



## Rural settlement

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The focus of South Africa's land reform programme is the acquisition of land and securing tenure rights. Land reform has provided many people with land. However, access to land is only one component of settlement. Settlement includes the acquisition of land and shelter, but is not purely about solving the physical accommodation needs of the poor. The creation of viable rural human settlement is multidimensional: it is the creation of living environments through access to land, infrastructure and housing. At present there is no clear national policy to guide the processes of rural settlement creation.

### Settlement as land reform

Land reform policy has undergone significant changes since 1994. These changing policies have been the result of political imperatives as well as adjustments made in the light of monitoring undertaken by DLA.

In 1997, the White Paper on South African Land Policy introduced a number of grants which were available to beneficiaries of land reform. Central to these was the Settlement / Land Acquisition Grant (SLAG), which provided funds for land reform beneficiaries to buy or improve land. SLAG was the department's only tool relating to rural settlement between 1994 and 2003, but was not specifically directed towards settlement. In 1999 the newly-appointed Minister of Land Affairs placed a moratorium on the SLAG grant for an eight-month period, citing a lack of clarity on whether the grant was achieving the goals of land reform in South Africa. From this time, the policy of the DLA focused on providing land for agricultural use rather than for settlement and other uses to support diverse livelihoods for the poor.

The Land Redistribution for Agricultural Development (LRAD) programme introduced by the Minister in 2001 is the focus for this new strategy. It makes available grants on a sliding scale to beneficiaries who range from potential small-scale producers, through medium-scale farmers, to large-scale farmers. LRAD is not for settlement. Although beneficiaries may live on the land that they purchase, the primary aim should be the acquisition of land for agricultural purposes. LRAD is not linked to the housing subsidy. In theory, beneficiaries can get both LRAD and Department of Housing subsidies.

With the increased focus on agricultural land, the provision of land for settlement and the provision of settlement support have become less of a priority for DLA. The shift in strategy has resulted in a focus on fewer households and a greater amount of land per beneficiary.

The peak number of households benefiting from land reform in 2000 was over 30 000 per year but this decreased to just over 10 000 in 2002. The amount of land provided to beneficiaries increased from an average of 11ha for the years 1996–1999 to 19ha in 2002. It is not possible to quantify how much of this delivery contributed to settlement.

DLA's new thinking on rural settlement is articulated in a draft policy proposal entitled Land Redistribution for Settlement (LRS), prepared in 2002. This draft policy provides an alternative to the SLAG grant and proposes that DLA's role in settlement be confined to the provision of land or securing rights in land, and not the provision of top structures or infrastructure. The introduction of the LRS programme, if approved, would not in any way displace LRAD.

### Settlement as housing

The provision of low-income housing in South Africa is the responsibility of the national Department of Housing (DoH), which provides housing subsidies to eligible households. However, the ability of South Africa's rural dwellers to access housing from DoH is constrained for a number of reasons, including problems with land title and access to the housing subsidy, a history of 'urban focus' by the DoH, and a lack of institutional and private sector capacity in rural areas to undertake housing projects.

The housing subsidy is the key instrument used by government to develop housing for low-income households, and has similar eligibility criteria to those of the SLAG grant, with similar emphasis being placed on the household as the qualifying unit. The housing database records who has received the grant and no double benefit is allowed – beneficiaries may not get the full benefit of more than one subsidy.

The amount of the housing subsidy depends on the income of the household. Only households earning under R1 500 per month qualify for the full subsidy amount of R23 100. Households earning R1 500–R2 500 per month qualify for R14 200, and households earning R2 501–R3 500 qualify for R7 800.

A requirement for accessing the housing subsidy is that tenure must be secure. Beneficiaries must have a secure right to the land on which the house is to be built (DoH 2000). Generally, subsidies are made available only to beneficiaries who acquire registered title to a property in the form of ownership, a lease or deed of grant. The rural housing subsidy used in former homelands is more flexible: beneficiaries must have at least informal rights to the land on which they will live, but these rights must be uncontested – something that can be difficult and time-consuming to prove. Granting such a subsidy also requires the written consent of either the tribal authority or the provincial DLA office. A large section of the rural population does not have access to functional security of tenure, and the take-up of the rural housing subsidy has been notably low (Mphafudi, pers. comm.).

The implementation of the housing subsidy has relied to a large extent on housing developers, who access a package of housing subsidies and build housing for that number of beneficiaries. Even in urban areas this has proved to be problematic, with many of the more competent developers being unwilling to provide service to this low profit, risky market. In rural areas, where there are far fewer developers, and where materials are often more expensive and projects tend to be smaller, many developers stay well away from this market. This leaves a significant gap in the quality and quantity of organisations available to undertake rural housing projects.

The support by DoH for rural settlements has been further limited by what many believe to be an urban focus. A common perception, held by government officials, professionals and community members, is that the jurisdiction of DoH is restricted to urban areas, with rural areas being the realm of DLA. Both departments are currently trying to dispel this misconception.

## **Roles and responsibilities**

The post-1994 policy and strategy for rural settlement has been a multi-pronged approach involving several departments, often with overlapping mandates and a lack of co-ordination around the points of overlap. The policies were introduced at a time when the concepts of integrated development and sustainable development were slogans rather than tested strategies. Rural settlement straddles the policy and responsibility for its implementation rests with

several departments. Often this is of necessity, since the creation of sustainable livelihoods requires that attention be paid to a wide range of development interventions, interventions which are often best delivered by different departments acting in their 'silos'. However, viable settlement relies on the effective co-ordination of these interventions.

DLA's 2002 policy proposal envisages the department no longer providing funds for housing top structures, on the grounds that this is outside DLA's competency. Instead, the provision of top structures is seen to be the sole responsibility of DoH. DLA's role in rural settlement will, if the policy is adopted, revolve around securing land on which rural settlement can take place. The proposal is that DLA will only finance those aspects of the development that relate to the land, that is, land purchase, land rights clarification, planning, project plan submission and conveyancing costs (DLA 2002). The cost for these items would be paid to DLA by DoH, which would deduct these amounts from the housing subsidy.

Such rationalisation of roles is important for reducing confusion over responsibility, hence increasing accountability. However, the absence of significant numbers of DoH-initiated settlement projects in rural areas raises concern about the ability of the department to undertake rural housing at any scale.

DLA's new settlement policy calls for greater levels of co-ordination between the various line departments and local government. The role it envisages for local government begins to approximate the vision outlined in the 1998 White Paper on Local Government, in which local government was supposed to be the driving force and co-ordinating body behind rural settlement. However this level of government has for many years grappled with the task of implementing effective rural settlement development, often due to extreme resource constraints and skills shortages. NGOs have found that local authorities have been overly restrictive in developing the infrastructure for rural settlements, and that rural settlements are not mentioned in the integrated development plans (IDPs) of many local governments (Williams, pers. comm.).

Another view is that planning for rural settlement has typically taken an urban approach, where the approach to implementation focuses on a 'settlement paradigm' rather than a 'livelihood paradigm' (Westaway, pers. comm.). The settlement paradigm sees the resolution of rural settlement in a technicist way that focuses on finding sites, providing a layout plan, accessing services and providing top structures. It ignores the component of household livelihood, which includes resources and skills to ensure food security, the development of capacity to generate income and productively use the land, and the ability to access health, welfare and educational amenities.

## Quantity

For the land component of rural settlements, the SLAG grant provided approximately 1.2 million hectares of land. The SLAG grant has benefited a greater number of beneficiaries than LRAD, providing land-related resources to 87 000 households as compared to LRAD which has benefited only 12 000. By contrast, only 501 rural housing subsidies have been provided.

## Quality

The quality of the settlements in rural areas financed through both the DLA and the DoH provides cause for concern. In many rural settlement projects initiated through the land reform programme, only land, and occasionally housing, is provided. The settlement resources that are needed to create a sustainable living environment are not. The departments have seen the resource they are providing as the key amenity around which other departments should provide their infrastructure. So, for example, DoH has in the past developed housing in a new location, with the expectation that departments responsible for infrastructure, education, health and other social services would follow around that settlement. Unfortunately there are many cases where this has not happened, resulting in many of the non-functional, one-dimensional settlements seen in South Africa today.

There has been very little monitoring by either DoH or DLA of how rural settlements perform post-occupancy. This would provide useful information in shaping the future of rural settlement policy.

## Location of investment in rural areas

There has been substantial debate about where housing and capital investment should be located in rural areas. The policy debates are between the 'breadth' approach – addressing the needs of as many disadvantaged communities as possible – and the 'depth' approach, which suggests that state investment should be targeted to achieve the greatest possible impact within particular geographical areas. The depth approach suggests that state investment cannot tackle the development of all the rural areas in the country at once, and should instead be concentrated in selected areas. The formal state position supports capital investment in locations that have the potential to lead to growth and development, though not all government policy is aligned to achieve this.

Numerous rural development organisations<sup>2</sup> have noted that state investment and focus in urban areas has been prioritised at the expense of rural development. No formal government policy on this has ever been stated, but the reality seems clear: urban areas receive a greater share of the development budget than rural areas, even though South Africa's population is split fairly evenly between rural and urban, with poverty being concentrated in rural areas.

A concern must be raised about the longer-term viability and sustainability of some rural settlements which have been

located far from access to social, economic and other amenities. Communities without access to income-generation possibilities, from formal or informal employment or land-based livelihoods, cannot afford the services and monthly charges that formal housing imposes on them, yet assessing settlement or locational viability does not seem to be part of the grant-making criteria of DLA.

## Conclusion

More of South Africa's rural households have access to a secure place to live than they had 10 years ago. On the whole, rural settlements have improved: they enjoy better access to land, more secure tenure, and more people living in a formal housing structure with better access to water and sanitation. While this is an improvement on the situation under apartheid, serious problems remain.

**Confusing roles and responsibilities:** The lack of clarity on responsibility for rural settlement, development and support is a problem fuelled by the current policy gap at national level, as well as differences between local and provincial implementation methodologies. DLA should clarify and finalise the status of the LRS grant and how it relates to the DoH rural housing grant. This information must be widely disseminated.

**Implementation capacity:** Linked to the need for clarity of roles is the need for capacity building of the implementers of a rural settlement strategy. The lack of capacity at provincial and local level to implement the policy requires urgent attention. Wholesale transformation and upgrading of skills is required.

**Gaps in the provision of settlement resources:** The introduction of LRAD has resulted in a diminished focus on DLA's provision of land for settlement purposes. Whilst the proposed LRS policy takes up the settlement land issue, DLA's priority seems to be on land for agriculture. Given that budgets are limited and largely dedicated to LRAD, DLA may need to seek additional budget or restructure its current priorities in order to provide sufficient land for settlement purposes in rural areas. DoH has not been particularly successful in the provision of housing in rural areas and current housing subsidy instruments provide a fairly limited field of intervention. Whereas DLA had previously been willing to fill this gap using the SLAG grant for housing purposes, this no longer appears to be the case.

**Beneficiaries:** Participatory development, which acknowledges the role of beneficiaries in deciding their settlement futures, has been accepted at a policy level. In practice, however, beneficiary participation in decision making in rural areas is limited. This can only be addressed by means of local-level settlement planning in which the tools and support mechanisms of different state

departments are applied within a framework that is initiated locally, rather than one which follows national parameters.

**Investment priorities:** National development priorities have focused increasingly on economic growth. This imperative cannot be dismissed as a move away from a focus on the poor without reflecting on the dilemmas facing investment at a national level. The balance of benefit between urban and rural areas includes balancing investments in social services, in security, and in economic activity. Inevitably, the urban 'engines of growth' benefit more. Furthermore, increased resources to the poor has included increased resources in sectors of the economy that service the poor including health, welfare and education. This has been a sectoral rather than spatial shift.

**Local level:** Synchronising of rural settlement initiatives requires not only the co-ordination of the efforts of various state departments, but also the co-ordination of different spheres of government in rural settlement development. Most particularly, it requires that rural settlement be incorporated in local-level government processes so that initiatives to support rural settlement are ultimately integrated at the local level.

Whilst there have been some gains, there have been few successful interventions to support rural settlement. Relatively little has been achieved in relation to the scale of rural needs and compared to achievements in urban areas. The importance of rural development and rural settlement should be determined and acknowledged at a national political level. An appropriate level of financial resources must be allocated, and the wholesale capacitation of state agencies to intervene in rural settlement must be undertaken. The necessary co-ordination of efforts can only be achieved at the level of local government. Finally, the diversity of rural problems and development potential within each settlement should be embraced so that settlement decisions respond to local needs.

More information on this study is available in the full PLAAS report (Bannister 2003).

## Endnotes

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- <sup>2</sup> Including the National Land Committee, The Rural Action Committee, Rural Development Services Network, Idasa and the Centre for Public Participation.

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### Key informants

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