SOCIAL HOUSING: WHAT LESSONS CAN BE LEARNT FROM THE INTERNATIONAL EXPERIENCE?

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Opsomming

Die Nasionale Departement van Behuising is tans besig om 'n beleidraamwerk te ontwikkel waarbinne die opkomende Suid-Afrikaanse sosiale behuisingsektor na verwagting sal funksioneer. Die hoofdoel met sosiale behuising is om die noodsaaklike diens van behuising teen kosprys aan mense met beperkte geldelike middele te verskaf. In hierdie studie word die verskaffing van sosiale behuising in Europa, Suid-Amerika en Afrika ondersoek met die oog daarop om die besondere metodes te identifiseer waarvolgens sosiale behuising in verskillende situasies verskaf word en ook om die lesse te identifiseer wat uit sodanige ervarings geleer kan word ten opsigte van die opkomende behuisingsektor in Suid-Afrika. Hierdie studie gee 'n beskrywing van sosiale behuising en die ontwikkeling daarvan en fokus op die institusionele en ander ondersteuningstrukture wat nodig is vir 'n geslaagde beweging rakende sosiale behuising, die finansiering van sosiale behuising en laastens die bestuur van sosialebehuising-projekte/sosialebehuising-instellings.

Summary

The National Department of Housing is currently in the process of developing a policy framework in which the emerging South African social housing sector is expected to operate. The primary goal of social housing is to provide the essential service of housing at cost to people with limited financial means. In this study the provision of social housing in Europe, South America and Africa was studied with a view, to identify the particular ways and means in which social housing is provided under different situations and also, to identify the lessons that can be learnt from such experiences for the emerging social housing sector in South Africa. This study provides a description of social housing and the evolution thereof and focuses on the institutional and other support structures necessary for a successful social housing movement, the financing of social housing and lastly the management of social housing projects/social housing institutions.

1. INTRODUCTION

Social housing is a relatively new field of study in the South African housing sector (see Pohl, 2001). The National Department of Housing, as part of their multifaceted approach to address the housing crisis in South Africa, is currently in the process of developing a policy framework in which the emerging social housing sector is expected to operate. The White Paper on Housing (RSA, 1994) acknowledged that the development of a social housing policy would require significant engagement with international expertise and experience. As far as could be determined only one institution namely the Social Housing Foundation (SHF) founded in 1997 has thus far been established to assist in providing capacity building and technical support to housing institutions involved in the delivery of social housing. Mandated by the Minister of Housing, the SHF appointed a policy task team in August 1997 to develop a policy framework for the social housing sector. In spite of the progress made in the policy formulation for the social housing sector the Department of Housing acknowledged in their 1999 Annual Report that the policy and funding frameworks in which the emerging South African social housing sector currently operates, are still not fully developed. The provision of social housing in Europe, South America and Africa was therefore studied with a view to identify the particular ways and means in which social housing is provided under different situations and also, to identify the lessons that can be learnt from such experiences for the emergent South African social housing sector. The study is based on an analysis and interpretation of literature in the field.

2. DEFINING OF SOCIAL HOUSING

Social housing programmes usually· entail the establishment of non-profit social housing institutions (SHIs)/housing associations whose primary purpose is to provide the essential service of housing at cost to people with limited financial means (Cash, 1998:6; UN, 1975:7 and USN, 1999:2). This is done through the provision of rental stock or rent-to-buy stock financed by levering private finance at preferential rates to top up limited public funds (Cash, 1998:6). Social housing programmes are thus underpinned by the philosophy that the responsibility of housing production is divided between the public and non-governmental sectors. According to Harloe (1995:69) social housing from its inception was limited to that of a supplementary form of housing provision rather than a perceived alternative to the private market. This view is substantiated by the fact that three models namely the residual model, the mass provision model and the worker co-operative model have thus far dominated the provision of social housing worldwide (Harloe, 1995: 6). The residual model of social housing provision - involving small scale building programmes which focus almost exclusively on the poor - dominated with two brief exceptions throughout the history of the movement in industrialised countries (Harloe, 1995: 523; Clapham et al., 1990:67). The mass model - targeting a broad range of lower and middle-income groups emerged briefly in Europe after the First World War and again after the Second World War (Harloe, 1995:81; Emms, 1990, 3-5). In terms of the worker co-operative model housing stock is provided through bottom-up grassroots efforts of working and middle class organisations that founded a wide range of self-help or mutual aid organisations to build housing stock (Harloe, 1995:72). This model was, however, repressed or absorbed within the structures and practices of state regulated and mass housing programmes.

According to Lewin (1981:xi, 10), the main advantages of SHIs/housing associations include *inter alia:*

- Standardised planning, design and organisational administration of collective construction;
- joint procurement, disbursement and repayment of construction loans;
- more efficient use of technical skills;
- proper maintenance and upkeep of housing and neighbourhoods;
- members can gradually assume the management and administration of SHIs;
- internal control can be exercised to prevent speculation and illegal sale, subletting or transfer of dwellings;
- SHIs have the potential to promote integrated and viable urban communities and to mobilise self-help sources and group dynamics; and
- SHIs offer an integrated framework, not only for the construction and management of housing, but also for a variety of other social and economic activities.

It is in the context of these advantages that SHIs/housing associations have repeatedly been advocated as a means of addressing the shelter problems of low-income households in developing countries (Lewin, 1981:xiii).

3. CLASSIFICATION OF SHI'S

SHIs are the bodies or institutions through which social housing projects are undertaken. The term SHI is a collective term used in this article for all the different types of housing associations. Housing associations are characterised by the diversity they encompass with regards to their aims, philosophies, functions, sizes and organisational structures (Cope, 1990:2; Alder and Handy, 1987:3). The definition of a housing association most often quoted in the literature (see for example Cope, 1990:20; Baker, 1976:20 and Alder and Handy, 1987:11) is found in the British Housing Act of 1974. In terms of this Act to qualify as a housing association the society's body of trustees or company's objectives must include the construction, improvement or management of houses or hostels or the facilitation of these activities.

Secondly, it must not trade for profit or, if it does, its constitution or rules must prohibit the issuing of any capital or interest or dividend exceeding prescribed levels.

Due to the inherent diversity of housing associations there are numerous characteristics that can be used to classify them into different sub-categories. The characteristics most often used in the classification of housing associations include: legal status, motivation, size, general status referring to whether or not they are registered, geographical scope, function and time-period of existence (Cope, 1990:41; USN, 1994:4; Lewin, 1981:20; UN, 1975:9 and Baker, 1976:33). Upon considering the reasons for classification internationally it became clear that classification is used as a tool to distinguish between the SHIs/housing associations that qualify for public assistance and those that do not. A country such as South Africa should thus carefully consider what characteristic would most accurately capture the type of SHI it would like to support.

4. INSTITUTIONAL AND OTHER SUPPORT STRUCTURES

Mature social housing movements generally consist of three and sometimes four organisational levels, some of which occur naturally whilst others need to be created through legislation (see *inter alia* Mauseth, 1999:58; Lewin, 1981:29; UN, 1975:50 and Eglin, 1999:17). These levels are:

- National sponsoring agency;
- Secondary or mother housing associations/SHIs - often referred to as technical service organisations (TSOs);
- Primary/daughter societies also called primary housing associations/SHIs; and
- International organisations or societies.

The type and nature of these organisational levels depend on the degree of integration that is envisaged between the different levels.

In most countries the planning and decision-making powers are distributed in one way or another between these different organisational levels (Lewin, 1981:29 and UN, 1975:111).

Integration in this context refers to the co-ordinated distribution of tasks and functions amongst the various levels and organisations, thus lending itself to a situation where each level or organisation takes over all those tasks and functions that can best be executed by that unit/level in a rational manner and at minimal cost. Integration is, however, approached in various ways as a result of the unique circumstances to be found in each country. Lewin, (1981:29), however, cautions that careful consideration needs to be given to the way in which integration is approached. If the system employed/utilised leans too much towards decentralisation, no powers are shared or delegated and primary associations retain all functions, the country in question is sure to encounter considerable capacity problems. These capacity problems will be caused by the necessity to duplicate expertise in every primary association/SHI. For the benefits of integration e.g. flexibility and reduced costs to be realised fully it needs to take place in a planned and consistent manner in a comprehensive housing policy framework.

Most countries with an active social housing movement found it necessary to create - often through national legislation - national sponsoring agencies to accept responsibility for policy development, registration of approved institutions (regulation of the social housing movement), monitoring of the sector's performance and providing financial assistance to qualifying SHIs (see *inter alia* Cope, 1990; Birchall, 1988; Lowe and Hughes, 1991 and Alder and Handy, 1987). An example of such an agency is the Housing Corporation in Britain (Blewitt and Garrat, 1993:viii). These sponsoring agencies are frequently created to be separate from the national department responsible for housing, but can also, depending on historical circumstances, be located in-house e.g. the Netherlands (Kroes, Ymkers and Mulder, 1988:269).

Given the functions that are generally performed by the national sponsoring agencies it was concluded that the establishment of such an institution is necessary for the development of an organised and structured social housing movement that makes optimal use of the public resources allocated to it. It is important to realise that the functions and responsibilities of national

sponsoring agencies tend to grow and evolve with the social housing movement itself. Initially it might focus primarily on the development of primary societies and financing, but at a later stage functions like monitoring, enforcing standards and providing guidance on issues like best management practises might begin to dominate.

Once a social housing movement is well established within a country it is quite routine for a representative body to emerge spontaneously from amongst the ranks of the movement itself (Cope, 1990:72 and Baker, 1976:91). Such representative bodies e.g. AEDES (latin for house with many rooms), in the Netherlands serves as a platform for its members to safeguard the movement's interests, it provides advice and information to its members and undertakes research on behalf of the movement (AEDES, 1999:24).

Given the above-mentioned functions it was concluded that the emergence of a representative body should be supported and facilitated through *inter alia* financial assistance in its initial stages of development. It provides a useful forum for housing associations and co-operatives to exchange information, learn from one another and reflect on policy proposals that might be beneficial to the sector as a whole.

The national sponsoring agency and the sector's representative organisation/institution fulfil separate but complementary functions which together form a support network at national level that ensures the orderly development and expansion of the non-profit making social housing sector.

Secondary societies or technical service organisations (TSOs) as they are also known, fulfil a very important role in the establishment and progressive expansion of social housing movements worldwide. According to Dreier (1997:12); Vutula (1999:12) and Arrigone (1994:6) TSOs fulfil *inter alia* the following functions:

- Provide technical assistance to primary SHIs/housing associations e.g. preparation of project implementation plans and carrying out preliminary feasibility studies;
- Form a channel through which private, philantrophic and even

government funding can be distributed to primary SHIs/housing associations;
- Encourage the formation of new primary or daughter SHIs/housing associations.

TSOs can be seen as the centres of knowledge and experience that can be utilised on an *ad hoc* or continual basis by primary societies in need of assistance.

From the above it was concluded that TSOs are responsible for capacity building in the social housing movement and as such should be supported and promoted, especially in countries with young/emerging social housing sectors like South Africa.

Primary/daughter societies refer to housing co-operatives or housing associations at project level and as such can be seen as the building blocks of a successful social housing movement (UN, 1975:119 and Lowe and Hughes, 1991:146). These societies are responsible for the actual construction or development of the housing units and remain the owners after the construction/development phase has been completed. Primary societies, if registered with the national sponsoring agency, have to operate in the policy framework established by the national sponsoring agency. According to Alder and Handy (1987:176) it is not unusual for primary societies to have close ties with the local authorities in their area of operation. These two institutions then work together to develop an integrated housing strategy to address the unique housing problems that may occur within that particular area.

International experience, however, indicated that the rapid development of primary/daughter societies in the absence of a comprehensive, coherent social housing policy have the potential to increase the complexity of the policy and regulatory framework to be established at a later stage, simply because the diversity that will have to be accommodated will be so much greater. Such a situation should, if at all possible, be avoided since it makes the tasks of monitoring and integration that much more difficult and expensive.

International social housing organisations or societies emerge when there are a few countries with strong social housing movements situated near

to one another or in cases where increased integration in other spheres encouraged the social housing sector to follow suit (CECODHAS, 1999:5). Such bodies then ensure that the knowledge and experience is exchanged on a regular basis and in an organised manner (CECODHAS, 1999:5).

The emergence of social housing sectors in developing countries is often hampered by a lack of financial resources as well as a shortage of skills with regard to *inter alia* the procurement of loans and the development of appropriate legislative frameworks for the social housing sector (UN, 1975:22 and Carmona, 1992:107). International aid agencies e.g. the German Development Association for Social Housing (DESWOS) and the International Co-operative Housing Development Association (ICHDA) try to address these problems by providing training opportunities to enable skills transfer and establishing temporary or permanent offices in some developing countries, hoping that it will become centres of expert advice and assistance. It is, however, important for the counties receiving aid to ensure that international aid agencies adopt an institutional building approach, with emphasis being placed on working in close collaboration with national government to create/establish capable, knowledgeable national sponsoring agencies through the transfer of skills.

National legislation is one of the most important mechanisms that governments (including the South African government) have at their disposal to establish the hierarchy or levels of a mature social housing movement discussed above. According to Lowe and Hughes (1991:68) and Smith (1995:906) it enables government to clearly set out:

- The functions and powers of each level of the social housing movement:
- The financial mechanisms and support government is willing to provide to the social housing sector under certain terms and conditions:
- Guiding principles on issues like management practise, allocation policies and tenant participation.

National legislation thus represents an important opportunity for governments

to stimulate and support the development of strong and socially conscious social housing movements.

In view of the above the development of an integrated and effective social housing movement depends on a range of factors which all have to be in place if synergy is to be achieved between the various levels of the social housing movement. National legislation and policies create the framework, norms and standards in which all actors in the sector have to fulfil their functions. Institutional support in the form of a national sponsoring agency, TSOs as well as international aid agencies are essential for the development of a diverse range of primary societies that are responsive to a wide range of accommodation needs. Regulation and monitoring mechanisms are, however, essential to ensure that the sector uses the public resources allocated to it in a responsible and accountable manner.

5. FINANCING SOCIAL HOUSING

The financing of social housing is inherently complex and forever changing (Lowe and Hughes, 1991:62). A successful social housing programme is to a large extent dependent on the availability of funding from public sources as well as the sector's ability to mobilise private resources (UN, 1975:3). The underlying issue, however, always remains that of the nature of the relationship between housing costs and consumer income and to what extent government is prepared to subsidise the cost.

Government involvement in the financing of social housing is motivated by a desire to firstly, improve the housing conditions of the underprivileged secondly, to stimulate the process of rehabilitation/modernisation of the inner city areas thirdly, to encourage/support the provision of affordable housing and lastly, to demonstrate to the private sector that the risks involved in financing social housing are in fact lower than what is perceived by the commercial banking sector (Kroes, et al., 1988:20; Katz and Mayer, 1985:21 and Lane, 1995:871).

There are as many methods to subsidise/financially assist the social housing sector, as there are countries in the world. Each country has developed

a system that is uniquely adapted to their internal realities, priorities and financial means. Conceptually the extent of government involvement/assistance forms a continuum. The social housing sectors in some countries, e.g. Kenya, Switzerland and the Netherlands receive very little, if any, government support, whilst others, e.g. Sweden and the former USSR, receive subsidies that cover almost 100 percent of the development costs (Munene, 1999:87; CECODHAS, 1999:32; Kroes, et al., 1988:356; Lundqvist and Danermark, 1990:449 and Emms, 1990:269). It is, however, apparent that most central governments are trying to disengage/withdraw from providing direct financial support to the social housing sector (see inter alia AEDES,1998; Kroes, et al.,. 1988; CECODHAS, 1999 and Page, 1993). This trend/phenomenon is causing the sector to become more dependent on private sector funding with each passing year (Lomax, 1995:856).

The price that government pays for disentangling/withdrawing from providing direct financial support to the social housing sector is that it loses the ability to dictate where, when, how, to what standards and at what unit price the social housing units are to be built/constructed (CECODHAS, 1999:32). Some governments e.g. Britain are, however, of the opinion that less public support act as an incentive to SHIs to produce more cost effective solutions and furthermore encourages the development of entrepreneurial skills in the sector (Lowe and Hughes, 1991:155). It is, however, important to realise that securing private sector investment is a difficult and challenging undertaking. The social housing sector will have to be able to demonstrate that it is a sound and relatively low risk investment. According to Cope (1990:135) asset and risk management are thus becoming very important skills that every SHI should have at its disposal in order to make a success of its activities, accomplish financial co-ordination and deliver the service of providing good quality housing at reasonable prices.

One, or a combination of the following sources usually funds SHIs worldwide. Firstly, the private commercial sector, including building societies, savings and loan associations, commercial

banks, insurance companies and pension funds, secondly, non-institutional sources, including savings and credit unions, churches, unions, tenant groups, charities and charitable trusts, and lastly, public finance, including all spheres/tiers of government (Lewin, 1981:71; Alder and Handy, 1987:214 and CECODHAS, 1999:58). Given the diversity of funding sources available it is important for SHIs to keep abreast with all institutions/bodies/individuals willing to finance SHIs. Knowing who the funders are will be a great advantage since the expense involved in the development of a new project is of such a magnitude that funding in future will probably not only be coming from one source but from several sources simultaneously. SHIs furthermore should consider actively/aggressively marketing themselves to increase interest in the sector, especially amongst public spirited non-institutional bodies/organisations.

The above funders and SHIs use the following mechanisms/instruments alike to fund new projects and to manage and upgrade existing projects/estates:

- Loans subsidised or at market interest rates (Emms, 1990:81 and Kroes, et al., 1988:151);
- Grants referring to firstly, bricks and mortar/production subsidies, a large once-off cash payment and secondly, consumption/demand side subsidies which can also be described as income supplements payable to individuals/households exhibiting particular characteristics or experiencing a difficult set of circumstances (Roger, 1999:74; Emms, 1990:203; Yates, 1994:177 and Burchall and Listokin, 1995:588);
- Public-private partnerships to develop and manage SHIs (Van Dyk, 1995:823 and Cope, 1990:71);
- Incentives (excluding tax incentives) which includes inter alia local authorities that subsidise or provide land free of charge to SHIs and linkage programmes in terms of which developers wanting to secure development rights in down town areas have to contribute money into a neighbourhood trust fund for affordable housing development (Wheaton, 1983:12 and Dreier, 1987:13);
- Directives to secure funding for SHIs through a forced/compulsory

savings system whereby employers are compelled to channel a percentage of their monthly wage costs into a housing trust fund (Carmona and Blender, 1987:74 and Arrigone, 1987:12);

- Tax incentives through *inter alia* tax rebates/concessions made to SHIs (Kroes, Ymkers and Mulder, 1988:20 and Emms, 1990:134);

- Guarantees often used by government to motivate financial institutions to provide loans to SHIs at lower interest rates, since the perceived risk is lower/less and to increase the borrowing capacity of SHIs (Carmona and Blender, 1987:172 and Emms, 1990:75);

- Bridging finance referring to the funding needed by SHIs to finance the activities that precede actual construction (Smith, 1995:923 and Sheffield: 1999:39);

- Cross subsidisation is achieved through the development of mixed income developments that also provide for a diversity of tenure options. The income generated from the sale of the higher and medium-income units help fund the construction of low-income units. Cross subsidisation can also be achieved through a system whereby debt free social housing stock is used as collateral for securing funding for subsequent projects/developments (Larsson, 1989:31 and Lane, 1995:901); and

- Sources of additional income can be secured if social housing estates include land uses like shops and community halls. These can then be rented out to private individuals/enterprises to generate additional income (Emms, 1990:121& 256 and Cooper and Rodman, 1992:8).

In conclusion all the above-mentioned instruments together form a comprehensive framework within which each instrument has a particular niche or function to fulfil. A periodic, comprehensive review of all funding instruments/mechanisms in use must be conducted regularly with a view to determine:

- The stumbling blocks that prevent the optimal utilisation of some funding instruments;

- Whether or not the motivations for not using a particular instrument are still relevant; and

- The particular role/function that each instrument could fulfil/play

within a particular country's social housing context.

Once the above information is available it can be used to compile a relevant and comprehensive financial framework for the funding of SHIs.

6. HOUSING MANAGEMENT

Housing management is one of the most important factors determining whether or not social housing estates will flourish or decline (Page, 1993:43). The approach to social housing management has undergone numerous changes over the years. Octavia Hill (1838-1912) is often cited as the founder of the philosophy underpinning social housing management (Lowe and Hughes, 1991:123 and Cope, 1990:180). She believed that a certain style of management based on establishing a relationship between landlord and tenant, often described as paternalistic and authoritarian could be used to improve the moral welfare of the poor (Lowe and Hughes, 1991:126). In the early 1920s the social housing sector adopted a property-orientated approach, an approach that only focused on the property itself and included no social element (Perry, 1995:935). The 1930s saw a return to a more intensive management style where the managers once again acted as advisors to tenants experiencing difficulties (Lowe and Hughes, 1991:130). From the 1950s onward to the early 1970s housing managers moved away from close personalised contact with tenants as housing management became more remote and impersonal (Lowe and Hughes, 1991:137).

In the early 1970s unprecedented managerial problems including *inter alia* high resident turnover rates and increased vacancy levels created an environment within which a property orientated management approach was not enough (Emms, 1990:6 and Lane, 1995:879). These problems were partly created as a result of the changed clientele of SHIs (Kroes, Ymkers and Mulder, 1988:225). The resident populations changed from predominantly working class members to a disproportionate number of low-income, unskilled and semi-skilled, unemployed people dependent on some form of government or public support (Lane, 1995:867). This led to the emergence of the so-called socio-

economic accompaniment approach that is associated with a broadening of the activities associated with housing management to include initiatives aimed at enhancing the quality of life on social housing estates as well as in the surrounding areas (CECODHAS, 1999:23). Key characteristics of this approach include enhancing tenant participation, the decentralisation of management functions and physical alterations to buildings to reduce the impact of crime (Emms, 1990:155; Lowe and Hughes, 1991:182; Krätke, 1989:692 and Perry, 1995:943).

It is, however, important to note that the adoption of a socio-economic accompaniment management approach could lead, if too ambitious, to the scope of management activities literally becoming limitless/endless. Such a situation usually leads to the failure of the SHI in question since costs cannot be contained (Perry, 1995:947). It was thus concluded that it might be better for SHIs in general to undertake audits of the community service organisations operating in the vicinity of their estates and to conclude partnership agreements with these service providers to make their services available to the SHI in question. In this way the SHI still adopts a socio-economic accompaniment approach but does so in partnership with other organisations and service providers.

Housing management can be accomplished through self-management, self-management with professional assistance or leaving the management function up to professional management consultants/personnel/firms (UN, 1975:85). The decision on how housing management in a particular estate should be accomplished will depend on the skills available amongst the tenants and the willingness of the tenants to contribute/volunteer their free time towards the fulfilment of management functions (Alder and Handy, 1987:241 and Lowe and Hughes, 1991:17). If professional staff is, however, appointed to accept responsibility for carrying out the management function it is important to have a mechanism through which SHIs can regain control of their affairs in times of crisis (Birchall, 1988:165-178).

Small SHIs usually manage their estates through the general meeting, or

gathering of all residents older than 18 years (Birchall, 1988:113). If residents are, however, too numerous for a general meeting to make decisions through consensus, a management committee is elected from among the general meeting members. In situations where suitably qualified people cannot be found from among members of the general meeting, people not affiliated with a particular estate that are in possession of particular skills or valuable experience can be invited to serve on the management committee (CECODHAS, 1999:59 and Alder and Handy, 1987:241). The committee is then responsible for all aspects of the estate management.

In cases where SHIs have numerous estates to manage collectively under one management policy/strategy they usually adopt a model that has a supervisory and/ or a management board (CECODHAS, 1999:37). The supervisory board's main task is to set the general policy framework for the SHI and to monitor the activities of the management board. The management board controls the business activities and the overall administration of the SHI (Lundqvist, 1992:42). The management board usually appoints a managing director or a chief executive who takes responsibility for the day-to-day management of the SHI that includes e.g the recruitment of professional staff (CECODHAS, 1999: 19). Tenants on the larger estates often form tenant management committees that are, depending on the byelaws of the SHI, entitled to nominate persons to represent the interest of tenants on the management and or supervisory boards.

From the foregoing it should be clear that the size and complexity of the SHI's portfolio will, in the absence of legislative or policy directives, determine which internal structure and what variation thereof will be adopted.

Successful SHIs require good management practises in unit *allocation, maintenance, rent collection* and tenant participation (UN, 1975:77 and AEDES, 1999:11).

Unit allocation is the practice of matching the size and nature of property with the requirements of the prospective tenant (Cope, 1990:190). When SHIs are formulating their allocation policies they often take into account considerations like: a desire to

give priority to those in the greatest housing need, a desire to reduce future management problems and the need to create balanced communities (Niner and Karn, 1985:37). The allocation process itself and the policies it is based upon strive to create balance between these often conflicting objectives. If a SHI gives priority only to those in the greatest housing need it leads to a concentration of deprived and disadvantaged groups in social housing estates, which creates a lot of management problems (Smith, Griffiths and Stirling, 1997:679). SHIs in *inter alia* Britain, USA, France and Denmark are moving away from allocation policies solely based on wanting to help those in need, to policies striving to create balanced communities (Kroes, *et al.*, 1988:118; CECODHAS, 1999:18 and Lundqvist, 1992:39).

Some of the most frequently used allocation and selection methods include: concluding referral agreements with various other voluntary agencies or specialist interest groups to accept referrals from them on a priority basis, waiting lists based on a points system through which the extent of personal or family need is quantified and the Delft Model which is an applicant led allocation tool or model (Niner and Karn, 1985:40; Cooper and Rodman, 1992:116 and Richard, 1997:83). In terms of the Delft Model SHIs advertise all vacant dwellings in a special newspaper delivered from door to door. Prospective applicants apply only for the specific units they are interested in or suit their particular needs (Minister of Housing, Spatial Planning and the Environment, 1997:27).

In view of the above the creation of viable communities in social housing depends to a large extent on the allocation/selection policies and practises. The specific allocation or selection method will depend upon the capacity within SHIs to undertake complex and time-consuming *procedures as well as the approach* (should SHIs only help those in need or should they strive to create balanced communities) adopted by the country in question. The objective to create balanced communities will be much more demanding in terms of capacity than an approach which simply gives preference to all applicants with an income below a particular limit.

The purpose of maintenance is to maximise the life span of assets, in this case social housing units (Cope, 1990:210). It is important not to defer maintenance activities, as it will result in pre-mature decay of social housing stock (Lane, 1995:879). Maintenance is furthermore a crucial function in ensuring the continual popularity of social housing estates (Lowe and Hughes, 1991:116). The result of neglected maintenance is clear for all to see and often result in increased vandalism and tension between landlord and tenants. Tenancy /lease agreements usually set out the maintenance responsibilities of each party (Kroes, *et al.*, 1988:269). Tenants are usually responsible for small or minor repairs while the landlords assume responsibility for unplanned maintenance in response to complaints lodged by the tenants and planned maintenance that is cyclical in nature (Lewin, 1981:88 and AEDES, 1999I8).

The size and configuration of the specific SHI's portfolio will determine whether or not it is feasible to have an in-house maintenance department. Smaller SHIs are usually not able to afford in-house maintenance departments and as a result they outsource this function to specialist maintenance firms (Emms, 1990:303). On the other hand, SHIs with large property portfolios might find it cheaper in the long-term to have an in-house maintenance department than to pay the hourly tariffs of specialist maintenance firms (Cope, 1990:212). The appointment of carefully selected caretakers can furthermore save SHIs a lot of money by carrying out small repairs themselves (Emms, 1990:304).

Rent collection is central to ensuring the financial viability of SHIs since it more often than not represent their sole source of income (Cope, 1990:135). Effective arrears control is vital to prevent SHIs with long-term loans from falling behind with their mortgage payments (Rohe, 1995:454). The implementation of an effective arrears control policy depends on having access to accurate and up to date information on any arrears that occur (Emms, 1990:78). SHIs in general try to keep rent arrears and voids (vacant units) down to between four and five percent of the expected rental income (Bratt and Videl *et al*, 1998:41). It is important for each SHI to develop a

rent collection policy that works well for them. Such policies can, and usually do, encompass a combination of several rent collection strategies e.g. imposing penalties for arrears, providing debt counselling services and providing convenient pay points like local offices and banks (Emms, 1990:285; and Cope, 1990:203). SHIs *should also be willing to adapt/change* their rent collection strategies if their arrears increase. Rent collection statistics can be seen as a measurement/barometer of the health of the SHI. If it is not up to standard it is a sure indication of some underlying problem that needs to be identified and addressed quickly and efficiently.

The *importance of tenant participation* in the last few years have increased dramatically since the benefits of tenant participation e.g. its capacity to improve tenant/resident satisfaction became apparent (Blewitt and Garratt, 1993:5 and Smith, 1995:918). Tenant participation can be enhanced by initiatives to provide tenants with clear information regarding their rights and duties and through the creation of a legitimate system through which they can influence SHI policy and practises (Blewitt and Garratt, 1993:5). There are three models/approaches to tenant participation, the co-operation model/approach, the negotiation model/approach and the self-management model/approach (Cronberg, 1986:68-80). In terms of the co-operation model tenant representatives do not have formal decision-making powers. The representatives are either in the minority in decision-making bodies or else proposals made by them must be formally ratified by other management structures/bodies. The motivation for tenant participation in terms of the co-operation model is thus the desire to create harmony between the interests of the tenant and the SHI. The negotiation model in turn is based upon an assumption of tension between the tenant and management structures. The said assumption implies that both sides will build up their respective organisations in anticipation of meeting each other around the negotiation table to sort out an agreement acceptable to all. Lastly, in terms of the self-management model or approach tenants have autonomous decision-making powers on either all management issues or only in regards of specific issues delegated to them.

The policy frameworks, legislative requirements, the unique political and socio-economic circumstances as well as the general attitude in the social housing sector within a particular country will determine which model will be adopted (see *inter alia* AEDES, 1999:24, Alder and Handy, 1987:252 and *CECODHAS, 1999:25*).

Once tenants realise that their efforts and initiatives can improve the conditions of their immediate surroundings and that management supports and encourages such initiatives they tend to take better care of the units and facilities provided on the social housing estate. Tenant participation in the final analysis is thus a strategy through which SHIs can become more cost effective.

Irrespective of the particular model or variance thereof adopted, tenant participation can either be direct or representative in nature (Birchall, 1988:65). Small SHIs tend to favour direct participation whilst the large SHIs prefer representative participation through management or supervisory boards. It is furthermore vital to create the right conditions/environment for tenant participation and/or consultation to develop and flourish in the long run (Birchall, 1988:172). This can *inter alia* be achieved through information sharing, the promotion of the establishment of tenant participation committees/tenant associations and allowing tenants to contribute their experiences and expertise (Blewitt and Garrat, 1993:9; Page, 1993:41 and Thurnhurst *et al.*, 1992:90).

In spite of the above it is important to realise that universal participation is an unrealistic goal. It is, however, important to create opportunities for tenants to participate, should they wish to do so. SHIs that respect the views of tenants and treat all people fairly will create goodwill that will result in financial dividends. In contrast, a paternalistic and/or authoritarian treatment of tenants will create unresponsive and apathetic tenants who add to the difficulty of managing such estates effectively and economically.

Housing management is literally where the buck stops with regards to social housing. All the good intentions to assist those in need of housing within a supportive environment can fail if

housing management is not done sensibly and transparently. Great benefit can be achieved from treating residents or tenants as partners with a view to ease the task of management. Successful social housing estates are created partly through design, but even more importantly through good management practises aimed at creating homes and not merely accommodation.

7. CONCLUSION

Social housing is a relatively new phenomenon field of study in the South African housing sector. The National Department of Housing, as part of their multifaceted approach to address the housing crisis in South Africa, is currently in the process of developing a policy framework within which the emerging social housing sector is expected to operate. The White Paper on Housing (RSA, 1994) acknowledged that the development of a social housing policy would require significant engagement with international expertise and experience. In this study the provision of social housing in Europe, South America and Africa was studied with a view, to identify the particular ways and means in which social housing is provided under different situations and also, to identify the lessons that can be learnt from such experiences for the emerging social housing sector in South Africa.

From the study it can be concluded that the primary goal of social housing is to provide the essential service of housing at cost to people with limited financial means. Social housing projects are carried out by social housing institutions (SHIs) that can be classified according to *inter alia* legal status whether or not they are registered, geographical scope etcetera. Classification can, however, be used to distinguish between SHIs that qualify for public assistance and those that do not. A successful social housing programme is to a large extent dependent on the availability of funding from public sources as well as the sector's ability to mobilise private resources.

It can further be concluded that the development of an integrated and effective social housing movement depends on a range of factors which all have to be in place if synergy is to be achieved between the various levels of the social housing movement. National

legislation and policies create the framework, norms and standards within which all the actors in the sector have to fulfil their functions. Institutional support in the form of a national sponsoring agency, technical service organisations as well as international aid agencies are essential for the development of a diverse range of primary societies that are responsive to a wide range of accommodation needs. Regulation and monitoring mechanisms are essential to ensure that the sector uses the public resources allocated to it in a responsible and accountable manner.

As far as the financing of social housing is concerned, it appears that SHIs are operating/functioning in complex financial environments which are continuously changing. There exist a number of instruments/mechanisms that can be used to finance/support SHIs. All these instruments e.g. grants, tax incentives and public-private partnerships together form a comprehensive funding framework within which each instrument has a particular niche or function to fulfil.

From the analysis of the related literature, it is evident that housing management is literally the keystone as far as social housing is concerned. All the good intentions to assist those in need of housing within a supportive environment will come to nought if housing management is not done in a sensible and transparent manner. Great benefit can be achieved from treating residents or tenants as partners with a view to ease the task of management. Successful social housing estates are created partly through design, but even more importantly, through good management practises aimed at creating homes and not merely accommodation.

Finally, the emergent social housing sector in South Africa has the potential to contribute substantially towards the housing crisis in the country. Some significant strides towards putting in place a policy framework have already been made. It is, however, believed that the lessons gleaned from the international experience in the field, can contribute greatly towards the finalisation of a comprehensive and supportive policy framework in which SHIs will be able to grow, multiply and flourish.

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