Housing Amendment Act, 1965	49 of 1965
Community Development Act, 1966	3 of 1966
Housing Act, 1966	4 of 1966

Source: Lewis, P.R.B. 1966. (81, op.cit. pp. 78-79.)

the Chairman of the Native Affairs Committee (formerly mayor of Johannesburg), Edwin Orlando Leake, who had played a decisive role in bringing it into being. The location of this township many miles away from Johannesburg met the primary requirement of residential segregation, ease of administration and control. Another important factor which influenced the siting of this location was that there already existed a subsidiary rail line to Pimville (as pointed out in 4.6 above) which passed through the site of Orlando East. Two major roads that passed near this new location (see figure 4.2) had also been constructed: the main Reef Road (to the north) and the Potchefstroom Road (to the south). Furthermore, access to water would be easy since there was a pumping station close by.

When the first 3,000 houses⁹⁰ were completed in 1935, it housed approximately 18,000 (about 6 persons per dwelling on average). By the late 1930s another 2,890 units had been added to the Orlando East housing stock bringing its total to 5,890. Throughout this period Orlando East remained unpopular⁹¹ to its residents because of its distance (15 km) from Johannesburg and consequent high transportation costs for those who worked in the city. As a result some of these houses had remained unoccupied as most Africans chose instead to live in the city. The slums of Johannesburg,

⁹⁰ Lewis, P.R.B. 1966. (82, op.cit.)

⁹¹ Parnell, S.M. and Pirie, G.H. 1991. Johannesburg. In Lemon, A, (ed), 1991. (68, op.cit.); Payne, R. (71, op.cit.)

despite their insanitary characteristics, had over an extended period of time (30 years for some of them) become established communities. They became very popular places to live in and their close proximity to the city centre gave easy access to jobs and cheaper transportation costs.

The Department of Native Affairs had embarked on an intensive anti-slum programme⁹² (under the Slums Act of 1934) of evictions and demolitions which affected mostly Africans, at the same time as South Africa was experiencing the depression of the late 1920s and early 1930s. As hundreds of Africans were being evicted from the areas of Johannesburg such as Doornfontein and Betrams (now proclaimed white-designated suburbs in terms of the 1923 Urban Areas Act), this coincided with large numbers of Africans migrating to Johannesburg from the reserves due to the effect of both the increasing economic decline of the reserves and the depression.

As a result overcrowding and slum living conditions in the freehold ghettos of Sophiatown (see figure 4.1), Martindale, Newclare (also designated white areas under the 1923 Act) and Alexandra escalated. The effects of the depression also forced many whites within these freehold ghettos to provide rented accommodation⁹³ (backyard rooms) for Africans. Some

⁹² Parnell, S. 1988. "Racial Segregation in Johannesburg: The Slums Act, 1934-1939", South African Geographical Journal, Vol. 70, No. 2.

⁹³ Carr, W.J.P. 1990. (69, op.cit.)

of these whites also resisted the eviction of the blacks (through the courts) because such action threatened their own economic survival. Although the courts subsequently validated the council's removal policy, many of these slum landlords continued to rent backyard accommodation (illegally) to Africans.

It is estimated that Johannesburg's African population grew from 96,000 in 1927⁹⁴ to 136,000 in 1936,⁹⁵ an increase of 40,000 (41.7 per cent) over a period of nine years. Between 1936 and 1939 (that is, within a three year period) it grew by a further 108,000 (79.4 per cent) to 244,000⁹⁶ at the outbreak of the Second World War. The percentage of total population urbanised between 1911 and 1946 is shown in table 4.3. The pressure on the limited existing accommodation in the freehold ghettos of Sophiatown, Martindale, Newclare and Alexander and the existing municipal locations of Pimville, Orlando, Western Native Township and Eastern Native Township thus became greatly increased. State tenants in these municipal locations began accommodating sub-tenants.

Throughout the war years the African population of Johannesburg increased yet further (through natural increase and migration from rural areas, increasing the proportion of

⁹⁴ Lewis, P.R.B. 1966. (82, op.cit.)

⁹⁵ Carr, W.J.P. 1990. (69, op.cit.)

⁹⁶ Mandy, N. 1984. (87, op.cit.)

women and children), yet very few houses (if any) were built during this period (see Chapter 5). Restrictions (pass laws), designed to limit entry of Africans into urban areas, were suspended during the war years due to the unprecedented demands for labour in manufacturing industry. Between 1933 and 1939, employment in manufacturing industry increased by more than 60 per cent. It also increased by 50 per cent on the 1939 figure between 1939 and 1945.⁹⁷ Housing shortage (due to the rapid population growth, slum clearance and lack of new building of municipal or other housing) became even more acute, as a result of which this period saw the growth of squatter settlements (as residents had no rights to land or housing, but tolerated) in various parts of municipal land which later became part of Greater Soweto.

Table 4.3: Percentage of each urbanised population group in South Africa, 1911-1946

Racial group	1911 %	1936 %	1946* %
African	12.6	17.3	24.3
Coloured	46.7	53.9	62.5
Asian	43.2	66.3	72.8
White	51.6	65.2	75.6
All races	24.7	31.4	39.3

Source: Lipton, M. 1986. (41, op.cit. p. 401.); *Freund, B. 1984. (31, op.cit. p. 187.)

⁹⁷ Freund, B, 1984. (31, op.cit.)

4.9 The emergence of squatter markets

In 1944 under the leadership of James Sofasonke Mpanza, the squatter communities (mainly homeless people and sub-tenants who had either been removed from the slumyards of Johannesburg or had spilled out from the overcrowded municipal locations) set up 250 hessian and corrugated iron structures on municipal land adjacent to Orlando East and Pimville.⁹⁸ These informal structures (shacks) subsequently grew to number about 8,000 and provided accommodation for more than 20,000 people.⁹⁹ By 1947 it was estimated that squatter settlements on open municipal land within the vicinity of Orlando, Pimville, and Dube accommodated approximately 90,000 people.¹⁰⁰ In order to gain access into these informal settlements an individual was required to pay to the squatter administrator, an entry fee and administration costs.

From the very beginning of the formation of these informal shack markets, Mpanza's Sofasonke squatter movement became the sole political authority over them. For example, the Sofasonke movement not only allocated land, but it also imposed levies on its members which were then used for the provision and management of resources such as water and

⁹⁸ See, Morris, P. 1980. Soweto: A Review of Existing Conditions and Some Guidelines for Change, Urban Foundation, Johannesburg.

⁹⁹ Ibid.

¹⁰⁰ Ibid.

refuse removal. Trading within these settlements was also regulated through the sale of trading rights to potential traders and levies on outside traders entering these settlements. Property and civil rights were also protected through a system of squatter justice developed and administered by the Sofasonke movement. According to Stadler, Mpanza's squatter organisation,

"established virtually a state within a state into which no whites could go except under a squatter escort; they had their own courts, police and administration, their leaders' political skills easily matched those of the officials."¹⁰¹

Both the central government and the JCC viewed these developments with great unease. The JCC immediately began to establish its own controlled forms of squatting in the form of 'emergency camps'. In 1944 an emergency camp consisting of 4,042 shelters constructed of breeze blocks was established adjacent to Orlando East by the JCC.¹⁰² This area became known as 'Masakeni' or 'Shantytown' and was later named Orlando West after the JCC replaced the breeze-built shelters with council-built houses. Squatter communities continued to form elsewhere on municipal land in defiance of the JCC's attempts to evict them. They were led by different leaders, for example, Albert Ntoi in Pimville

¹⁰¹ Stadler, A.W. 1979. *Birds in the Cornfields: Squatter Movements in Johannesburg, 1944-1947*. In B. Bozzoli, (ed.), *Labour, Townships and Protest*, Ravan Press, Johannesburg.

¹⁰² Carr, W.J.P. 1990. (69, op.cit.)

and Edward Khumalo in Jabavu.¹⁰³

In 1947 another emergency camp was established by the council, at Moroka. This camp consisted of 11,200 sites measuring 20ft by 20ft each supplied with a pit latrine and refuse removal services.¹⁰⁴ Residents were expected to build their own shacks which conformed with the JCC's minimum standards. Once these sites had been laid out the JCC began forcibly removing squatter communities, demolishing the shacks and relocating the inhabitants into these emergency camps. Entry into the JCC's emergency camps was refused to those who were unemployed and had no passes. The unemployed and those who failed to qualify under the 1923 Act were either sent back to the reserves or accommodated in the municipal hostels.¹⁰⁵ By late 1947 the JCC succeeded in destroying the last of the 11 squatter camps that had grown since 1944.¹⁰⁶

The JCC appears to have been concerned primarily to achieve racial residential separation (in accordance with the 1923 Act) by removing Africans from Johannesburg. As in the previous decades neither the central government nor the JCC appears to have formulated a clear housing strategy apart from removing Africans and dumping them outside the city

¹⁰³ Ibid.

¹⁰⁴ Mandy, N. 1984. (87, op.cit.)

¹⁰⁵ Morris, P. 1980. (98, op.cit.)

¹⁰⁶ Carr, W.J.P. 1990. (69, op.cit.)

limits. Throughout the period 1944-47 the JCC's exercise of control was threatened. By establishing its controlled emergency camps, the JCC appears to have accepted that housing was needed. This in turn suggests that the JCC began addressing the housing problems of Africans in Greater Soweto only as a way of preventing an 'alternative' local government system (organised squatter communities) from further development. It was effectively a motivation for the JCC to forestall squatting.

The site and services schemes (based on the JCC's controlled emergency camps) became national government policy after 1948 with the assumption of power by the Nationalist Party dedicated to apartheid.¹⁰⁷ Under these site and services schemes, residents built their own temporary shacks when they moved in. Between 1953 and 1960, 35,000 serviced sites measuring 12 metres by 22 metres (with a stand water pipe every 450 metres¹⁰⁸ and pit latrines) were provided for the erection of shacks. Subsequently the JCC built permanent houses and as soon as these had been erected, it demolished the shacks. Thus virtually all the townships that were built after Orlando from the mid-1940s started life as informal settlements, later emergency camps and later still, site and service schemes before assuming their permanent form.

¹⁰⁷ Ibid., Mandy, N. 1984. (87, op.cit.); Lewis, P.R.B. 1966. (82, op.cit.)

¹⁰⁸ Ibid.

4.10 The final removals

In its determination to achieve its goals of expelling blacks from the urban areas (in accordance with the recommendations of the Tomlinson report) to the so-called homelands, on assuming power in 1948 the Malan government immediately implemented a programme of forcibly removing the entire African population of Johannesburg's western areas (freehold ghettos and slumyards of Sophiatown, Martindale and Newclare). They were relocated in the Diepmeadow areas of Meadowlands and Diepkloof. Although the JCC had approved the removal of these communities as early as 1937,¹⁰⁹ it had not followed through this course of action for a number of reasons. First, the acute housing shortage for Africans was felt to militate against further destruction of African homes. Second, there was strong resistance from residents (who included the ANC, PAC activists, trade unionists, Anti-Expropriation Ratepayers' Association, Proper Housing Movement and others) to the proposed planned removal. Third, the JCC had difficulties in providing adequate transportation from the proposed site to town and employment.

However, the national government had decided to implement its programme of separate development by purchasing land at Diepmeadow and establishing a Natives Resettlement Board that would forcibly remove Africans from the western areas

¹⁰⁹ Parnell, S. and Pirie, G.H. 1991. (91, op.cit.)

of Johannesburg. On 9 February 1955, more than 2,000 armed police and army reinforcements,¹¹⁰ moved into the western areas and began forcibly removing¹¹¹ African residents to Meadowlands and Diepkloof (Diepmeadow area of Greater Soweto). To prevent reoccupation, the army also used bulldozers to demolish residents' homes.¹¹² The scale and impact of the removals is described by one eyewitness:

"On the broad belt of grass between the European suburb of Westdene and Sophiatown a whole fleet of army lorries was drawn up: a grim sight against the grey, watery sky. Lining the whole street were thousands of police, both white and black: the former armed with rifles and revolvers, the latter with the usual assegai. A few sten guns were in position at various points ... In the yard military lorries were drawn up. Already they were piled high with the pathetic possessions which had come from the row of rooms in the backyard. A rusty stove, a few blackened pots and pans, bundles of heaven-knows what, and people soaked, soaked all over to the skin by the drenching rain."¹¹³

The removals had far-reaching implications for the black urban population. Firstly, residents effectively lost whatever rights in housing and land they had possessed in the freehold areas and slumyards of Johannesburg. Secondly, it sparked a political struggle which contrasted sharply with the earlier subservient role played by Africans. Thirdly, the rights of residents to live close to

¹¹⁰ Payne, R. (71, op.cit.)

¹¹¹ Parnell, S. and Pirie, G.H. 1991. (91, op.cit.)

¹¹² Payne, R. (71, op.cit.)

¹¹³ Unterhalter, E. 1978. Forced Removal, p. 75. International Defence and Aid Fund for Southern Africa (IDAF) Publications Ltd, Cannon Collins House, London.

the city and places of employment were taken away. Fourthly, the rights in housing and land which Africans lost in their former homes could not be conferred to them again in the townships because of official thinking which regarded blacks as 'temporary sojourners' in so-called 'white' cities. Thus, townships were to serve as labour reservoirs for the white cities. As the General Circular No. 25 of 1967 notes:

"It is accepted government policy that the bantu are only temporary residents in the European areas of the Republic, for as long as they offer their labour there in the labour market. As soon as they become ... no longer fit for work or superfluous in the labour market, they are expected to return to their country of origin or territory of the natural unit where they fit in ethnically if they were not born or bred in the homeland."¹¹⁴

Greater Soweto thus became the dumping ground¹¹⁵ and certainly the largest labour reservoir for the majority of Africans who were forcibly removed from Johannesburg. The 1960s saw the consolidation of apartheid policy. The depriving of Africans of rights to housing and land, already in force in the townships of Greater Soweto, was intensified when housing Africans became to be seen as a temporary measure and the 'bantustans' as permanent areas of African settlement.¹¹⁶ Under such a situation, enforceable, tradeable and saleable rights in housing and land were absent by law, evictions and state control of the housing

¹¹⁴ Cited in Marks, R. 1990. Upgrading Alex: A Case Study of a South African Township, Oxford Polytechnic, Oxford.

¹¹⁵ Stadler, A.W. 1979. (101, op.cit.)

¹¹⁶ Payne, R. (71, op.cit.)

situation. However, not all rights were removed entirely, rentable rights were available (albeit controlled) and subject to influx qualifications and bureaucratic rules. The consolidation of Government policy which saw Africans as 'sojourners' (temporary residents or visitors) was continued during the 1970s.

The houses provided reflected the attitude towards Africans expressed in General Circular No. 25. Furthermore, the location of the townships between 15 and 30 kilometres away from white residential areas appears to have been aimed at containing any potential opposition from African residents. The zoning of the townships in Greater Soweto appears also to have been intended at ensuring total administrative control by the Government, including allowing easy access for the army and the police to shoot down demonstrators, a facility employed in the massacres of Sharpeville in 1960, Soweto in 1976-77 and Sebokeng in 1984-86.¹¹⁷

4.11 Conclusion

This chapter has shown how a progression and succession of measures (removing rights from Africans, first in land, then in housing, and rights to reside in a particular area or simply to be somewhere and lowering the status of Africans to that of 'temporary sojourners') have been an adjunct to economic policy, labour market policy and apartheid

¹¹⁷ See Unterhalter, E. 1978. (113, op.cit.)

(segregation) policy. The motivation for this progressive depriving of Africans of rights has been three-fold: a) economic development, b) a captive cheap work force, and c) the sustaining of privilege of white minority (common white interest) which transcended classes among whites.

Regarding the need for black labour, successive Governments could not remove rights entirely. Instead, they invented the status of 'temporary sojourner', which did carry some rights. These Governments had military resources and control of the legislative process with which to remove and deprive Africans of rights in housing and land, and rights of movement. Africans were mostly poorly organised and they had no access to the legislative process.

Other opportunities with which to continue depriving Africans of a variety of rights also existed: a) the availability of labour from other sources, notably Chinese workers, and b) labour in rural areas seeking employment. This gave employers the opportunity to keep wages low and impose economic conditions on African workers, for example, the existence of a pool of labour (always someone to take one's work). The existence of sites within commuting distance also gave the Government to enforce the relocation of Africans - somewhere to dump them.

This chapter has also shown that there was also a conflict of interest between white privileged workers (who were no

longer prepared to do menial work) and capitalist employers who wanted to pay low wages. In the course of South Africa's capitalist development nothing either subtly or dramatically was to change from Milner's framework of white supremacy. This framework laid down the core principles of the violent exploitation and segregation of the African people which was continually reinforced by later legislation.

As Johannesburg became urbanised, the JCC was sensitive to the desire of employers for a workforce to live within access of employment and thus tolerated squatting. The significance of squatting is that even if there is no formal legal right to land and housing, toleration implies acceptance of a moral claim or material interest for whites in tolerating it. The division between the JCC and the Government is important. It reveals conflict of interests even 40-50 years ago.

The development of housing markets in Greater Soweto were thus largely influenced by the inter-relation between successive governments, society and the economy, and the lack of constraints on governments that were prepared to use violence against Africans. This set the stage for connections between the establishment of African residential locations and sewage disposal sites. This was consolidated by the introduction of the job colour bar policy which also established a separation of the residential space according to race.

Apartheid (separate development) was a systematic and well constructed political theory of white superiority which went much further than anything previously experienced in depriving Africans of housing and property rights. This study has shown how Africans were deprived of their originality to develop their own economic system of production, and by extension, their own housing system. The important conclusion which this chapter draws is that Greater Soweto originally developed not as a result of the choice of residents, but that Africans in search of employment were forced to live in housing of last resort and of least desirability.

The pieces of legislation shown in this chapter suggest compelling evidence why the explanatory power of theoretical work reviewed in Chapter 2 of this thesis is limited. Instead, the legislative mechanisms shown in this chapter (see tables 4.1 and 4.2) suggest more compelling evidence of controls and constraints in the built environment which went far beyond anything experienced in the developed countries, and for that matter in totalitarian regimes.

There is evidence of voluntary immigration (ecological mechanisms) of Africans in search of employment, but no choice where to live, except squatting. The ecological models also implied competition, domination and invasion-succession mechanisms, but as this chapter has shown, there is no evidence of these mechanisms. However, the question

about domination, reveals the role of state and agencies. Specifically, it reveals the domination and control by the central government of the legislative process and the military, but also disagreements and conflict between central and local governments.

The neo-classical economics models depend on conscious choice, perceptions of individual households and trade-offs, but there is little evidence of these mechanisms in this chapter. Although some form of competition and invasion-succession mechanisms were evident in the squatter markets during the 1940s, they were very insignificant and were forcibly prevented from developing. The institutional approach draws attention to a regulatory framework of the state and the decision-making processes of management, 'agents' (producers and suppliers of housing), but not forced relocations and forced removals.

Marxism draws attention to class cleavages but not colour ones (black and white working classes). It is noteworthy, however, that this chapter has shown class cleavages in terms of how the interests of whites at times transcended class but also revealed divergences between interests of white capital (and between local and overseas capital) and white workers, and white householders needing to let rooms. In the case of compounds, landlord and employer interests were identical.

Marxism also draws attention to urban movements. These as this chapter has shown were evident during the 1940s in the form of squatter movements. The role of Mpanza and other leaders of squatter movements is very significant in this chapter. This chapter has shown how these squatter (urban) movements made significant gains through organising, invading land and developing their own local government and administration (including rights in housing and land) and a system of justice, and how this motivated the JCC to forestall further development of this form of urban movement. Finally, it is important to recognise that the theoretical perspectives (reviewed in Chapter 2) do not yield any questions that highlight what was done about rights.

CHAPTER FIVE

THE DEVELOPMENT OF THE HOUSING STOCK, 1930-1994

5.1 Introduction

This chapter examines the mechanisms by which the housing stock in Soweto was provided by the Johannesburg City Council (JCC) between 1930 and 1972. Thus the role of the JCC in the development/creation of the housing stock is examined within the framework of housing finance, housing production, housing costs per individual units and changes in the rate of the stock produced. Finally, the effect on the overall housing system of (a) the role of the West Rand Administration Board (WRAB) in adding to the stock from 1973 until the early 1980s and (b) the entry into the Greater Soweto housing building markets since the early 1980s of backyard shack developers and squatter or informal settler developers.

5.2 Housing finance

Housing construction was financed from the Native Revenue Account (NRA), created by the Johannesburg City Council under the Urban Areas Act of 1923. Funds for this account were raised from: Government loans; loans from the JCC's Consolidated and Capital Development Funds; loans from the Native Service Levy Fund; grants from the Services Levy Fund; private sector loans from the mining industry; loans

from the Soldiers' Housing Organisations (table 5.1); and rents and profits from beer sales (table 5.2).

The first form of funding involved loans raised by the JCC through the state funding body (the Central Housing Board (CHB) which was later replaced by the National Housing and Planning Commission (NHPC) in 1944). Apart from direct government loans (whose annual interests varied between 0.75 per cent and 6 per cent),¹ the JCC also advanced its own Consolidated Loans and Capital Development Funds in the financing of township construction (table 5.1). Interest charges on the latter loans depended on the total amount advanced as loans by the JCC each year. Subsidisation costs on losses were shared between the central state and the JCC in the ratio of 3:1 in terms of an agreed 'National Housing Formula'.²

In 1953 a second form of financing the construction of infrastructure and the provision of services was also established under the terms of the Native Services Levy Act (NSLA) which allowed white municipalities within their jurisdiction to extract a levy from local employers (table 5.1). Also in 1953 the Native Transport Services Levy Act (NTSLA) was introduced to enable the subsidisation of the

¹ Lewis, P.R.B. 1966. "A City within a City: The Creation of Soweto", South African Geographical Journal, 48, p. 73.

² Carr, W.J.P. 1990. Soweto: Its Creation, Life and Decline, South African Institute of Race Relations, Johannesburg.

transportation of workers by their employers. This Act had the effect of reducing the transportation costs of the workforce, at the same time easing (but not eradicating) the access problems resultant from the location of townships furthest away (15-30 kilometres) from the city.

Both these Acts (the NSLA and NTSLA) were introduced by the apartheid regime as measures of influx control, alongside the forcible expulsion of blacks from the so-called white cities. Part of the cost of financing housing construction was passed on to the employers on grounds that they had attracted African labour into the white cities.³ This was done under the terms of the Native Services Levy Act of 1953, which required white municipalities to extract weekly levies of 2s 6d⁴ from local employers of black labour who did not provide housing for their workers.

Once these funds had been collected they were then contributed to the Native Revenue Fund either as loans or grants (at the annual interest rate of 0.125 per cent). The JCC was not free to use the funds as it wished. Various restrictions were imposed by the state on local authorities in terms of bureaucratic delays as use of these funds was subject to Ministerial approval. As a result the JCC began

³ Lewis, P.R.B. 1966. (1, op.cit.)

⁴ Carr, W.J.P. 1990. (2, op.cit.)

looking for funds from other sources.⁵

The third form of funding was through private sector loans during the mid-1950s. A loan of R6 million (£3 million), payable over a period of 30 years at a fixed annual interest rate of 4.87 per cent was granted to the JCC by Sir Ernest Oppenheimer's mining houses. The second loan of R96,000 from the Soldiers Housing Organisations was serviced at the annual interest rate of 1,25 per cent.⁶

The fourth form of funding was through rents and profits from beer sales which were placed in the Native Revenue Account (NRA). The profits generated from the brewing and sale of traditional sorghum beer were made possible by the fact that the white municipalities exercised a monopoly on the brewing and sale of traditional sorghum beer. Thus it was illegal for blacks in the 'white cities' to brew traditional beer and they were also barred from either buying or consuming 'White liquor'. Furthermore, when the 'White liquor' restrictions were lifted under the Bantu Beer Act of 1962, the sale of this form of liquor in the townships was also monopolised by the JCC.

As a result of the JCC's monopoly over the brewing and sale of beer, its beerhalls had grown into a substantial business

⁵ Personal Interview with Mr William Loots, Property Sales Director, Soweto City Council, 11 April 1994.

⁶ Lewis, P.R.B. 1966. (1, op.cit. p. 73)

in the townships generating sales of R5,2 million and profits of R2,2 million in 1965 (see table 5.2). By 1969 the sales of the traditional sorghum beer in the townships amounted to R6,2 million with profits of R2,8 million.⁷ Also in 1969 the 'White liquor' sales in the townships amounted to R4,6 million and generated profits of R430,000.⁸ Not only were profits used in the financing of housing construction in the townships but they were also applied in the balancing of the Native Revenue Account (table 5.2).

Table 5.1 illustrates the breakdown of the total capital expenditure in terms of the sources of funding raised from 1918 to 1965 in the financing of township construction. These funds include R1,050,746 which was used in the construction of a total of 2,625 houses between 1920 and 1930 at Western Native Township and Eastern Native Township (see Chapter 4) and the provision of 3,400 hostel beds⁹ in the Johannesburg area.

Table 5.2 illustrates the cumulative capital expenditure per year between 1931 and 1965. From this sum, a total of R1,050,746 (as explained above) had already been used by 1930 out of a total capital expenditure of R53,488,569. The

⁷ Mandy, N. 1984. *A City Divided: Johannesburg and Soweto*, p. 187. Macmillan, Johannesburg.

⁸ Ibid.

⁹ Ibid, p. 73.

remainder, R52,437,823 was used in the purchasing of land and financing of township construction (including public buildings such as halls, schools, roads, bridges, railway sidings and in the provision of health services, lighting, water reticulation and stormwater and sewerage and other infrastructure). By 1968 when the government finally ended the state loan finance system, the total capital expenditure (including the building of local authority offices, schools, hostels, beer gardens, a library and community halls) amounted to R61 million.¹⁰ In 1967 a further loan of R750,000¹¹ was granted to the JCC by the mining magnates for the provision of houses at Pimville.

State policy in the funding of housing provision through the white municipalities remained committed to enforcing the 'urban fences' of control. Within the racially segregated urban forms in South Africa the financing of housing construction was fundamentally characterised by a system of 'financial segregation'. Thus the provision of a Native Revenue Account under the 1923 Urban Areas Act effectively established a clear demarcation on the JCC's finances on racial grounds.

¹⁰ Carr, W.J.P. 1990. (2, op.cit. p. 49)

¹¹ Ibid., p. 128.

Table 5.1: Johannesburg City Council's native revenue account: Source of Funds, 1918-30 June 1965

Type of funds	(Rand)
Government Loans	22,794,261
Advance from Capital Development Fund	423,060
Advance from Council's Consolidated Loans	4,308,602
Loans from Native Services Levy Fund	1,691,251
Grants from the Services Levy Fund	9,940,085
Private Sector Loans from Mining Houses	6,000,000
Loans from Soldiers Housing Organisations	96,000
Grants from the Services Levy Fund	9,940,085
Loans Redeemed	8,890,593
Total	53,488,569

Source: Adapted from Lewis, P.R.B. 1966. "A City within a City: The Creation of Soweto", South African Geographical Journal, 48, p. 73.

Table 5.2: Johannesburg City Council's native revenue account, 1930-1965

Year ended 30 June	Cumulative Capital Expenditure (Rand)	Rents Nett (Rand)	Deficit on NRA to Rates (Rand)	Kaffir Beer Sales (Rand)	Beer Profit
1930	1,050,746	108,145	35,153		
1931	1,161,528	119,626	41,327		
1932	1,222,650	121,965	47,545		
1933	1,507,908	126,974	51,014		
1934	1,716,682	167,804	36,665		
1935	1,881,532	209,782	6,486		
1936	2,012,504	234,805	13,288		
1937	2,107,824	251,029	41,393		
1938	2,855,438	294,468	46,262	31,068	14,186
1939	2,994,960	336,335	468 Cr.	118,500	65,536
1940	3,141,686	337,560	24,863 Cr.	188,894	127,504
1941	3,354,656	310,927	26,418	255,534	125,094
1942	3,619,276	326,693	55,609	203,038	107,398
1943	3,672,890	335,649	56,673	201,892	94,544
1944	4,084,066	341,248	44,212	339,560	198,122
1945	4,741,496	342,104	61,441	458,970	242,954
1946	5,397,916	373,548	245,299	256,978	114,552
1947	6,561,807	443,984	364,862	417,558	95,904
1948	8,364,516	584,536	191,798	573,378	243,674
1949	9,609,788	663,133	328,404	654,094	362,430
1950	10,840,814	753,613	483,916	744,890	349,448
1951	11,702,388	839,664	655,523	828,046	350,261
1952	11,937,820	858,180	671,810	998,840	403,152
1953	12,637,416	968,562	697,225	1,229,660	479,670
1954	13,798,756	1,079,034	273,517	1,403,068	732,460
1955	15,491,136	1,142,952	341,716	1,646,406	854,312
1956	18,983,402	1,339,887	258,104	1,784,392	815,692
1957	22,652,428	1,714,120	429,401	2,058,082	1,050,202
1958	29,296,540	2,348,262	431,820	2,217,056	1,079,076
1959	36,068,172	2,873,887	243,160	2,589,712	1,290,990
1960	40,907,214	3,106,213	686,250	2,691,090	1,299,768
1961	44,156,082	3,390,402	852,209	2,189,873	1,239,913
1962	46,943,247	3,516,503	731,357	3,027,558	1,468,791
1963	50,042,554	3,652,230	913,481	3,228,043	1,464,418
1964	51,877,747	3,760,241	731,905	4,215,378	1,824,974
1965	53,488,569	3,889,028	474,520	5,204,233	2,223,296

Source: Lewis, P.R.B. 1966. "A City within a City: The Creation of Soweto", South African Geographical Journal, 48, p.73.

5.3 Housing production and costs

This section examines the physical production process of housing. Given the mechanisms used in the financing of housing construction, how was the stock produced on the ground? What was the rate of change to the housing stock? How differentiated is the Greater Soweto housing stock?

Township houses in Greater Soweto were mass produced through the use of both bricks and concrete slab materials. The whole area was originally not planned in a town planning sense. This lack of planning cohesion is demonstrated by the lack of public facilities such as parks, play areas for children and recreational activities. In addition, surveying and land viability studies were not carried out beforehand to determine if the land was suitable (geologically, environmentally and locationally with respect to economic opportunities and social amenities) to be developed as a residential area.¹² Everything, including the layout of townships was designed to make it difficult for black people to settle and be comfortable. Townships were constructed as places for Africans to sleep in and not to be comfortable in line with the influx control measures and the homeland policy.

In Soweto, the JCC was the primary agent of housing

¹² Personal Interview with Mr Gladstone Mafoko, Assistant Housing Director, Soweto City Council, 23 November 1993.

production. In Diepmeadow, it was the Natives Resettlement Board (NRB), whilst the Roodepoort City Council was responsible for delivering houses in Dobsonville. Until the early 1950s the actual construction was undertaken mainly by private sector contractors who competed for building contracts from the JCC's Non-European Affairs Department (NEAD). Contracts were awarded to private building contractors who could offer the cheapest designs and methods on the building of mass housing in the townships (table 5.3). The townships became a testing ground for a variety of house building experiments, but all of them were judged too costly to the white municipalities (local authorities), given the limited resources (as discussed above) at their disposal.

The construction methods used by some of the constructors (Laing and Roberts, Roberts Construction, Rumble Construction and Lewis Construction) who were awarded building contracts is described below. Thus according to Carr, Laing and Roberts used

"an all-cement method in which the walls were precast on the site and then lifted into position by a travelling crane, with the roof, also in cement, being cast in one piece over a steel umbrella which was removed when dry. Roberts Construction tried cement panels which formed the walls and which interlocked one on top of another. The roof was asbestos sheeting. Rumble introduced the 'no fines' system in which small stone aggregate was wet-mixed and poured into steel forms, the roofing also of asbestos sheeting. Lewis Construction used a variation in the cement panel method".¹³

¹³ Carr, W.J.P. 1990. (2, op.cit. p. 48.)

These construction methods resulted in the production of housing types which are commonly known as 'concrete domes' or 'elephant houses' and are found in parts of Orlando West and Jabavu (see Chapter 3). Whilst these production methods were relatively quick and cheap, most of these houses were constructed following the end of the Second World War when the country was experiencing a shortage of building materials and skilled labour, with consequent high prices.

Further costs were incurred by the employment of white artisans in accordance with the prevailing 'civilised labour policy' (discussed in the Chapter 4) which excluded blacks from this form of employment. These factors, together with the profit driven motivation of white private constructors combined to limit the finances of the JCC. The cost of houses built by private developers between 1944 and 1947, and the mechanism used in the funding of these housing schemes is shown in table 5.3.

The data in table 5.3 clearly shows that it took a process of negotiations between the central government and the JCC before Government loans intended to finance the housing schemes built by private contractors were approved. The construction costs of individual housing units are shown in table 5.5. This data shows that the production costs of most of the individual units in Greater Soweto were between the range of R300 to R370. The only differences are the lower production costs for the Orlando East houses which were

below R300 and Pimville, Senaoane, Zondi, Mofolo, Dube and Central Western Jabavu which cost between R400 and R566. The higher production costs per individual units in table 5.5 (R735 in Molapo Extension, R915 in Mapetla Extension, R905 in Orlando West, R1,998 in Senaoane, R3,250 in Pimville and R13,800 in Chiawelo Extension) are for the new houses built since 1980 (see table 5.7).

It was under the terms of the Native Building Workers' Act of 1951 (amended in 1953) that the JCC was finally able to reduce its housing construction costs. This act empowered the JCC to train and employ its own black workers as construction artisans to undertake the building of houses in the townships. Thus the introduction of the services levy policy, transport services levy policy and the building workers' policy had the effect of reducing the cost of housing construction.

In 1954, the JCC had created a separate Housing Division headed by A.J. Archibald¹⁴ (a town engineer) to undertake the recruitment and training of blacks in the townships.

Once they had been trained these black artisans were then required to train others in various skills such as building, carpentry, plumbing, drain laying and others. The cheap labour of Soweto residents was then utilised in the provision of services, water supply, roads, stormwater and

¹⁴ Ibid., see also Mandy, Lewis, P.R.B. 1996. (1, op.cit.); Mandy, N. 1984. (7, op.cit.)

sewerage.¹⁵ The use of black labour in the townships had the effect of reducing construction costs¹⁶ because blacks were paid low wages compared to their white counterparts. However, the houses which were produced were of poor quality, lacking a reasonable amount of living space, privacy, internal water supply, household energy supply, sanitary facilities and stormwater drainage, and were also incomplete, with no internal floors, internal doors or ceilings (see also Chapter 3). These were to be provided by the new occupants of the houses.¹⁷

The construction method differed from those of private constructors described above. It involved the use of bricks and lime (building houses with 'bricks on edge') instead of cement and concrete blocks. This also had the effect of reducing costs as well as speeding up the construction process. As Carr observed

"At its peak, 40 houses were being completed every day and handed over to my department, so that tremendous progress was made in an astonishingly short time in the rehousing of people from informal settlements. The whole thing was a marvel of planning and organisation. Everything seemed to be going on at the same time... with the landscape changing from day to day with unbelievable rapidity".¹⁸

¹⁵ Personal Interview with Mr William Loots (5, op.cit.)

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ Carr, W.J.P. 1990. (2, op.cit. p. 124).

Whereas the private sector produced house types which are commonly known today as 'elephant houses' the public sector under the town engineer, A.J. Archibald, introduced relatively improved house types known today as 'matchboxes' (see Chapter 3), which were designed by the National Building Research Institute (NBRI) and the National Housing and Planning Commission (NHPC) in 1951. But the production of these house types was aided by the supply of building materials from the private sector. Table 5.4 shows that there were opportunities for white private building material firms, engineering firms and companies producing the infrastructural materials and other components for the provision of services to make profits. The transport policy also provided transport owners (such as railways and later buses) with rewarding profit-making opportunities in the townships.

Throughout the period of township construction until the demise of apartheid in the 1990s, the state's own contribution costs were in the form of advanced loans to the JCC which were paid with interest by the township residents themselves. Moreover, the use of cheap black labour in the construction of housing in the townships represented a subsidy form of finance (because of the lowering of production costs compared with employing white labour).

Table 5.3: Costs of housing schemes built in Soweto by private contractors, 1944-1947

Name of Scheme	Date/est proposed	No. of houses	Contractor	Cost Rm*	How financed
Orlando West	1944	2 350	EA Sayle & Son	2,110	Govt loan
Orlando	1945	250	Anderson Coy	0,190	Govt loan
Orlando	1946	1 000	-	-	Govt loan
Orlando	1946	277	Anderson Coy	0,210	Govt loan
Orlando West	1946	684	Anderson & Coy	0,750	not approved
Orlando West	1947	160 semis	Anderson & Coy	-	negotiations
Orlando	1946	289 semis	Roberts Cons Ltd	0,320	Govt loan
Orlando	1946	132 semis	Rumble	0,150	Govt loan
Denver & Native Mens Hostel	1944 1945 1946	3 336 beds	EA Sayle & Son	0,350	Govt loan
Pimville	1944	111	-	-	Govt loan
Pimville	1944	110	Dept & CED	0,110	Govt loan
Klipspruit 49	1947	5 100	Roberts Cons Ltd	1,730	Govt loan

Source: Hendler, P. 1987. "Capital Accumulation and Conurbation: Rethinking the Social Geography of the 'Black' Townships in The South African Geographical Journal, Vol. 69 No. 1, Table 1, p. 75. *(Values not deflated)

Table 5.4: Selected costs of privately tendered building material contracts in the building of Soweto, 1954-1964

Year	Materials	Successful Tenderers	Cost R*
1954	Asbestos cement concrete sheets: Oregon/Balt deal; Doors;	-	139 842
1954	Fencing	Messrs Jacks Fencing and Eng. Works (Pty) Ltd	10 468
1955	Bricks	Various	168 000
1955	Asbestos cement corr sheets	Superconcrete Pipes SA Ltd	23 620
1955	Asbestos cement corrug sheets	Everite (Pty) Ltd	102 002
1955	Steel windows	Wire Industries Steel Prods and Engineering Coy Ltd	43 066
1955	WC angle iron jambs & doors	F Gwilliam Ltd	7 840
1955	Oregon Pine	WF Jonstone and Coy Ltd	52 234
1955	Window putty	Gibson and McIntosh (Pty) Ltd	2 536
1955	WC Suites	Morely (Pty) Ltd	24 684
1957	Breeze concrete blocks	SA Rapid Block Coy Ltd	50 000
1964	Clear sheet glass	Pilkington Bros (SA) (Pty) Ltd	7 000

Source: Hendler, P, 1987. (op.cit.), Table 2, p. 76.
 *(Values not deflated)

Table 5.5: Construction Costs of Individual Housing Units in Selected Townships of Greater Soweto

Township	Construction Cost Range (Amount in Rand)
Pimville	400 - 3,250
Orlando East	153 - 230
Orlando West	324 - 905
Dube	465 - 566
Moroka	330 - 465
Mofolo	450
Senaoane	330 - 1,998
Jabulani	360
Molapo	350
Molapo Extension	735
Zola	360
Phiri	370
Zondi	450
Mapetla	330
Mapetla Extension	330 - 915
Central Western Jabavu	330 - 540
Dlamini	330
Moletsane	350
Emdeni	360
Tladi	370
Naledi	370
Chiawelo	330 - 371
Chiawelo Extension	13,800

Source: Calculated from undated Soweto Statistics obtained by me from the Soweto City Council in 1994.

5.4 Rate of additions of new units to the housing stock

The first houses to be built by the Johannesburg City Council were at Orlando East in the early 1930s. However, the exact date at which construction began and the number of units produced per year is unclear. What is known, however, is that during the decade 1930-40 the JCC constructed 5,890 houses at Orlando East (table 5.6). As table 5.6 also shows, it is noteworthy that it took another four years before the council added a further 3,703 units at Orlando West in 1944. The decline and virtual stoppage of council housing production during this four year period has been explained as having been caused by the outbreak of the second world war.¹⁹

After the war had ended it took another three years for the council to construct a further 5,100 units at Jabavu in 1947. Table 5.6 also shows that council house construction dried up for five years after 1947. It was not until 1952 that 2,796 houses were built (1,746 added to the Orlando West stock and 1,050 units at Dube). The explanation here appears to have been linked to the change of government. The immediate impact on council housing construction as a result of the victory of the Purified Nationalist Party in 1948 is clearly shown in table 5.6. The combined total number of state units produced between 1952 and 1954 compares well with those produced in 1947, but less than the 5,890

¹⁹ Morris, P. 1980. Soweto: A Review of Existing Conditions and Some Guidelines For Change, Urban foundation, Johannesburg.

dwellings constructed at Orlando East in the 1930s.

From 1955 township expansion was aided by the contributions of the Services Levy funds, by loan finance from the mining sector, and by the reductions in the cost of labour made possible by the Native Workers Building Act (as already discussed above). This period saw the construction of 5,415 housing units (1,306 at Central Western Jabavu (CWJ), 2,351 at Mofolo and 1,758 at Senaoane). A further 9,897 dwellings (2,039 at Jabulani, 1,426 at Molapo, 5,563 at Zola and an additional 869 at Dube) were constructed by the JCC in 1956. In 1957, as table 5.6 further shows, 9,563 houses (2,191 at Phiri, 1,573 at Zondi, 1,502 at Mapetla and 4,297 at Dobsonville) were completed. However, there was a small decline in 1958 compared to the preceding two years.

But the biggest single construction of the council housing stock was in 1959. During this year a substantial number of 9,027 housing units were constructed (2,697 at Emdeni, 4,041 at Naledi, 2,289 at Chiawelo) and a further construction of new units was begun in the Diepmeadow area which resulted in the erection of 8,314 houses at Meadowlands East, 7,482 houses at Meadowlands West and 10,665 houses at Diepkloof (table 5.6). However, there was a significant decline in terms of the council housing building supply in 1960 with only 3,028 units produced (1,948 at Chiawelo Extension 1 and 1,080 at Mapetla Extension). This decline continued until 1982 when the council housing supply ceased completely

(table 5.7). Therefore, it can be seen from the data presented in table 5.6 that houses constructed between 1930 and 1960 effectively constitute today's townships of Greater Soweto.

The council housing construction that occurred between 1961 and 1982 was in most areas minimal compared to the preceding period (see table 5.7). In most cases only additional units were being provided to the already existing stock in different townships. However, the figures on table 5.7 are primarily concerned with Soweto alone as data for the period 1961-1982 on Diepmeadow and Dobsonville were not available. Between 1961 and 1982 only 12,723 houses were added to the Soweto housing stock. Of these, 2,260 were built at Moroka in 1961. Again, following the pattern of earlier periods the council housing supply then dried up, for five years. In 1966, a further supply of 984 housing units were built at Klipspruit. No additional housing units were provided by the council throughout the whole of 1967.

Council house building in Soweto resumed in 1968 when 1,081 units were completed at Naledi Extension 1. By 1969, 441 dwellings were completed at Pimville. Another 1,478 houses (table 5.7) were built at Emdeni Extension in 1970, and 514 at Molapo Extension by 1971. In 1972 a total of 881 houses were also constructed (653 at Pimville Zone 1 and 228 at Pimville Zone 2). By 1973 the council constructed a total of 1,615 dwellings (681 at Pimville Zone 4, 641 at Pimville

Zone 6 and 293 at Mapetla Extension). A further 940 units were built in 1974 (887 at Pimville Zone 3 and 53 at Pimville Zone 4).

There was a sharp decline during the following years. Only 358 houses were completed in 1975 (43 at Senaoane, 176 at Klipspruit and 139 at Pimville Zone 1). As table 5.7 further shows, 351 units were built at Pimville Zone 5 in 1976. There was almost a virtual collapse of house building in Soweto between 1977 and 1980, with just 117 units constructed (21 at Orlando East and 96 at Pimville Zone 2) within a three year period (see table 5.7).

By 1981 the resumption of house building in Soweto resulted (as table 5.7 shows) in 848 new housing units (800 at Chiawelo Extension and 48 at Molapo Extension). However, the final intervention by the council in terms of house building (as table 5.7 further shows) came during the following year in 1982 with the completion of 867 dwellings (777 at Naledi Extension 1 and 90 at Naledi Extension 2). In the following section I examine self-built housing.

Table 5.6: Council-built housing stock, 1930-1960 (analysed according to the total number produced per year)

Year	Township	Number of Houses	Total Number Built Per Year
1932	Orlando East	5 890	5 890
1946	Orlando West Pimville	3 703 88	3 791
1947	Jabavu	5 100	5 100
1952	Orlando West Dube	1 746 1 050	2 796
1954	Moroka	2 389	2 389
1955	CWJ Mofolo Senaoane	1 306 2 351 1 758	5 415
1956	Jabulani Molapo Zola Dube	2 039 1 426 5 563 869	9 897
1957	Phiri Zondi Mapetla Dobsonville	2 191 1 573 1 503 4 297	9 563
1958	CWJ Dlamini Mofolo Moletsane Tladi	256 1 663 2 176 1 884 1 825	7 804
1959	Emdeni Naledi Chiawelo 2 Meadowlands East Meadowlands West Diepkloof	2 687 4 041 2 289 8 314 7 482 10 665	35 488
1960	Chiawelo Extension Mapetla Extension	1 948 1 080	3 028
Total	- - - -	91 166	91 166

Source: Compiled from various pieces of undated Soweto Statistics obtained by me from the Soweto Council in 1994

Table 5.7: Council Built Housing, 1961-1982 (analysed according to the total number produced per year)

Year	Township	Number of Houses	Total No Built Per Year
1961	Moroka	2 260	2 260
1966	Klipspruit	984	984
1968	Naledi Extension 1	1 081	1 081
1969	Pimville Zone 2	441	441
1970	Emdeni Extension	1 478	1 478
1971	Molapo Extension	514	514
1972	Pimville Zone 1 Pimville Zone 2	653 228	881
1973	Pimville Zone 4 Pimville Zone 6 Mapetla Ext	681 641 293	1 615
1974	Pimville Zone 3 Pimville 4	887 53	940
1975	Senaoane Klipspruit Pimville 1	43 176 139	358
1976	Pimville Zone 5	351	351
1977	Pimville 2 Orlando East	11 21	32
1980	Pimville 2	85	85
1981	Chiawelo Extension 3 Molapo Extension	800 48	848
1982	Naledi Extension 1 Naledi Extension 2	777 90	867
Total	-- -- --	12 723	12 723

Source: Compiled from undated Soweto Statistics obtained by me from the Soweto City Council in 1994.

5.5 Other forms of construction

The preceding section has described the basic model of council housing supply in Greater Soweto. It is also worth noting, however, that another integral part of the house building activity undertaken by the JCC involved the financing of self-built housing units. These units were built over several decades under the terms of the 30-year leasehold scheme (see Chapter 6). Although built as owner-occupier units, the construction of these units was financed by individual housing loans to occupiers from the local authorities.

Under these conditions, the white local authorities not only approved loans, building plans and allocated sites for this form of housing construction, but retained ownership of the land on which the house stood. Other dwellings which were built by the JCC in Soweto included units built on trading residential sites such as shops and those constructed specifically to provide accommodation to caretakers at schools, halls and for the benefit of other such employees (see Chapter 3, table 3.6).

5.6 Housing shortage

The shortage of housing in South Africa particularly for urban Africans has over the years been compounded by apartheid policies. This is not surprising since the housing policy was conceived within the ideological framework of

urban fences of containment (as explained in Chapter 4). After the Soweto revolt in 1976, the Riekert Commission (appointed by the state to investigate the conditions under which urban blacks lived) noted estimates in 1977 of a housing backlog of 141,000 family dwellings and 126,000 hostel beds nationally, but excluding the so-called homelands.²⁰ In 1978, the Urban Foundation estimated a shortfall of 400,000 dwellings nationally (including the homelands). By 1981 the Viljoen Committee's estimates were 168,000 for all the urban areas in South Africa (excluding the homelands).²¹ This same committee noted estimates of 35,000 family units needed for the Greater Soweto area alone, and indicated that the housing backlog there was growing at an annual rate of 4,000.²²

In 1986 the Building Research Institute estimated the backlog of African housing throughout the country (excluding the homelands) to be 538,000.²³ But despite these varying estimates, very few houses have been added to the existing stock in Greater Soweto. By 1992, Dr Joop Deloor's Task Group on National Housing and Strategy (appointed by the South African Housing Advisory Council) suggested a shortfall of 1,248,000 units for Africans nationally

²⁰ Unterhalter, E. 1987. Forced Removal, p. 75. International Defence and Aid Fund for Southern Africa (IDAF), Cannon Collins House, London.

²¹ Ibid., p. 75.

²² Mandy, N. 1984. (7, op.cit. p. 222.)

²³ Unterhalter, E. 1987. (20, op.cit.)

(including the homelands).²⁴

In the same vein Dr Joop de Loor's Task Group blamed the problem of housing shortage on the lack of 'available capital' but failed at the same time to highlight the past injustices caused by the 'biased structure' of the South African system of economic organisation which favoured whites over blacks (as discussed in Chapter 4). It will be remembered (as has already been explained in the preceding chapter) that from the very beginning of South Africa's capital formation, the ideology of segregation and later apartheid were continually invoked in order to remove the state's responsibility in the provision of decent houses to urban Africans. This time round it is the availability of capital which is invoked in order to justify the further lowering of standards.²⁵ But as Bond²⁶ has argued, the problem is not the lack of capital, but simply that capital is not released from 'financial markets down to the ground' in order to fund sufficient housing development of a decent standard.

²⁴ SAIRR 1992/93. Race Relations Survey, Johannesburg.

²⁵ See for example, Badenhorst, M.S. 1993. "Housing Provision in a Post-Apartheid Society: A Qualitative Review of Constraining Realities", in 21st International Association for Housing Science (IAHS), World Housing Congress, Cape Town.

²⁶ Bond, P. 1992. "De Loor Report is off the mark", A Work in Progress supplement, Issue no. 6.

5.7 Backyard and informal dwellings

The development of the backyard and informal dwellings attests to the overwhelming housing demand in Greater Soweto. It was during the growth of popular militant struggles (see Chapter 7) that backyard and informal shacks emerged in the townships. In an attempt to buy off rent protests (through the use of the Bantu (Urban Areas) Act 97 of 1978 enacted following the Soweto revolt), the 'Great Sale' of the council-built housing stock to township residents commenced in 1978 (see Chapter 7). By the early 1980s the West Rand Administration Board (WRAB) acting through community councils, introduced a local authority loan scheme aimed at curtailing the growth of the backyard shacks, but framed within the context of enabling residents to improve their housing conditions. To obtain these loans, residents adopted a variety of strategies. For example, they would state in their house improvement applications that they needed to build an inside WC or a storeroom when in fact they intended to use the money for building outside rooms.

In this way the residents managed to get both their plans and loans approved by the local authorities. As local authorities increasingly became aware of the growth of the outside buildings (backyard rooms) they did not object to this development, because of the opportunities for revenue extraction represented by this sector, during an era in

which the rent boycotts were growing in profile and intensity (see Chapter 7). For a building plan to be processed and approved by the Building Inspectors' department, it cost the applicant R242.50. Moreover, loans were granted only to the residents who were not in rent arrears.

In this regard the loan system was used: a mechanism for extracting rents as well as of advancing loans. Because of these constraints, and affordability problems, many residents simply built their own outside rooms without seeking the approval of local authorities. Other residents took advantage of the Bantu (Urban Areas) Act 97 of 1978 conferred on urban Africans (99 year leasehold rights) that could be mortgaged to financial institutions (see Chapter 7), and applied for loans from private financial markets to build backyard rooms.

This led to the use in a variety of cases of private sector developers with private sector financing, specifically building outside rooms at residents' sites in the form of one-roomed and two-roomed units and a garage at a cost of between R5,000 to R25,000. The consequence of this involvement is that where residents have either lost their jobs or are in mortgage arrears for whatever reason, they not only lose the backyard shacks but their houses as well. There are many examples of foreclosures and repossessions by the financial institutions (see Chapter 8).

Another activity was that of small time developers, who began selling the corrugated iron structures (usually assembled on the site) at the average cost of between a price of R1,000 and R3,000 for one and two-roomed units. Self-building in which the financing and construction is undertaken by the residents concerned and other family members is another activity that characterises the backyard sector. Another significant feature of this sector is that it is physically characterised by continuous growth and change. As is shown in Chapter 3 (table 3.10), the recorded backyard rooms had grown since the early 1980s to number a total of 68,000 units in Greater Soweto by 1994. If its present rate of increase should continue, it has the potential to outstrip the total number of all council-built houses in Greater Soweto and become the largest sector.

5.8 Conclusion

This chapter has examined the mechanisms through which houses in Greater Soweto were delivered on the ground. Within this context the financing mechanisms were identified and analysed. In this regard the housing construction was shown to have been financed from Government loans, private sector loans, grants and loans from the Native Services Levy Fund and loans from the JCC's consolidated funds. The Government through the councils managed and facilitated the process rather than contributing its own funds (as grants) for housing construction in Greater Soweto.

The use of cheap labour in the construction process was shown to have contributed to the reduction in the construction costs. Despite the growth of the stock over several years, housing demand has continued to exceed supply since townships were first constructed. The growth of backyard and informal shacks (see also Chapter 3) indicates clearly the widening gap (disequilibrium) between housing supply and demand. Housing shortages in Greater Soweto are a legacy of past policies which sought both to curtail the African urban population growth whilst at the same time forcing them into crowded reserves. The significance of the council-built houses in Greater Soweto is that they allowed space for the later development of backyard rooms.

CHAPTER SIX

POLICIES, ADMINISTRATION AND TENURE MARKETS, 1930-1994

6.1 Introduction

The preceding chapter has examined the physical development of housing in Greater Soweto in terms of the construction and the spatial distribution of the housing stock. This chapter examines the associated patterns of housing consumption. Thus, it is concerned with the management of the housing stock and allocation (how the stock was distributed, including access and control), and the market mechanisms.

6.2 Local government

Until 1972 the responsibility for the provision of housing and administration in Soweto fell under the Johannesburg City Council (JCC), while Diepmeadow was controlled by the central state's appointed Natives Resettlement Board (NRB). Dobsonville on the other hand was managed by the Roodeport City Council.¹ Historically, not only did these white municipalities (local authorities) function as directing authorities in the construction of houses in the townships in line with the segregationist ideology: they were also charged with ensuring that central government policy (influx

¹ See Mandy, N. 1984. *A City Divided: Johannesburg and Soweto*, Macmillan, Johannesburg; Payne, R, (undated). *The Social History of Soweto*, paper prepared for IDASA, Urban Research Services, Braamfontein.

control) was effectively implemented. It was particularly during the 1960s that the state's policy of 'grand' apartheid (with the black opposition silenced) was effectively consolidated. Hence the urban influx control policy emerged as an important mechanism of transferring the state budget for African expenditure in the so-called 'white cities' to the emerging peri-urban areas of the bantustans.

As the apartheid Government increasingly saw the bantustans as means of achieving its grand design of forcing Africans away from the 'white cities', it compelled local authorities not only to intensify the urban 'fences', but also to make living within these cities for African residents as uncomfortable and unattractive as possible.² Not only were the so-called 'unproductive' African residents such as the unemployed, the old, the handicapped and orphans to be discouraged from living in the townships,³ but the partial tenure rights previously conferred on residents were to be immediately abolished (see sections on tenure below). Moreover the municipalities would increasingly find it difficult to raise any loans from the state for the provision of more houses and services in the townships. Consequently, the relations between the central Government and some of the white municipalities which were regarded as being sympathetic to urban blacks (such as the JCC) became

² Payne, R. (1, op.cit.)

³ Ibid.

increasingly strained.⁴

Prior to 1967 the only local government representation which township residents had was through the appointed Advisory Boards established under the Natives (Urban Areas) Act of 1923. But like the Natives' Representative Council which replaced the African franchise in the Cape (described in Chapter 4), the Advisory Boards (which consisted of people who collaborated with the apartheid regime from within the sections of the black community) had no significant power vested in them, instead they had been set up as a mechanism designed to implement various pieces of apartheid legislation in the townships.

The relations between the central government and the JCC increasingly became more antagonistic. The Advisory Boards were replaced in 1968 by the Urban Bantu Councils (UBCs) established under the Urban Bantu Councils Act passed during the same year. These councils were to function as advisory committees charged with the responsibility of facilitating links between the townships and the bantustans. Thus it was believed that these councils would serve as a mechanism of attracting African residents away from the 'white cities' to the bantustans where new economic opportunities would be created.⁵

⁴ Ibid., see also Mandy, N. 1991. Local government finance. In M. Swilling, et al, Apartheid City In Transition, Oxford University Press, Cape Town.

⁵ Ibid.

In 1971 the West Rand (Bantu) Administration Board (WRAB) together with 13 other Administration Boards (charged with township administration elsewhere in the country) was created under the Black Administration Act of 1971.⁶ By 1973 the WRAB replaced the white municipalities and assumed overall control over three administrative areas of Soweto, Diepmeadow and Dobsonville which comprise Greater Soweto. The WRAB functioned as the agent of the Ministry of Co-operation and Development and became the dominant body charged with the administration of Greater Soweto. In this context the WRAB also inherited wide ranging powers from its predecessors, including the following:

- (a) Power to buy, sell or rent property in the townships;
- (b) Power to develop any land belonging to it and responsibility for the provision of services and amenities;
- (c) Power to donate land for any suitable use;
- (d) Power to obtain loans for its projects;
- (e) Responsibility for the administration and implementation of influx control and the collection of employment levies;
- (f) Manpower recruitment and training and placement;
- (g) Administration of hostels; and
- (h) Provision of sorghum beer and liquor in the townships.⁷

Throughout this period these powers were executed through white urban managers appointed by the state. The role of these urban managers was such that "when the council did not

⁶ Ibid.

⁷ See Soweto. A Survey. Supplement to Financial Mail, March 25 1983, p. 11.

own your property it owned a little less of your soul".⁸ It was also under this regime that the poor housing conditions in the townships had been exacerbated. The lack of financial resources and the continued treatment of residents as if they were 'problems to be controlled, not as constituents to be served' under WRAB, was gradually leading to an unprecedented explosive situation in the history of South Africa as demonstrated by the Soweto revolt in 1976.

After this uprising the state appointed a commission of inquiry (headed by Justice Cillie) to investigate the causes of the riots. The major findings identified by this commission concerned residents' deep seated anger with the entire apartheid system. In particular, influx control and the impermanent status conferred to African residents were cited as a major grievance. Other grievances included the system of local government management under the WRAB, acute shortages and poor housing conditions and services provision, and lack of funding and rents increase.⁹

Not surprisingly, the Soweto revolt (see Chapter 7) had targeted and destroyed state properties: administration offices, beer halls, police stations and schools to show the

⁸ Proctor, A. 1979. *Class Struggle, Segregation and the City: A History of Sophiatown, 1905-1940*. In B. Bozzoli (ed), *Labour Townships and Protest*, pp. 49-89.

⁹ Mandy, N. 1984. (1, op.cit.); Mandy, N. 1991. (4, op.cit.); Payne, R. (1, op.cit.); Unterhalter, E. 1987. *Forced Removal, IDAF, Canon Collins House, London*; Soni, D.V. 1992. *Black Housing Struggles*. In D.M. Smith (ed.), *The Apartheid City and Beyond*, Routledge, London.

deep seated frustrations of the rioters with the whole apartheid system. This uprising was significant in many ways. It was to have a major impact on the organisation and growth of militant struggles involving the combination of political, social, economic and housing issues.

Thus it had taken several years of severe repression for township residents to realise that they, too, could use the weapon of violence to achieve their goals. Widespread dissent from this period was to characterise the township built environment and continue to remain as feature of politics to this day (see Chapter 7). With the growth of militant and violent struggles, the apartheid government began thinking about ways of reforming apartheid.

This was the case, too, with the representatives of industrial capital, commercial capital, and commodity capital who launched the Urban Foundation in 1976 (following the Soweto riots) to influence the state's urban policy reforms. The modification of apartheid policy through reforms was conceived as yet another mechanism of extending political and ideological control over urban Africans. The needs of capital were also increasingly being affected by strikes, hence urban policy reform represented a new means of reproduction in the built environment. This was aimed at stabilising the situation in order to maintain and sustain the capital accumulation process.¹⁰

¹⁰ Soni, D.V. 1992. (9, op.cit.)

The establishment of the 99 year leasehold scheme was one of the Urban Foundation's big ideas, and was subsequently introduced by the state in 1978 (see Chapter 7 below). Also, in 1978 Community Councils were elected into office under the terms of the Community Councils Act of 1977. These councils had been established despite a low turnout at the polls.¹¹ Although these councils represented an advance from their predecessors (Advisory Boards and UBCs), particularly with regard to the recognition of the permanence of blacks in the urban areas, they nevertheless lacked credibility as they were conceived within the framework of apartheid institutions simply as talking shops, and also lacking executive powers and financial viability.

The decision making process effectively remained rooted within WRAB management structures. As these councils increasingly began functioning as 'vigilante' groups¹² representing their own interests and those of the state at large, pressure from the black community also began to mount against these councils given their increasingly perceived corrupt political practices and lack of legitimacy. The apartheid regime responded by creating new black local authorities (BLAs) in 1982 in terms of the Black Local Authorities Act of the same year. However, from their inception, the BLAs were also faced with worsening legitimacy difficulties (see Chapter 7).

¹¹ Supplement to the Financial Mail (7, op.cit.)

¹² Ibid.

6.3 Allocation policies and tenure markets

Historically, successive apartheid governments had no intention of granting permanent tenure to African urban dwellers. Instead Africans were viewed as temporary residents in the so-called 'white cities'. Until 1978 access to state housing entailed the screening of Africans by local authorities in accordance with various pieces of legislation discussed in Chapter 4 above. Since urban Africans were considered to be permanent residents in the various so-called bantustans under the 1913 Land Act, eligibility for admission to 'white cities' was fundamentally based on 'influx qualification' as opposed to housing need or choice or freedom of choice in employment or commercial markets.

Under the Bantu (Urban Areas) Consolidated Act No. 25 of 1945, for example, migration of African people to the cities had to conform to certain influx control measures. Under the terms of Section 10 (1)(a) or (b) of this Act an employed male applicant qualified for rented housing in the townships only if he was born and had continuously resided since birth in an urban area or had worked for 10 years for one employer or 15 years for more than one employer.¹³ Moreover, a male over 21 years of age and married to a woman who also qualified (under Section 10) to be in the urban area could

¹³ Mashile, G.G. and Pirie, G.H. 1977. "Aspects of Housing Allocation in Soweto", South African Geographical Journal, No. 2, pp. 139-149.

on that basis apply for housing.¹⁴

Section 10 of the 1945 Act not only sought to contain African urbanisation, but also limited applications for housing to 'married men'. Female headed households were eligible for housing only if they qualified to be in an urban area under the terms of the above Act, and they were divorced or widows with dependents.¹⁵ On the other hand, those who were not born in an urban area could only acquire accommodation in the hostels or as lodgers from state tenants¹⁶ under the terms of the same Section 10.

What forms of tenure were conferred to township residents? Historically, a general feature of households in all the townships of Greater Soweto has been of state rental. Even under the 30 year leasehold scheme ownership rights were not legally defined in that residents could not own the land on which their houses were situated. According to the principles of the Roman-Dutch common law (the prevailing law in South Africa), land property rights are inseparable from those in actual property or building built permanently on a particular piece of land;¹⁷ accordingly ownership of the property rests with the owners of the land.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Personal Interview with the Chief Registrar of Deeds, Central Government Building, Pretoria, 3 March, 1994.

Since under the 30 year leasehold rights township residents could only occupy the buildings/houses: they had no rights in the land on which they stood and there could not actually own the their homes.¹⁸ In 1968 tenure rights available to urban Africans were repealed by Government Notice R1036 of 1968¹⁹ introduced under the Bantu (Urban Areas) Consolidation Act of 1945 (discussed above). The effect of Government Notice R1036 of 1968 was also to abolish the 30 year leasehold rights which had been conferred on township residents by the JCC since the late 1940s. These new tenure configurations (discussed below) were intended as mechanisms for turning urban Africans into labour migrants (as already explained above in relation to the UBCs).

6.4 Site permits

These were issued in terms of Regulation 6 rights conferred by Government Notice R1036, and applied to township residents who not only qualified to be in the urban areas in terms of Section 10 (1)(a) or (b) of the Bantu (Urban Areas) Consolidated Act No. 25 of 1945, but who could also afford to build their own homes. These rights were extended to those residents who had previously been allowed to build their own houses under the 30 year leasehold scheme. Moreover, local authorities (white municipalities) had to be

¹⁸ Ibid.

¹⁹ Budlender, G. 1993. Urban Housing: The Legal Framework, Unpublished paper, Legal Resources Centre, Johannesburg.

satisfied that potential applicants had financial resources²⁰ for building a house before they could allocate sites to individuals for this purpose. Some of those who could not raise their own funds were given permits on the basis of local authority loans.²¹

Holders of site permits were not allowed to raise funds for this form of housing from mortgage lenders. To do so would not have been consistent with the influx control mechanism and the impermanence of Africans in the 'white cities'. Furthermore, the Regulation 6 tenure form conferred only partial ownership rights in that it also excluded ownership rights in the land on which the houses had been erected. In this case residents could only own the physical housing structures and could sell them, but not the land on which the houses were situated. As Mandy has stated,

"Such leases were not regarded by the Government as being contradictory to the policy of separate development because they did not confer security of tenure. If the Minister concerned decided to abolish a township compensation would be paid only for the loss of the dwelling".²²

This is a point about duration: the lease could be held as long as the landlord permitted.

²⁰ See Emdon, E. 1993. "Privatisation of State Housing", in *Urban Forum* 4:2, pp. 1-13. Witwatersrand Press, Johannesburg.

²¹ Personal Interview with Johan Latsky, Senior Legal Official, EFK Tucker Legal Firm, Johannesburg, 26 January 1994.

²² Mandy, N. 1984. (1, op.cit. p. 180).

6.5 Certificates of occupation

These rights were conferred in terms of Regulation 8 under R1036 of 1968 and were not very different from those issued under Regulation 6 discussed above. Both regulations conferred partial ownership rights which excluded ownership rights in the land to township residents. The only difference between them was that Regulation 6 enabled residents to build their own houses,²³ whereas Regulation 8 allowed households to buy houses from either the local authority or from the holders of Regulation 6 rights (site permits). However, the land on which the houses stood, would continue to be owned by the state through the local authorities. Even in this case township residents still had to satisfy white municipalities that they qualified to be in the urban areas in terms of the influx controls stipulated under the 1945 Act.

Very few houses were actually built or bought from the state, whether in terms of Regulations 6 and 8 permits or the former 30 year leasehold scheme (table 6.1). Furthermore, under both Regulations 6 and 8 rights, permit holders could not mortgage their properties, neither could these act as security against financial loans.²⁴ Therefore, the process of exchange (buying and selling

²³ Emdon, E. 1993. (20, op.cit.)

²⁴ Personal Interview with Mr Johan Latsky (21, op.cit.)

rights to a house as in the United Kingdom) within these partial ownership markets was severely restricted.

6.6 Residential permits

The third form of tenure was characterised by Regulation 7 rights. As with Regulations 6 and 8 rights discussed above, Africans still had to qualify in the urban areas in terms of the 1945 Act. In addition, potential applicants qualified for Regulation 7 rights if they did not already hold Regulations 6 and 8 permits. Regulation 7 permits were based on a monthly rental scheme.

The holders of these permits (commonly referred to as state or council tenants) paid rent to the local authorities on a monthly basis for the use of a dwelling. This form of tenure was very insecure particularly because the white township urban managers (superintendents) could cancel these permits for a variety of reasons²⁵ without any notice being given to the residents. It is in this context that these rights conferred to the residents some form of security of tenure.

The rights conferred under all the regulations (6, 7 and 8 discussed above) ceased to exist once the permit holder had died. Although, the children of the deceased could claim preference in the reallocation of these rights, provided they qualified to be in the urban area. As one senior

²⁵ Budlender, G. 1993. (19, op.cit.)

official put it, "this was an integrated process with the birth right enshrined up to the reference book".²⁶ Despite these tenure forms and constraints, however, the houses in Greater Soweto have always been regarded as family property where everyone has a stake in the dwelling.²⁷

6.7 The lodger's permit

The chronic housing shortage in Greater Soweto meant that many residents were excluded from the tenure forms considered above. Consequently, the lodgers' permit issued in terms of Regulation 20 rights,²⁸ became another prominent mechanism in allocating residential space in Greater Soweto. Basically this market comprised of room rentals in which holders of Regulations 6, 7 and 8 permits (described above) were allowed to sublet rooms if they so wished.²⁹ In this case these households were required to apply to the local authorities for a lodgers' permit which could only be issued subject to the urban qualifications (the influx control criteria considered above) of the potential subtenants.

²⁶ Personal Interview with Mr Gladstone Mafoko, Assistant Housing Director, Soweto City Council, 23 November 1993.

²⁷ Personal Interview with Mr William Loots, Property Sales Director, Soweto City Council, 11 February 1994.

²⁸ Budlender, G. 1993. (19, op.cit.)

²⁹ Personal Interview with Mr Gladstone Mafoko, Assistant Housing Director (26, op.cit.)

The lodgers' permit was issued to the lodgers on a monthly renewal basis and was therefore very insecure. In effect the lodgers paid rents both to the local authorities (for the monthly endorsement on their permits) and to the householders for the rooms they rented.³⁰ This private rental market of subtenants was characterised by a degree of exploitation, more so because it represented housing of last resort. Thus some of the householders of Regulations 6, 7 and 8 charged their subtenants higher rents than those they themselves paid to the local authorities, there being no rent control within this private submarket.³¹

The fact that holders of Regulations 6, 7 and 8 permits were allowed by the state to take in subtenants (due to the exclusionary effects of the limited housing stock) is evidence of the existence of a class of landlords even under the draconian apartheid legislation. However, this class of landlords was mainly comprised of poorly paid, older residents, widows or widowers, and the unemployed. This would suggest that these landlords were not profit driven, rather the decision to sublet was governed by their need to pay the rents required by the local authorities and to support themselves.

Failure to pay rent and subletting without local authority approval resulted in the immediate cancellation of the

³⁰ Ibid.

³¹ Ibid.

tenure rights, subsequently followed by evictions.³² In addition the evictions policy was fundamentally against the vulnerable sections of the Greater Soweto community (the old, sick or disabled, orphans, widows or widowers and the unemployed) which also explains why this group used subletting as a survival mechanism. As Unterhalter has described,

"It was common place during Soweto funerals for the Administration Board to move in to repossess a house from a newly widowed woman while mourners were still gathered around the coffin."³³

It had become apparent to the authorities that the draconian apartheid legislation had failed to curb (as discussed in Chapter 4) the rate of African urbanisation. In the light of the limited housing stock in Greater Soweto, it had become clear to the authorities that this urban influx was in many ways accommodated within the townships.³⁴ Hence, the lodgers' permit system emerged as a control mechanism aimed at preventing those who lacked the required urban qualifications from ever finding accommodation within the townships. Seen in this light, all these forms of tenure (the lodgers' permit, and the occupation of units under Regulations 6, 7 and 8) constituted insecure tenure markets and the lodgers's permit most of all.

³² Ibid.

³³ Unterhalter, E. 1987. (9, op.cit.)

³⁴ Personal Interview with Mr William Loots, Property Sales Director (27, op.cit.)

This highly insecure form of urban living was enforced through a specially recruited municipal police force (the 'Blackjacks') which was accountable to the township superintendent but also worked closely with the South African police force. The role of the 'Blackjacks' was to carry out a continuous programme of harassment in the form of pass raids, liquor raids, house eviction raids, urban removal raids and others.³⁵

The consequences of these raids were that many families, relatives and friends became separated from each other as some of their number were either condemned to the bantustans or ended up in prisons. The hostel dwellers too were issued with very insecure monthly permit rights, under Regulation 5 of the Government Notice introduced in 1968 (see section 6.3 above).

6.8 The tenure connections

The tenure policies had a huge impact on the housing opportunities of township residents. Home-occupation in Soweto was characterised by rights conferred under the terms of both regulations 6 and 8 discussed above. Much of the writing on home-ownership in Soweto has focused on Dube township.³⁶ In most of this literature, Dube is portrayed

³⁵ Ibid.

³⁶ See Parnell, S.M. 1991. "The ideology of African home-ownership: the establishment of Dube, Soweto", South African Geographical Journal, Vol. 73, No. 2, pp. 69-76.

as the single most important model township representing class differentiation within the Greater Soweto housing market.³⁷ However, as table 6.1 reveals, the home-ownership housing market (based on Regulations 6 and 8 rights considered above) was also evident in other areas. Dube, in fact is a submarket of Orlando West (table 6.1). As the overall composition of Greater Soweto's local housing markets is revealed in Chapter 3, it need not detain us here (see figure 3.3 in Chapter 3).

What is of crucial importance, however, is that the total number of individually built houses and also those which were sold under the former 30-year leasehold scheme as under Regulations 6 and 8 rights by all accounts did not represent any significant departure from the urban fences of control (table 6.1). This is demonstrated by the fact that these units only represent 2,5 per cent of the total council built housing stock in Greater Soweto. Yet at the same time the existence of these units (table 6.1) in the townships represented significant, but not substantial divisions within the Greater Soweto housing markets.

The significance of these divisions related to aspects of class stratification among African residents in the townships. However, access to these units (table 6.1) was constrained not only by income factors, but also by the

³⁷ See Lurie, D. "The great black hope", The Independent Magazine, 17 April 1993.

Table 6.1: Houses built under the 30-year leasehold scheme and in terms of Regulations 6 and 8 of 1968

Local housing market area	Number of houses	Percentage of total number of house
Pimville/Klipspruit	1 130	42.8
Orlando East	48	1.8
Orlando West	246	9.3
Moroka/Jabavu	341	12.9
Mofolo/Zondi	301	11.4
Chiawelo	292	11.0
Senaoane	139	5.2
Tladi	141	5.3
Total	2 638	100

Source: Adapted from table 3.6, column 2, in Chapter 3.

acute shortage of this form of housing. Thus not every teacher, nurse, doctor, and business person had access to these units. This in turn inhibited the demand for this partial home-ownership market of those potential households who could afford to pay for their own housing from moving out of the council rented sector, which would have provided opportunities to the lower income and poor families to be housed in that sector that they vacated.

Consequently, the rented sector included households in all socio-economic categories: those with relative sufficient resources to house themselves but unable to move out and those with insufficient resources to house themselves. As a result there was no spatial/residential segregation of socio-economic categories (groups) since a professionally qualified person (such a teacher, lawyer or businessman) would be living side by side with a street cleaner.

Furthermore, because of the location of the owner-occupied houses, those who had access to them experienced the same market externalities (described in Chapter 1) as those who did not have access to them, such as the deteriorated neighbourhoods, dilapidated living conditions, the inadequate supply of housing services, substandard educational facilities, poor transportation problems, crime and the impact of apartheid violence which characterised the whole Greater Soweto townships.

Consequently, the precise nature of tenure remained effectively confused: people were unable to ascertain unambiguously what their rights were and rights could be withdrawn suddenly and arbitrarily. The implication here is that divisions within the tenure structure were administrative, instead of being rooted within the legal system or the market. As a result the only privileges which existed within this form of home-ownership was that the relatively few residents had access to this housing market because of their position in the labour market.

But this form of housing market did not serve as a vehicle for upward mobility, because of the tenure system. A housing ladder of opportunities did not exist in Greater Soweto. It is in this context that the tenure divisions and spatial/residential differentiation of tenures in the townships remained effectively blurred. Households in these two major tenures were severely restricted in terms of housing choices and mobility within the tenure structure. The majority of residents once accommodated simply could not move out from either the partial owner-occupied or council rented markets to equivalent accommodation in another area because of the critical housing shortage and the impact of the apartheid legislation.

Even within the partial home-ownership market potential moves and housing transfers could only be facilitated through the bureaucratic control of white urban managers.

Further constraints were imposed in situations where the transfer of a house was allowed to proceed. In this case the potential seller could only dispose of the leasehold rights in the dwelling and not the land on which it stood, whilst the potential buyer would be subjected to various forms of screening through the influx control mechanisms.

The most important finding regarding the tenure connections suggests greater stability within the housing system before the reforms of apartheid dating from the late 1970s. This stability within the housing system is consistent with the conclusion that the tenure structure under apartheid inhibited mobility with respect to the filtering process and with what has been seen of the practical obstacles to moving 'upwards'.

However, it would appear that some filtering did take place being characterised by a form of succession with the house being passed to a tenant's child when he or she died (as explained in section 6.6 above), or when the original tenant was evicted from the house or deported to the bantustans. Filtering was also possible in cases where the elderly original households voluntarily left the city to settle in the rural hinterlands and their children took over the house.

But this did not imply transferring tenure to the children of the original tenant. It was usually done without the

knowledge of the urban managers. Whenever such practices were uncovered the house was taken over by the authorities and those living in them evicted. The implication here is that unless evicted or removed by the authorities, households remained registered as tenants until death or even after death.

It is in this context that the tenure system of Greater Soweto can be seen as having conferred on the residents partial permanent occupation rights. The tenure markets under apartheid were designed within a different system pertaining to property and occupation rights which aimed at curtailing the settlement of Africans in the cities. Therefore, Africans could not legally own any property in any urban area. Moreover the rights conferred to township residents were registered only with the Bantu Affairs Commissioners at the local authority offices and not with the Deeds Office in Pretoria in terms of the Deeds Registry Act of 1937 (see Chapters 7 and 8).

In South Africa, particularly with respect to black residential areas, transfer of property was registered through a process of endorsement. Endorsement is here defined as some form of a 'de facto' recognition of leasehold title. The process of endorsement was based on the principles of the 1927 Land Survey Act and the Deeds Registry Act of 1937. Both these Acts had the impact of

discrimination on the basis of race.³⁸ As a result, the registration of property in white residential areas took the form of freehold or 'de jure' leasehold title.

Throughout this period housing markets in Greater Soweto were thus very different in comparison to those of white areas in South Africa. In the townships, most of the housing and other building structures, including land were owned by the state. In contrast, most of the residential land in the white suburbs was privately owned. Here, transactions were between individuals, whereas in Greater Soweto the situation was different with everything dominated and controlled by the Government. In all the tenure systems discussed above the institutional arrangements and allocation practices were not merely different but fundamentally dominated by administrative rules and actions.

6.9 The backyard market

The backyard market represents housing of last resort³⁹ (a 'safety valve' for housing demand). This is because there is an excess of demand over supply. Historically, the delivery of council houses was not aimed specifically at meeting

³⁸ Personal interview the Chief Registrar of Deeds (17, op.cit.)

³⁹ In the United Kingdom one of the roles performed by private renting is that it provides tenure of last resort for those who have been unable to find accommodation in other tenures. See for example, Bovaird, A., Harloe, M. and Whitehead, C.M.E. "Private Rented Housing : Its Current Role", Journal of Social Policy, Vol. 14. No. 1, pp 1-23.

housing need.⁴⁰ The backyard market emerged defiantly against the constraining influx control mechanisms, as a spontaneous response in the townships as people found themselves without anywhere to live. On the whole it serves two specific purposes: a source of addressing excessive overcrowding within families and a potential for income earnings for the owners of backyard shacks, through subletting to the employed and those who can afford rents in this market (whether young or old, mobile, newly formed households and homeless) in Greater Soweto.

The development of the backyard market also provides evidence of commercialisation and speculation through subdivisions. Speculation in land and housing markets is a worldwide phenomenon which tends to force rents and house prices to rise. In most cases speculators buy under-utilised land from whatever source and then carve it up for sale with few or no services.⁴¹ In 1995 the costs of renting accommodation in this sector ranged between R90 for a single unit to R180⁴² for a two roomed unit and garage per month, depending on the actual unit rented. In other areas, (also

⁴⁰ See Hendler, P. 1991. *The Housing Crisis*. In M. Swilling, et al, *Apartheid City in Transition*, Oxford University Press, Cape Town.

⁴¹ Gilbert, A. and Gugler, J. 1982. *Cities, Poverty and development*, Oxford University Press, Oxford; on rental markets elsewhere, see also Gilbert, A. and Varley, A. 1990. "Renting a home in a third world city: choice or constraint?", *International Journal of Urban Regional Research*, Vol. 14, No. 1, pp. 89-108.

⁴² These are the average renting costs in the Naledi backyard market.

in 1995) backyard tenants were paying between R150 to R200 a month.⁴³

6.10 The informal market

The informal market has become of crucial importance in accommodating the homeless and poor in Greater Soweto. The informal market complements the backyard market as housing of last resort, in the sense that access to both these markets is not particularly determined by income and employment factors. However, as with the backyard market, some of the units within the informal sector are actually rented.

The extent to which the growing class of small-time landlords have participated in land invasions for the purpose of holding such land for future speculative activity is not known, but there is evidence that this is already happening. For example, once the land has been invaded, the small time speculators immediately erect a structure /shack, which is then provided to any person seeking accommodation with or without rent actually being charged to that tenant. Where rent is not charged to a tenant, such a tenant is in fact considered to be paying rent by virtue of living in that particular shack and thus preventing it being taken over by somebody else. As soon as opportunities to sell arise, these speculators quickly sell and move on to other

⁴³ See "Low Cost Housing", Financial Mail, 26 May 1995.

potential land invasion sites' to start the process all over again.

6.11 Existing policy proposals

In December 1994, the ANC led government issued a White Paper (WP) on "A new Housing Policy and Strategy for South Africa". According to the new housing policy proposals,

"Government is under a duty to take steps and create conditions which will lead to an effective right to housing for all...It is held that a person has a right to live in dignity, in habitable circumstances. Government therefore will vigorously promote an effective right to housing for all, within the resources and other limitations applicable to it. The challenge facing South Africa in housing, is to develop a strategy in the short term to direct resources together with the private, non-State resources, to ensure that all those in need (and particularly the poorest sector of society) are able to progress towards the realisation of an effective right in housing"⁴⁴

To achieve its commitment to provide housing (not shacks) for all in the new South Africa, the Government has proposed a capital subsidy scheme (see table 6.2) that would enable residents to access housing. In the Reconstruction and Development Programme (RDP) the Government pledged to build one million new low-income houses over a period of five years.⁴⁵ Estimates of housing costs are presented in table 6.3. These estimates show that a decent four roomed house

⁴⁴ White Paper: A New Housing Policy and Strategy for South Africa, Vol. 354, No. 16178, p. 22. Department of Housing, Pretoria, December 1994.

⁴⁵ See Bond, P. 1996. Policies That Contradict The RDP, Briefing Paper, p. 2. National Institute For Economic Policy, Johannesburg.

would cost a minimum of R25,000. The affordability levels of black households are shown in table 6.4. It is clear from the data contained in these tables that not only are black households constrained by the income difficulties, but that although more than 50 per cent of them (table 6.4) would qualify for the maximum R15,000 subsidy (table 6.2) they would still fail to access a minimally-decent house costing R25,000 (table 6.3).

However, it is not just the amount of housing subsidies or the provision of more dwellings that are needed but how these subsidies or additional units are allocated that any Government needs to address. The Government could probably meet the goal of providing one million new homes over five years but still fail to solve the housing shortage. The Government needs to state not only how much housing it is planning to build but how it will allocate the newly built stock.

A policy based on housing subsidies does not meet housing need. If those who live in the backyard and informal markets are the poorest, they will not benefit from the speculative capital subsidies which can only benefit the high-income earners. The backyard and informal shacks represent some kind of a 'safety valve': they allow people to be housed albeit in bad conditions. Some kind of 'safety valve' has got to remain even though this might contradict the Government's stated commitment to the promotion of housing

as a basic human right. The Government is faced with dilemmas. If it sticks to its commitment of housing as a basic human right and builds for backyard and informal shack dwellers, nothing will go to them. There may be pressure from established residents to occupy the new units. The Government needs to pay particular attention to the allocation mechanisms. Who will go to the top of the housing list for the new dwellings? Will the allocation of housing be based on a filtering mechanism? What kind of housing will the occupiers of the new dwellings leave behind? Is the allocation of housing going to be left entirely to the market? Who will be competing for subsidies and the new houses? These are some of the questions that ought to be asked before the policies are embarked on.

Table 6.2: Government's proposed capital subsidy levels

Joint spouse monthly income (Rand)	Subsidy (Rand)
0 - 800	15 000
801 - 1 500	12 000
1 501 - 2 500	9 500
2 501 - 3 500	5 000

Source: White Paper: A New Housing Policy and Strategy for South Africa, Department of Housing, Vol. 354, No. 16178, p. 46. Pretoria, December 1994.

Table 6.3: Estimated housing costs

Different Housing Types	Estimated Cost (Rand)
Toilet and a Pile of Bricks	12 500
One Room Core/Shell House	15 000
Two Room Core/Shell House	17 000
Four Room Core/Shell House	25 000

Source: PLANACT, 1994. Housing Finance Training Session, p. 6. Unpublished Paper, PLANACT, Johannesburg; see also *Hanlon, J. 1994. Making People-Driven Development Work: A Report to the Commission on Development Finance, p. 28. South African National Civic Organisation, Johannesburg

Table 6.4: Monthly income profiles of white and black households in South Africa

Income Group Rand Per Month	Whites Percentage Total	Blacks Percentage Total
1 - 399	1.0	30.1
400 - 699	1.9	23.7
700 - 1 199	5.4	26.0
1 200 - 1 999	8.5	11.2
2 000 - 2 499	7.2	3.6
2 500 - 3 999	20.8	3.5
4 000 - 5 999	22.4	1.1
6 000 - 10 999	25.3	0.7
11 000 +	7.6	0.0
-- -- -- --	100	100

Source: Adapted from the South African Institute of Race Relations, 1993/1994, p. 484.

6.12. Conclusion

This chapter has revealed the nature of the constraints governing the housing opportunities available to township residents under apartheid. Opportunities for mobility within the housing tenure markets were shown to be constrained. The residents had no opportunities as families grew within their existing dwellings without moving. Moreover township residents remained effectively insecure and experienced the same market externalities. The divisions within the tenure markets of Greater Soweto under apartheid were thus shown to be superficially significant but practically unreal and confused. The allocation mechanisms performed by local authorities blocked residents from moving. The development of the backyard and informal markets were shown to be playing important roles in the Greater Soweto housing markets. Proposals for the new housing policy of the ANC led government were also examined and analysed. Thus it was shown that the new proposed housing policy did not pay particular attention to the allocation mechanisms.

CHAPTER SEVEN

THE TRANSFER OF STATE-OWNED HOUSING TO PRIVATE TENURE, mid 1970s-1996

7.1 Introduction

Historically, the process and pattern of housing consumption in Greater Soweto had been strongly determined by the grand apartheid mechanisms of urban containment (as discussed in the preceding chapter). This major plank of the apartheid housing policy, began to change in 1978 (two years after the Soweto uprising) towards the promotion of home-ownership through the sale of state-owned dwellings.

During the mid-1980s the apartheid regime's housing policy shifted further still towards the acceptance of market-oriented mechanisms of housing provision in the townships. This period witnessed the beginning of construction of housing in the townships by private developers with private sector finance (see Chapter 8). By 1990 the state had also conceded in principle to the demands from township residents in Greater Soweto that all state-owned houses be transferred freely to the their occupants. This is different from approving private buildings.

This major shift implemented the privatisation of all state-owned houses in two specific, but different ways: first, the transfer through the sales policy; second, the free transfer at no expense to the beneficiaries. What kind of mechanisms

were developed to give effect to the transfer-of-housing policy. To what extent have houses actually been transferred to the residents through the sales and free transfer mechanisms? In what ways has this policy shift led to the establishment of purchaser and seller housing markets? What are the significant effects of the transfer of housing policy? Why and how did this major shift in apartheid housing policy come about? There were various reasons for this change, to which this chapter now turns to survey and comprehend.

7.2 Background to the shift to privatisation

The assumption of control of Greater Soweto's local government by the West Rand Administration Board (WRAB) in 1973 had disastrous consequences. Initially conceived as an urban influx enforcement agency aimed at transforming urban Africans into labour migrants in line with the homeland industrial decentralisation strategy (as explained in Chapter 4), the WRAB was established on a self-financing basis. This amounted to the loss to the WRAB of the subsidies received from the Johannesburg City Council's rates account (as discussed in Chapter 5). Consequently, the WRAB was dependent only on beer profits and rents.

This in turn heralded a new regime of increased rents on the township built environment, including the imposition of a lodgers' fee on eighteen year old children living with their

parents, against the background of rapidly deteriorating living conditions in the townships,¹ the growing fiscal crisis since the mid-1970s and a declining economic base nationally. The factors which contributed to the growing urban crisis included the international recession following the oil crisis of 1973², decline of manufacturing through lack of investment,³ high rates of unemployment, rising costs of basic foods and other essentials,⁴ continued apartheid violence, and changes in the 'Bantu' educational system with respect to the introduction of Afrikaans as a medium of instruction in black schools.

It was against this background that the Soweto Students Representative Council (SSRC) was formed in 1976. Although the state responded to its demonstrations with a brutal programme of killings, detentions and the imprisonment of many students, the impact of this uprising was far reaching and it assumed greater significance in the formation of the formidable urban struggles. During the mid-1970s a campaign

¹ Lodge, T. 1983. Black Politics in South Africa since 1945, Longman, New York.

² The background and extent of the South African economic decline during the 1970s is examined in a number of publications. See for example, Nattrass, J. 1981. The South African Economy: Its Growth and Change, Oxford University Press, Cape Town; See also An Economic Perspective on South Africa, Southern Africa Department, The World Bank, May 1993.

³ Marks, R. 1990. Upgrading Alex: A Case Study of a South African Township, Major Study Submitted for the Diploma in Architecture, Oxford Polytechnic, Oxford.

⁴ Lodge, T. 1983. (1, op.cit.)

of resistance and confrontation was also seriously being expressed through the Black Consciousness movement.⁵

In the late-1970s and early-1980s there also took place a series of industrial strikes and the subsequent emergence of the trade union movement. In the townships violent tactics were also increasingly being employed such as preventing residents from going to work ('stay away' from work campaigns), the closure of shebeens,⁶ the imposition of a system of street or mob justice, and instilling within the township community at large a new sense of discipline characterised by coercion. Furthermore, after the 1976 events the exodus of young black South Africans leaving the country to join liberation movements began to mount and this helped to transform the character of the guerilla insurgency campaigns against the South African military. Meanwhile, councillors of the Urban Bantu Council resigned en masse following a march by students to those offices in 1977.⁷

Senior residents in the townships also began forming into community representative structures, such as the Soweto Committee of Ten in 1977 (formerly the Black Parents Association). The formation of this committee represented a serious attempt to articulate the needs of Soweto residents.

⁵ Ibid.

⁶ Ibid.

⁷ Payne, R. (undated). *The Social History of Soweto*, unpublished paper, Urban Research Services, Braamfontein.

In 1979 this committee was transformed into a civic organisation (the Soweto Civic Association) with support from other social movements such as the Soweto Rate Payers Association and the Soweto Council of Justice.⁸

Nationally, the effectiveness of apartheid capitalism during the late 1970s and early 1980s was undermined by the impact of sanctions, credit restrictions resulting from the falling value of gold and the local currency (rand) on the international markets, and an increased military budget to underwrite military campaigns against liberation movements based in the neighbouring countries and the growing political struggles within the country.⁹ It is within this context that the specific issue of housing became increasingly tied up with the wider political struggle aimed at the complete eradication of apartheid. The immediate impact of these struggles took the form of a number of piecemeal reforms, which are considered below.

7.3 The 99-year leasehold scheme

In 1978 the Government amended the Bantu (Urban Areas) Consolidated Act of 1945 to provide for granting 99-year leasehold rights to urban Africans with section 10 (1)(a) or

⁸ Ibid.

⁹ Marks, R. 1990. (3, op.cit.); See also, Lodge, T. 1994. South Africa: Democracy and Development in a Post-Apartheid Society, African Studies Seminar Paper, Institute for Advanced Social Research, University of the Witwatersrand, Johannesburg.

(b) rights.¹⁰ The significance of the 99-year leasehold rights as a mechanism for the housing policy shift was that they provided a much stronger form of tenure than the previous rights conferred under Regulations 6, 7 and 8 of Government Notice R1036 introduced when the Bantu (Urban Areas) Consolidated Act was amended in 1968 (see Chapter 6).

However, under this new tenure configuration (99-year leasehold), holders of these rights were still precluded from owning the land under their houses. The land continued to be owned by the state through white municipalities. Instead, they were extended rights to own the improvements to their houses, including the right to sell these leases to any potential purchaser or mortgage them with the financial institutions. In this sense the 99-year leases were 'real' (marketable) rights, but they still precluded freehold ownership.

Holders of Regulations 6, 7 and 8 rights (site permits, certificates of occupation and residential permits: see Chapter 6) could purchase the 99-year leasehold rights from the Administration Boards (the West Rand Administration Board (WRAB) for Greater Soweto residents) in respect of a surveyed 'erven' (site).¹¹ The amendment of the Bantu (Urban Areas) Consolidation Act in 1978 also provided for

¹⁰ 99-Year Leasehold Scheme, undated and unpublished paper, Surveyor General Office, Pretoria, South Africa.

¹¹ Ibid.

the establishment of registries at the offices of the Chief Bantu Affairs Commissioners to process the registration of the 99-year leasehold rights. However, these rights were precluded from being registrable in accordance with the Deeds Registry Act of 1937, with the consequence that they remained statutorily ill defined under the provisions of the South African law (the Roman-Dutch common law: see Chapter 6).

To the holders of Regulations 6 and 8 rights (site permits and certificates of occupation), this meant that there would be no significant change to their housing stock with respect to stock transfers (see Chapter 6), except in terms of the longevity of the new 99-year leases. The only significant, but still partial, change concerned the holders of residential permits (Regulation 7 rights) or council tenants who purchased 99-year leases. By purchasing the 99-year leases council tenants (residential permit holders) were being given the right to buy through the transfer of their houses from the previous council rented sector to leasehold ownership, but they would still not own the land on which their houses were situated.

It was in this regard that stock transfers began to be effected through the sale of rented houses to council tenants (Regulation 7 rights), who were previously entitled only to rent their accommodation on a monthly basis from the white local authorities. In this respect, the 99-year leases

represented a significant change to council tenants in comparison to the former rental configuration.

However, whilst the 99-year leasehold scheme represented a shift from the goal of reducing Africans to the status of migrant labour to a recognition of the permanence of urban Africans with section 10 (1)(a) or (b) rights in the so-called 'white cities', this change remained very divisive and perpetuated social divisions as it did not apply to those with section 10 (1)(c) and (d) rights, such as the hostel dwellers. Holders of lodgers' permits (see Chapter 6) were also excluded from the granting of 99-year leasehold rights.

Because of the effects of the 99-year leasehold rights and the fact that these rights did not represent freehold ownership, the 'Great Sale' of council housing resulted in failure with only 1,400 units bought in Soweto by 1982.¹² There were several factors to which this failure is attributable. First, the majority of council tenants did not represent effective demand, hence only a few had access to mortgage bonds.¹³ Second, since the 99-year leasehold did not represent freehold title, it was insecure with respect to land title. This also served to frustrate and confuse the

¹² Mather, C. and Parnell, S. 1990. Upgrading the 'matchboxes': urban renewal in Soweto, 1976-86. In D. Drakakis-Smith (ed.), *Economic Growth and Urbanization in Developing Areas*, Routledge, London.

¹³ Ibid.

potential private sector involvement in the Greater Soweto housing markets.¹⁴ Third, Greater Soweto council tenants (holders of residential permits) felt that they had already paid for these houses in terms of their rental contributions over many years.¹⁵

Fourth, the sale of council-built housing was administered by the government through local authority boards who were perceived by residents to be racially discriminatory.¹⁶ Suspicions were reinforced by their experiences with particular respect to the previous 30-year leasehold scheme which had been repealed and replaced by Regulations 6 and 8 permits in 1968 when the Bantu (Urban Areas) Consolidated act of 1945 was amended (see Chapter 6).

The combination of these factors, including the rapidly growing popular urban struggles (see below) encouraged a shift in government strategy. The Viljoen Commission was appointed by the Government in May 1981 to inquire into private sector involvement in township housing. The main

¹⁴ Mandy, N. 1984. *A City Divided: Johannesburg and Soweto*, Macmillan, Johannesburg.

¹⁵ Personal Interview with Mr Johan Latsky, Senior Legal Official, at EFK Tucker Offices, Johannesburg, 26 January 1994. EFK Tucker is law firm which was commissioned by the Central Witwatersrand Metropolitan Chamber to investigate the free transfer of houses with respect to Greater Soweto, including the technical difficulties of transferring the stock and potential tenure options. Johan Latsky was responsible for writing up the Transfer of Houses Report which was published by the CMMC in February 1993.

¹⁶ Ibid.

findings of the Viljoen Report, which was published in October 1981 concerned the need for introducing private sector finance for building in the townships.

According to the Report the participation of private sector finance was dependant on the Government granting permanent rights to urban African residents. The Commission also observed the active role that could be played by employers in assisting their employees with access to housing.¹⁷ The implication here was that the involvement of the private sector would not only stabilise the growing conflicts between labour and capital, but also that black townships represented a potential for the extraction of substantial profits. It was also within this context that the Chairman of the Anglo American Corporation, Gavin Relly remarked,

"On no account, though, should we allow questions of citizenship to limit or frustrate the ability of black people to participate in the structures of economic opportunity and prosperity. Those who do so must be given secure tenure and the opportunity to own their own homes, develop their communities and contribute to the creation of a modern and prosperous country."¹⁸

Subsequent to the Viljoen Commission's recommendations, statutory rights to the 99-year leasehold configuration were created by the passing of the Black Communities Development Act (BCDA) of 1984. Africans gained the right to

¹⁷ Mandy, N. 1984. (14, op.cit.); Mather, C. and Parnell, S. 1990. (12, op.cit.).

¹⁸ Rand Daily Mail 31 August 1983. Cited from Soussan, J. 1984. "Recent trends in South African housing policy", Area, 16, 3, pp. 201-207.

"erect under the leasehold in question any building or improvements, or to alter or demolish any such buildings or improvements, the right to occupy any building on site, the right to encumber, by means of a mortgage, the leasehold, and the right to dispose the leasehold to any competent person, which shall include the right to sublet or to bequeath the leasehold."¹⁹

By 1986 the BCDA had been amended to include 'freehold' ownership. The amendment of the BCDA Act in 1986 was also introduced as a mechanism for the registration of the 99-year leasehold rights in accordance with the Deeds Registries Act of 1937.²⁰ But these rights could only be converted to freehold ownership if a township register had been opened,²¹ a 'time-consuming' and technically expensive process.

Since the townships had not originally been surveyed specifically for the purposes of issuing individual title, a survey exercise of all Greater Soweto townships was undertaken by the Surveyor General's office in Pretoria in 1984 in order to comply with the registration requirements stipulated under the terms of the Land Survey Act of 1927

¹⁹ Emdon, E. 1993. "Privatisation of State Housing", Urban Forum 4:2, p. 5. Witwatersrand University Press, Johannesburg.

²⁰ Personal Interview with the Chief Registrar of Deeds, Central Government Building, Pretoria, 3 March 1994.

²¹ Ibid.

(amended in 1981) and the Deeds Registries Act of 1937.²² By 1994 (10 years after the introduction of the Black Communities Development Act) the surveying of and the opening of township registers for Greater Soweto had still not been completed. This delay is blamed on the climate of violence in the townships.²³

According to the Chief Registrar of Deeds, the concept of a deed is based on freehold and leasehold title. It is title, and not the deeds, which is registered to guarantee a person's 'ownership'.²⁴ It is in this context that the land registration system in South Africa ensures 'security of title' (ownership of the title) to individuals. This in turn accounts for why the land registration system in South Africa is perceived by others to be amongst the safest in the world as it precludes the need for 'title insurance'.²⁵ Previously, however, this superior form of registration benefitted mostly the whites.

The inferior forms of property registration for blacks, on the other hand, included permits to occupy (as in the case of tenure forms discussed above and in the preceding

²² Personal Interview with Mr B. Bezuidenhout, Senior Land Surveyor, Office of the Surveyor General, Central Government Building, Pretoria, 29 March 1994.

²³ Ibid.

²⁴ Personal Interview with the Chief Registrar of Deeds (20, op.cit.)

²⁵ Ibid.

chapter) and traditional and communal forms of property registration in the case of the so-called homelands. The traditional forms of registration or ownership are not equivalent to freehold or leasehold title particularly with respect to the adequate protection of rights to occupy.²⁶ It was only through the passing of the Upgrading of Land Tenure Rights Act of 1991 and the amendment of the Deeds Registries Act in 1992 that the process of registration ceased to be confined to whites and discriminatory. Instead, it became an open system and for the first time treated black townships as urban areas in the same manner as white residential suburbs and urban centres.²⁷

The mechanisms established as a result of the 99-year leasehold first introduced in 1978, followed by its statutory endorsement under the Black Communities Act of 1984, the subsequent amendment of this Act in 1986, including the 'conversion' of previous rights (tenure configurations available to township residents before the introduction of 99-year leases) into leasehold rights, the Upgrading of Land Tenure Rights in 1991 and the amendment of the Deeds Registry Act in 1992 created for the first time in the history of Greater Soweto (and black townships in general), opportunities for the establishment of free purchaser and seller housing markets.

²⁶ Ibid.

²⁷ Ibid.

The Regulations 6 (site permits), 7 (residential permits), 8 (certificates of occupation) and 20 (hostel permits) established in terms of Government Notice R1036 under the Bantu (Urban Areas) Consolidated Act of 1945 were all repealed by the introduction of the Conversion of Certain Rights to Leasehold Act of 1988.²⁸ Under this Conversion Act, the holders of site permits and certificates of occupation (above) who had not purchased the 99-year leases from the Administration Boards between 1978 when they were first introduced and 31 December 1988, could now freely (without being charged a fee) convert their permits into leasehold rights. However, to ascertain that they did qualify for leasehold title, potential applicants were still subjected to various administrative and bureaucratic screening mechanisms aimed at establishing their identity.²⁹

In similar fashion, council tenants and hostel dwellers (holders of residential permits and hostel permits) were 'upgraded' into local authority lessees.³⁰ However, the rights conferred by these rental leases effectively remained insecure because of the absence of mechanisms aimed at protecting the lessees (tenants). This meant that local authorities (the lessors) could continue to evict residents

²⁸ Budlender, G. 1993. Urban Housing: The Legal Framework, unpublished paper, Legal Resources Centre, Johannesburg.

²⁹ Ibid.

³⁰ Ibid.

on a variety of grounds.

Moreover, despite these tenure changes, no mechanisms were established to inform the lessees about the nature and therefore meaning of the legislative changes affecting their occupancy of council housing. The vulnerability of lessees (tenants) in the sense that they were unclear as to their rights, therefore unable to exercise them effectively continued through lack of consumer education. Historically, the local government legislative framework under apartheid gave immense authoritarian and wide ranging powers to urban managers, as there existed no mechanisms for consultations between the township controllers and the residents. This meant that the only ways through which urban managers had direct contact with township residents was when the latter presented themselves at the council offices to pay rent, or when the former physically directed the various municipal police raids in the townships: influx control raids, forced removal raids, rent arrears' raids, shebeen raids and others.

However, the spatial impacts of the legislative changes affecting housing policy (discussed above) began to be expressed through the establishment of private housing markets in the form of: real stock transfers of state-owned housing to private ownership through the sales policy (table 7.5); the construction of privately built housing with private sector finance (see Chapter 8 below); the growth of backyard shacks; and informal and squatter settlements (see

also Chapters 3, 5 and 6). During the 1980s the backyard and informal markets grew rapidly in defiance of the urban influx control mechanisms. To the reality of African urbanisation, the Government responded by introducing a White Paper on 'orderly urbanization' in 1986 which proposed to repeal the influx control laws.

However, the 'orderly urbanized' strategy was conceived also as an effective indirect control mechanism aimed at preventing the development of 'undesirable social conditions'.³¹ Entry into the city would only be granted to potential migrants who already had access to 'both a site and housing'. That is to say, these potential migrants would not only be required to apply for a site or a house, but such applications would have to be approved by those local authorities on whose areas the sites and houses were located, before they were allowed to enter the city.

In this way, the 'orderly urbanized' policy went much further than the original influx control laws as control mechanism. However, in reality the 'orderly urbanized' control mechanism was ineffective as it had very little impact on the ground. For example, according to Smith,³² there were 'some 650,000 informal dwellings' in the

³¹ Reintges, C. 1992. "Urban (mis)management? A case study of the effects of orderly urbanization on Duncan Village". In D.M. Smith (ed.), *Apartheid City in Transition*, Routledge, London.

³² Smith, D.M. (ed.) 1992. (31, op.cit.)

Pretoria, Witwatersrand and Vereeniging (PWV) region alone, accommodating more than '2.5 million people in 1989'.

All these changes have had a considerable spatial impact on the existing housing stock built originally by the white municipalities (the Johannesburg City Council in Soweto, the Natives Resettlement Board in Diepmeadow and the Roodeport City Council in Dobsonville). To comprehend the nature and extent of these changes, it is crucial to understand that they did not come about simply as an exercise of goodwill from the Government. Instead, there was a combination of economic and international factors, sustained and vigorous pressure exerted by residents on the formal apparatus of apartheid, priority for social stability and other reasoning in the minds of white politicians, as well as the perceptions that Greater Soweto was becoming ungovernable.

7.4 Rent struggles

During the late 1970s and early 1980s the political practices of the Community Councils (introduced in 1977, but still under the control of WRAB as explained in the preceding chapter), the effects of which were mismanagement and economic deprivation continued to shape the township built environment in an era during which social movements were rapidly growing in support and profile. The consequences and impact of the continuity of apartheid local government institutions triggered the first organised

resistance in Greater Soweto in 1980 against rent increases.³³

Although house rents had remained almost the same since 1977, site rents had been rising rapidly. By October 1980 the total rent bill charged on the township households (house rent, site rent and service charge) amounted to R26.45 per month, an increase of 46 per cent from the 1977 charges (table 7.1). These increases had been imposed on the residents in accordance with the objectives of creating adequate sources of revenue for the apartheid local government structures. Thus it was believed that these increases (table 7.1) would enable the councils in Greater Soweto to become financially viable and autonomous.³⁴

But financial viability for the townships in the absence of a viable commercial and industrial (property) tax base on which assessment rates could be charged, or subsidies from the state, or outside financial aid was virtually impossible in view of the market distortions which had been established under urban apartheid and now firmly entrenched. As has already been discussed in the previous chapters, the policies of the apartheid government from the very beginning were aimed at removing Africans from the 'white cities', hence the finances of the townships had been firmly rooted

³³ Payne, R. (7, op.cit.)

³⁴ Personal Interview with Mr William Loots, Property Sales Director, Soweto City Council, 2 February 1994.

within that framework. Throughout these years residents had been paying rents but without reaping any benefits in terms of improved infrastructural services. They had also been banking their money, paying taxes through the consumption of commodities, buying insurances policies and paying commission in the city (thus effectively subsidising Johannesburg), but the profits from the circulation of this money had not been ploughed back into the townships to improve the living conditions.

The 1989 study by Planact³⁵ into the causes of The Soweto Rent Boycott, commissioned by the Soweto Delegation, found that the total amount of money earned by approximately 300,000 Sowetans working in Johannesburg in 1987 amounted to R2 billion. Of this total income, approximately R1.4 billion was spent in Johannesburg. This meant that Johannesburg was enjoying a net transfer of wealth from Soweto,³⁶ not only in terms of the purchasing (consumption) power of Sowetans, but also in terms of the exploitation of their labour power with particular regard to the total wealth generated in the Johannesburg CBD. Because of this transfer of wealth from the townships it became possible for the JCC to subsidise its domestic white rate payers by a 55 per cent monthly rebate, which amounted to R38.7 million during the 1987/88

³⁵ PLANACT, 1989. The Soweto Rent Boycott, A Report by PLANACT, Commissioned by the Soweto Delegation, PLANACT, Yeoville.

³⁶ Ibid.

financial year alone.³⁷

The full implications of this were that not only were white rate payers accorded opportunities for consuming 'fat cat' services, but that Sowetans (in addition to subsidising these white rate payers) were also paying substantially more than the whites for poor services in the townships. Despite this continued inequality in the distribution of income, township residents found that they were now required to cut their insufficient household budgets even further in order to pay for non-existent services (table 7.1). That is to say, there was no relationship between the rents and service charges on the one hand, and the physical provision of services on the other hand. It is within this context that the housing market distortions can be understood, particularly with respect to the absence of 'value for money'.

³⁷ Ibid.; See also, Swilling, M., Cobbett, W. and Hunter, R. 1991. "Finance, electricity, and the rent boycott". In M. Swilling, et al, Apartheid City In Transition, Oxford University Press, Cape Town.

Table 7.1: Monthly increases in rent and services charges in Soweto, 1977-1986

	House Rent (R/month)	Site Rent (R/month)	Service Chgs (R/month)	Total (R/month)
Dec 1977	3.25	8.00	3.00	14.25
Apr 1978	3.25	9.75	3.00	16.00
Jul 1978	3.25	11.50	3.00	17.75
Aug 1980	3.25		18.85	21.50
Oct 1980	3.25		23.30	26.55
Feb 1981	3.25		27.55	30.80
Oct 1981	3.25	13.32	22.23	38.80
Mar 1983	3.25	13.32	23.73	40.30
Jun 1984	3.25	13.32	29.03	45.60
Dec 1984	3.25	13.32	41.03	57.60
(mid-1986)	3.25	13.32	45.77	62.34

Source: PLANACT 1989. The Soweto Rent Boycott: A Report Commissioned by The Soweto Delegation, Planact, Yeoville, p. 40.

Although most of the houses had been provided with electricity between 1979 and 1986 (for the first time since townships were established), this electrification had been designed to buy off urban protest, rather than improve the quality of life for the community. It was not only badly and inefficiently installed, but that it also proved to be very expensive to the residents. For example, in 1989 Sowetans were paying 22 per cent³⁸ in electricity charges more than the white residents in Johannesburg. Hence the rapidly rising charges fuelled the deep anger of many township residents, which is well illustrated by the then leader of the Soweto Civic Association (SCA), Dr Nthato Motlana, who argued:

"What is needed is a hefty amount from government to uplift Soweto. If the whites wish us to live 30km away from them, then they must pay for that privilege. We did not ask to be put these long distances out of town so that services for transport, for lights and water are stretched. We should be near our places of work as happens all over the world. The lower and labouring classes live next to the factories, not far away in the suburbs - that's for the rich. The Central Business District and the industrial areas of Johannesburg are common to all inhabitants of the city and rates that everybody pays should serve all people. You can't justify our high rates for transport and other things by saying it's high time Africans paid for their services. How do they pay when salaries are not governed by productivity and skill but by colour... Our money is spent in Johannesburg."³⁹

The lack of sensitivity by the apartheid state to the deepening anger felt by the Soweto community was rapidly

³⁸ PLANACT, 1989. (35, op.cit.)

³⁹ Rand Daily Mail, 10 August 1979. Cited from PLANACT, 1989. (35, op.cit. p. 71)

giving rise to an atmosphere of confrontation. Resistance in the form of rent boycotts, organised mass protests and a succession of 'stay away' from work campaigns grew rapidly from 1980.⁴⁰ The deepening urban conflict also prompted the SCA to take legal action against the community councils, in order to prevent these institutions from evicting those residents who were boycotting rent payments. But when the court (Appellate Division in Bloemfontein) ruled in favour of the councils, the SCA turned its strategy towards building mass mobilisation against the apartheid local institutions.⁴¹ In the face of the rising tide of protest, the Government responded by replacing community councils with yet new local government structures. However, these too were within the ideology of apartheid.

The Black Local Authorities Act of 1982 provided for the creation of Black Local Authorities (BLAs) with full municipal powers.⁴² The BLAs were to be elected through a popular vote in the townships by residents whose national franchise lay in the bantustans. The BLAs were to function as mini-bantustan type subordinate structures of the apartheid state. In this way, these mini-bantustans (with potential powerful black allies of the state) would be used

⁴⁰ Personal Interviews with Messrs Johan Latsky (15, op.cit.); William Loots (34, op.cit.)

⁴¹ Payne, R. (7, op.cit.)

⁴² Shubane, K. 1991. Black local authorities: a contraction of control. In M. Swilling, et al, Apartheid City In Transition (37, op.cit.)

as a mechanism for implementing the Government's policies.

The creation of BLAs immediately triggered a response from the community, through protests aimed precisely against the formation of these mini-bantustan structures. A wide range of organisations and civic movements (encompassing trade unions, religious and other social groupings) were formed in opposition to the introduction of the BLAs.⁴³ The emergence of these diverse movements provided opportunities for cooperation between these groups aimed at making the apartheid system unworkable.

It was out of this cooperation that the Anti-Community Council Elections Committee (ACCEC) was formed in 1982 at a workshop called by the SCA to coordinate the vigorous campaign against the 1983 Black Local Authority Elections.⁴⁴ Although, the elections were able to proceed as planned by the Government, the resultant poll in registered wards was only 10.7 per cent⁴⁵ in the whole of Greater Soweto. Calls from the ACCEC not to vote, combined with the deep seated frustrations felt by the residents themselves, appear to have had a considerable impact.

Once established, the BLAs were faced with similar problems of financial viability and legitimacy to those which had

⁴³ Ibid.; Payne, R. (7, op.cit.)

⁴⁴ Payne, R. (7, op.cit.)

⁴⁵ Shubane, K. 1991. (42, op.cit.)

characterised the previous forms of township local government. Fundamentally, however, the fact that the BLAs were established with full municipal powers (see Chapter 6) implied also that they were now fully in control of housing and local authority land. Financial viability to many BLA councillors became confused with the pursuit of personal self-interest. Many councillors began to abuse their positions through various corrupt practices, for example, involving improprieties in land availability agreements between councillors and private developer⁴⁶ (see Chapter 8).

This only served to fuel the flames of resistance to rent increases.⁴⁷ Consequently, protest in the townships spread rapidly. Locally, no sooner had the newly elected councillors assumed power in the various structures of BLAs than township communities started demanding their resignation. The murders by the police of the Vaal Triangle residents protesting against rent increases in November 1984 worsened the already deep frustrations of the residents.⁴⁸ After these events the rent boycott became part of a larger countrywide movement (with more than 60 townships involved). Demands from the protestors for the resignation of councillors were increasingly being backed by violent

⁴⁶ See for example, the Sowetan, 14 June 1994.

⁴⁷ Hendler, P. 1991. The housing crisis. In M. Swilling, et al (37, op.cit.)

⁴⁸ Shubane, K. 1991. (42, op.cit.); PLANACT, 1989. (35, op.cit.)

protests.

As the crisis of political legitimacy, financial unviability and corruption of BLAs deepened, councillors, municipal police, South African policemen, and any persons associated with these local government structures and perceived to be collaborating with the apartheid system at large were targeted and subjected to unprecedented levels of violence,⁴⁹ including the burning down of their homes. According to Schlemmer,

"Six councillor were killed in the first seven months of 1990. Two attacks on councillors were mounted daily, and 87 attacks on houses of councillors occurred...From February 1990 to April 1991, 324 BLA councillors resigned, 224 as a direct result of political pressure in the Transvaal ... In the country as a whole well over 100 out of 258 BLAs have collapsed and been replaced by Administrators. The testimony of councillors reflect fear for their lives and the safety of their houses, families and businesses."⁵⁰

At the national level the formation of the United Democratic Front (UDF) in 1983 (representing more than 700 social and labour groups throughout the country)⁵¹ heralded the emergence of campaigns aimed at rendering South Africa ungovernable. From its very formation the UDF became closely affiliated to the aims of the African National Congress (ANC) through its endorsement of the Freedom Charter

⁴⁹ Shubane, K. 1991. (42, op.cit.)

⁵⁰ Schlemmer, L. 1991. Challenges of process and policy. In M. Swilling, et al (37, op.cit.)

⁵¹ Soni, D.V. 1992. The apartheid state and Black housing struggles. In D.M. Smith (ed.), (31, op.cit.)

principles drawn up by the latter organisation in 1955.⁵²

By linking together the rent-based (consumption classes) with labour-based (production classes) struggles the UDF succeeded in mobilising community-based mass movements against the apartheid state. It also was within this context that the historic power of industrial capital, commercial capital, commodity capital and state capital became increasingly vulnerable as a result of the peaceful cessation of labour through national 'work stayaways' for one or more days⁵³ and boycotts of commodities in the cities.

As the rent and consumer boycotts, and the rising transportation costs, became very heated issues in various townships during the mid 1980s, the effect of this popular insurrection motivated the exiled ANC and guerilla incursions during this period were intensified. Also during this period the ANC's international campaigns against the apartheid regime grew ever more sharper.⁵⁴ Its calls through external radio broadcasts for township residents to intensify the use of violence as a strategy for a revolutionary transformation, including calls for the

⁵² Seekings, J. 1991. Township resistance in the 1980s. In M. Swilling, et al (37, op.cit.)

⁵³ McCarthy, J. 1992. Local and regional government: from rigidity to crisis to flux. In D.M. Smith (ed.), (31, op.cit.)

⁵⁴ Ibid.

isolation and targeting of homeland⁵⁵ puppet regimes, increasingly found receptive audiences throughout the country.

These campaigns triggered even a more brutal repressive response from the Government, which imposed a state of emergency and deployed security forces in the townships. This phase marked the incorporation of BLAs into the security structures employed by the state not only to secure control in the townships, but to counter the perceived threat of the 'total onslaught' posed by the exiled revolutionary movements. The security strategy was manifested through the establishment of Joint Management Centres (JMCs) chaired by members of the security forces.⁵⁶

The JMCs became the crucial policy-making body in the townships. Under their aegis there was developed a 'total strategy' aimed at winning the 'hearts and minds' of township residents.⁵⁷ The JMCs' total strategy involved a combination of brutal repression and appeasement through superficial upgrading programmes (channelled through the

⁵⁵ Kane-Berman, J. 1993. Political Violence in South Africa, South African Institute of Race Relations, Johannesburg.

⁵⁶ Shubane, K. 1991. (42, op. cit.); Soni, D.V. 1992. (51, op.cit.)

⁵⁷ Soni, D.V. 1992. (51, op.cit.); Marks, R. 1990. (3, op.cit.)

Regional Services Councils)⁵⁸ but with the underlying motives of the Government continuing to remain embedded within the realm of controlling, dividing and disempowering the township residents.

The JMCs were subordinate structures to the National Security Management System (NSMS) chaired by the state president,⁵⁹ whose powers had been strengthened under the 1983 constitutional changes which provided for the creation of a 'tricameral parliament' for whites, coloureds and indians. Under the terms of this constitution, responsibility for so-called 'black affairs' was vested in the state president.⁶⁰ It was within this context that the security forces became involved in the BLA policy-making structures.

In spite of this formidable defensive and offensive security network, the detention of over 20,000 community activists in 1986 alone, and the formation and use of reactionary

⁵⁸ The Regional Services Councils were established during the late-1980s as a mechanism for ameliorating the structural economic inequities between the white areas and black townships (particularly with regard to the provision of services), and also as a means of bringing the townships under the full control of the BLAs. For a fuller discussion and analysis regarding the role of these services councils, see, Humphries, R. 1991. "Whither Regional Services Councils?". In M. Swilling, et al (37, op.cit.)

⁵⁹ Soni, D.V. 1992 (51, op.cit.)

⁶⁰ This is South Africa, 1992. South African Communication Service, Pretoria.

vigilante groups within the townships,⁶¹ the rent boycotts continued unabated. Furthermore, the racially-based tricameral parliament (consisting of whites, indians and coloured but excluding blacks) only served to fuel the growth of community-based mass movements and accelerated the integration of consumption-based and production-based struggles. It is within this context that the significance of the role played by the Federation of South Africa Trade Unions (FOSATU) and its successor, the Congress of South African Trade Unions (COSATU)⁶² is rooted.

In 1986 (10 years after the first uprising) the Soweto rent boycott marked a decisive shift from the previous forms of residents' demands. Triggered by the killings by the security forces of the White City residents in August 1986, in an attempt to evict those who were refusing to pay rents, the residents of Greater Soweto now demanded the scrapping of rent where households had lived for over fifteen years. Implicitly, therefore, the residents were demanding the free transfer of houses from government-ownership, at no cost to them. Other townships within Soweto soon made similar calls. Also residents demanded an explanation from the authorities as to how rents and service charges were determined.⁶³ In other words, they were questioning the relationship between the levels of rent demanded and the value of services

⁶¹ Seekings, J. 1991. (52, op.cit.)

⁶² McCarthy, J. 1992. (53, op.cit.)

⁶³ Planact, 1989. (35, op.cit.)

provided.

By 1989 (three years after the introduction of the state of emergency) both the Government and the Soweto Civic Association (SCA) were faced with the prospect⁶⁴ that neither side would emerge as a clear victor in this conflict.⁶⁵ This recognition led to a new era of negotiations. It was under these changed circumstances that the Soweto Peoples' Delegation (SPD) was formed by the SCA to start negotiations with the authorities with a view to developing both short term measures to end the rent boycott and long term strategies for bringing into being the future democratic structures of local government.⁶⁶

These negotiations resulted in the signing of The Greater Soweto Accord (GSA) on 24 September 1990, between the SPD, the BLAS (councils of Soweto, Diepmeadow and Dobsonville) and the Transvaal Provisional Authority (TPA).⁶⁷ Not only did this accord set out a framework for an urban transition (see next section): it appears also to have opened the way for a fundamental shift in the state's housing policy. As the official publications stated,

⁶⁴ Bernstein, A. 1991. The challenge of the cities. In M. Swilling, et al (37, op.cit.)

⁶⁵ Shubane, K. 1991. (42, op.cit.)

⁶⁶ Coovadia, C. 1991. The role of the civic movement. In M. Swilling, et al (37, op.cit.)

⁶⁷ The Greater Soweto Accord, 24 September 1990.

"The individual is primarily responsible for his own housing; the state should play a direct role in cases in which the individual is not in the position to satisfy his own housing needs; the primary task of the state is to create a necessary environment in which the private sector and the individual can undertake the provision of housing."⁶⁸

7.5 The Greater Soweto Accord

The consensus agreement signed between the SPD, TPA and the three councils of Greater Soweto (Soweto, Diepmeadow and Dobsonville) concerned the ways through which the short-term and long-term problems affecting the township built environment could be resolved. The short-term problems were identified as consisting of rent arrears resultant from the continuing rent boycotts, whilst the long-term problems concerned the whole basis of apartheid local government. Regarding the short-term problems, it was agreed that all rent and services charges arrears (which had amounted to R516,2 million by 30 June 1990) would be written off by the Government through the TPA.⁶⁹

The TPA (a jurisdictional provincial bureaucracy for the Transvaal local authorities which include the three councils of Greater Soweto) was brought into these negotiations because it had effectively been running the townships through the financing of BLAs during the rent boycotts. But

⁶⁸ See South Africa, 1991/92. Official Yearbook, Seventeenth Edition, South African Communications Service, Pretoria, pp. 196-197.

⁶⁹ Greater Soweto Accord (67, op.cit.)

as the rent boycotts had continued to grow unabated, its funds for financing the BLAs' deficits were depleting rapidly, and because of this it was forced to the negotiating table with the representatives of civic movements. According to Swilling et al, during this period, the TPA's bridging finance to the BLAs was approximately R60 million per month.⁷⁰

In return, the SPD agreed to end the rent and services charges boycott, and to advise township residents to resume monthly payments based on an interim charge of R23.00 (beginning in October 1990) and a metered tariff calculated at R0,12 per kilowatt hour (Kwh) which was subject to discounts on the basis of consumption levels. On this formula, higher consumption levels attracted less discounts, whilst lower consumption resulted in higher discounts. For example, for the consumption of 250 Kwh of electricity at 33.3 per cent discount, the total bill required would cost R20.00 (after R10.00 had been deducted), whilst 650 Kwh at 10 per cent discount, the total metered tariff would cost R70.00 (after R8.00 reductions). However, there were to be no discounts on the consumption of more than 650 Kwh. As far as the unmetered consumption of electricity was concerned, a flat charge of R33.80 per month (based on assumed 400 Kwh monthly consumption units) was agreed.

⁷⁰ Swilling, M., Cobbett, W. and Hunter, R. 1991. (37, op.cit.)

It was also agreed that these interim tariffs would remain in force until promulgated by the introduction of realistic and affordable charges. An interim ceiling charge of R72.50 per month above which residents would not be required to pay was also agreed. Meanwhile, however, the SPD would advise the community to pay a uniform rate of R55.00 in respect of each dwelling for September 1990 (the very month that the accord was signed). This payment was to be made on the basis of establishing trust between the councils and the community, and also as a 'goodwill gesture' on the part of the residents.⁷¹

As far as electricity arrears were concerned, it was agreed that the parties (signatories to the accord) would assist Eskom (Electricity Supply Commission) with information campaigns aimed at promoting the efficient use of electricity. In addition, the SPD would provide a secure environment in Greater Soweto to enable meter readers to carry out their work in safety. This would be followed by negotiations between the parties and Eskom aimed at obtaining 'a rebate on the tariffs charged' in order to establish parity between Johannesburg and Greater Soweto with respect to its electricity charges on bulk supplies.

On the question of the long-term problems, the accord made provisions for the establishment of a Metropolitan Chamber for the Central Witwatersrand (CMCW) to serve as an interim

⁷¹ The Greater Soweto Accord (67, op.cit.)

mechanism (inclusive of all major stakeholders in the urban housing sector) in formulating and developing practical non-racial democratic approaches at the regional and local levels. The Metropolitan Chamber was to be established with immediate effect after the accord had been signed on 24 September 1990, but it was not until April 1992 that it was established.

No sooner had it been established, than the principal signatories to the accord (SPD, the three councils of Greater Soweto and TPA), were joined by other major stakeholders: the City Council of Johannesburg (JCC), Central Witwatersrand Local Authorities (CWLAs), Civic Associations of the Central Witwatersrand (CACW), representatives of the Congress of South African Trade Unions (COSATU), National Housing Forum (NHF), political parties, for example, the African National Congress (ANC), Pan Africanist Congress (PAC), Inkatha Freedom Party (IFP) and Sefasonke Party (SP). With this inclusive membership, the Chamber began to function also as an interim forum through which strategies aimed at both the urban transition and constitutional transition were formulated and developed.

Under the terms of the Accord, the CWMC was to undertake and coordinate the various functions aimed at creating non-racial democratic local government structures, and to avoid possible duplication of work carried out by existing local government bodies as set out by the accord (through which it

had been established), the CWMC would establish a Joint Technical Committee (JTC), charged with the responsibility of investigating, making recommendations and developing policies with respect to the following: services and infrastructural upgrading, affordable rates for service provision, transfer of rented housing and the establishment of a common fiscal base for Greater Soweto and Johannesburg.⁷²

To deal with these problems the JTC would in turn establish working groups that would investigate and recommend possible mechanisms through which the problems could be resolved. The final point of agreement between the parties concerned the establishment of a Greater Soweto Fund (GSF) which would channel funds into community and social development projects. Funding for this body would be encouraged through voluntary donations from the business community, financial institutions and from the general public.⁷³ In turn, the councils would also introduce a flat monthly levy of R5.00 aimed at contributing to the GSF (effected through the necessary by-laws soon to be established) in respect of each dwelling. The accord was concluded on the understanding that the principal parties would strive to resolve potential future problems through negotiations and agreement. In this regard, none of the signatories to the Accord could act unilaterally.

⁷² Ibid.

⁷³ Ibid.

By 1991 this accord was on the 'brink of collapse'.

About 50 per cent of township residents were still not paying for the services, and consequently the councils were in arrears again. The amount owed to Eskom had risen to more than R120 million.⁷⁴ To deal with this problem of arrears the councils and the TPA wanted to increase the services charges to the interim monthly ceiling charge of R72.50 agreed to at the signing. This interim ceiling had been originally calculated by the councils and the TPA to recoup the arrears. It effectively represented the actual monthly costs of services charges that would have been paid by township residents if there had not been a boycott and is consistent also with the rate of rent increases shown in table 7.1 above.

On this point, the TPA noted that even if all residents had been paying their service charges based on the interim tariff of R23.00 agreed to by all the parties (SPD, the three Greater Soweto councils and the TPA), this would only cover 20 per cent of the running costs. But since 50 per cent of the residents were not actually paying, this meant that the councils were experiencing a financial crisis.⁷⁵ As a result, the TPA and the councils wanted higher tariffs. But since the SPD was not in favour of these proposed

⁷⁴ Business Day, 11 September 1991.

⁷⁵ Transvaal Provincial Administration. News Release by Mr Olaus van Zyl, MEC for Institutional Development and Negotiations, on the Levying of Economic Rates in the Greater Soweto Area, 11 September 1991.

increases, the TPA and the Greater Soweto councils stated that they would be forced to impose these tariff increases in seeking to resolve the financial crisis.⁷⁶

The position of the SPD, on the other hand, was that it would not cooperate with these proposed increases because the councils were very inefficient with regard to the provision of services and had also failed to comply with the provisions of the Accord⁷⁷ that the interim monthly charge of R23.00 would remain in force until it was changed by the introduction of reasonable tariffs. What this meant was that the SPD and the TPA and the councils were interpreting the Accord differently.

The SPD demanded that the responsibility for running services in the townships should be transferred to the Central Witwatersrand Regional Service Council (CWRSC). The CWRSC was established in 1987 under the Regional Services Act of 1985,⁷⁸ specifically to ameliorate the structural inequities that existed within the region through the provision of services. The important feature of the Regional Services Act was its departure from the racially based mechanisms of services provision. There were important reasons why the SPD demanded the handing over of the running of township services to the CWRSC.

⁷⁶ Ibid.

⁷⁷ Ibid.

⁷⁸ See Humphries, R. 1991. (58, op.cit.)

The SPD reasoned that since 50 per cent of the residents had not paid the interim charge of R23.00 and the separate electricity charges agreed to in the accord, the proposed increased tariffs would only exacerbate the affordability problems faced by the township community. With the low incomes of township residents (see Chapter 3, table 3.17 and Chapter 6, table 6.4), it was practically impossible for many Greater Soweto residents to afford the services charges demanded by the local authorities. The increase in the consumer price inflation during the late 1980s also exacerbated the already considerable affordability problems of Greater Soweto residents. Between 1985 and 1987, for example, the consumer price index rose by 36 per cent.⁷⁹ Between 1990 and 1991 the rate of consumer price inflation rose by 15,3 per cent. This increase was blamed on the Gulf War.⁸⁰

The low incomes of many residents in Greater Soweto were stretched beyond a point where their very survival was threatened as a result of rising food prices and accommodation costs (service charges). This at a time when, as stated earlier, the formal sector economy was undergoing a structural decline (see also Chapter 8). The absence also of a viable industrial base in the townships further exacerbated the affordability problems of the residents (see

⁷⁹ Institute For Housing of Southern Africa, March 1987.

⁸⁰ See Annual Economic Report, 1993.

figure 7.1). It is not surprising therefore that to date many residents cannot even afford to pay R45.00 per month for services (table 7.2), and do not, despite several threats^{s1} aimed at forcing them to pay.

By demanding that the running of services be handed over to the CWRSC who had more resources (raised from business levies and other sources within their region of jurisdiction - effectively the rich), the SPD was advancing a redistributive strategy for Greater Soweto. Put another way, the SPD had recognised that township local government finances had effectively collapsed because of the historic economic imbalance between Greater Soweto and Johannesburg. In this respect, even if the SPD could have managed to persuade all the residents to resume rent payments at the proposed higher levels, which clearly it could not, such payments would impact very little on the built environment because of the damage already done by decades of a highly unequal distribution of resources and wealth.

^{s1} Sowetan, 14 June 1994.

Figure 7.1: Commercial and industrial activity in Greater Soweto

Commercial	Industrial
general dealers	tent manufacturers
butchers	welders
cobblers	motor Mechanics
grocers	paint Retailers
undertakers	photographers
dairies	burglar proofers
tailors	bottlers
cafe keepers	leatherworks
garages	fridge repairs
ice dealers	candle makers
meat markets	knitters
hair dressers	upholsterers
Carpenters	printers
dry cleaners	panel beaters
fish and chip shops	electricians
restaurants	glazers
hardware	wood and coal merchants

Source: Adapted from Davies, K. Bristow, D. and Associates, 1990.

Table 7.2: What it costs to provide services (each month)

Services	Cost	Existing Subsidies (Rand)	Cost after Subsidies
Public Use of Electricity	43.97	16.79	27.18
Water	56.08	35.45	20.63
Sewerage	26.37	23.19	3.18
Refuse	39.72	4.83	34.89
Administration & Community Services	139.72	134.61	5.15
Total	305.90	214.87	91.03
Of Which You Will Pay			45.00

Source: Central Witwatersrand Metropolitan Chamber, Civic Centre, Braamfontein, January 1994.

7.6 The EFK Tucker Inc. Report⁸².

It terms of the Greater Soweto Accord, it was agreed that the Joint Technical Committee would appoint a working group, the Transfer of Houses Sub-Committee to

"investigate and report within three months, with recommendations on how and when the transfer of the rented stock to the lessees and the upgrading of existing hostels could be effected."⁸³

In November 1991 the Transfer of Houses Sub-Committee commissioned a legal firm, EFK Tucker,⁸⁴ to undertake the transfer of houses investigations. The investigations by this legal firm involved workshops with civic associations, interviews with local authority officials and the TPA, and also an analysis of existing legislation affecting the tenure rights of urban Africans. The EFK Tucker report was submitted to the Transfer of Houses Sub-Committee on 30 September 1992, but it was not until 10 February 1993 that it was finally adopted by the CWMC.

According to the terms of reference (see above), EFK Tucker had been commissioned to undertake investigations and make recommendations with respect to the 'transfer of the rented stock to the lessees'. This meant that they had to focus on

⁸² The Content of This Section is Drawn From This Report (see footnote 84 below).

⁸³ Greater Soweto Accord (67, op.cit. p. 24)

⁸⁴ EFK Tucker 1993. Report On The Transfer Of Houses Process in The Greater Soweto Area, Central Witwatersrand Metropolitan Chamber, Civic Centre, Braamfontein.

Regulation 7 tenants (holders of residential permits) whose tenure rights had been upgraded to lessees of the council under the Conversion of Certain Leasehold Rights to Leasehold Act of 1988 (as discussed in section 7.3 above).

It will be clear from the earlier discussion (7.3 above) that the old site permits and certificates of occupation had been legally converted into leasehold rights in terms of the Conversion Act. In addition, as has been explained above and in the preceding chapter, holders of site permits and certificates of occupation (Regulations 6 and 8 rights) represented a partially home-owning class which was differentiated from holders of residential permits (Regulation 7 rights) by the fact that they had either built their houses or bought them from the government, but without owning the land on which these houses were erected.

Therefore, although the original focus of the EFK had been intended to develop the transfer of housing mechanism with respect to council lessees (Regulation 7 tenants), it also, however, addressed the transfer mechanisms aimed at the holders of site permits and certificates of occupation (Regulations 6 and 8 rights). This was because under the apartheid system the tenure rights conferred in terms of site permits and certificates of occupation were fundamentally not very different from those of the council tenants. Therefore, by including holders of these rights within its terms of reference, the Tucker report described

and recommended the removal of all forms of discriminatory tenure forms in order to create consistency in terms of fairness and openness.

According to the Tucker report there were many inconsistencies regarding the methods used to notify holders of site permits and certificates of occupation to convert their permits into leasehold rights in terms of the Conversion Act. In this respect, the TPA had used the cheapest newspaper advertisements (costing some R3,2 million), but these were inefficient and ineffective in reaching the intended beneficiaries. For example, adverts had been placed in an Afrikaner newspaper, Die Transvaler (which was beyond the reach of the residents), instead of the Sowetan. Moreover, the TPA staff (personnel) devoted about 75 per cent of their time to placing these adverts in the wrong papers. This meant that there was a risk of houses being registered to 'wrong' people other than the actual permit holders, particularly because of the inadequacy of records, some of which were either outdated or had been destroyed during the Soweto revolt in 1976.

The Tucker report also found that the procedures used in the conversion of site permits and certificates of occupation into leasehold rights were not only outdated, but also did not incorporate ways of involving the community in order to uncover conflicting interests in respect of the transfer of a particular dwelling. Put another way, the procedures were

such that any persons in possession of Regulations 6 and 8 permits could simply walk into the offices of the Chief Bantu Affairs Commissioners and have these permits converted into 99-year leases without any questions being asked.

Under apartheid policies (as shown in Chapter 6) the issuing of permits was biased in favour of men. Therefore, the conversion of site permits and certificates of occupation continued the old practices of conferring tenure to men rather than women. Other problems included the inadequate staffing levels and the inadequate capacity of the registration system to handle the conversion process, particularly with respect to granting freehold ownership.

This had resulted in the registration of very few transfers in the deeds registries situated in the offices of the Chief Bantu Affairs Commissioners. As a result of these inconsistencies the report recommended that all changes of tenure under the Conversion Act had to cease until the basis on which the transfer of all houses in Greater Soweto should take place.

The Tucker report also noted problems with respect to the sale of housing to the householders. Where there were still outstanding loans that had been issued in respect of the construction of self-built houses (holders of Regulation 6 rights or site permits), or in the purchasing of council built houses (holders of Regulation 8 rights or certificates of occupation), local authorities insisted on the repayment

of these loans before permits could be converted into leasehold rights.

Similar problems with respect to the holders of residential permits (Regulation 7 tenants) or council lessees were noted by the report. It found that although the old permit system had been repealed (as explained in section 7.3 above) by the passing of the Conversion Act through which the status of the holders of residential permits had been transferred to council lessees, local authorities had not complied with the provisions of the Act. Instead, local authorities continued to cling illegally on to the old permit system. In this respect, they had not actually (as discussed in section 7.3 above) conferred or initiated a process to confer the new rights to the council tenants.

In addition, the actual sale of houses was linked to rent arrears. Potential buyers (holders of residential permits) were required to settle their arrears with the council before a sale transfer could be processed. Even in the cases of deaths and divorces, the report found that these were not registrable (in terms of issuing death and divorce certificates) until loan and rent arrears had been settled with the local authorities. This meant that the local authority records had been deteriorating over a long period to the extent where they were now outdated.

Partly as a consequence of non-maintenance of records, the

whole basis of council administrative and allocation procedures had been fraught with corruption and bribery. This had been exacerbated also by the fact that the public had no access to these records in the same manner as they had to the deeds. To deal with this problem, the report recommended the replacement of the old administration system of records by an interim administrative mechanism which included community involvement and participation aimed at legitimising the intended transfer of houses project.

According to the Tucker report, local authorities had also insisted on the continuance of two specific forms of debt that would not be affected by the transfer of houses project. These concerned houses that had been built with local authority loans during the early 1980s, and loans issued in relation to house improvements. These loans been raised by local authorities from financial institutions. The houses that would be affected by the continuation of these debts were situated in the Chiawelo Extension 3, Naledi Extension 2 and Pimville housing markets and also within the backyard (outbuilding) shack markets (see Chapters 3, 5 and 6).

The report noted that because of this, the development of uniform legal and conveyancing mechanisms through which the transfer of houses to the residents could be effected would not be possible. However, instead of creating different mechanisms for the transfer of housing, the report suggested

a separation between the administration of debt and the conferring of tenure. It specifically recommended that,

"Legal and conveyancing documents and procedures must be designed generally to record such security ... Administrative systems and procedures would have to be designed in such a manner as to always monitor the nature of loan debts, so as to ensure that errors are not made ... it makes no difference of principle or the likely administrative intensity, that the loans are only secured in certain circumstances."⁸⁵

Other recommendations of the report concerned the development of institutional support mechanisms aimed at informing residents about conventional legal and contractual mechanisms in respect to the following: family rights, the rights of minors, succession rights (including wills where possible) to redress the incidence of unfair conflicts, the rights of divorcees, and the rights of divorced persons to remarry.

Under apartheid there existed no mechanisms through which these rights could be protected, hence women, divorcees, widows, orphans and others were vulnerable (as explained in Chapter 6). The report also found that because of the 'objective shortage' of housing in the townships exacerbated both by the urban practices of apartheid and acute shortages of accommodation, the government-owned houses had come to be regarded as family properties by the residents (as stated in

⁸⁵ See Phase 11, of the Tucker Report, 30 September 1992, p. 21.

Chapter 6). Because of this, according to the report, there existed a strong need to protect the existing tenure configurations.

In this context the report recommended the opening of township registers and the setting up of the following tenure options: renting from local authorities (in terms of new bylaws), individual, ordinary ownership, ordinary ownership validated by registration of 'family title' conditions in accordance with current common law practices, and housing associations based on voluntary choice. According to the report, these tenure options would provide residents with a real choice and hence would also obviate the need for a 'hierarchy of titles' developing.

Based on the principle of agreement, families could also choose any other form of tenure, whether to become tenants of housing associations or to remain local authority tenants. They could choose to take transfer of a house through one of their number (members) in terms of the individual, ordinary ownership, provided this choice was based on agreement. The important principle with all the four suggested tenure options, according to the report, was that it was based on the maximisation of voluntary choice as well as being transparent, while at the same time preventing the potential exclusion of family members from housing.

Housing associations, on the other hand, would provide

residents with potential protection against the penetration of market forces in the township built environment. Such housing associations could either be based on non-ownership in terms of voluntary administrative mechanisms, particularly where the transferees of houses had come together (co-operatives) to form such an association, or where the houses are transferred to the ownership of a non-profit based organisation, or either be based on company or trust.

Renting from the new local authorities (which would be established after apartheid had been abolished) would also protect residents from the 'cut throat' competition of market mechanisms for housing. The advantages noted for these two tenure options included the potential of both housing associations and local authorities to marshal resources (loan finance and donations) earmarked for various uses, such as the provision of facilities and amenities. But even in this case, the transferees would have to choose these tenure options.

Regarding the registration of these tenure options, the report saw no need for the amendment of existing legislation. According to the report, the conversion of site permits and certificates of occupation (Regulations 6 and 8 rights) into freehold ownership would still be effected through the Conversion Act mechanism in terms of a waiver and agreement. By not insisting on the rigid application of

the Conversion Act, but instead insisting on transparency, this would legitimate the conversion of houses into freehold ownership. Although, for example, freehold ownership would be different from renting from a housing association, the system of transferring the houses in all the tenure options would be based on choice and agreement between the stakeholders (family members).

In order to confer the various tenure options (on council lessees (Regulation 7 tenants), the report recommended that the transfer of houses should be based on 'Chamber Agreements', rather than legislation. There were two reasons why the report did not recommend legislative mechanisms for conferring tenure to Regulation 7 tenants. First, it was perceived that this would exacerbate homelessness. This was because the provisions of the Conversion Act were fundamentally biased in favour of converting the old permits into individual leasehold rights as opposed to family leasehold rights. This meant that under the existing objective shortages of housing, many residents would be excluded from housing.

The second reason for preferring Chamber Agreements concerned the time scale. The first time registration through legislative mechanisms of a vast population of residents would take many years, and this would be a constraining mechanism on the transfer of housing project in the short term. The advantages of the registration of title

through agreements, on the other hand, would not only speed up the process, but would also be capable if successfully implemented in Greater Soweto, of flexible application in all the black townships of South Africa, thereby obviating the need for rigid legislative mechanisms that would prove incapable of addressing local problems and actual realities in many areas.

Notwithstanding that the transfers of housing would take place under Chamber Agreements rather than legislation, such transfers would be legally valid in the sense that the policy had been designed and agreed to by the government, local authorities, grassroots organisations and major players in development issues in relation to Greater Soweto. But to ensure that the transfer of houses project was politically legitimate, credible, transparent and sustainable, according to the report, new institutional support mechanisms were required which included the participation of the community. To this end, the Tucker report recommended the establishment of a Housing Bureau (HB) which would be accountable to the CWMC through a Chief Executive Officer and its management team, which would comprise the major signatories to the Greater Soweto Accord.

The HB would also draw its own management team from the principal parties to the accord (the TPA, local authorities and representatives of social movements). The report recommended that the HB would be centrally located with

thirteen branches located at the existing local offices in Greater Soweto. Its functions would be to disseminate information, manage the existing records during the interim period, effect the transfer of houses in accordance to the preferred tenure options of the residents, give advice in related transfer issues and resolve potential disputes.

7.7 The sale of housing to council lessees

As has been stated earlier, the sale of housing was initiated by several factors which shifted the Government towards reforming housing policy in 1978. The concomitant shifts in the Government's housing policy during the whole of the 1980s have also been explained as resulting from the pressure exerted by grassroots campaigns. However, it has also been seen that the demand for the transfer of housing in Greater Soweto came from grassroots movements.

It will be clear also from the above that it was through the pressure from grassroots campaigns (rent boycotts) exerted on the local authorities that the demand for the transfer of houses was finally conceded as evidenced by the signing of the Greater Soweto Accord on 24 November 1994. In turn, it was also as a result of the terms of this accord that massive work (both technically and socially) with respect to the development of mechanisms through which the houses could be transferred to the residents, was undertaken by EFK Tucker, commissioned by the Transfer of Houses Sub-Committee

which was managed by the CWMC through the JTC.

The Tucker report was finally submitted on 30 September 1992. Preparations were being made for adopting it when, on 27 November 1992, the Minister of Local Government and National Housing, Mr Leon Wessels, announced a 'sales' discount on all pre-1983 council-built houses.⁸⁶ According to the 'sales' discount, Regulation 7 tenants (council lessees) who chose to purchase homes would get a book value of R7,500 reduction in price if it had been built before 1983.

Under the 99-year leasehold scheme, prior to the introduction of the R7,500 subsidy, council houses were sold according to the following formula: the original erection or construction cost of a house built before 1960 was multiplied by an inflationary replacement factor of 7.7, and 2.2 for dwellings built since the 1970s. To this total was then added the original erection cost to determine the replacement value of the house. The replacement value was then divided by two, after which the total was again reduced by an application of a 'quality rebate' which ranged from 5 to 13 per cent of the total replacement value for houses built before 1960, and 20 per cent for houses built since the 1970s, (see tables 7.3 and 7.4).

⁸⁶ NHF News, Newsletter of the National Housing Forum, No. 7, March 1994.

Applying this formula to a Chiawelo house which was built in 1959 at a cost of R370 multiplied by the replacement factor of 7, plus the erection cost of R370 the total replacement value would be R2,968. If this amount is then divided by 2 the total would be R1,484, and if a rebate of 11 per cent is applied, the selling price would be reduced by R160 to R1,320 (see tables 7.3 and 7.4). Using the same calculations with respect to a Pimville house built in 1975 at a cost of R1,051, multiplied by the replacement factor of 2.8, the overall cost of the house after applying the 20 per cent rebate would be R1,598 (for the erection costs of houses in selected townships see table Chapter 5, table 5.5). Additional charges (table 7.3) were separated from the determination of house prices. Instead, additional charges represented a form of tariff for the provision of services.

The differences in the structure of house prices under the 99-year leasehold scheme are consequences of the financial mechanisms used in the construction of the township built environment. As explained in Chapter 5 (see table 5.1), there were six major types of loan finance used in the construction of houses in Greater Soweto: loans from the government, loans from the Natives Services Levy Fund, loans from mining houses, loans from the Soldiers Housing Organisations, loans from the Consolidated Fund, and loans from the Capital Development Fund. During the early 1980s, local authorities also raised loans from financial institutions. The formula used in the calculation of house

prices therefore took account of parts of the loans that were still outstanding.

This also explains why similar 'matchbox' units built during the same year (within the same township) varied in price and so cost purchasers different amounts when they were sold under the 99-year leasehold scheme. This is illustrated well in table 7.4 below. Fundamentally, however, as can be seen also from the data presented in table 7.4, it was the erection or building cost (see Chapter 5, table 5.5) of a unit which determined the house price. Where, for example, the original erection cost was the same, the selling price of a unit after the formula (alluded to above and shown in table 7.3) had been applied, the house prices would be the same. House prices would also be different where the original erection costs were different. As can be seen in table 7.4, for example, the explanation for the comparatively higher selling prices of some of the units found in Chiawelo Extension 3 is that the erection cost of these dwellings which were built in 1981, was significantly very high at R13,000 per dwelling (see Chapter 5, table 5.5).

As has been shown also in Chapter 3 (table 3.6), there are 102,218 units which were constructed by the councils in Greater Soweto. Of these, 1,800 units (800 at Chiawelo Extension 3, 85 at Pimville, 48 at Molapo Extension, 777 at Naledi Extension 1 and 90 at Naledi Extension 2) were built

Table 7.3: Formula for selling the council-built houses under the 99-year leasehold scheme

$\frac{\text{Erection Cost} \times \text{Replacement Factor} + \text{Erection Cost}}{\text{Divide by 2 Minus Percentage Quality Rebate}}$	
Additional Charges	Rand
1) Survey Costs =	95.00
2) Annual Levy =	1.10
3) Water Meter =	198.00
4) Water Deposit =	20.00

Source: Compiled from Soweto Statistics for 1994, and also from interviews with officials of the Property Sales Department at Soweto City Council.

Table 7.4: House prices of council-built dwellings sold under the 99-year leasehold scheme in selected townships

Township	Lowest House Price (Rand)	Highest House Price (Rand)
Orlando East	666	1 101
Orlando West	1 320	4 226
Dube	1 320	1 970
Pimville	1 556	3 500
Klipspruit	1 320	1 930
Mofolo	1 558	1 598
Molapo	1 320	1 566
Chiawelo	1 320	16 560
Senaoane	1 320	2 800
Mapetla	1 320	1 598
Tladi	1 320	1 320
Zondi	1 556	1 556
Zola	1 320	1 320

Source: Calculated from Soweto Statistics for 1994. For Erection Costs of Individual Units, see Chapter 5, table 5.5.

between 1980 and 1982 (see Chapter 5, table 5.7). It is the erection costs of these relatively new units which are significantly higher than the erection costs of the remaining 100,218 council housing stock built before 1980. The average house prices for all these 102,218 units are shown in table 7.4 above. As can be seen from these data (table 7.4) the average cost of these units was substantially less than they would cost after applying the R7,500 discount announced by the Government in 1992.

Since the average house prices for all the 100,218 dwellings in Greater Soweto was substantially less than the R7,500, so then applying the discount would have the effect that purchasers would get their homes free. In this respect they would only have to pay for the transfer costs. For houses costing more than the 'sales' discount, for example, the 1,800 houses (see above) built with loans raised by local authorities from financial institutions during the early 1980s, purchasers would be expected to pay the difference between the discount of R7,500 and the actual cost of the house.

There were a number of problems with the Government's initiated offer of a 'sales' discount. First, its introduction had been aimed at undermining the gains made by the grassroots organisations in Greater Soweto in forcing change. These gains had resulted in the establishment of local level negotiations between the grassroots movements

and the local authorities as evidenced by the signing of the Greater Soweto Accord. Also, the fact that since the 'sales' discount announcement was made during an era in which South Africa was rapidly moving towards a negotiated settlement of governing was intended by the Government as a mechanism for buying votes. This interpretation is corroborated by the unilateral unveiling of a R90 billion housing subsidy plan by the Minister of Local Government and National Housing, Louis Shill, in March 1994⁸⁷ (a month before the first all inclusive democratic elections were due to take place).

Second, the subsidy scheme lacked any mechanisms that would enable local authorities to identify the potential beneficiaries of the discount policy. That is to say, there were no clear guidelines to be followed by local authorities in identifying the rightful lessees who were entitled to benefit from the R7,500 subsidy.⁸⁸ This lack of transparent and equitable mechanisms meant that the old administrative procedures which pre-dated the Greater Soweto Accord would be followed, and the registration of such transfers would be processed through the Conversion Act.

Moreover, no procedures were developed to enable the residents of unsaleable houses, such as the flats, elephant units, row and subdivided dwellings (see table 7.5) to benefit from the subsidy scheme. And the subsidy scheme

⁸⁷ Business Day, 2 March 1994; 22 March 1994.

⁸⁸ NHF News (86, op.cit.)

failed to address the needs of those residents who had already bought their houses through various financial mechanisms: individual finances, private sector loans (mortgages), and local authority loans. The R7,500 subsidy was therefore perceived to be grossly unfair.⁸⁹

Third, since rent arrears had not been addressed by the subsidy mechanism, local authorities would continue to demand the payment of municipal debt before the houses could be transferred. Because of this, only those with the financial means to pay the rent arrears would benefit from the subsidy scheme. Fourth, corrupt officials were likely to profit from the administration of this discount scheme. There were clear dangers too, that the politics of patronage which had characterised the community councils and BLAs, and which had been eradicated by the rent boycotts, would now reemerge.

In turn, this was liable to result in the eviction of the rightful tenants and the houses being transferred to other persons, as evidenced by three such known cases in Orlando East. Here, the rightful tenants were unlawfully evicted by certain officials and the houses in question sold to other persons for profit.⁹⁰ However, it is not known how many

⁸⁹ Crankshaw, O. and White, C. 1993. The Transfer of State-Owned Housing Stock to Private Ownership: A Report to Working Group 3, National Housing Forum, Centre for Policy Studies, Doornfontein.

⁹⁰ Interview with Mr William Loots, Property Sales Director (34, op.cit.)

people were evicted as a result of these malpractices by corrupt officials in Greater Soweto. Because of the multifaceted problems caused by the introduction of the R7,500 subsidy scheme, the CWMC requested the Minister of Housing to instruct the BLAs to halt any further transfer of houses in Greater Soweto. The moratorium on the sale of houses in Greater Soweto was introduced during mid-1993. However, there were no legal mechanisms aimed at monitoring the moratorium, and it continued to be ignored in practice. By 1994 local authorities in Greater Soweto were still selling council-built houses.⁹¹

The extent of changes in tenure in Greater Soweto from 1978, when the 'Great Sale' of council houses was first introduced, until June 1993, when the moratorium came into effect has been shown in Chapter 3. As has been shown in Chapter 3 (see table 3.28), there have been substantial changes to tenure, with 39.3 per cent of the council-built stock already in private hands. The 60.7 per cent (currently state-owned) is also in a state of flux, about to be affected by the free transfer of houses process which began implementation in mid-January 1996. After completion, the net effect will result in the transfer to private tenure of all council-built houses in Greater Soweto. The variations

⁹¹ Personal interview with Dudu Nhlapho, Estate Officer at Soweto City Council, 8 February 1994. According to Dudu Nhlapho the sale of council housing was still continuing usually at the insistence of residents themselves who wanted to move elsewhere, or indeed who wanted to buy from another person in order to sell to someone else.

Table 7.5: Houses which present problems with conferring private tenure

Submarket area	Type	Number of units	Percentage of total number of units
Mofolo	row	188	2.8
Klipspruit	row	208	3.0
Jabavu	elephant	5 101	75.9
Orlando West	elephant	616	9.1
Phiri	subdivided	600	8.9
Total	-- -- --	6 713	100

Source: Adapted from Chapter 3, table 3.7.

in tenure in the 13 local housing markets of Greater Soweto are also clearly revealed in Chapter 3, table 3.28. On the whole the data shows that in all but two local housing markets (Mofolo/Zondi and Dobsonville) it is the rented sector which continues to be the dominant tenure.

The fact that 39.3 per cent of the residents were able to maintain their payments during the most intense period of rent struggles suggests also that these residents might not have approved of the rent boycott, or that they supported it morally, but because of their vulnerability (particularly the older residents) were concerned that they might lose their homes. This is illustrated well by the case of a certain grandmother who used all her pension paying rent without the knowledge of her dependents, who were actually responsible for paying rent, but were boycotting payments at the time. In this respect, the tenure divisions revealed in Chapter 3, table 3.28 might actually be misleading.

While some residents evidently had the financial means to pay rent, given that they proceeded to purchase their homes from the Government, it is also possible that many of these residents felt compelled despite their low-incomes, to use whatever savings they had to borrow money from their employers, or extended relations, to buy their homes, and thereby secure their security in the townships. There might also be a substantial number of households who were in a position to buy their own homes but decided not to do so as

a matter of principle. However, as has already been stated above (section 7.5), calculations show that the majority of Greater Soweto residents simply could not afford the rent payments demanded. It appears that many residents were pushed to a point where they could only guarantee their security of tenure (in terms of gaining the free transfer of their houses) through rent struggles.

Eventually they were proved right, because they were serious about this tenure security as evidenced by the signing of the Accord. Today these residents stand on the threshold of owning their homes. In contrast, some of the 39.3 per cent of households who bought their homes with mortgage financing have since found out that the sums they are obliged to repay amount to about thirty times more than the actual cost of the houses. Although on average these units cost between R1,320 and R2,000 (see table 7.4), the mortgage costs for these units are R30,000 on average (see Appendix A1). This has led to the owners of these houses boycotting mortgage bond payments (see Chapter 8).

7.8 Housing Bureau

The Housing Bureau (HB), was set up as the institutional mechanism for implementing the transfer of houses in Greater Soweto. It was finally established in mid-January 1996.⁹²

⁹² Telephone Interview with Mpho Mokone, Housing Officer, Soweto Administration, Western Sub-Structure, Greater Johannesburg Metropolitan Council, 29 January, 1996.

Initially, the HB had been envisaged to be fully operational and implementing the transfer of houses in March 1994.⁹³ But this had not happened. The delay was first blamed by local authorities on the strike over pay by the Greater Soweto municipal workers which took place in March 1994 and lasted about six weeks. After the strike had ended the property sales department at Soweto City Council envisaged the transfer to begin by mid-June 1994.⁹⁴ But again it had not happened. A year later, in June 1995, it was reported in The Star that a Housing Transfer Bureau had opened in Krugersdorp.⁹⁵

By July 1995, The Star was reporting that the Greater Johannesburg Council was making 'final plans to open the first Soweto housing bureau in August'⁹⁶ 1995. As this also did not happen, the process was then envisaged to get underway by November 1995.⁹⁷ But as in the earlier cases it did not happen. This time, it was the dissolution of the old apartheid local government structures, funding and the training of personnel who would serve in the HB which were identified to be delaying the implementation of the

⁹³ Personal Interview with Mr William Loots, Property Sales Department, Soweto City Council, 11 February 1994.

⁹⁴ Personal Interview with Mr William Loots, Property Sales Department, Soweto City Council, 11 April 1994.

⁹⁵ The Star, 16 June 1995.

⁹⁶ The Star, 5 July 1995.

⁹⁷ Telephone Interview with Mpho Mokone, Housing Officer, 8 September, 1995.

transfer project. In addition, the whole process of advertising posts and interviewing people to serve in the HB had been found to be taking longer, hence compounding the delay.⁹⁸

However, on 3 December 1994, the apartheid local government authorities were formally abolished with the establishment of the Greater Johannesburg Transitional Metropolitan Chamber (GJTMC). This body draws its membership from the CMMC (which had formerly been established by the Greater Soweto Accord) which it replaces. The GJTMC brings together the old racially based local councils of Johannesburg, Alexandra, Sandton, Roodepoort, Greater Soweto, Ennerdale and Lenasia. All these old municipalities were to continue to be administered by the GJTMC until the first post apartheid local government elections had taken place in October 1995.

After the elections the GJTMC would become known as the Greater Johannesburg Metropolitan Council (GJMC), consisting of seven Metropolitan Sub-Structures (MSSs), namely Western MSS, Central Business District MSS, North-Western MSS, South-Eastern MSS, South-Western MSS, and North-Eastern MSS. As a result of these changes, Soweto and Diepmeadow now fall under the Western MSS which include the areas of Noordgesig, Devland, Aeroton and Nasrec. Dobsonville, on the other hand,

⁹⁸ Telephone Interviews with Mr William Loots and Dudu Nhlapho, Respectively, Property Sales Director and Senior Estate Officer, Soweto City Council, 8 September, 1995.

is now administered by the North-Western MSS which covers the old areas of Roodeport City Council, Doornkop and Vlakfontein.⁹⁹

Because the HB was finally established only in January 1996 it has not been possible to examine its impact. What is known however, is that it was to create its own subsidiary body, the Coordination Committee (CC), which would be charged with the responsibility of receiving and processing applications on a daily basis. The CC would also be responsible for assessing applications before they are approved by the HB.¹⁰⁰ For this purpose the CWMC had begun the process (during early 1994) of installing an information computer system (recommended by the Tucker report) that would handle the transfer of housing applications as well as legalising the whole process.¹⁰¹

The CWMC would also handle the appointment of consultants and local committees. The HB would appoint adjudication officers, approve budgets, manage and monitor the interim administration of records, disseminate (publicise) information regarding the transfer, list names of

⁹⁹ Metro News, The Newsletter For The People of Greater Johannesburg, Greater Johannesburg Transitional Metropolitan Council, February 1995; Telephone Interview with Tiny Bantsi, Finance Officer, Soweto Administration, Orlando East Office, Western Sub-Structure, GJMC, 12 February, 1996.

¹⁰⁰ Personal Interview with Mr William Loots (98, op.cit.)

¹⁰¹ Ibid.

applicants, make investigations into housing claims, rulings, adjudicate on appeals from residents against the CC's decisions and regularly review the transfer process. According to the terms set out by the Tucker report, these officers are to be drawn from the old BLAs, TPA staff 'with experience in housing administration', and a pool of new members from the civics and the community.¹⁰²

According to the CWMC, these mechanisms should make the transfer process more transparent. The CWMC members also believed that as this procedure makes provision for appeals from residents and adjudications, it therefore makes the transfer of housing process 'tight, accountable and transparent'.¹⁰³ Thus potential applicants would need to produce documentary evidence of tenancy to demonstrate their eligibility. They would also have to demonstrate that they are legitimate South African citizens.

As soon as the HB was finally established, it embarked on a campaign of notifying and encouraging residents to submit their applications. The method of notifying residents involves the use of the media; radio, television, newspapers and public posters.¹⁰⁴ Representatives of community

¹⁰² EFK Tucker Report (84, op.cit.)

¹⁰³ Ibid., Interviews with Johan Latsky (15, op.cit.); William Loots (34, op.cit.); Simon Moloko, Assistant Sales Housing Director, Diepmeadow Council, 21 June 1994; Transfer of Housing Workshop: Paper presented by Erica Emdon, 26 January, 1994, Planact.

¹⁰⁴ Telephone Interview with Mpho Mokone (97, op.cit.)

groups, for example, the civics are also said to be playing a role in informing the residents. As a result of these campaigns, residents are said to have responded positively by availing themselves at the local authority offices to seek clarification and further information about the transfer process.¹⁰⁵ A budget of R32 million had been approved early in 1994 by the TPA for the establishment of six housing bureaux for the region, with Soweto allocated R6 million for a period of five years.¹⁰⁶

Although the HB is also intended as a mechanism through which residents will receive continued advice and assistance after all the houses had been transferred, the length of time it will take to complete implementation of the transfer of houses remains unknown. At the time of writing there are also uncertainties concerning the transfer of unsaleable houses such as the 'elephant', 'row', subdivided types (table 7.5) and flats (see Chapter 3, table 3.8) which are perceived to be a problem with respect to granting title. These units could only be transferred to the residents in terms of sectional title. According to the Tucker report granting title on a sectional title basis to these units would prove to be either impossible or expensive.¹⁰⁷ In

¹⁰⁵ Telephone Interviews with Tiny Bantsi and Mpho Mokone, Respectively Finance Officer and Housing Officer, Soweto Administration, Orlando East Office and Jabulani Office, 12 January, 1996.

¹⁰⁶ Emdon, E. 1994. (105, op.cit.)

¹⁰⁷ Tucker report (84, op.cit.)

this respect the Tucker report recommended other mechanisms such as housing associations or shared block occupation schemes. Crankshaw and White found that local authorities were unwilling to investigate the possible mechanisms of sectional title transfers.¹⁰⁸

Musi, et al, on the other hand, have suggested that these houses be modified and upgraded to meet minimum standards of housing the poor and the residents would be relocated and assisted with suitable accommodation elsewhere.¹⁰⁹

Regarding the subdivided units, Musi, et al, recommended that alternative accommodation be found for the relocation of two families per unit (there are 600 of these units as shown in table 7.5), so that these dwellings are reconverted back into 300 semi-detached units housing only two families instead of four.¹¹⁰

7.9 Effects of private tenure

Although the free transfer of housing is a new concept in South Africa, privatisation of housing has been applied elsewhere. In the 1980s in Britain, for example, the state through local authorities embarked on a massive sale of

¹⁰⁸ Crankshaw, O. and White, C. 1993. (89, op.cit.)

¹⁰⁹ Musi, D.L. et al. 1994. Transfer of Residential Property in Greater Soweto: A Report on the Treatment of Row Houses "Elephant" Houses and Semi-Detached Houses, Prepared for PWV Government, Community Development Branch.

¹¹⁰ Ibid.

council houses.¹¹¹ The implications for the elderly and poor residents are serious. Thus, they will increasingly become disadvantaged through housing as a result of their inability to improve their housing conditions. In addition because the free transfer policy is not backed up by equivalent mechanisms aimed at addressing questions of house improvements and quality, the elderly and poor residents are likely to be marginalised and trapped in the most dilapidated and decaying housing conditions.

This can only result in the perpetuation of the inequalities inherent in the housing system under apartheid. Such a situation would widen the gap between the comfortably housed minority and a growing majority who would be badly housed. Although the demand for the transfer of houses was a specific demand of (the residents themselves) voiced through grassroots campaigns, it is also important to recognise that the apartheid state through the local authorities and the TPA formally conceded to this demand as a way of breaking the rent boycotts.

By conceding to the transfer of houses demand, Government had nothing to lose other than displacing the responsibility for solving problems of deterioration and dilapidation to

¹¹¹ There are various publications on housing privatisation policies in Britain. See, for example, Heymas, C. Privatisation and Municipal Reform. In M. Swilling et al, 1991. Apartheid City In Transition, Oxford University Press. See also, Forrest, R. Privatisation of Collective Consumption. In M. Gottdiener and C.G. Pickvance (eds), Urban Life in Transition, Sage Publications, 1991.

the residents themselves. After all, these houses were built as temporary homes for supposedly transient people. The fact that the construction of these houses was financed from beer profits and other limited financial mechanisms (discussed in Chapter 5) is reflected in their low space and other standards. Moreover there had been little expenditure on maintenance of these units. Consequently, the residents themselves would have to deal with the problems of upgrading and improving the standards of their homes. Those with financial means have managed to do so already. However, for some of them, opportunities are limited.

It is striking that, while South Africa is in transition or changing, including tenure, the low standards of a substantial number of the council-built housing stock will remain. Such a situation would also further exacerbate the profound socio-economic differences through housing between the rich and poor, black and white. In the light of rising interest rates, consumer prices and unemployment they would have no resources to improve their housing conditions.

Many people in Greater Soweto live below the accepted minimal living level (MLL).¹¹² Under these circumstances the option of selling in order to meet other pressing needs, may well appeal to many poor home owners. There is some evidence that this is already happening. In fact the evidence suggests that the development of a secondary market

¹¹² PLANACT, 1989. (35, op.cit.)

began simultaneously with the introduction of the sale of houses during the early 1980s.

According to the officials at the Soweto City Council it was a normal practice for them to pass on the list of households about to be evicted for rental arrears to persons interested in buying those houses. They would also assist such persons to move into the houses they had just bought from the council if there were resistance from the evicted households. The council was equally aware that some of these houses (see average prices in table 7.4) ended up being sold by their new owners at between R20 000 to R30 000.¹¹³

The transfer policy as presently constituted has considerable social implications.¹¹⁴ Although intended as a mechanism for preventing homelessness, the notion of family title appears to favour a 'patriarchal system' where women would be excluded, handicapped and marginalised from housing. Historically, under apartheid, houses have always been passed from one generation to the next particularly

¹¹³ Interviews with Estate Officers at Property Sales Department, Soweto City Council and Orlando East Council Offices, January 1994; See also, Mabin, A, 1991. Effects of Privatisation of Housing and Private Markets for Housing, Report To Planact, Planact, Yeoville; Mabin, A. and Parnell, S. 1983. "Recommodification and Working-Class Home Ownership: New Directions For South African Cities?", South African Geographical Journal, Vol. 65. No. 2, pp. 148-166; Potts, D. and Mutambirwa, C.C. 1991. "High Density Housing in Harare: Commodification and Overcrowding", Third World Planning Review, 13 (1), pp. 1-24.

¹¹⁴ Personal Interview with Mark Feldman, Feldman & Associates, PLANACT, 3 December, 1994.

where the registered tenant had died. Here, children of registered tenants could themselves age or even die still living with their parents (see Chapter 6).

According to Mr Mafoko,¹¹⁵ siblings often competed for succession to a house because opportunities for housing elsewhere did not exist, unless where possible in the lodgers' housing market. Succession and inheritance was also patriarchally biased in favour of the youngest male of the family. Women, on the other hand were excluded from this form of succession because they were expected to leave home at a future date when they would be expected to live with the family of their husbands.

It will be clear from the above that apartheid policies have historically excluded women from tenure, except in exceptional circumstances (as shown in the preceding chapter) where widows and divorcees with urban qualifications and dependent children could qualify for a permit. But this used to be an exception and not a rule, usually at the discretion of white urban managers. Therefore, by focusing on family title as a vehicle for preventing homelessness, the transfer of housing also fails to address the potential exclusionary effects of women who would continue to be disadvantaged as before. In instances where the couple separated or divorced, or indeed where the woman

¹¹⁵ Personal Interview with Mr Gladstone Mafoko, Assistant Housing Director, Soweto City Council, 23 November 1993.

was a second wife and the husband had died, it is conceivable that the husband's relatives or children from an earlier marriage would force her out of the house. Conversely, a husband who had earlier on left his wife to live with another woman could come back to claim the house through the possession of documentary evidence.

It will also be clear from the discussion above on the Tucker report that, the only reason why this report did not recommended the granting of tenure rights through legislation is because family title is legally impossible, in that only one person or a married couple should be held responsible for such issues as services payments or indeed raising a loan for house improvements. Because of this the houses are to be transferred in terms of agreement. But this appears also to be discriminatory, in that it might actually represent an inferior form of rights. The important issue is that all owners of a property should be registered, be they individuals, a family, a partnership, a company or whatever.

Elsewhere, for example, in Ghana a tenure system of "multi-occupancy housing permits" exist with respect to room rentals in "multi-occupied rental compounds" that are shared by about 40 persons.¹¹⁶ Korboe and Tipple have argued that this tenure market minimises housing costs for residents and has the potential for not excluding residents

¹¹⁶ Korboe, D. and Tipple, A. G. 1993. "A Challenge To Tunerian Modelling: Some thoughts On Low-Income Housing From Kumasi, Ghana", World Housing Congress, Cape Town, May.

from housing.¹¹⁷ Whereas this form of tenure market only relates to multi-occupation, it nevertheless provides potential opportunities with respect to the free transfer of housing policy for black townships. For example, it could give family members secured rights to a house through legislation. In this way the potential exclusionary effects of the free transfer approach could be minimised.

As far as the time frame envisaged is concerned, it is likely to take several years. There are profound difficulties that make a speedy completion of this task impossible. For example, the whole process of applications, rulings, adjudications and appeals will take longer. This can be expected as it will involve a considerable number of disputes. In addition, the transfer of houses also implies that those tenants who were forcibly evicted or removed from the townships as a result of influx control measures could now come to claim back their houses.

In the event of this happening and the consequent disputes, there are no mechanisms enshrined within the transfer policy for resolving the disputes. The time frame is also likely to be affected by considerable changes through deaths and people moving out of certain areas within the townships. In addition because this policy is new and untried it can be expected to proceed on a trial and error basis. This in turn suggests that the Housing Bureau would be engaged with this

¹¹⁷ Ibid.

process for many years to come.

7.10 Conclusion

This chapter has shown how during the late 1970s the apartheid Government began to distance itself from the coercive allocation mechanisms towards the acceptance of market forces. Several factors contributed to this shift in policy. The growth of militant campaigns after the Soweto revolt led the Government to give priority to the objective of social stability and also of gaining international goodwill.

The changing needs of capital had the effect of encouraging the apartheid Government to give priority to the objective of recognising the permanence of urban Africans in the 'white cities'. Thus the participation of private sector finance in the townships was dependent on the granting by the Government of leasehold rights to urban Africans and the introduction of the sale of state-owned dwellings in the townships. Housing had thus begun to be viewed not solely for the reproduction of the labour force but as a source for accumulating profits in the townships.

The rent boycotts and production-based struggles were shown to have played a major role in sweeping away the coercive mechanisms. This led the Government to concede to the main demand of grassroots campaigns, that the council-built

housing stock be transferred freely to the residents at no cost to them. The free transfer of housing mechanism was examined and its potential problems (given that it has not been tried) analysed.

CHAPTER EIGHT

PRIVATE SECTOR FINANCE OF HOUSING PURCHASE VS. GRASSROOTS CAMPAIGN IN MEADOWLANDS WEST ZONE 9

8.1 Introduction

Amongst the most visible changes in the township built environment since the mid-1980s has been the appearance of housing for the middle-class and elite markets, with the aid of private sector finance. The construction of private sector housing for the middle class and elite markets reflected South Africa's transition from apartheid policies. Or to put it another way, members of certain socio-economic groups found themselves with sufficient money and borrowing power to invest in better housing, and in response to this demand a supply came forward.

This chapter examines the implications of the private sector finance for house purchase in the townships and places it within the context of residents' experiences arising from this penetration of financial markets into the township built environment. The second section (8.2) begins by examining the legislative framework under which financial markets have operated. The third section (8.3) explores the implications on the involvement of private sector for access to housing and affordability. This section also examines the limitations that have been placed on private sector finance as a result of the bond boycotts mounted by residents. The

remaining sections (8.4 to 8.6) explore the penetration of private sector finance in relation to a case study, from Meadowlands West Zone 9, Greater Soweto.

8.2. The legislative framework of private sector finance

The introduction of private sector finance in the townships was made possible by the changes in the apartheid legislation governing the urban status of African residents (the 99-year leasehold scheme discussed in Chapter 7). Although mortgage lending became legally possible following the introduction of the 99-year leasehold scheme in 1978, it was not until 1986, following the amendment of the Black Communities Development Act of 1984 (as described in Chapter 7) that private sector finance became actively involved in the Greater Soweto housing markets. This amendment conferred security of title with respect to both financial institutions and prospective owners. Furthermore, the significance of this amendment was that it gave meaning to the concept of property ownership, and more importantly served as a mechanism for the protection of the leasehold rights.

The 99-year leasehold scheme as originally introduced represented an inferior system of registration which was not very different from the previous forms of registering tenure rights (through a process of endorsement at the Bantu Affairs Commissioners (BACS) as explained in Chapter 7). The

BACs were administered by the Department of Constitutional Development (DCD) which handled all aspects of land registration with respect to the Department of Public Works and Land Affairs (comprising various Deeds Registries).¹ Under the BCD Act of 1984, 99-year leases were now registrable under the Deeds Registry Act of 1937 (see Chapter 7), and leaseholders were given the right to convert their 99-year leases to freehold title.²

With the statutory definition of 99-year leases under the BCD Act of 1984, it became practicable for townships to be exposed to other key agents involved in housing markets, such as land surveyors, town planners, engineers, geotechnicians, architects, conveyancers, estate agents, local authorities, agencies receiving revenue, and the deeds office.³ As has already been explained in Chapter 7, it was not until the introduction of the Black Communities Act of 1984 that the surveying of the Greater Soweto was undertaken.

Moreover, neither were townships planned, beyond deciding layout plans and floor areas of the houses, nor were geophysical considerations relating to land suitability taken into account when the townships were first established

¹ Personal Interview with the Chief Register of Deeds, Central Government Building, Pretoria, 3 March 1994.

² Ibid.

³ Ibid.

as residential areas.⁴ From the very beginning, therefore, housing market processes in Greater Soweto were characterised by the absence of an integrated structure comprising of the key agents, surveyors, geotechnicians, town planners, engineers and architects. This, of course, is not surprising considering the fact that townships were designed for transient people. Hence, under these conditions, the existence of other key agents such as conveyancers and estate agents were unthinkable.

The role of the estate agent is concerned with the marketing and selling of properties in an open property market. A conveyancer is a specialised lawyer who is of crucial importance to the operations of the property industry with respect to monitoring and the application of 'substantive law to immovable property'. The nature of the property market is such that any property transaction will involve many parties,⁵ as a result of which the significance of the conveyancer's role will be to manage the transaction relationship, for example, (a) between the seller and the purchaser; (b) the financial institution to which a house is

⁴ Lupton, M, and Wolfson, T, 1994. "Low Income Housing and the Environment Constraints of Mining on the Witwatersrand, South Africa", in Main, H, and William, W, Environment and Housing in the Third World Cities, Belhaven Press, London; Partridge, T,C, et al, 1993. "Priorities for urban Expansion Within the PWV Metropolitan Region: The Primacy of Geotechnical Constraints", South African Geographical Journal, Vol. 75, No.1, pp. 9-13

⁵ The Property Law Project, 1994. Conveyancing and Property Law: Transforming the Industry for the 21st Century, The Property Law Project, Phase 1 Research, Summary of Presentation, RSA.

mortgaged at the time of a transaction, (c) the financial institution about to mortgage the same house, (d) the local authority from whom a rates clearance certificate must be obtained, and finally (e) the receiver of revenue who must comply with the transfer provisions in terms of the Transfer Duty Act of 1949.⁶

A delay in any one of these distinct transactions involving, for example, the time taken in the completion of financial arrangements between the parties concerned, will inevitably result in the overall transfer process being drawn out. It is also after these transactions have been legally confirmed by the conveyancer that they are registered with the Deeds Office (DO). The relationship between the conveyancer and the DO is therefore of fundamental importance in the South African property market. According to the Chief Registrar of Deeds (CRD), the process of land registration with respect to urban residential areas derives from a general plan to establish such areas. Once the state owned land is 'carved up' through various seller and buyer market processes, the Deeds Office (DO) simultaneously opens up a register to effect these transactions relative to the different pieces of land.⁷

⁶ Radloff, F.G.T. (undated). The Time Lapse Between Sale and Registration of Title: The Legal Profession's View, unpublished paper, Obtained by me from the Deeds Registration Office in 1994, Central Government Building, Pretoria.

⁷ Personal Interview with the Chief Registrar of Deeds (1, op.cit.)

These various pieces of land are referred to as 'diagrams', 'portions' or 'erven'. It is this form of subdivision of land that eventually leads to the DO effecting individual title, following confirmation of a legal transfer from the seller to buyer. But the deeds registrar is not responsible should transactions go wrong: for example, in the case of fraudulent transactions it is the conveyancer who takes the blame. The suggestion here is of a 'unique marriage' between the public sector (DO) and the private sector (conveyancing profession) working together effectively and efficiently. This close reliance between these two sectors also suggests a clear division of responsibilities, thus effectively establishing checks and balances to the operational mechanisms of the title registration system. This accounts for why the deeds registration system is claimed by the CRD to be among the best in the world.^e

Drawing international comparisons, the CRD indicated that in Australia, for example, it is the state which specifies title guarantee. This Australian approach is perceived to be cheaper, according to the CRD, because it involves a high degree of state intervention, but it takes a long time to process because all the details have to be checked by the bureaucracy, and this results in the whole process being very expensive. In the United States of America, the whole process of title registration is handled by corporate bodies (including estate agents), and this is said by the CRD to

^e Ibid.

result in a substantial number of disputed ownership or title deeds cases, necessitating the intervention of the judiciary to decide who the property owner actually is.

In comparison, the CRD suggested that in South Africa, title registration problems were very rare. As he further explained, "throughout my 34 years of service at the deeds offices, I can only remember one case of irregularity".⁹ This suggests therefore that the only reason why the South African title registration system is perceived to be amongst the best in the world is simply that it guarantees 'security of title'. This is because the South African title registration system requires the deeds registrar to comply with the prevailing law and there is no need for insurance. It is this adherence to law which simplifies title. This same law applies also to the leasehold, but with freehold it provides security. It is therefore on account of this security of title (as the CRD indicated) that financial institutions view the deeds registration system with high regard.

8.3. Private sector finance for housing purchase

The 'penetration' of private sector finance in funding house purchase in Greater Soweto townships during the mid-1980 represented a significant shift in the structure of housing markets by establishing for the first time market processes

⁹ Ibid.

through which housing not only becomes a commodity, but a commodity which both residents and financial markets could speculate on. With this change it became possible for the empty spaces (undeveloped land) to be transformed¹⁰ by private sector developers into housing commodities, produced, financed and exchanged for profit: capital accumulation.

Suddenly townships became opened up for capital accumulation, with the key agents (financial institutions and developers) 'rushing for gold' through the construction of privately built houses and the provision of various financial services. Developers became even more crucial agents influencing change in the structure of private housing, for not only were they responsible for the construction of houses, but at the same time they played the role of estate agents by marketing and selling the properties before, during and after they had been constructed (see case study below). These changes have had mixed consequences for the township residents.

First, they are of crucial significance for housing markets because it had taken over fifty-five years since the first township of Greater Soweto (Orlando East) was established, and a further eight years since 1978 (when it became legally possible through the introduction of the 99-year leasehold

¹⁰ Bond, P. 1990. "Township Housing and South Africa's 'Financial Explosion': The Theory and Practice in Alexandra", Urban Forum, Vol. 1, No. 2.

and the amendment of the Financial Institutions Act)¹¹ for these changes to come about. Given the problems associated with the 99-year leasehold scheme (discussed in the preceding section), the registration of bonds (mortgages) from 1978 until 1986 were undertaken by building societies.¹² The first registration of bonds with the deeds registration system (with respect to Greater Soweto) took place in 1987, following the amendment in 1986 of the Black Communities Development Act of 1984 (see preceding section and Chapter 7).

Second, the importance of these changes is rooted within the manipulative mechanisms of both the Government and capital. The suggestion here is that they were not intended as mechanisms aimed at the real improvement of residents' conditions, but rather as mechanisms for control and division. This is illustrated well by the fact that it was during the most intense period of struggles that the penetration of housing finance became possible when the Bantu Communities Development Act of 1984 was amended in 1986. Thus, as a social control mechanism, the extension of home-ownership through private sector finance would eradicate the labour-based struggles by tying the workers to their jobs.¹³

¹¹ Ibid.

¹² Personal Interview with the Chief Registrar of Deeds (1, op.cit.)

¹³ Bond, P. 1990. (10, op.cit.)

In this way, the new owner-occupiers would have a new sense of purpose and direction given that owner-occupation had not been possible under apartheid) and as a result would develop and subsequently embrace home-ownership values. As a divisive mechanism between those in employment and the vast majority of the poor, the new home-owners would increasingly identify with (and also support) the Government's reform policies through which they had benefitted.¹⁴ In this way, the new home-owners would have a stake in the apartheid society and 'an interest in its stability'.¹⁵ The security of the Government would guarantee the security of their properties.

In turn, the marginalised poor and unemployed would be isolated and suppressed by the tripartite alliance of the Government, finance capital and the elevated new home-owners in the townships. However, despite the increasing application of these manipulative and divisive mechanisms, the constraining realities of affordability not only remained, but have progressively become crucial in influencing the operation of housing markets, especially affecting the specialised circuits of housing finance through bond boycotts and township residents through consumer debt, defaults and foreclosures.

¹⁴ Unterhalter, E. 1987. Forced Removal, International Defence and Aid Fund for South Africa, London.

¹⁵ Bond, P, 1990. (10, op.cit.)

The role of private sector finance for housing is predicated (as happens in capitalist countries all over the world) on effective demand and also on the basis of a commercial rate of return to the financial creditors or investors. Thus it is within the context of profitability that the actual role of housing finance (as a specialised circuit of financial capital) is rooted. Therefore it is the ability to pay for housing which is crucial for accessing housing finance. Affordability levels, on the other hand, are inherently determined by the availability of employment and the level of wages offered within the labour market.

Under apartheid, the historic experience of employed Africans was characterised by low levels of pay. Africans were also likely to experience severe unemployment whenever the economy was in crisis. Ironically, housing finance in the townships was advanced through the allocation of bonds (mortgages) to the residents during the time when South Africa's economic base was undergoing a structural decline in fixed capital investments.¹⁶ Because of this shift finance capital began seeking alternative new outlets. Financial services began to be targeted at a market where approximately 90 per cent of the population could not afford

¹⁶ see Steinberg, J. et al. 1992. Contradictions in the transition from urban apartheid: barriers to gentrification in Johannesburg. In D.M. Smith, (ed), *The Apartheid City and Beyond*, Routledge, London.

a 'full set of the necessary subsistence goods'.¹⁷ In this respect housing purchase through private sector finance could only remain inadequate in that only a relatively few township residents could afford to make a contribution to their own housing costs. As Wolfson put it,

"The private sector is building houses in a market where 67 per cent of the population cannot afford a serviced site of R6,000, and an estimated 80 per cent cannot afford a low-cost formal housing unit (R20,000 including the land)."¹⁸

Despite these constraining realities the allocation of bonds was premised on the conventional end-user lending limit of R43,000.¹⁹ This limit, which, depending on the cycle of the 'cut throat competition' of market forces, was subject to rise above R43,000 if mortgage rates rose or if incomes fell.²⁰ This illustrates the extent to which private sector housing was beyond the reach of the majority of township residents. To stimulate demand among those in a position to afford private sector financial loans, the Government made incentives available: the first-time home

¹⁷ Bond, P. 1994. Money, Power and Social Movements: the Contested Geography of Finance in Southern Africa. In S. Corbridge, et al, Money Power and Space, Basil Blackwell, Oxford.

¹⁸ Wolfson, T. 1991. Access to urban land. In M. Swilling, et al, Apartheid City In Transition, Oxford university Press, Cape Town.

¹⁹ Oelofse, M. and Van Gass, C. 1992. End-User Finance and Subsidies: Unpublished Report Prepared For The National Housing Forum, Urban Foundation, Johannesburg.

²⁰ Malpass, P. 1993. "Housing tenure and affordability: the British disease". In Hallett, G. (ed), The New Housing Shortage: Housing Affordability in Europe and the USA, Routledge, London.

buyer interest subsidy scheme. Under this subsidy scheme, under which R36,7 million was paid out by 1990,²¹ a third of the mortgage bond payments were paid by the Government during the first five years.²²

Once the interest subsidy incentives had been input in place as a mechanism to induce residents to take up mortgage loans, the financial markets (including the Urban Foundation) responded in 1989 by introducing the Loan Guarantee scheme (a subsidised financial insurance service which was largely funded by foreign governments) which was designed to reduce the collateral risk borne by financial institutions to 65 per cent of the value of houses valued as collateral for bonds.²³ With this insurance loan fund in place, according to the Urban Foundation (UB), it resulted also in the

"banking community mobilising an additional R1 billion for loans of between R35,000 and R12,500 (conventional and starter housing). A further R2 billion committed over an initial 3 years is available should the home building industry develop sufficient momentum for this new market. The initiative has included a loan guarantee fund as well as changes to the regulations of home loan institutions so making lending to the lower end market a profitable business."²⁴

²¹ Urban Foundation. Housing For All: Proposals for a National Urban Housing Policy, Urban Debate 2010, Policies for a New Urban Future Series, No 9, Johannesburg.

²² IHSA, March 1987. Housing in Southern Africa, Institute For Housing of Southern Africa, Bryanston.

²³ Bond, P. 1990. (10, op.cit)

²⁴ Urban Foundation. Housing for All (21, op.cit. p. 48)

With these mechanisms now in place, the township housing space became overwhelmed by the penetration of financial capital. The effect of this transformation is illustrated well in tables 8.1, 8.2 and 8.3 below. For example, the value of residential plans passed for Greater Soweto in 1986 was R91,290; R77,858 in 1987; R124,293 in 1988; R95,522 in 1989; and R60,972 in 1990, over the 5 years a total of R449,935 million (table 8.1). In addition, during the period 1986-1989, the value of residential plans passed with respect to additions and alterations to the existing stock grew by 27 per cent from R42,115 to R154,050 million (table 8.2). Furthermore, the value of commercial plans for Soweto alone (excluding Diepmeadow and Dobsonville) also increased substantially between 1986 to 1991 from R1,346 to R25,754 million (table 8.3).

The township space was thus opened up to a credit system in which not only were houses bought and sold, but also various other financial products (from the consumption of basic necessities to the consumption of status pursuits). As the data presented in the three tables (8.1, 8.2 and 8.3) clearly show the money involved in the townships is substantial. Added to this, is the amount represented by the total value of bonds (mortgages) issued to township residents, including the insurance mortgage bond premiums.

According to Bond, 'over R10 billion of housing loans' had been registered on the books of the largest commercial banks

Table 8.1: The value of residential building plans passed for Greater Soweto, 1986-1990

Year	Diepmeadow (Rand)	Dobsonville (Rand)	Soweto (Rand)	Total Value (Rand)
1986	13,113,000	8,190,000	69,987,000	91,290,000
1987	27,190,000	4,275,000	46,393,000	77,858,000
1988	24,516,000	22,888,000	76,889,000	124,293,000
1989	9,798,000	25,060,000	60,664,000	95,522,000
1990	11,996,000	25,892,000	23,084,000	60,972,000
Total	86,613,000	86,305,000	277,017,000	449,935,000

Source: Building statistics, 1986-1990.

Table 8.2: The value of additions and alterations to residential building plans passed for Greater Soweto, 1986-1989

Year	Diepmeadow (Rand)	Dobsonville (Rand)	Soweto (Rand)	Total Value (Rand)
1986	7,791,000	1,695,000	32,629,000	42,115,000
1987	1,782,000	2,091,000	21,069,000	24,942,000
1988	10,147,000	1,194,000	38,910,000	50,251,000
1989	3,530,000	695,000	32,517,000	36,742,000
Total	23,250,000	5,675,000	125,125,000	154,050,000

Source: Building statistics, 1986-1989

Table 8.3: The value of commercial plans passed for Soweto (alone), 1986-1991

Year	Total Value (Rand)	Percentage of total value of commercial plans
1986	1,346,000	5.2
1987	5,643,000	21.9
1988	5,442,000	21.1
1989	1,219,000	4.7
1990	10,158,000	39.4
1991	1,946,000	7.5
Total	25,754,000	100

Source: Building statistics, 1986-1991

in 1988, with a further 'R30 billion' registered by other financial institutions by 1989.²⁵ Despite the fact that these figures are not specifically for Greater Soweto, they nevertheless illustrate the extent to which the growth of housing loans from the mid-1980s had largely become dependent on home building and the sale of the council built stock in the townships. During this period the white residential areas were characterised by the 'virtually insatiable demand for houses' costing less than R50,000.²⁶

Although, figures for the total number of mortgage bonds held by Greater Soweto residents were not available for this study, from a few selected townships (Orlando East, Orlando West, Dube, Jabulani, Tladi, Naledi and Naledi Extension 1) the deeds registry records (which begin in 1987 for the whole of Greater Soweto) were examined. They reveal a total of 1,945 mortgage bonds costing R68,724,728. These records also show that the Perm bank is the leading issuer of bonds with 600, followed by Nedperm with 444. The Standard bank was the third issuer of bonds with 135, followed by Nedcor with 109 and the Allied bank the fifth with 103. The remainder were issued by various different financial institutions, including loans linked to pensions (see Appendix A1).

²⁵ Bond, P. 1990. (10, op.cit.)

²⁶ Mather, C. and Parnell, S. 1990. Upgrading the matchboxes: urban renewal in Soweto, 1976-1986. In D. Drakakis-Smith (ed.), *Economic Growth and Urbanization in Developing Areas*, Routledge, London.

The cost of these bonds varied widely, from as low as R16,000 granted by the Saambou bank to the highest R74,000 issued by Nedperm (see Appendix 1). Most of these bonds were issued on an interest rate of 19 per cent and were repayable over 20 years. The implications for affordability are enormous. For example, a loan of R74,000 at an interest rate of 19 per cent to be repaid over 20 years amounts to a total mortgage bond cost of R281,200. This would represent monthly payments of R1,172 and thus an interest to the lender of R14,060 per annum. Therefore, out of the total amount paid over a 20 year period, R207,200 would represent the money paid in interest with R74,000 amounting to repayment of the capital borrowed.

The monthly repayments for a R16,000 loan would be R253 and the total loan at the end of a 20 year period would amount to R60,800, with R44,800 representing interest and R16,000 representing the capital borrowed. However, the overall cost of these mortgages is greatly reduced if the repayment period is reduced from 20 years to 10 years. In this case the total bond cost for the R74,000 would amount to R140,600 (R66,600 payable as interest and R74,000 as capital borrowed). In turn the total bond cost for the R16,000 loan would be R30,400 (R14,400 paid as interest and R16,000 as original capital). What these figures demonstrate is that not only was the mortgage interest set at a very high rate, but the time scale for the repayment of these loans was demonstrably inflated (too long) and thus enabling mortgage

lenders to nearly treble their profits, although profits could still be doubled even at the same monthly repayments over a 10 year period instead of a 20 year duration.

Furthermore, it is also noteworthy that the allocation of mortgage bonds was targeted at the newly built houses with private sector finance, but also the old housing stock which was built by the white municipalities (local authorities) also became affected through stock transfers from state rental to owner-occupation. In this regard the old council-built housing stock which previously had represented devalorised capital became exposed to a valorisation and speculative process of market driven forces unprecedented in the history of South African townships.

For example, there are a total of 14,953 houses built since the mid-1980s with private sector finance by private developers in Greater Soweto (see Chapter 3, table 3.29). Of these 33,2 are located in Chiawelo, 13,3 per cent in Pimville, 13 per cent in Diepkloof, 12,3 per cent in Dobsonville and the rest are scattered through the other local submarkets of Greater Soweto. These units only represent 26 per cent of the entire stock in Greater Soweto that is now privately owned. As has been shown in Chapter 3, table 3.28, there are 40,172 old units or 39.3 per cent (out of a total of 102,018 formerly Government-owned) in Greater Soweto that have moved into the owner-occupied sector since the introduction of the 99-year leasehold scheme. Not only

have these units been exposed to mortgage activity begun in the mid-1980s, but as table 8.2 also shows, upgrading, renovations, repairs and additions to these units represent a profitable market in Greater Soweto.

One of the clearest examples of the penetration of financial capital into the old council-built housing stock is illustrated by the case of Orlando East. Here there are only 9 newly built units with private sector finance (see Chapter 3, table 3.28), yet the deeds registry records show that 449 mortgage bonds amounting to approximately R14 million rands have since been allocated with respect to the residents of the Orlando East housing market. The average cost of mortgages issued to the Orlando East residents is R30,736 (see Appendix A1, table App.1).

In this way, township residents have been affected by both big and small loans which are serviced at higher administrative costs in order to upgrade or renovate their houses. This in turn has introduced into this market the use of either specialised builders in the form of private sector developers or small-time local builders. Unfortunately, there are no reliable figures available to illustrate the extent of upgrading or renovation market.

However, Mather and Parnell²⁷ noted a figure of over 10,000 units that had been upgraded at an average cost of

²⁷ Ibid.

approximately R2,000 for 1983. These different uses of financing mechanisms (the sale of council housing, upgrading and additions to existing units, and the construction of privately built housing with private sector finance) have been very significant in shaping residential differentiation in the townships. Yet this residential differentiation does not necessarily represent gentrification. According to Williams and Smith,

"Gentrification would be impossible in cities where there was no well-developed geographical division of residential location by class ... In reality gentrification as we know it could only appear on the agenda after ... the suburbanization process accomplished an increasingly acute geographical differentiation as part of this expansion. As society expanded and restructured, so its spatial manifestations changed. The creation of exclusive domains, such as the suburbs, meant that gentrification became feasible."²⁸

Whilst it is true that the township housing space was not originally assigned to different socio-economic groups, the processes of residential differentiation through restructuring (upgradings and private sector housing built on land infill sites) underway today has limited potential of creating exclusive zones within the townships in the near future. In this respect, there is residential differentiation on a fine scale in that upgraded housing units today exist side by side with the old dilapidated housing stock. There exists also some small exclusive areas

²⁸ Williams, P. and Smith, N. 1986. From 'renaissance' to restructuring the dynamics of contemporary urban development. In N. Smith and P. Williams (eds), *Gentrification of the City*, p. 206. Allen and Unwin, London.

housing the elite and middle-class markets such as Diepkloof Extension and Protea Glen. Overall, however, residential differentiation by socio-economic groups is limited since many of the professionals have been unable to move into new developments and so remain in the old housing stock.

Some of the houses built with private sector finance are not divided by geographical location, instead they too exist side by side with the old housing stock. What divides these units from the old council built stock is their visual characteristics and the fact that they were built with private sector finance, as opposed to the financial mechanisms (including beer profits) used in the construction of the council-built housing stock (see Chapter 5). Also, the newly built units have an inside water supply and WC. This is as far as the divisions between these units can be seriously distinguished.

Some of these units may appear at first glance to represent high quality housing but in reality they are nothing more than an improved version of the matchbox housing type built by the white local authorities in the townships. Not only are many of these units of a substandard quality, but in many cases the floor space per room is such that many township residents have found it difficult (as is shown in the Meadowlands case study below) to move furniture into some of these units. In the case of bedrooms, some of these units would accommodate a double bed and nothing more,

whereas in the living rooms only a few chairs or 3 piece suite fits, after which there is no more space for other things, for example, a glass display cabinet.

Furthermore, many of these units have no external space which can either be used by residents for outdoor activities or as spaces for children to play, and by extension, the additions of rooms to existing dwellings. Hence there is overcrowding in terms of high density of dwellings per hectare and not people per dwelling. In contrast the council-built houses are characterised by few buildings per hectare (as already discussed) as a result of which the growth of outbuildings or backyard shacks became feasible. However, the fundamental problem with a substantial number of houses built with private sector finance lies in the shoddy construction methods used by developers (see Meadowlands case study below).

8.4 The 97 Residents' experience of housing finance

It will be clear from the above that the penetration of private sector finance for housing purchase in Greater Soweto since the mid-1980s has been substantial. Yet, this penetration of finance in the township landscape for house purchase also created a range of new problems. These problems were triggered by the exploitative practices of financial institutions and developers facilitated through the absence of any effective mechanisms aimed at protecting

the consumers, such as by-laws, town planning rules, and building standards. To understand what lies beneath the surface of the unregulated market mechanisms for housing provision in Greater Soweto, the experience of the 97 Residents of Meadowlands West Zone 9 offers an example of the practices of private developers and financial institutions.

The construction of houses with private sector finance in black residential areas was developer driven. The developer single handedly performed all crucial roles such as entering into land availability agreements (land allocation, the provision of services and the development of the land) with the local authorities concerned, finding prospective purchasers of the houses during the construction period or after the dwellings had been constructed, and arranging mortgage bonds for the prospective purchasers with the financial institutions. The information that follows is primarily drawn from interviews with residents, as well from official documentation.

The 97 houses in Meadowlands West Zone 9 were constructed on a land infill erven (an empty space which was developed) through the construction of dwellings for profit in 1988 by Incorporated Building Society (IBS) under the directorship of a white private developer. These houses share the same geographical location with the old municipal housing stock. In terms of the geographical area the only difference is

that they are separated from the old council stock by a street. Both the 97 houses and the old municipal stock are affected by the same market externalities such as the poor delivery of services, housing shortage, homelessness, poverty and crime.

It was while the 97 houses were being constructed that the developer also began selling them. For this purpose the developer set up a caravan office on the new site and employed two clerks to process applications, including the allocation of houses to prospective buyers. Residents were not required to fill in the application forms, but were simply asked to sign them without having read the contents carefully. Thus the incomes of the residents had not been ascertained in order to determine their ability to afford the houses.

Since the residents were experiencing a desperate need for accommodation, they did not take the time and trouble to clarify the contents of the application forms. Not only were residents not informed about the bond conditions set out in the application forms, but they also did not know that by filling in these forms they were actually applying for mortgage bonds. It was only after some of the residents had received letters from the Natal Building Society (NBS) that they began understanding the implications of the application forms.

Armed with the mortgage bond letters from NBS, the residents individually challenged the developer's clerks for an explanation, but were told that the developer was no longer using NBS. Instead the clerks told residents to complete new application forms, and this time they were required to pay a deposit which varied from R5,000 to R5,300. Although some of the residents paid their deposits on the site, others argued against this, as they could already foresee problems that lay ahead. The payment of deposits served two purposes: first, they were a mechanism of ensuring that the houses that were being constructed would be protected by the prospective purchasers against potential vandalism. Second, deposits represented some form of contractual trust between the developer and the prospective purchaser. However, there are many cases where unscrupulous developers vanished with the deposits of prospective purchasers.²⁹

Alternative arrangements were made to enable residents to pay their deposits at the IBS offices in Alrode, Alberton. It was during this time that residents began noticing irregularities regarding the whole process of applications and allocations. In mid-June 1988 the suspicions of residents were confirmed when they received letters from the NBS informing them that it had decided to cut its ties with IBS. Almost at the same period they also received letters from the developer informing them that IBS had decided to

²⁹ See amongst many such reports, "How one man's dream became a nightmare" Sunday Nation, 29 August 1993; "Double Loss!", City Press, 12 June 1994.

change its name to Creative Joint Projects (CJP). Residents were told that the IBS had changed its name because of a split amongst the directors, who were alleged to have gone to Cape Town to start their own building companies.

At the end of June 1988 residents were again told to fill in new application forms. This time they were told by the clerks that the forms would be forwarded to different banks for the approval of bonds (tables 8.5 and 8.6). The developer's clerks also allegedly forged signatures of residents on various forms, and each time residents raised this issue with them they were continuously reminded about their desperate need for housing. There were important reasons why the residents were desperately in need for housing. Of the 97 residents, 88 per cent of them had previously been resident elsewhere in Greater Soweto either as children of the original holders of site permits, certificates of occupation and residential permits or as lodgers' within the lodgers' submarket (Regulations 6, 7, 8 rights and room rentals discussed in the Chapter 6).

The fact that none of these residents had themselves in their own right been council lessees (holders of residential permits) or partial home-owners (holders of site permits and certificates of occupation) illustrates the accessibility problems to housing faced by many township residents under the previous apartheid policies. This was because of the acute housing shortage which had the effect also of

restricting tenure mobility. Once residents had been housed they were likely to remain in that house until they had either been forcibly removed for various reasons or had died. The other possibility involved the unofficial allocation of housing by the original tenants to their children, the extended family network (relatives), or even friends (particularly where the tenants had moved to live in the rural hinterlands), whilst still remaining on the records of local authorities as permit holders. There are many examples of the prevalence of this form of unofficial allocation of housing in Greater Soweto especially where the original council tenants still had links with the rural areas. Under the various urban influx control mechanisms, residents could not easily move out of the established tenure markets. Therefore housing markets were characterised more by stability than mobility.

It was because of their experience (as described in Chapter 3) of having to rely on the backyard shack market that residents had during the preliminary stage of their entry into Meadowlands West Zone 9 decided not to take any action against the developer as this would have prejudiced their applications. This was because these houses constituted both an opportunity for the 97 residents and their families to be properly housed in their own right, and to have for the first time a claim to property ownership.

Towards the end of July 1988 residents began receiving

letters from different banks confirming the registration of bonds with the deeds office. These letters set out the mortgage bond amounts (see table 8.5), insurance and payment conditions. Judged by the legislative requirements for the registration of mortgage bonds with the deeds office (see section 8.2 above), it will be clear that the registration of bonds for the 97 residents of Meadowlands West Zone 9, precluded their participation. This meant that bonds were registered with the deeds office in a paternalistic manner, without the knowledge and involvement of the residents themselves.

By early August 1988 residents were informed by the developer that the company name was to change again, from CJP to Group Housing Corporation (PTY) Limited. No reasons were given as to why the developer's name was changed again. The application forms that were signed by the 97 residents had different company names that were being used by the developer. This is also illustrated in the deeds registry system where the registration of mortgages for some of the 97 residents appear in the name of Creative Joint Projects (CJP) and others under Group Housing Corporation (PTY) Limited (GHC).

In this case the white developer appears to have used the different company names interchangeably and also handled documents of these different companies at all times in his dealings with the financial institutions, local authorities

and within the Greater Soweto building markets. In October 1988 the first 25 residents gained access to the houses and from the moment they unlocked the doors began experiencing problems with faulty construction, cracks, falling roofs, dampness, drainage and others (see table 8.4). The developer then went on the run and was not tracked down until several years later.

8.5 The formation of the 97 Residents' Committee

In February 1989, all 97 houses had been occupied. But the process of settling down into the new neighbourhood was made more difficult by the housing problems that confronted the residents. A few residents became aware of retention money (R3,000 per property) owed to the developer by the banks. This money could only be paid to the developer once banks were satisfied that the construction of houses had not only been completed, but also that they were of high quality. But the banks had not ascertained whether the houses had been built to satisfactory standards. Hardly any bank staff visited the area, either during the construction period, or once the houses had been completed. Such visits should have been carried out in order to inspect and value the houses and to determine if they were suitable for occupation.

The banks acted differently in white and black areas. In white residential areas, the normal practice of banks was to ascertain that the developer complied with the building

standards. Had banks sent their own valuers to carry out proper inspections while the houses were being built, they would have observed the poor building standards employed by the developer. The banks did not verify information by the developer. They failed in their duty to identify forged signatures in the application forms which were forwarded by the developer. They failed to confirm borrowers' incomes, and instead relied on the false information that the developer gave them so that borrowers would quickly occupy the houses.

The 97 residents were therefore adamant the developer had no right to receive the outstanding retention money from financial institutions. Instead, they demanded access to the retention money so that they could do the repairs themselves. It was at this juncture that a few residents embarked on a door to door campaign, organising and inspiring residents to attend a meeting that would address their common problems.

The first meeting attended by all the 97 residents was held on 28 March 1989. At this meeting a subcommittee of six members was selected. The brief of this subcommittee was to put together the residents' complaints and forwarding them to the developer. At the beginning of April 1989 the committee sent various petitions with all the signatures of the 97 residents attached. This pressure persuaded GHC, the developer, to meet with the 97 Residents' Committee.

On 1 May 1989 the first meeting between the Residents' Committee and GHC was held, but notably absent from this meeting was the developer. Nevertheless the representatives of GHC present at this meeting agreed to look into the residents' problems. The developer's representatives proposed that they would first select 16 houses for repairs. Once these houses had been repaired they would repair another 16 until all repairs to the 97 houses had been completed. However, this procedure fell short of residents' expectations in that after the first repairs had been done, the houses remained in bad shape. According to the Residents' Committee, the repairs had not been done properly. They noted as an example, one method of dealing with defects which entailed plastering walls through the use of 'too fine sand as well as too wet a plaster mix'.

Consequently, dissatisfaction from residents continued and this led to another meeting with GHC on 16 May 1989, at which the developer was present. At this meeting the developer personally assured residents that he would attend to their grievances. But this did not happen. Instead, a week later the chairman of the Residents' Committee received a letter from the director of GH, the developer, stating that negative remarks were being made about his company. He also warned the Committee that unless the residents stopped their campaign he would seek legal protection from the courts.

But rather than intimidating residents, this warning fuelled the campaign not only against the developer, but the banks and Diepmeadow Council. The residents were also determined to prove to the community at large that they would not be deterred by threats. When the Residents' Committee informed the banks about this situation, even pleading with them to withdraw loans from the developer until houses had been repaired, but the banks refused to address the problems. Moreover, once the developer was on the run the banks were not prepared to help in tracing the developer's whereabouts. Instead cases emerged where banks issued second bonds on the houses without consulting the residents.³⁰ Despite the fact that residents did not borrow money from the banks, they only realised that they were liable for second bonds when they received letters asking them to repay them. Some of the residents had legal action taken against them by one bank for refusing to pay these second bonds.

The independent valuations which were done by the South African Bureau of Standards (SABS) in 1990³¹ (commissioned by the Legal Resources Centre on behalf of the residents) were ignored by the banks. These valuations revealed serious faulty construction problems, including the use of faulty

³⁰ See "Second Bonds - Group Housing: Zone 9, Meadowlands", 27 May 1991. Letter to Mrs Van Staden, Perm Bank, 75 Commissioner Street, Johannesburg, from Mr M Zimmerman, LA814/MZ/clp, Legal Resources Centre, Johannesburg.

³¹ South African Bureau of Standards, Test Report, 6 December 1990, Legal Resources Centre, Johannesburg.

Table 8.4: Faulty construction problems in Meadowlands West Zone 9

Problems	Complaints	
	No	% of total number of complaints
Serious structural defects/cracks in walls	61	9.9
House foundations very weak	10	1.6
Crack on floors	41	6.6
Major roof leaks and tiles missing	43	6.9
Dampness on walls and ceilings	31	5.0
Ceilings not nailed properly	21	3.4
Paint peeling off walls	34	5.5
Windows rattling and not fitted properly	48	7.8
Doors poorly fitted/not closing properly	31	5.0
Internal and external plastering cracking	25	4.0
Bedroom wall wardrobes not fitted properly	11	1.7
Kitchen cupboards/sinks/water taps poorly fitted	18	2.9
Geyser not working	14	2.2
Faulty installation of electricity	26	4.2
External light fittings not provided	17	2.7
Splitting carpets due to improper fittings	20	3.2
Skirting boards uncompleted	14	2.2
Water pipes leaking	29	4.7
Water drainage pipes exposed/leaking	12	1.9
Sewerage drainage pipes exposed or leaking	10	1.6
WC leaking and not functioning properly	17	2.7
Incomplete external beam fittings	18	2.9
Fencing not done	35	5.6
House stands/sites not properly demarcated	17	2.7
Absence of gutters, stormwater not flowing away	12	1.9
Total	615	100

Source: Meadowlands West Zone 9 household survey, 1994.

building materials, cracks, leaking water and improper stand/plot demarcations and many others. These valuations also put the cost of repairs to be over R10,000 per property examined. Subsequently, the household survey carried out in order to inform this study confirmed the persistence of these problems, which ranged from falling roofs to land access (table 8.4). Repairs and maintenance costs for the residents of Meadowlands West Zone 9 have increased over time. As table 8.4 reveals, there were 615 cumulative complaints regarding the poor workmanship of the developer. Herein lay the fundamental contradiction in the apartheid Government's policy of promoting home-ownership. This policy was undermined by the lack of mechanisms aimed at quality control (guaranteeing minimum, but decent standards of quality) on the part of the Government, and the absence of accountability on the part of developers and banks. In particular, measures aimed at preventing these malpractices and the fall of house prices (value below mortgage debt) were not taken into consideration, and neither were there effective valuation measures requiring banks to observe proper construction methods on houses under bank-financed construction.

Furthermore, although the residents had demanded the R3,000 retentions per property (as discussed above) to enable them to fix some of the post occupancy problems, the banks had ignored this request, and instead paid this money to the

developer.³² It was this intransigence which led residents to begin to hold banks accountable for the post-occupancy problems. It was primarily because of the penetration of finance capital channelled through the absence of quality control of housing delivery mechanisms (on the part of financial institutions and developers), combined with the deepening recession, unaffordable monthly repayments and the structural shift of the economy that those who had obtained mortgage loans were hardest hit. An important element adopted by township residents in response to the rising affordability problems was to combine together to defend themselves through non-payment of mortgage bonds. It is to these strategies adopted by residents against the impact of the 'financial explosion' in the townships that this chapter now turns to find the power of the campaigns. They began broadening the campaign by involving the media and other groups.

8.6 Broadening the campaign

In early June 1989 the Residents' Committee decided to engage other allies in their struggle for justice against the developer, the Banks and Diepmeadow Council. They devised various strategies, and attempted (initially without success) to involve the Meadowlands Civic Association. They

³² See "Complaints Against Group Housing / Perm Mortgagors", 2 May 1991. Letter from Mr W Wright/AvdH, 4th Floor, Perm Bank, 75 Commissioner Street, Johannesburg to Mr Zimmerman, LA184/NDBO/M2/ZH, Legal Resources Centre, Johannesburg.

also notified the press and the first of many favourable stories on 6 June 1989 ('Meadowlands Town House Owners Accuse Developers of Shoddy Work') was reported in the Star newspaper.³³ The committee also sought the assistance of the Institute of Public-Interest Law and Research (IPILR). The IPILR made various representations to GH on behalf of the Residents' Committee but without success.³⁴

The residents' resolve to continue with the campaign strengthened. In 1990 the Residents's Committee sought the advice of the Legal Resources Centre (LRC). The LRC made various representations to the banks on behalf of the Residents' Committee, and with the South African National Civic Organisation (SANCO) were able to arrange meetings between the banks and the Residents' Committee at various times. Some of these meetings have resulted in limited concessions. Also in 1990, the Residents' Committee wrote to the Witwatersrand Council of Churches requesting assistance with funding in order to take court action against Group Housing Corporation.³⁵

³³ See The Star, 6 June 1989.

³⁴ See for example, "Houses Constructed By Your Company In Zone 9 Meadowlands", 20 March 1990. Letter to The Director, Group Housing, PO Box 1815, Alberton, from Justice Zulu, Institute For Public-Interest Law and Research, Gauteng Legal Services Centre, 201 Metro Centre, 266 Bree Street, Johannesburg.

³⁵ Letter from the Chairman of the 97 Residents' Committee to Wits Council of Churches, 7th Floor, Sanlam Centre, Commissioner Street, Johannesburg, 4 May 1990.

Although the Wits Council of Churches was not in a position to help the 97 residents with funding, it nevertheless made representations on behalf of the residents. Subsequently, three residents (sponsored by the LRC) took court action against the developer and were awarded damages totalling R50,000, but the developer went underground before settling these court judgements.³⁶ The Standard Bank responded in February 1991 by promising to look into the residents' complaints.³⁷ Almost at the same time, the Perm Bank also responded and suggested sending its own 'valuer to inspect the properties in question', after which a meeting with the residents would be arranged to discuss the results.³⁸

Group Housing Corporation responded by seeking legal assistance from Roode Van Der Merwe Du Toit, a legal firm. In an attempt to clear GHC from any responsibilities regarding the post occupancy problems experienced by the 97 residents, this legal firm blamed both the residents and the issuers of mortgage bonds (banks). In a letter dated 4 March 1991 to the Legal Resources Centre, Roode Van Der Merwe Du Toit wrote that Group Housing Corporation was 'no longer

³⁶ New Nation, September 4- September 10, 1992.

³⁷ See "Group Housing", 8 February 1991. Letter from D Wentzel, 636-7104, Standard Bank of South Africa, Regional Home Loans Office - Witwatersrand, 1st Floor, Standard Bank Centre, 6 Simmonds Street, Johannesburg, to LA184/NDBO/MZ/clp, Legal Resources Centre, Johannesburg.

³⁸ See "Various Clients Perm - Group Housing", 11 February 1991. Letter from Administration Manager, Mr C,E, Pfeffer/Legal, 4th Floor, Perm Bank, 75 Commissioner Street, Johannesburg, to LA184/NDBO/MZ/clp, Legal Resources Centre, Johannesburg.

part of the grievances' of the 97 residents,³⁹ the financial institutions (banks) had accepted a certificate (issued in terms of the Architects Act of 1970) from the developer, stating that the 97 houses had been satisfactorily completed. The acceptance of the developer's certificate resulted in the final payments (including the R3,000 retentions per dwelling) being made by the banks to Group Housing. As the letter further stated,

" ... taking occupation or possession of the dwelling, then, and in such event, the contract ... in terms of this agreement shall be regarded as completely discharged and the parties hereto agree that it shall ipso facto conclusively be presumed that the works and/or any extra/or any variation and/or any omission has been satisfactorily erected and completed in terms of this agreement ... we further would like to stress the point that occupation of these dwellings were subject to the approval of bonds by various financial and building institutions.⁴⁰

If their interpretation of the law is correct, it will be clear from the above that by employing the legal framework in the defence of the developer, Roode Van Der Merwe Du Toit were exposing the inefficiency and incompetence of the financial institutions (banks), who allowed themselves to be given a false certificate by the developer, stating that the houses had been completed satisfactorily. It is this acceptance of the false certificate from the developer, which explains why the banks were not willing to help trace

³⁹ See "Group Housing Corporation: Houses Built In Zone 9 Meadowlands", 4 March 1991. Letter from Roode Van Der Merwe Du Toit INC., JAJ MoLLER/rm/11453, 7th Floor, The Inner Court, 74-86 Kerk Street, Johannesburg, to LA814/NDBO/MZ/clp, Legal Resources Centre, Johannesburg.

⁴⁰ Ibid., p. 2.

the whereabouts of the developer.

Firstly, the fact that the developer was a white person meant that he could be trusted. Secondly, the 97 houses (despite their structural defects) represented substantial profits to the banks. The evidence of this is contained in table 8.5. As can be seen from this data, 77 houses out of 97 represent a combined total in excess of R4 million. Of this total, the Nedperm Bank's share is 31,4 per cent (R1,261 million); Standard Bank with 28,9 per cent (R1,159 million); United Bank with 27,9 per cent (R1,120 million) and the rest with less than a R1 million combined (table 8.5).

The remaining 20 houses had already been foreclosed, but the previous owners continued to occupy the houses (table 8.6). The occupants of these 20 houses (table 8.6) withheld their mortgage bond payments as a campaign strategy aimed at forcing the banks to fix the severe structural problems evident in these dwellings. Elsewhere, the banks have generally responded to the withholding of mortgage payments by selling the houses (without the knowledge of the occupants) to other prospective home-owners (without telling these prospective owners that the houses are repossessed properties).⁴¹

⁴¹ See "Perm sold house already occupied", City Press, June 1994.

Table 8.5: Total number and amount of bonds issued and average bond cost in Meadowlands West Zone 9, 1988-1993

Bank	Number of bonds	Total amount of bonds (Rand)	Average cost of bonds (Rand)	% of total bond amount
FNB	1	45 000	45 000	1.1
ABSA	1	44 000	44 000	1.0
Saambou	8	377 476	47 185	9.4
Nedperm	20	1 261 161	63 058	31.4
Standard	23	1 159 683	50 421	28.9
United	24	1 120 403	46 683	27.9
Total	77	4 007 722	52 048	100

Source: Calculated from the Deeds Registry statistics, Central Government Building, Pretoria, 1994.

Table 8.6: Total number of houses in possession in Meadowlands West Zone 9

Bank	Number of houses in possession	Percentage of total houses in possession
Standard	2	10.0
ABSA	3	15.0
Nedcor	15	75.0
Total	20	100

Source: Calculated from the Deeds Registry statistics, Central Government Building, Pretoria, 1994.

In this case, because the financial institutions (banks) have not been able to realise the vacant possession of the foreclosed houses even with the use of court orders, the new owners would be expected to be responsible for evicting those still occupying the dwellings. But because the township community would not allow the eviction of those in arrears, this has resulted in some residents being killed, petrol bombed or the property being destroyed before the new owners could occupy it. Moreover, should the new owner fail to evict those still occupying the house, he or she would be more likely to lose the money paid in the purchasing of the dwelling.⁴²

The banks had not concerned themselves with the land availability agreements which the developer should have signed with Diepmeadow City Council before these houses were constructed. Also, the banks had not taken any steps to determine whether the application for the construction of these houses had been legally approved. In this context, the banks had not ascertained whether the developer had a building plan (if any) for the construction of the 97 houses. The banks lacked any mechanisms in black residential areas (inspectors and valuers) through which the poor construction standards could be monitored and seriously addressed when they fell below their (banks) standards.

The attempt by the legal representatives of Group Housing,

⁴² Ibid.

Roode Van Der Merwe Du Toit INC. to seek to justify the developer's malpractices by blaming the residents for having unknowingly (ignorantly) signed the application forms (contracts in the view of this legal firm) demonstrates clearly the extent to which township residents became exposed to new forms of vulnerability during an era in which the Greater Soweto housing markets were in a state of flux. Each time the residents were asked to sign application forms by the developer's clerks (as discussed above) they were in fact signing a standard contract document. According to an architect who was commissioned by the Legal Resources Centre to inspect, evaluate and prepare a report on the 97 houses in Meadowlands West Zone 9, the contract documents (application forms in the view of 97 residents) were weighted in favour of the developer.⁴³ The residents had no rights whatsoever. As Cruickshank put it,

"There is a specific denial of the Employer retaining any amount of the contract sum for rectification of defects. Clause 22 allows for arbitration but only at the option of the Contractor. Clause 24.9 allows the contractor to sue the Employer out of the Magistrates Court".⁴⁴

Legally, therefore, with the enforcement of contracts biased in favour of the contractors (developers), there were no mechanisms through which the residents could challenge the power and malpractices of the developer. This, despite the

⁴³ See "Report On Houses At Zone 9 Meadowlands", 14 August 1991. Legal Resources Centre, Johannesburg. Prepared By I.G.S. Cruickshank, Chartered Architect, Arbitrator and Contractual Consultant, 41 Jukskei Drive, Riverclub.

⁴⁴ Ibid., p. 2.

fact that one report after another (including two by the Standard Bank's Home Loans Office)⁴⁵ had drawn attention to the substandard conditions of the 97 houses in Meadowlands West Zone 9. Cruickshank's report noted the following defects;

"Areas of plaster popping, sometimes severely, in the internal plaster. Severe cracks were evident at archways, door lintels internally and at window lintels internally and externally. Shrinkage cracks were evident in the majority of the walls of all the houses inspected. Vertical cracks were evident at the junctions of most internal 110 walls with the external 220 walls. These cracks were wider at the cornices and ceilings. Areas of ceiling showed evidence of water staining due to leaking roofs ... The workmanship evident in the finishing of the houses was poor and in some cases of plastering and installation of windows, unacceptable. The roofs have not been fixed in accordance with the recommendations of the tile manufacturer and supplier."⁴⁶

Cruickshank's report also put the cost of repairs to be between R7,500 for houses with minor defects, and R12,500 to R17,500 for those dwellings with serious and major defects. However, neither the banks nor the developer were prepared to address these problems. Because of this, the residents decided to intensify their campaign for justice, and also to blacklist the developer. A meeting was held between the Diepmeadow City Council (DCC) and the 97 Residents'

⁴⁵ See "General Review of Meadowlands", 7 March 1991. Memorandum; "Group Housing Zone 9 Meadowlands", 18 March 1991. Memorandum. Respectively Prepared by J.Strydom and B.M. Muller, Senior Assessors, Standard Bank, Regional Home Loans Office, Witwatersrand, 6 Simmonds Street, Johannesburg.

⁴⁶ "Report on houses at Zone 9 Meadowlands", Cruickshank (43, op.cit. p. 2); See also "Ripped off!", New Nation, June 11 - June 17 1993; "Cracks Under The facade", City Press, 24 October 1993.

Committee in late August 1992. But this meeting resulted in failure as the DCC continued to reaffirm its support for the developer.⁴⁷ At this meeting, according to the New Nation, the

"Diepmeadow township manager at first denied any knowledge of Group Housing, but later said the council would not ask the company to attend to the problems residents had with their houses."⁴⁸

The township manager is also reported to have said that as far as the council was concerned, the contract had been signed and sealed with Group Housing Corporation, and the council was satisfied with the manner in which the developer had build the houses in Meadowlands West Zone 9.⁴⁹ The town manager was however not prepared to disclose the whereabouts of the developer to the Residents' Committee.

It was this full support and endorsement of the developer's building practices by the town manager which led the Residents' Committee to begin suspecting the possibility of improper land deals between the developer and officials of the Diepmeadow City Council. Thus, the Residents' Committee could not understand why their campaign aimed at blacklisting the developer was continually being undermined by the officials of the DCC, given the poor and unacceptable workmanship of the developer.

⁴⁷ See "Diepmeadow council in housing row with residents", New Nation, September 4 - September 10 1992.

⁴⁸ Ibid., p. 4.

⁴⁹ Ibid.

Instead, officials of the DCC had continued to allow the developer to operate (under different names with the full knowledge and collaboration of the DCC officials)⁵⁰ in the Greater Soweto building markets. According to the City Press, the developer had

"opened up under other names, including Pentax's Civil and Engineering Contractors, and continued building in Diepmeadow with the knowledge and support of the council."⁵¹

The Residents' Committee subsequently tracked down the developer and found him building more homes in the Diepmeadow area. At this encounter, the developer had promised to look again into the problems of the residents, but as before, he went on the run. It was not until October 1993 that the residents heard from the developer, through his new legal representatives, Jansen-Potter, Attorneys, Notaries & Conveyancers. In a conciliatory letter (but also denying full responsibility for the poor building standards at Meadowlands West Zone 9) to the residents through the Legal Resources Centre, Jansen-Potter wrote,

"Our instructions are that our client had wanted to try and assist your client, although he is not legally liable for the structural defects in the houses, by having his builder inspect the properties to see whether he could afford to have his builder repair the defects. Our instructions are to point out to you quite clearly that this was done to ensure that our client would be able to operate in the area, as he was left under the distinct impression that if he did not do anything, his business would be adversely affected. Our client further

⁵⁰ See "Piet Smit Sneaks Back", City Press, 17 October 1993.

⁵¹ City Press, 5 December 1993.

instructed us to inform you that he is not prepared to accept liability in his personal capacity, for any damages that your client may have suffered, and neither was it ever his intention or did agree to pay for any damages personally."⁵²

It appears from the foregoing that the developer was beginning to feel the pressure exerted on him by the 97 residents' campaign. Also, as the campaign had gathered pace, and the Residents' Committee had begun looking into land deals between Diepmeadow City Council and the developer, it appears that the developer would increasingly find it difficult to operate in the building markets of Greater Soweto. The demands by the Residents' Committee that the DCC reveal the land availability and services agreement with the developer: layout plans, individual house plans, foundation plans, demarcation plans, water reticulation plans and the sewerage plans, represented a significant campaigning strategy aimed at uncovering the dynamics that lay beneath the relationship between the DCC and the developer.

Other charges that the committee made against the DCC involved the acceptance of bribes, fraudulent land deals, and allocation of land to developers without following legal procedures. This concerted pressure against Diepmeadow Council resulted in the appointment of a Commission of

⁵² "Waterman Wesi, Jabulani Malinga, Moses Majola and Others -vs- Group Housing Corporation (PTY) Ltd", 25 October 1993. Letter from Jansen-Potter, Attorneys, Notaries & Conveyancers, Mr Jansen/VM, 25th Floor, Carlton Centre, Commissioner Street, Johannesburg, to O Geldenhuys, OHG/ym/LA184, Legal Resources Centre, Johannesburg.

Inquiry (chaired by Mr P F Colin) by the Transvaal Provincial Authority (TPA) to investigate the matter, including all other improper land deals⁵³ in Greater Soweto. The Colin Commission was subsequently told of various unlawful land deals involving officials of the DCC, business interests and private developers. It was alleged that councillors and high-ranking council officials had accepted bribes from both housing and business developers.

These alleged unlawful land transactions, included the Diepkloof hostel which had been offered 'for free' to one of the companies involved in these land 'scams'.⁵⁴ The Colin commission was also told that the corrupt officials had been involved in fraudulent and improper tenders through which the highest bid was often overlooked in preference to back-door dealing with would-be corrupt developers. The white developer was alleged to have paid R200,000 in bribes for the piece of land in Meadowlands West Zone 9 where he subsequently constructed the 97 houses.⁵⁵

The Colin Commission was also told that no land availability and services agreements had been signed between the DCC and the developer, and that Meadowlands West Zone 9 had not been

⁵³ "Council to answer for its action" City Press, 5 December 1993.

⁵⁴ See "Commission told of bogus Diepmeadow deals", Sowetan, 18 May 1994.

⁵⁵ Ibid.

legally designed under any legislation.⁵⁶ It had also not been planned and surveyed as a township in accordance to prevailing legislation. In addition, no alternative documents, or agreements had been signed between the council and developer. Moreover, it was also alleged that the layout plan that had been sent to the deeds office for the registration of bonds had been fraudulently drawn up by the developer and DCC.⁵⁷ This was subsequently confirmed by an official⁵⁸ of the Surveyor General's office in Pretoria who supplied evidence in form of a cancelled layout plan for Meadowlands West Zone 9 (see figure 8.1).

The Colin commission was further told that there were no legal mechanisms (documents or certificates) between the developer and the DCC regarding the installation and payment of services; water reticulation system, laying of drainage pipes, foundation, electrification and sewerage system. It was also alleged that the developer had built 97 houses on an erven (site) that could only accommodate 87 houses.⁵⁹ As a result of this, some of the 97 houses had no access point to the immediate street. For these residents, access is only possible by passing through a neighbour's stand.

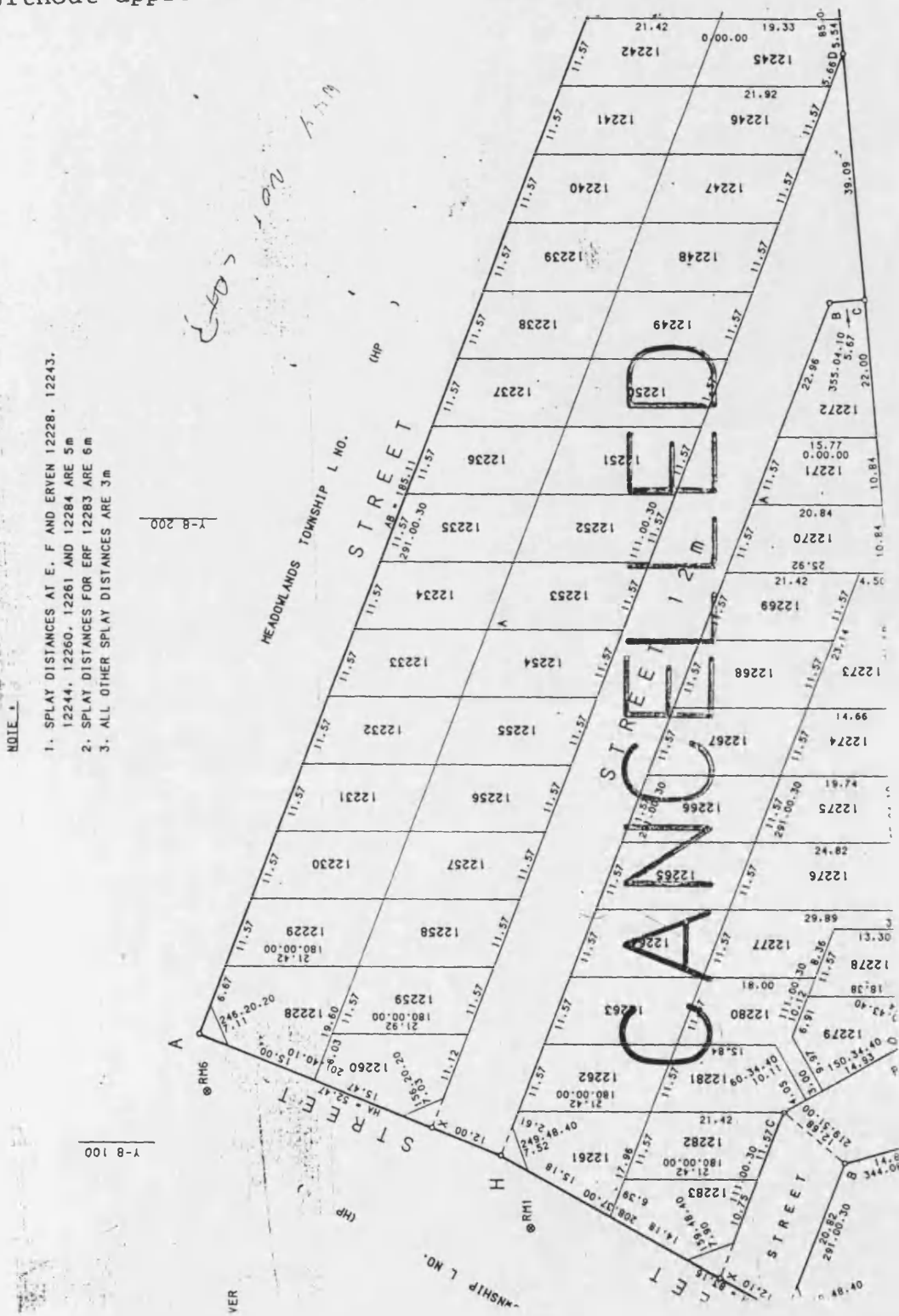
⁵⁶ Commission of Inquiry, Chaired by P,F, Colin, 19 April 1994. 'The City Council of Diepmeadow', New Canada, Soweto. Prepared by Transcripts, PO Box 2123, Rivonia.

⁵⁷ Ibid.

⁵⁸ Personal Interview with Mr B. Bezuidenhout, Senior Land Surveyor, Office of the Surveyor General, Central Government Building, Pretoria, 29 March 1994.

⁵⁹ See Commission of Inquiry (56, op.cit.)

Figure 8.1: The layout plan drawn by private developer without approval from office of the surveyor general



Source: Office of the Surveyor General, Central Government Building, Pretoria, 1994.

They remain effectively landlocked and in house imprisonment, they cannot move out or into the house (whether going to the city, to work, school or visiting) without asking their neighbours's permission for passage.

This shows the extent to which the construction of the 97 houses failed to comply with the proper administrative procedures contained in the Black Communities Development Act of 1984 which was subsequently amended in 1986 (discussed above and in the preceding chapter). The fact that the developer was able to construct 97 houses instead of 87 (in pursuit of profits), constituted not only a violation of the Township Establishment and Land Use Regulations of the Black Communities Development Act, but also a fundamental violation of the human rights of the 97 residents.

The developer benefitted fully from the sale of these houses to the banks, whilst the 97 residents not only remained trapped in their poorly demarcated and poorly built houses, but also in debt (substantial repairs and mortgages). As far as banks were concerned, they continued to deny legal liability and maintained that their involvement centred on the financing of mortgage bonds and not on the production of houses.⁶⁰ Therefore, they could not possibly have concerned themselves with the quality control of the 97

⁶⁰ See "Sexwale faces row over homes of poor quality", Business day, 1 August 1994.

houses.

The Residents' Committee continued to develop other strategies against the developer, banks and Diepmeadow Council including seeking assistance from the Soweto Civic Association (SCA), and various other local churches, women's and youth groups and small business groups. Planact assisted the Residents Committee with the development of strategies and tactics. Early in 1994 Planact held a workshop with the residents and helped to focus their campaign on several major demands:

- the banks must deal with 97 Residents' Committee as a whole, and not to try to break their unity;
- the banks should not evict the residents;
- repossession of houses by the banks because of non-payment should stop immediately;
- banks should write off interest on arrears;
- temporary relief to be given on people who lost their jobs;
- the banks must either force the developer Smit to pay for the repairs or reduce residents' bonds by the amount equivalent to the damages;
- banks should provide banking facilities and services in Soweto, so that residents avoid going into town to pay their bonds or their savings deposits;
- banks should make contributions to township residents, and not only in white areas;
- and that banks should never discriminate ("redline") against township residents.

Out of this workshop emerged other strategies. Residents then noted that the banks had hired the services of a well-known lawyer, Ismail Ayob, who was also Nelson Mandela's lawyer. Residents realised that this was due to a shift in the power relations, and that the banks were getting more nervous about the possibilities of having to meet certain demands. The response of residents at another workshop was

again to strengthen and extend their campaign by involving new allies. Suggestions were made that the committee should contact and inform the following potential allies about their campaign:

- National Environment Awareness Campaign (NEAC)
- Soweto Civic Association (SCA)
- Meadowlands Civic Association (MCA)
- Congress of South African Trade Unions (COSATU)
- Church Groups
- Stockvelts
- Burial Societies
- National Union of South African Students (NUSAS)
- Informal Settlements' Movements and potential political allies

The workshop resolved to attend to persuade both old and new potential allies to offer assistance in order to take the campaign forward, and very quickly, new allies agreed to support the 97 Residents' Committee. The Residents' Committee began to request these allies to start considering the withdrawal of their bank accounts from targeted banks when such a need arose. At this intermediary stage in the campaign, with as much as R1 million at stake in the repair of the 97 houses, the Residents' Committee appeared encouraged that more avenues for demonstrating their case were opening, and doors once shut tight by an unresponsive private sector and a hostile state may now be forced open. In a letter reflecting this new shift in the campaign, to Langa Zita, the Witwatersrand Regional Secretary of COSATU, the Residents Committee wrote,

"Everyone we talk to tell us that the problems we are experiencing are not unusual. Therefore it is in the interests of all workers to help us gain a victory. It is morally just, and it is financially important for us.

But if we can set a precedent in this challenge to the banks's arrogance, it will be an even greater inspiration for many thousands of Wits region workers who also need assistance ... If we are able to persuade the banks to take responsibility for their mistakes, then we will make life easier for many workers. We are aware that your unions' bank accounts are in some of the banks which we are targeting, and we would like to talk with you about whether these accounts can be withdrawn and moved elsewhere so as to contribute to our campaign."⁶¹

Many letters (similar to the above) were sent to various allies and potential allies by the Residents' Committee, particularly during the course of 1994. Also, as part of maintaining cohesion, including strengthening and motivating the 97 residents themselves, the Residents' Committee kept them informed of the progress and obstacles to the campaign through (apart from workshops) monthly reports. As one such report to the 97 residents stated,

"Our campaign for justice is going well, even if we are still struggling for justice. But we have accomplished several things: the banks realise that they must take us seriously and that they cannot break off negotiations with us (they hired one of Mandela's lawyers to defend themselves!); an independent valuer has looked at some of the houses, and we are negotiating with the banks to have the banks pay for full valuation; the politicians are taking interest and giving us support; we are in correspondence with Minister Joe Slovo, with PWV Premier Tokyo Sexwale, with PWV Housing Minister Dan Mofokeng, and with PWV RDP Commissioner Ben Turok; recently, we have been getting very good media coverage; after six months of tough negotiations with the banks, with so many new faces from their side who must be educated, we are now ready to increase the pressure on the banks."⁶²

⁶¹ See "Langa Zita", 20 April 1994. Letter to Langa Zita, Regional Secretary, COSATU, Wits Region, from the 97 Residents' Committee, 4035 Meadowlands West Zone 9, Meadowlands.

⁶² Letter to the 97 Residents from the Residents' Committee, 8 September, 1994.

Another important theme that runs through all the correspondence from the Residents' Committee to the 97 residents is the persistent and continued reaffirmation of the original demands (see figure 8.2 below). However, although various negotiations (as stated above) had been going on for some time between the Residents' Committee and the representatives of the banks, including the banks' lawyers (Ismail Ayob and Partners) no progress was seriously being made on the specific issue of fixing the defective housing problems. As a result of this, the Residents' Committee shifted its campaigning strategy towards direct action and confrontation with the banks.

On 5 October 1994, the Residents' Committee sent a memorandum to the managing directors of banks which made loans in Meadowlands West Zone 9, and which warned that "Your bank is now a target of community protest". The reason for this warning, according to the Residents's Committee was

"that your employees responsible for the township housing are incompetent and unable to deal with our problems. Even though we have had communications with them for six years, your employees have simply stopped returning our phone calls and letters. The lawyer appointed to represent the banks, Ismail Ayob, tells us that he will come back to us soon, but after three weeks we still hear nothing. We have terrible cracks in our houses ... The rain is doing damage to our belongings. Houses can fall at any time. The materials are defective. The sites were not properly demarcated and we have had to break down our walls and move them. These are our problems. We want relief. It is only fair that those responsible be made to pay."⁶³

⁶³ Memorandum from 97 Residents' Committee to The Managing Directors of Banks, 5 October 1994; See also a Memorandum from the 97 Residents' Committee calling for 'mass action' against the Banks, 24 September 1994.

On 6 October 1994, the officials of the banks confirmed that they had received the memorandum from the 97 Residents Committee.⁶⁴ Three days later on the 9th October, all the 97 residents staged a demonstration outside the headquarters of Standard Bank in Johannesburg.⁶⁵ During this demonstration, the 97 residents had quietly removed from the bank all the deposit and withdrawal banking slips, including all the informative literature (leaflets) on banking, and replaced these with their own campaigning leaflets aimed at informing the bank customers at large how bad and irresponsible their banks actually were (see figures 8.2 and 8.3 below). When the bank customers arrived at the bank to deposit and/or to withdraw their money, there were no deposit and withdrawal slips, instead there was an abundance of the campaigning leaflets from Meadowlands which customers began reading. This caused a lot of inconvenience to many customers of the bank and disruption to the bank's normal business activity.

⁶⁴ See Business Day, 6 October 1994.

⁶⁵ See "Protest outside bank: Refusal to address problems has all Meadowlands Zone 9 tenants up in arms", City Press, 9 October 1994.

Figure 8.2: 97 Residents' Committee's grievances and demands

1) The banks failed to carry out proper inspections and valuations in Meadowlands Zone 9 while the houses were being built. The banks are meant to judge that the money they loan to developers is being properly spent on building houses. They send valuers to carry out inspections while the houses are under construction. But the bank valuers were asleep at their jobs. Anyone should have been able to judge the building practices were inadequate. 2) The banks were very sloppy in approving housing bonds to Meadowlands Zone 9 residents. The developers gave the banks false information. Some signatures of borrowers were even forged on papers given by the developers to the banks. When borrowers enquired about the forgeries, they were told by the banks they should not worry. Income checks were not carried out, and the developer lied about the borrowers' incomes so that loans would be granted, and that borrowers would take the houses off the developer's hands. 3) The banks refused to address the problems when they were initially raised by the residents. Letters were sent to the banks, even requesting that the banks stop giving the developer new loans for the project until the houses were repaired. The banks failed to respond to the letters. 4) The banks failed to help bring the developer. The banks refused to respond to requests that they help track down the developer, who had fled. 5) Second bonds were issued by banks to Meadowlands Zone 9 residents via the developer, even though the borrowers did not apply and were not aware of these bonds until asked to repay them. A bank even took out injunctions against borrowers who refused to repay loans they never saw the proceeds from. 6) The banks refused to respond to independent valuations by the Meadowlands Zone 9 residents. These valuations, carried out by SA Bureau of Standards, showed that the damages caused to residents - serious cracks, defective material, water seepage, faulty plot demarcations and many others - are over R10,000 per property examined. We are sticking by our original demands: no evictions by the banks - foreclosures (banks taking our houses away because of non-payment) must immediately halt - interest on arrears must be forgiven - people who lose their jobs must be given temporary relief. Banks must either force the developer to pay for our problems - or they must price down (reduce) our bonds by the amount of the damages, or the banks must repair the cracks and faults to our 97 homes. Banks must provide better services in Soweto, so that we don't have to go into town to pay our bonds or make our savings deposits - banks must direct community contributions to townships, not just white residential areas. The banks must never 'redline' or discriminate against our community.

Source: 97 Residents' Committee, Meadowlands West Zone 9

Figure 8.3: 97 Residents' Committee's campaigning leaflet

ENJOY TWO MAJOR BENEFITS WITH RIP-OFFBOND

Rip-Offbond is an exciting double trouble homeloan available to both new and existing Perm homeloan clients. Rip-offbond is more than a homeloan, it's a way of stealing money from people. That's because Perm understands that once you've bought your home, we don't care it falls down on top of you - especially if your family is growing. So even if you live in a house with huge cracks, we want to take from you any extra money you may have, and we will raise the interest rate to higher and higher levels so that you are left with nearly nothing. Or, making monthly payments to us for which in exchange you must live in a terrible environment. Rip-Offbond is here to hurt you. If you want to extend or improve your home, you may find even more problems.

YOU LOSE ON INTEREST AND YOU LOSE CASH ON CALL

Any additional deposits into Rip-Offbond account will not help you solve your housing problems. It's like losing a higher return on funds you would normally have left on deposit at the bank. If rain comes into your house because of the cracks which Perm will not fix, and your furniture or clothing is ruined, it's like losing cash on call.

HOW TO THROW AWAY YOUR MONEY

Once a month, pay your bond to any Perm branch - we have none in the black areas, all in the white areas, so you lose money travelling too. Regardless of the amount you pay, the homeloan advisor will ignore you and fail to solve your problem. You can be secure in the knowledge that you are losing money, your house is worth less and less, and the job, you can be secure in the knowledge that the Perm will rip your house out from under you, and the Perm will consider renting you your house back at a higher rate even though you have paid to own it for so long.

INTERESTED?

Come into your Perm branch - not to be found in any township - and talk to one of our friendly homeloan advisors to find out if you qualify for a Rip-Offbond. Rip-Offbond offers you built-in security. The double trouble homeloan: immediate access to big problems through your homeloan account and significantly higher costs. Perm Banking, A division of Nedcor Bank Ltd (Reg No ??????)

Source: 97 Residents' Committee, Meadowlands West Zone 9

This would remain part of a campaigning strategy until the time of writing, including demonstrations at various other banks. The other strategy involved demonstrations at the residences of the managing directors of the banks, as well as at the junior bank managers, and thus disturbing the peace of these neighbourhoods. On 4 September 1995, all the 97 residents occupied the entire building of the Perm Bank at Commissioner Street. This resulted in stoppages to the normal banking business for the whole day, during which time residents were handing their own campaigning leaflets to the bank's customers. It has also resulted in a 'Record of Understanding'⁶⁶ being signed between the Department of Housing and the Association of Mortgage Lenders, specifically aimed at addressing problems such as those experienced by the 97 residents of Meadowlands West Zone 9.

8.7 Conclusion

The most important issue that this chapter has raised is the exposure of black residents to the penetration of private sector finance in the township built environment. As has been stated in the previous chapters, under apartheid policies, the vulnerability of township residents was manifestly embedded within the urban influx control mechanisms. With the changes introduced since the late 1970s up until today (particularly as a result of pressure exerted

⁶⁶ Record of Understanding, 1994. Housing the Nation, Department of Housing, Pretoria.

on the Government and capital by both labour-based and consumption-based struggles), township residents have again been exploited, this time at the hands of the financial markets for housing whose only interest is in the accumulation of profits.

This is illustrated by the incompetent quality control of all the agents involved in the Meadowlands West Zone 9 housing market, and in many other Greater Soweto townships. The roles of the developer, banks and Diepmeadow Council in the provision of housing in Meadowlands West Zone 9 were not undertaken in a way that enhances the aspirations of potential home-owners. The activities of these major agents highlight a lack of understanding that housing is a big concern for people.

From the very beginning the developer, banks and Diepmeadow Council demonstrated an unsympathetic approach to potential black home-owners. This explains why the developer has been able to operate in the Greater Soweto housing markets under different names with assistance of corrupt officials of Diepmeadow Council. Furthermore, the fact that the 97 houses were actually registered without the involvement of their owners also undermined the perception that the South African deeds registry system is amongst the best in the world.

Nevertheless, the residents' response has a determined will to win. The struggle by the Residents' Committee for justice

from these major agents in the Meadowlands housing market, demonstrate that certain strategies and tactics employed by residents have had limited success. There is no doubt that other potential residents' groups (in similar situations) will draw important lessons from the 97 Residents' Committee. But the battle is still far from being won.

CHAPTER NINE

CONCLUSION

This chapter draws together the various threads that have run through this thesis. The central research question posed was to discover why housing markets in Greater Soweto are as they today. The central concern of this thesis was to explain how the proliferation of tenures (different rights in housing and land) has come about since the early 1980s, given the dominance of apartheid policies before 1980, which had the effect of systematically depriving Africans of rights in housing and land.

In order to draw out the explanation for the current housing situation in Greater Soweto, notably the proliferation of rights in housing and land (tenures), this chapter falls into three parts. First, the theoretical approaches (reviewed in Chapter 2) are evaluated for what they yield in terms of mechanisms at work. Second, the empirical research findings are reconsidered. Thirdly, the theoretical and empirical research findings are drawn together in conclusion.

9.1 Theoretical perspectives

This study has shown in Chapter 2 that theoretical perspectives did not yield questions that highlight the importance of rights for housing markets, and in particular,

what was done about rights in Greater Soweto. It is noteworthy that virtually all the theoretical models (ecological, neo-classical economics, institutional and marxist) ignored tenure. However, although not all possible mechanisms were covered by these approaches, some of the questions about mechanisms which they generated have been useful in understanding the current housing situation in Greater Soweto. These are considered in turn.

The existence of ecological mechanisms of competition, domination, and invasion and succession in Greater Soweto was difficult to determine with any confidence. But there has been voluntary immigration since the establishment of Greater Soweto, of people seeking employment in Johannesburg and for other reasons. Most of these people have had no choice where to live, except with relatives already housed in the limited formal housing, or within the backyards of residents' homes, or squatting in the informal sector.

It is important to recognise that the ecological mechanisms are concerned with the immigrants who were coming to the city where there already were different housing markets and housing types. In contrast, immigrants to Greater Soweto created informal shacks where there was land that was not barred to them. It was also the demand both from immigrants and those living in overcrowded homes within the formal council-built housing which created the backyard and informal shacks.

Questions about neo-classical mechanisms revealed very little conscious choice making. It was also difficult to determine what was valued in terms of trade-offs, for example, space demands versus access to the city. The supply of backyard and informal shacks (in the virtual absence of formal house building) was shown to be influenced by demand (from within overcrowded homes, formation of new households and new immigrants coming to settle in Greater Soweto). Movement was shown to be occurring particularly within the backyard sector, where households moved from this sector into owner-occupation. Filtering was not highly visible, except where the vacated backyard dwellings were occupied by other households seeking accommodation.

The decision-making mechanisms suggested by institutional approaches were evident in Greater Soweto. It was shown that Greater Soweto was established through state violence, and the rights in housing and land for Africans were removed. This study has shown that at certain stages the development of housing was not only influenced but determined by the power of the state. The gate-keeping, organising and campaigning of urban social movements and class struggle mechanisms were uncovered by this study.

This study has shown clearly that not only access to a house but also retention of it (staying in it) was depended on the exercise of discretion by officials. Thus, these officials were more than gatekeepers (which refers to access only) and

this discretion was often exercised arbitrarily. The housing opportunities of Greater Soweto residents were evidently constrained. Allocation mechanisms were identified and shown to be driven by various influx control measures.

The extent to which Greater Soweto was comprised of housing classes is revealed by the current housing situation, notably the proliferation of tenures. There was no conflict between these housing (tenures) classes. However, the usefulness of the concept of housing classes also directs attention to residents being simultaneously landlords (for example, of backyard rooms/shacks) and council tenants. Relations between these housing classes (landlords and tenants) were characterised by conflict.

Marxist theories draw attention to mechanisms of provision of supply by profit-motivated developers and financial institutions. The profit-motivation of developers was shown to be evident in terms of the construction and allocation (through mortgage bonds) of private sector houses, alterations and additions to the council-built stock, and to the building of 2-roomed and garage backyard units. The involvement of mortgage bond issuers (see Appendix A1) for housing is an indication that Greater Soweto is in part becoming integrated into the regional Johannesburg housing system. This also signifies that they are catering for different markets and submarkets. The creation of markets: required the availability of de jure and de facto rights, in

land for formal and informal housing respectively.

There was a strong correlation between the provision of housing in Greater Soweto and labour supply. The historical provision of the housing stock in Greater Soweto was precisely to house a cheap labour force. The development of the housing stock was also shown to be directed by the authority of the state and local authorities, through various financing mechanisms, including loans from the private sector.

Urban social movements were identified as comprising various squatter movements and grassroots campaigns against increases in rents, mortgage bonds, apartheid local government structures in Greater Soweto, and low wages and working conditions in the work place. The level of the pressure exerted by urban social movements against both the state and capital was shown to have reached a crisis point in the mid-1980s, where Greater Soweto became ungovernable. This pressure was both unprecedented and significant: the consequence was that residents of Greater Soweto gained enforceable and tradeable rights in housing and land.

The mechanisms which were not embraced by theoretical work comprised the actions of the apartheid regime: exploitation, state violence, forced removals and evictions, pass laws and the depriving of Africans of rights in housing and land, racial segregation and separate development and influx

control, all of which had implications for both the labour market and housing market.

9.2 Empirical research findings

Chapter 3 of this thesis has shown the existence of the proliferation of tenure markets and the associated rights in housing and land (enforceable at law and tradeable) in present-day Greater Soweto. These rights (in the formal council-built housing stock, private sector housing, backyard and informal sectors) constituted different commodities which were bought and sold or rented, and corresponded to distinct markets because of the differences in the rights attached to them and enjoyed by households.

Cleavages between tenure markets (sectors) in Greater Soweto were also uncovered by this study. They were distinguished by distinct supply and demand sectors, different rules of entry (access), and different mechanisms for providing security to people seeking accommodation. It is within the context of these differences that the tenure sectors in the Greater Soweto area constitute distinct submarkets which are also localised.

In the council-built, subsequently sold sector, households headed by a person over 60 years were very heavily over-represented, while younger households under 30 were significantly not represented. In the council rented sector,

households headed by someone under 40 were under represented, while those headed by a person over 50 but under 60 were over-represented. In the backyard sector, households headed by someone under 40 years but over 30 were disproportionately over-represented. In the privately built (owner-occupied) sector, households headed by someone under 30 and someone over 60 were under represented, while those headed by a person over 40 and under 60 were over-represented.

There was also evidence of little movement between tenures and stability within the tenure sector in the Greater Soweto housing markets. In the council-built housing stock, there was little movement relative to demand and this had two consequences: a) adult children tended to stay in the present home, and b) when they did set up home it was mostly in the backyard sector. One might say that housing markets in Greater Soweto are thus characterised more by stability of occupation than by movement (although strictly speaking these are not comparable).

This study also found that supply was brought forward by demand created by shortage. In the backyard and informal shacks sectors the demand was characterised by the formation of new households: young people, new migrants, the mobile employed persons, unemployed and homeless people, perceived overcrowding in other housing types and income. The supply factors comprised a lump sum to buy materials, labour force

(the availability of small time builders or assistance from relations and friends with the building of the units) and the availability of a patch of land at the backyards of residents's homes and the availability of funds for building these dwellings.

Chapter 4 has shown the historical development of housing markets in Greater Soweto, in terms of a progression of mechanisms all of which combined to deprive Africans of rights in housing and land. Earnings did not allow African people to bargain in the housing market. It was also through violent mechanisms that urban Africans were not only forcibly assigned to different urban settlements from the whites many kilometres away from the CBD of Johannesburg, but were also excluded from the socio-economic development of society as a whole through various national legislative and policy mechanisms (shown in Chapter 4) aimed at depriving Africans of rights in housing and land, employment, education, controlling their movement and so on.

However, the vulnerability of urban Africans (in terms of exploitation and removal of rights) did not cease once the removals from the city (as described in Chapter 4) had been completed, but was actually continued. In the townships the lack of other forms of housing remained a critical feature of Greater Soweto housing markets from the very beginning. African urban dwellers were thus compelled to rent scarce council-built housing.

The financing mechanisms (Native Revenue Account, levies from employers and the cheap labour power of African building workers) employed in the production of the stock were brought out in Chapter 5. These in turn had cost and quality implications for the nature of the housing produced, which amounted to council-built shacks. It was also shown in Chapter 5 that the housing stock in Greater Soweto today was fixed in location, heterogeneous and durable: characterised by a diversity of house types, differentiated by size, age, and quality of the stock. The temporary urban status conferred on Africans under apartheid was shown to have had an adverse effect on the conception of appropriate house spaces (floor size) and standards, as can be seen from the specification of elephant, row, subdivided and matchbox dwellings.

Chapter 5 also examined the rate of additions to the council-built stock. Within this context, it was shown that from 1930 until the late 1970s white controlled municipalities (local authorities) had a monopoly of housing supply in Greater Soweto. It was this monopoly combined with the impact of Government policies which restricted the supply, thereby contributing to severe housing shortages and social problems. However, this monopoly was ended with the introduction of other agents from 1980 as evidenced by the new forms of housing supply (privately built housing, backyard (outbuildings) and informal shack house types. As was pointed out, these new supply mechanisms have been the

sole means of meeting demand given the virtual collapse of municipally (local authority) built housing programmes since the early 1980s..

Allocation mechanisms to housing and tenure markets were examined in Chapter 6. It was shown that access and entitlement to housing in all the three key tenure markets (site permits, certificates of occupation and residential permits) was controlled through the influx control mechanisms. Access for those individuals who might have desired and could afford entry into the partially owner-occupied housing market was restricted by the shortage of such housing stock. In turn the persistence of the overall housing shortage had the effect of restricting movement within and between these segregated tenure markets.

The policy of restricting housing to those with urban influx qualifications (given the limited housing stock) meant that a fundamental component of the apartheid housing strategy excluded many people (who were in Greater Soweto legally) from access to formal housing. As a result the only opportunities available to many residents until 1980 were through renting in the lodgers' market, and from the early 1980s, in the backyards of residents' homes and in informal shacks.

Until the early 1980s, it was within only the lodgers' housing market that mobility within the housing structure

was possible. In the other key tenure markets it was impossible for households to move out from one market and to get into another. It was also explained that these tenure markets were not characterised by any significant divisions either in neighbourhood attributes or otherwise. Nevertheless, these tenure sectors constituted different markets: markets for those in occupation of the houses and markets for the newcomers (new demand sector). Within this patterning, both council lessees (tenants) and partial home-owners were exposed to and affected by the same market externalities. Moreover, the amount of stock in the partial home-ownership market in the whole of Greater Soweto (compared to the rented stock) was small.

In Chapter 7 this study explained the shift in the housing policy from state-ownership of the housing stock to private tenure (through sale and free transfer of council-built housing) to the residents. The role played by grassroots movements was shown to have contributed significantly to the introduction of the sales policy and free transfer of housing from the state to private tenure. These urban social movements were much more organised, resilient and in a stronger position in their campaigns against the Government and local authorities, than the earlier squatter movements of the 1940s. These urban (grassroots) movements increasingly adopted the same violent tactics employed by the Government to press home their demands. Perceived collaborators and employees of the Government and local

authorities were targeted by these grassroots movements.

As was explained in Chapter 7, the severe economic difficulties during the 1970s affecting South Africa, combined with the impact of the Soweto revolt after 1976 created new mechanisms: the rapid growth of militant urban struggles, rent boycotts, the consequent revolutionary insurgency campaigns and pressure from overseas against apartheid policies. An interest in social stability appears to have pressured the Government to concede to the demands of urban social movements.

The introduction of 99-year leases, despite being designed within the urban influx control mechanisms, represented a significant shift from the previous policy of conferring temporary urban status only upon Africans. The significance of 99-year leases being that Africans were effectively granted permanent rights of abode in the so-called 'white cities'. They were also granted enforceable and tradeable leasehold rights in housing and land. The transfer of houses to private ownership has the potential to allow the further development of rental markets (through subdivisions and the growth of backyard houses).

Already, as was also explained in Chapters 7 and 8, a feature of contemporary 'residential differentiation' in the Greater Soweto housing markets is precisely upgradings through alterations, total rebuilding and additions to the

council-built housing stock by those owners with the means to facilitate this development. The other element of residential differentiation is expressed through the construction of houses with private sector finance for the middle-class and elite markets.

As was shown in both Chapters 7 and 8, the upgrading of poor quality housing in Greater Soweto today offers substantial profits for the lenders (banks and other financial institutions). For example, between 1986 and 1989 the residential building plans that were passed in relation to additions and alterations to the existing council built housing stock were well in excess of R154 million (see Chapter 8, table 8.2), a figure many times the combined total expenditure on the construction of all the council-built dwellings and the provision of infrastructure and services in Greater Soweto since townships were first established in the early 1930s.

The context in which housing in the townships has become open to a credit system where houses are bought and paid for over an extended period was also examined in relation to the Meadowlands West Zone 9 case study. In Chapter 8, the formation of housing-linked money markets (Africans as consumers) was illustrated through the development of the bond housing market shown in the Appendix A1 Chapter. There were thus connections between this form of housing market and the employment situation of residents, particularly

evident when the levels of bond repayments and interest rates are considered and analysed.

The reforms once in place allowed other factors to operate: the profit motive of developers and financial institutions and the role played by grassroots campaigns in claiming back property and housing rights. In this context it was shown in Chapter 8 that financial markets had freedom to exploit purchasers due to the lack of transparency and enforceable contracts. As a result, the aspiring home-owners were again exposed to new forms of vulnerability, this time at the hands of financial institutions, private developers and local authorities.

The response of the residents on discovering the poor building standards (cracked houses) and the associated problem of 'negative equity' was also examined in Chapter 8. This response took the form of the 97 Residents' Committee campaign for social justice against the banks, developers and Diepmeadow City Council. This in turn had resulted in the main allegations of improper land deals and corrupt practices between officials of Diepmeadow City Council and developers being upheld by the commission of inquiry.

9.3 Theoretical and empirical research implications

It will be clear from the above and also from the preceding chapters that none of the perspectives of housing markets

reviewed in Chapter 2 (ecological, neo-classical economics, institutional and marxist) can fully explain the existence and complexity of present day housing markets in Greater Soweto. However, the mechanisms are changing, for example, there is less urban management today in the allocation process but more allocation through market forces and individual choices.

The important conclusion for this study is that the proliferation of tenures (different rights in housing and land) is explained by the interaction of social, economic and political factors within which the mechanisms operate. There are a number of factors at work such as: a) the existence of a patch of land in which the construction of informal/squatter settlements has become a reality, b) the existence of backyards in residents' homes in which rooms/shacks can be built, a) the existence of finance capital seeking investments outlets, d) the dependency of the economy for its efficient functioning on a settled labour force and the pressure exerted on the state and capital by urban social movements (grassroots campaigns)

This study has examined and portrayed the housing markets in Greater Soweto in a way that brings out the complexity of their formation and operation. There is evidence throughout this study for the central hypothesis that the current housing situation in Greater Soweto has come about via a multiplicity of social, economic and political mechanisms.

It is the interaction of these mechanisms, and between population, housing and employment, which fully explains the proliferation of tenures (rights in housing and land) and the associated markets in finance capital, building, materials and labour.

In conclusion, this study has documented different methods (means) by which the residents of Greater Soweto (and Africans across South Africa) have managed to get their rights back. The findings of this study have also been presented in ways in which others have not appreciated. It is hoped that by throwing light on the nature of the township built environment, this study makes a contribution into the understanding of Greater Soweto housing markets and the process by which residential differentiation comes about as a variety of tenures becomes available.

APPENDIX A1

MORTGAGE BONDS IN SELECTED HOUSING MARKETS, 1987-1993

SA Perm	South African Perm Bank
FNB	First National Bank
ABSA	African Bank of Southern Africa
AA Corp	Anglo American Corporation
JHB MUN PF	Johannesburg Municipality Pension Fund
NBS	Natal Building Society
LLA	Liberty Life Assurance
JMSPF	Johannesburg Municipality Second Pension Fund

Table A.1: The Orlando East Mortgage Bond Housing Market

Bank	No. of Bonds	Total Bond Cost (Rand)	Average Bond Cost (Rand)	% Of Total Bond Amount
SA Perm	131	4,194,092	32,015	30,4
Nedperm	122	4,169,603	34,177	30,2
Nedcor	44	1,264,804	28,745	9,2
FNB	13	576,741	44,364	4,2
Standard	18	732,175	40,676	5,3
ABSA	8	280,000	35,000	2,0
Saambou	5	190,585	38,117	1,4
Mercantile	36	606,487	16,846	4,3
Allied	26	560,508	21,558	4,0
United	5	164,075	32,815	1,2
JMPF	12	442,472	36,872	3,2
AA Corp	4	70,763	17,690	0,5
Other	25	548,456	21,938	3,9
Total	449	13,800,761	30,736	100

Source: Calculated from the 1993 Report on Properties in Johannesburg, Deeds Registry System, Central Government Building, Pretoria.

Table A.2: The Orlando West mortgage bond housing market

Bank	Number of Bonds	Total Amount of Bonds (Rand)	Average Cost of Bonds (Rand)	% of Total Bond Amount
Nedperm	43	1,621,298	37,704	26,6
SA Perm	46	1,639,174	35,634	26,9
Nedcor	5	143,693	28,738	2,3
FNB	16	757,714	47,457	12,4
Standard	14	708,116	50,579	11,6
United	8	183,851	22,981	3,0
Mercantile	7	183,000	26,142	3,0
JHB Mun PF	3	120,119	40,039	1,9
Other	27	727,588	26,947	11,9
Total	169	6,084,553	30,003	100

Source: Calculated from the Deeds Registry System (op.cit.)

Table A.3: The Dube mortgage bond housing market

Bank	No. of Bonds	Total Amount of Bonds (Rand)	Average Cost of Bonds (Rand)	% Of Total Bond Amount
SA Perm	53	1,367,361	25,799	14,7
Nedperm	45	1,977,043	43,934	21,2
Nedcor	6	321,127	53,521	3,4
FNB	19	913,516	48,079	9,8
Standard	30	1,125,200	37,506	12,0
AA Corp	9	321,750	35,750	3,4
Mercantile	7	161,000	23,142	1,7
Allied	26	778,515	29,942	8,3
United	24	568,781	23,699	6,1
JMPF	5	245,602	49,120	2,6
Other	38	1,520,018	40,000	16,3
Total	262	9,299,913	35,499	100

Source: Calculated from the Deeds Registry System (op.cit.)

Table A.4: The Jabulani mortgage bond housing market

Bank	Number of Bonds	Total Amount of Bonds (Rand)	Average Cost of Bonds (Rand)	% of Total Bond Amount
Nedperm	57	2,199,470	38,587	19,5
SA Perm	100	4,037,908	40,379	35,9
Nedcor	32	165,128	5,160	1,4
FNB	9	270,600	30,066	2,4
Standard	47	2,020,577	42,991	17,9
Allied	29	980,452	33,809	8,7
United	9	270,133	30,015	2,4
ABSA	5	170,530	34,106	1,5
AA Corp	8	231,380	28,922	2,0
JHB Mun PF	10	341,155	34,155	3,0
Other	16	539,893	33,743	4,8
Total	322	11,227,226	34,867	100

Source: Calculated from the Deeds Registry System, op.cit.

Table A.5: The Tladi mortgage bond housing market

Bank	Number of Bonds	Total Amount of Bonds (Rand)	Average Cost of Bonds (Rand)	% of Total Bond Amount
Nedperm	40	2,965,056	74,264	34,0
SA Perm	93	2,847,377	30,616	32,6
Nedcor	3	161,619	53,873	1,8
FNB	6	429,598	71,599	4,9
Standard	11	454,068	41,278	5,2
Mercantile	6	117,950	19,658	1,3
Allied	9	460,263	51,140	5,2
United	11	287,851	26,168	3,3
AA Corp	5	107,000	21,400	1,2
Other	25	883,313	35,332	10,1
Total	209	8,714,095	41,694	100

Source: Calculated from the Deeds Registry System, op.cit.

Table A.6: The Naledi mortgage bond housing market

Bank	Number of Bonds	Total Amount of Bonds (Rand)	Average Cost of Bonds (Rand)	% of Total Bond Amount
Nedperm	84	3,461,009	41,202	42,6
SA Perm	78	2,197,317	28,170	27,0
Nedcor	9	263,863	29,318	3,2
FNB	5	179,612	35,922	2,2
Standard	13	528,500	40,653	6,5
Mercantile	11	229,497	20,863	2,8
NBS	3	111,400	37,133	1,3
AA Corp	3	102,000	34,000	1,2
JHB Mun PF	12	458,349	38,195	5,6
Other	16	578,537	36,158	7,1
Total	234	8,110,084	34,658	100

Source: Calculated from the Deeds Registry System, op.cit.

Table A.7: The Naledi Extension 1 mortgage bond housing market

Bank				
Nedperm	53	2,466,489	46,537	21,4
SA Perm	99	3,198,550	32,308	27,8
Nedcor	10	310,478	31,047	2,7
FNB	21	1,421,181	67,675	12,3
Standard	20	947,758	47,387	8,2
Allied	13	448,714	34,516	3,9
ABSA	7	272,682	38,954	2,3
United	27	695,058	25,742	6,0
NBS	19	637,075	33,530	5,5
JHB Mun PF	7	237,577	33,939	2,0
Other	24	852,535	35,522	7,4
Total	300	11,488,097	38,293	100

Source: Calculated from the Deeds Registry System, op.cit.

Table A.8: The Mofolo Central mortgage bond housing market

Bank	Number of Bonds	Total Amount of Bonds (Rand)	Average Cost of Bonds (Rand)	% of Total Bond Amount
Nedperm	43	1,275,360	29,659	18,5
SA Perm	51	1,393,445	27,322	20,2
Nedcor	11	525,527	47,775	7,6
FNB	19	884,614	46,558	12,8
Standard	10	316,718	31,671	4,5
United	12	292,941	24,411	4,2
Mercantile	5	107,121	21,424	1,5
African Bank	7	382,577	54,653	5,5
JHB Mun PF	8	472,017	59,002	6,8
AA Corp	4	184,000	46,000	2,6
Other	20	1,059,041	49,452	15,3
Total	190	6,893,361	36,280	100

Source: Calculated from the Deeds Registry System, op.cit.

Table A.9: The Mofolo South mortgage bond housing market

Bank	Number of Bonds	Total Amount of Bonds (Rand)	Average Cost of Bonds (Rand)	% of Total Bond Amount
Nedperm	30	1,585,692	52,856	43,8
SA Perm	28	795,123	28,397	21,9
Nedcor	4	81,384	20,346	2,2
FNB	2	61,769	30,884	1,7
Standard	12	550,487	45,873	15,2
Allied	2	81,850	40,925	2,3
NBS	3	75,689	25,229	2,0
JHB Mun PF	3	131,506	43,835	3,6
Other	8	252,131	31,516	6,9
Total	92	3,615,631	39,300	100

Source: Calculated from the Deeds Registry System, op.cit.

Table A.10: The Mofolo North mortgage bond housing market

Bank	Number of Bonds	Total Amount of Bonds (Rand)	Average Cost of Bonds (Rand)	% of Total Bond Amount
Nedperm	20	887,174	44,358	13,3
SA Perm	66	2,081,836	31,542	31,3
Nedcor	5	103,800	20,760	1,5
FNB	12	622,362	51,863	9,3
Standard	8	389,000	48,625	5,8
ABSA	6	311,000	51,833	4,6
Allied	9	300,158	33,350	4,5
United	16	463,917	28,994	6,9
Mercantile	4	137,279	34,319	2,0
African Bank	13	649,144	49,934	9,7
AA Corp	4	123,000	30,750	1,8
JHB Mun P. Fund	6	299,225	49,870	4,5
Other	7	271,354	38,764	4,0
Total	176	6,639,249	37,723	100

Source: Calculated from the Deeds Registry System, op.cit.

Table A.11: The Moroka North mortgage bond housing market

Bank	Number of Bonds	Total Amount of Bonds (Rand)	Average Cost of Bonds (Rand)	% of Total Bond Amount
Nedperm	11	386,747	35,158	39,6
SA Perm	17	313,043	18,414	32,0
Standard	2	60,000	30,000	6,1
JHB Mun PF	2	69,650	34,825	7,1
Other	7	146,917	20,988	15,0
Total	39	976,357	25,034	100

Source: Calculated from the Deeds Registry System, op.cit.

Table A.12: The Pimville Zone 1 mortgage bond housing market

Bank	Number of Bonds	Total Amount of Bonds (Rand)	Average Cost of Bonds (Rand)	% of Total Bond Amount
Nedperm	20	608,687	30,434	18,9
SA Perm	37	989,689	26,748	30,8
Nedcor	3	82,532	27,510	2,5
FNB	6	273,644	45,607	8,5
Standard	8	246,800	30,850	7,6
Allied	6	224,668	37,444	7,0
NBS	5	138,245	27,649	4,3
JMPF	3	135,480	45,160	4,2
Other	14	506,189	36,156	15,7
Total	102	3,205,934	31,430	100

Source: Calculated from the Deeds Registry System, op.cit.

Table A.13: The Pimville Zone 2 mortgage bond housing market

Bank	Number of Bonds	Total Amount of Bonds (Rand)	Average Cost of Bonds (Rand)	% of Total Bond Amount
Nedperm	11	392,276	35,661	8,7
SA Perm	39	1,345,575	34,501	30,1
FNB	3	118,758	39,586	2,6
Standard	16	826,862	51,678	18,5
Allied	15	689,605	45,973	15,4
United	10	340,860	34,086	7,6
ABSA	6	201,008	33,501	4,5
JMPF	3	157,220	52,406	3,5
AA Corp	4	100,000	25,000	2,2
Other	10	294,022	29,402	6,5
Total	100	4,466,186	44,661	100

Source: Calculated from the Deeds Registry System, op.cit.

Table A.14: The Pimville Zone 3 mortgage bond housing market

Bank	Number of Bonds	Total Amount of Bonds (Rand)	Average Cost of Bonds (Rand)	% of Total Bond Amount
Nedperm	26	991,119	38,119	37,2
SA Perm	28	806,607	28,807	30,3
Nedcor	3	143,030	47,676	5,3
FNB	6	214,818	35,803	8,0
Standard	3	142,535	47,511	5,3
LLA	3	111 050	37,016	4,1
Other	12	252,138	21,011	9,4
Total	81	2,661,297	32,855	100

Source: Calculated from the Deeds Registry System, op.cit.

Table A.15: The Pimville Zone 4 mortgage bond housing market

Bank	Number of Bonds	Total Amount of Bonds (Rand)	Average Cost of Bonds (Rand)	% of Total Bond Amount
Nedperm	18	968,934	53,829	9,5
SA Perm	25	1,151,035	46,041	11,3
Nedcor	3	160,000	53,333	1,5
FNB	12	860,588	71,715	8,4
Standard	35	1,954,583	55,845	19,2
Allied	21	717,777	34,179	7,0
United	20	573,572	28,678	5,6
NBS	79	2,835,599	35,893	27,8
AA Corp	5	245,706	49,141	2,4
JMPF	4	218,100	54,525	2,1
Other	11	486,803	44,254	4,7
Total	233	10,172,697	43,659	100

Source: Calculated from the Deeds Registry System, op.cit.

Table A.16: The Pimville Zone 5 mortgage bond housing market

Bank	Number of Bonds	Total Amount of Bonds (Rand)	Average Cost of Bonds (Rand)	% of Total Bond Amount
Nedperm	34	2,110,892	62,085	16,7
SA Perm	61	1,532,822	25,128	12,1
Nedcor	9	251,178	27,908	1,9
FNB	35	1,648,050	47,087	13,0
Standard	49	2,958,498	60,377	23,4
ABSA	9	278,446	30,938	2,2
Allied	14	452,978	32,355	3,5
United	17	483,114	28,418	3,8
NBS	35	907,468	25,927	7,2
AA Corp	7	202,000	28,857	1,6
African Bank	6	317,000	52,833	2,5
JMPF	10	316,620	31,662	2,5
LLA	7	217,500	31,071	1,7
Other	32	919,238	28,726	7,2
Total	325	12,595,804	38,756	100

Source: Calculated from the Deeds Registry System, op.cit.

Table A.17: The Pimville Zone 6 mortgage bond housing market

Bank	Number of Bonds	Total Amount of Bonds (Rand)	Average Cost of Bonds (Rand)	% of Total Bond Amount
Nedperm	62	3,046,442	49,136	10,2
SA Perm	183	8,735,972	47,737	29,4
FNB	27	1,482,884	54,921	4,9
Standard	258	13,266,070	51,418	44,6
Allied	9	350,644	38,960	1,1
United	10	308,091	30,809	1,0
JMPF	11	317,580	28,870	1,0
NBS	6	305,580	50,930	1,0
AA Corp	4	113,304	28,26	0,3
African Bank	4	189,310	47,327	0,6
Other	36	1,572,825	43,689	5,2
Total	610	29,688,702	48,670	100

Source: Calculated from the Deeds Registry System, op.cit.

Table 18: The Klipspruit mortgage bond housing market

Bank	Number of Bonds	Total Amount of Bonds (Rand)	Average Cost of Bonds (Rand)	% of Total Bond Amount
Nedperm	33	1,737,733	52,658	20,2
SA Perm	68	1,868,199	27,473	21,7
Nedcor	3	104,768	34,922	1,2
Standard	23	1,162,629	50,549	13,5
ABSA	5	191,576	38,315	2,2
Allied	11	284,213	25,837	3,3
United	10	391,619	39,161	4,5
NBS	27	1,503,354	55,679	17,5
Transnet	3	206,500	68,833	2,4
JMPF	8	421,590	52,698	4,9
AA Corp	4	132,000	33,000	1,5
Other	15	585,862	39,057	6,8
Total	210	8,590,043	40,904	100

Source: Calculated from the Deeds Registry System, op.cit.

Table A.19: Protea mortgage bond housing market

Bank	Number of Bonds	Total Amount of Bonds (Rand)	Average Cost of Bonds (Rand)	% of Total Bond Amount
Standard	14	990,197	70,728	12,3
Nedperm	10	890,176	89,017	11,0
FNB	22	1,493,994	67,908	18,6
NBS	43	3,277,382	76,218	40,8
Allied	27	1,017,319	37,678	12,6
JMSPF	3	84,500	28,166	1,0
Other	4	273,699	68,424	3,4
Total	96	8,027,267	83,617	100

Source: Calculated from the Deeds Registry System, op.cit.

Table A.20: Protea South Extension 1 mortgage bond housing market

Bank	Number of Bonds	Total Amount of Bonds (Rand)	Average Cost of Bonds (Rand)	% of Total Bond Amount
Perm	45	3,232,732	71,838	35,3
United	51	2,672,425	52,400	29,2
Nedbank	34	2,545,961	74,881	27,8
FNB	4	272,350	68,087	2,9
Other	6	410,910	68,485	4,4
Total	142	9,134,553	64,326	100

Source: Calculated from the Deeds Registry System, op.cit.

Table A.21: Protea North mortgage bond housing market

Bank	Number of Bonds	Total Amount of Bonds (Rand)	Average Cost of Bonds (Rand)	% of Total Bond Amount
Nedperm	95	5,830,815	61,377	7,7
Nedcor	16	1,152,030	72,001	1,5
FNB	177	10,569,007	59,711	14,1
Standard	309	17,561,061	56,831	23,4
Allied	192	11,216,732	58,420	14,9
ABSA	41	2,518,067	61,416	3,3
Saambou	76	4,557,916	59,972	6,0
NBS	160	14,459,476	90,371	19,3
JMSPF	81	3,654,812	45,121	4,8
Other	35	3,291,822	94,052	4,4
Total	1,182	74,811,738	63,292	100

Source: Calculated from the 1993 Report on Properties in Johannesburg, Deeds Registry System, Central Government Building, Pretoria.

APPENDIX A2

Household Survey in Orlando West and Meadowlands West Zone 9

This survey is purely an academic exercise, which is aimed at informing on the dynamics of the housing situation in Greater Soweto. I would appreciate all the assistance that you are willing to offer by spending a few minutes of your time with me answering the following questions.

Survey Number..... Date of call.....
Interviewer.....
Township.....
House Type.....
Tenure.....

The Head of Household

Age.....
Sex.....
Occupation.....

SECTION 1

I would like to ask you a few questions about your housing situation.

1. What year was your house built?.....
2. When did you first occupy this house?.....
3. How many rooms does your house have?.....
4. Do you have an inside toilet?.....

5. How many people live permanently on this house?.....
 6. How many are children under 15?.....
 7. How many are adults over 60?.....
-

SECTION 2

I would now like to ask you about your employment and income situation.

8. Are you employed?.....
 9. If yes, what is your occupation?.....
 1. Where do you work?.....
 10. How much do you take home, eg, wages, salary or profit?.
 11. What is your income from other sources, eg, pension?....
 12. Are you self employed?.....
 13. If yes, what is the nature of your business?.....
 14. How much is your income per day.....or per week.....or per month?.....
 15. If you are not employed, do you receive any assistance from government?.....
 1. If yes how much per month.....
 16. What employment skills do you possess?.....
 17. If you are unemployed and you do not have informal employment, how do you meet your living expenses?.....
-

SECTION 3

I am now interested in knowing about your housing situation.

18. Do you own this house?.....
19. If yes, 1) did you buy it outright?.....
Or 2) you bought it through a bank loan or bond?...

20. If you bought your house outright, how much did you pay?.....
21. How did you raise the money to buy this house outright?.
22. If you bought your house through a bank loan or bond, how much does your bond cost?.....
23. Which bank gave you a loan?.....
24. How much do you pay a month?.....
25. Do you own any other house?.....
26. If yes, how many?.....
27. If so, why do you own more than one house?.....
 1. Owners, do you receive any subsidy from government?..
 2. If yes, how much?.....
 3. In your view, what would you say are the advantages of owning a house?.....
28. Do you rent your accommodation?.....
29. If yes, from who?.....
30. How much rent do you pay per month?.....
 1. Tenants, do you receive any subsidy from government?.
 2. If yes, how much?.....
 3. What would you say are the advantages of renting?....
31. If you don't pay rent, why not?.....

SECTION 4.

I would now like to ask you about your housing history.

32. How long have you lived here?.....
33. Where did you live before?.....
34. Why did you move?.....

35. Have you lived in more than one area/place/house?.....
1. First house, 1) Area/township.....
 - 2) Type of house.....
 - 3) Year in which you moved in.....
 - 4) Year in which you moved out.....
 - 5) Why did you move?.....

 2. Second house, 1) Area/township.....
 - 2) Type of house.....
 - 3) Year in which you moved in.....
 - 4) Year in which you moved out.....
 - 5) Why did you move?.....

 3. Third house, 1) Area/Township.....
 - 2) Type of house.....
 - 3) Year in which you moved in.....
 - 4) Year in which you moved out.....
 - 5) Why did you move.....

SECTION 5

I would also like to ask you about the problems you are experiencing with your house.

36. What sorts of problems are you experiencing?
- 1).....
 - 2).....
 - 3).....
 - 4).....
 - 5).....

- 6).....
- 7).....
- 8).....
- 9).....
- 10).....

SECTION 6

I would like to know where you were born.

- 37. Where you born in Soweto?.....
 - 1. If yes, how long ago?.....
 - 2. If not, when did you first move in.....
 - 3. From where did you come?.....
- 38. Finally, is there a place in Soweto where you would rather live?.....
 - 1. If yes, where?.....
 - 2. And, why?.....

Thank you very much for your cooperation.

For Control Purposes

- 1. Number of substitutions.....
- 2. Reasons for substitutions.....
- 3. How substituted.....
- 4. Original address.....
- 5. Substituted address.....

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