PUBLIC HOUSING POLICY: LESSONS FOR SOUTH AFRICA AND OTHER DEVELOPING COUNTRIES

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ABSTRACT

South Africa and many other developing countries throughout the world are facing serious public housing challenges. The public housing backlog has reached crisis proportions and these countries are struggling to meet the increasing demands for public housing. This paper attempts to provide an overview of the global models, approaches and trends regarding the development of public housing policies. The paper looks at the development of public housing policy in selected parts of the world, namely the United States of America (USA), Great Britain, Germany and South Africa. The primary reason for selecting these countries is to analyze how their respective public housing policies were developed. Similarities and differences in housing policies in the developed and developing countries are then used as pointers for the developing countries.

Key words: Public Housing, Public Housing Policy, Government, Developing and Developed Countries.

Introduction

These countries were selected for this study because it is important to draw the necessary lessons from international (best and worst) practice that could help South Africa and other developing countries to enhance their own public housing policies. It is important to notice that these countries include both developing (former East Block [Germany] and South Africa) and developed (the USA and Great Britain) countries. Notably, the latter countries are more influential in global politics and international bodies such as the United Nations and the World Bank. Nevertheless, the literature shows that at some stage in history, even the USA and Great Britain were developing countries. Therefore their experiences and achievements can provide important lessons for South Africa and many other developing countries. But now let us turn our attention to the models, trends and approaches adopted by the various countries in the development of their respective public housing policies.

Development of Public Housing Policy in the United States of America (USA)

Ball, Harloe & Martens (1988:90-91) argue that the USA has the highest rate of ownership occupation and has maintained this position throughout the post-war years (Second World War). The quantity of housing in the USA increased rapidly after the Second World War. The rate of construction of both public and private housing consistently surpassed the rate of population growth recorded by the census conducted during 1960 and 1980 respectively. For example, the studies conducted by Marcuse (in Van Vliet, 1990:328-331) during 1990 indicated that between 1970 and 1988 the population increased by 16,7 per cent per annum, while housing units increased by 35,4 per cent. In addition, the quality of the houses provided over the past sixty years (since the 1940s) has increased dramatically. Furthermore, the Commission on Housing (the commission established in 1982 by the former US President, Ronald Reagan, to investigate and report on the housing conditions of Americans) reported that Americans are the best-housed people in the history of the world. (Surprisingly, five years later, estimates of the number of homeless people living on the streets or in emergency shelters ranged from a low of 300 000 to a record high of 3 million (see studies by Levine in Lederman, 1993:64-65; Lundqvist, 1986:31 and Marcuse in Van Vliet, 1990:328-329).

However, these impressive figures may be misleading since the rapid expansion in the housing supply has not been similar for all population groups (cf.Marcuse in Van Vliet, 1990:329). Fuerst's (1974:135) view is that the major problem with the public housing program was in respect of racial attitudes: black people fell predominantly into the lowest income groups.

In addition, the research conducted by the Urban Foundation (1993:1) in the USA indicated that the number of homeless people is rising, families are rent-burdened and dwellings are overcrowded. (The Urban Foundation is a non-governmental development organization which aims to promote the development of the disadvantaged people, especially through research undertakings in the global arena (Urban Foundation, 1992). However, the successes of community-based development programs in the USA have played a role in resuscitating their cities as well as the housing strategy. The following are noteworthy successes:

- Since 1979 the Local Initiative Support Corporation (a national non-profit intermediary which channels private investment into community-based projects) assembled a capital pool of 648 million US dollars, which levered 1,9 billion dollars worth of investments to more than 830 local organizations.
- Community-based developers completed 320 000 affordable housing units, with production climbing by almost 40 per cent in the four years to 1991.
- Through mobilizing neighborhoods, community-based organizations have influenced local and federal policy making and legislation. Advocacy groups have also been successful, especially in bringing investment back to the inner city (Urban Foundation, 1993:1).

The above efforts and successes can be attributed to interventions and/or strategies undertaken by the USA government in collaboration with advocacy groups. Although the supply of affordable housing declined during the 1990s, the responsibility for low-cost housing shifted from federal to municipal government level in the 1970s (Urban Foundation, 1993:2).

It is important to consider how the experience of the US public housing policy development could benefit South Africa and other developing countries in the development of their own public housing policies. The American success may also be attributed to the fact that low-income groups, which depended mainly on dwelling units provided by government, are in the minority and thus did not have a major influence on public housing policy and market forces. During the period 1970-2000, the decentralization of housing construction to municipalities and the integration of the housing policy approach have further increased the provision of housing, with larger margins as well. Suffice to say at this stage that the American housing policy is more private-sector-oriented and/or -dominated, which promotes private housing development. Experiences from Great Britain could also increase the pool of knowledge which the South African government can use to set international benchmarks for the development of its own public housing policy, so this is what we will consider next.

Development of Public Housing Policy in Great Britain

Malpaas and Murie (1999:20) state that during the 1840s, Britain was what is now referred to as a 'developing country'. During that period (1840s), the economic base was changing from agrarian to industrial production and people were moving from rural to urban areas in search of jobs, which caused urban population growth to increase by more than 76 per cent per annum (Bendixson in Fuerst, 1974:23; Dauton, 1990:2). In 1871 the Local Government Board was established to oversee local affairs, including public housing provision. Subsequently, urban areas became overpopulated and slum conditions were inevitable. The *Housing Acts of 1885 and 1890* were promulgated, ensuring that public authorities became the main suppliers of housing for the needy, largely usurping the role of the charities and self-help organizations. In 1909 the *Housing and Town Planning Act* was promulgated and it gave the local government the power to prepare town planning schemes (Balchin, 1995:143; Murie *et al*., 1976:92-93).

In keeping with the previous argument, Smith (in Wynn, 1984:77) analyses the pre-1945 British housing policy of the first post-war Labor Party government. The *Housing Act of 1935* was passed and it included a statutory interpretation of overcrowding and slum conditions, which made it an offence on the part of the landlord and tenants to allow slum conditions to continue. During the war period, virtually no houses were built. Thereafter, strategies acceptable to most political parties were drafted to provide affordable public housing to the generally underpaid workers. During the period 1946-1951, the Labor Party government encouraged municipalities to build as many houses as possible to address the resurgent population growth and the worst housing problems of the twentieth century (Malpaas, 2005:1).

During the period 1946-1951, the Labor Party government produced an average of 170 000 houses per annum. Thereafter, the Conservative Party government was elected and in 1951 promised to deliver 300 000 houses per annum. By 1954 the annual figure for completed houses increased to over 300 000, with about 200 000 thereof provided by local authorities, until 1964 when the Labor Party was re-elected. In 1968 the Labor Party government revised the *Rent Act of 1957* and the annual figure for completed houses in England and Wales rose to an all-time high of 372 000 per annum; this was especially due to the high number of dwellings completed in the private sector. At the same time during the 1960s, the then government dealt with slum clearance and introduced the government redevelopment program. This program was aimed at, among other things, increasing and improving the provision of public housing. Subsequently, the *Housing Act of 1974* introduced a new subsidy system and new policies for older housing as well as the role and outputs of housing associations. Housing associations were encouraged to be registered as non-profit organizations or as charities. According to Balchin (1995:146), the housing associations had a better record in helping disadvantaged communities, such as the elderly, single parents and the unemployed, than did the local authorities, which were described as more

bureaucratic in nature in the delivery process of public housing. This meant that the housing associations occupied centre stage in the early 1990s for their role in the British housing policy (Balchin, 1995:145; Langstaff in Birchall, 1992:29; Malpaas and Murie, 1999:75; Smith in Wynn, 1984:78-96).

Murie (in Norton and Novy, 1991:212) further alludes to the fact that the provision of new council housing declined from around 105 000 units per annum in 1976 to about 67 000 in 1980 and under 18 000 units per annum since 1986. In 1979, the Conservative Party government drafted a consultative document on housing. The government thus placed greater reliance on the market to build houses and made a commitment to stimulate economic growth for the market to operate independently and effectively. In fact, Malpaas and Means (1996:27) mention that between 1979 and 1996, ten Acts of parliament have been passed dealing specifically with housing, or closely related matters, which indicates the extent to which the government has been engaged in housing matters. Malpaas and Means (1996:27) further expound that the Conservative Party government has entrenched the belief in the superiority of the market. Harloe (in Van Vliet, 1990:90) adds that major changes occurred in the housing policy in 1979, when subsidies for new public housing policy were reduced and the program of sales of existing public houses to tenants was introduced.

According to Balchin's (1996:210) analysis, housing needs in Great Britain were largely satisfied between the end of the Second World War and 1996. Lundqvist (1986:11-12) concurs that the few decades since the Second World War have witnessed an unprecedented expansion of governmental intervention in housing, despite the superiority of market operation in the provision of housing during 1979-1996. However, this does not mean that every person and household was provided with adequate housing. Balchin (1996:210) noted that there was a need for a further two million dwelling units. Furthermore, Balchin (1996:201-211) argues that in order to meet the housing demands and needs during the period 1991–2011, about 240 000 new houses should be built per annum. In general terms, the literature indicates that households have been satisfactorily provided with housing; the government also views the situation as stabilized, hence the housing conundrums are continually shifting in terms of their origin, location and content (Van Vliet, 1990:xxvii). Murie (1991:215) notes that despite increasing inequalities in public housing provision and wider community divergence between minimum standards, there is a growth in homelessness and affordability problems exist. Therefore, the challenge is to manage, and to attempt to create favorable market conditions, as well as to provide subject subsidies to enable households to obtain public housing in the market (Dickens *et al.*, 1985:146-155).

Furthermore, Great Britain, a developed country and a G8 member (G8 countries are regarded as the richest countries in the world) has adopted a policy regarding the government's new homelessness strategy. The purpose of the new public housing policy strategy is to halve the number of households living in temporary

accommodation by 2010. Temporary accommodation falls under the homelessness legislation, which records households on the waiting list for settled homes (permanent public housing) in Great Britain. According to the Policy Briefing 11 (2005:4) document, the new strategy is intended to accelerate the provision of public housing with key partners in order to discourage homelessness, provide support for vulnerable people, tackle the wider causes and symptoms of homelessness and provide more settled homes. The projections made by the ruling Labor Party government (under Prime Minister Tony Blair) are that over the next three years (from 2005), increased investment together with efficiency improvements will produce about 75 000 social rented houses, an increase of 50% per annum by 2008. Additionally, government funding, an innovative work with banks and building societies, will contribute to help as many as 110 000 first-time buyers and key workers into affordable home ownership by 2010 (Policy Briefing 11, 2005:5).

The provision of public housing in Great Britain since the 18th century is presented extensively in the literature, outlining the various challenges encountered. As in the case of present-day South Africa, which is regarded as a developing state, Britain faced similar economic conditions about a century and a half ago. Cities were overpopulated and slums were everywhere. It appears from the literature that conditions began to stabilize when housing policies dealing with slum conditions were enacted, when generally underpaid workers were provided with affordable public housing and when powers were decentralized to municipalities to build as many houses as possible to counter the resurgent population growth. Although the role of municipalities has been instrumental in accelerating public housing provision in Britain, bureaucratic procedures have also been blamed for reducing public housing outputs. Housing associations have contributed positively to the provision of housing and have had a better record of public housing provision for the period 1946-1990 than local authorities during a similar period (see Balchin, 1995:146).

The discussion of Great Britain's public housing development serves as a classic example for South Africa and other developing countries. Nevertheless, it is also important to consider the case of Germany in terms of the models, approaches and trends of public housing policies.

Development of Public Housing Policy in Germany

Although several studies had been done on public housing policy in Germany before the Second World War, these studies were not readily available in the English literature before the division of Germany into the two independent blocs. The lack of readily available literature therefore makes it difficult to obtain pre-1945 information on Germany. However, a general observation by Lundqvist (1986:134-135) noted that the post-war conditions of East Germany (East Bloc) and West Germany (West Bloc)

were not the same in terms of government and administrative systems. The East Bloc was under communist rule while the West Bloc was under a capitalist dispensation.

Between 1949 and 1950, a two-year economic plan was drawn up to rebuild the economy in all the Russian-occupied territories, including the East Bloc. Subsequently, to bolster the two-year economic plan, a five-year plan for the period 1951-1955 was drafted for the Russian-occupied territories, containing highly centralized national planning functions. In this regard, the number of persons per dwelling was 3,6 compared with the West Bloc's 4,9 persons per dwelling. During 1956-1971, the (East Bloc) government's new housing areas tended to increase in size in accordance with advances in industrialized building technology and associated economies of scale. After the improvement in the economy, especially after 1963, the housing deficit grew considerably and the condition of the older housing deteriorated rapidly. This decrease in building activities was not considered to be the result of the planned economic measures, but rather signified the non-fulfillment of the two-year economic plan and the five-year plan (Staemmler in Wynn, 1984:221-227).

During 1950, the West Bloc passed its first *Federal Housing Act of 1950,* which called for a system of massive government subsidies for the construction of housing which, in terms of size, standard and rental, was destined for wide sectors of the population. The goal was to build as many houses as possible. By 1953 the objective of building 2 million public housing units was exceeded when the government constructed more than 3,1 million houses. Furthermore, the *Second Federal Housing Act* was promulgated in 1956. The purpose of this Act was to re-orientate the housing policy towards what was called the 'normal market-like conditions'. To achieve its purpose (normal market-like conditions), this Act further changed the objectives of the housing policy to producing social housing with a view to ending the housing shortage and helping more people to become homeowners (Lundqvist, 1986:134-135). It is important to note that since Germany was divided after the Second World War, one of the problems facing the divided Germany may have been confusion among the citizens over the governmental administration processes. Whereas the West Bloc was more prosperous economically because of its standard on human rights and democracy, the East Bloc was challenged by the communist administrative system which was failing to rejuvenate the economy. As a result, a large number of East German refugees poured into West Germany. This was an additional burden on West Germany, whose resources were already overloaded. (This was before the reunification of the East and the West, when the Federal Republic of Germany was established (Kennedy in Wynn, 1984:55).

Kennedy (1984:58) mentions that in Germany the period from the 1960s through to the 1970s was regarded as the 'period of abundance' in which the housing market boomed (public and private housing), although the public housing deficit was at almost 2 million units. During the period 1976-1990, the National Housing Program, which constituted a radical change in housing policy, was approved by government.

Sharp increases in the East Bloc's foreign trade debts and rigorous economic measures were necessary to enable the National Housing Program to continue. Nevertheless, in 1990 when the West and East Blocs were reunited, the East Bloc's housing sector was in a shambles and subject to government rationing, resulting in fundamental imbalances (Staemmler, 1984:229; Tomann in Balchin, 1996:63).

Subramaniam (2005) broadly contends that Germany reached a developed status in 1990 through a mixed socio-economic approach. Tomann (in Balchin, 1996:52) agrees and explicitly describes the booming housing conditions in the West Bloc in this manner:

…West German housing households enjoy high quality housing with only minor differences by income or region. There are virtually no slums or abandoned residence…However, there is a shortage of low standard housing as a consequence of different factors including rent regulation, rehabilitation policies, and in particular, a tremendous increase of immigration during the 1990s…

Tomann (in Balchin, 1996:63) further argues that the East Bloc's housing sector was subject to government allotment and regulation for forty years, resulting in fundamental inequalities. Therefore, the examination of the housing policy in the East Bloc requires an understanding of the political and economic conditions that differ from those in Europe and the USA (Staemmler in Wynn, 1984:220). Unlike the European and American countries, Germany's East Bloc was occupied by the Soviet Union (Russia) after the Second World War and the socialist system of government was imposed. Russia later introduced the state housing system to rebuild the weakened economy and, more particularly, targeted vast areas of housing in devastated cities. The East Bloc was subsequently renamed the German Democratic Republic (Staemmler in Wynn, 1984:220-221).

Finally, Tomann in Balchin (1996:52) deduces that:

East Germany still bears the mark of state socialism. Approximately half of the multi-storey buildings in the inner cities are severely damaged, of which many are no longer usable. These are large derelict areas, partly because of decay, partly as a consequence of socialist urban planning which gave priority to 'strategic' purposes…Financial and administrative restrictions impede the conduct of rehabilitation program…

From the foregoing, it is very clear that East Germany was confronted with substantial problems of homelessness as well as lack of proper dwellings. In the light of this, a discussion pertaining to the unified Federal Republic of Germany might provide some useful information on important approaches that have been useful in improving German housing conditions since 1990.

The Unified Federal Republic of Germany (Since 1990)

The period between 1990 and 1994 has been extensively examined by authors and researchers such as Lundqvist (1992:71-72); Hubert (1993:3); Tomann (in Balchin, 1996:53) and Habitat Initiative Germany (2001:1). However, it appears that there has been very little English literature on the subject of public housing policy and provision in Germany. Research findings on public housing conditions after the unification of East and West Germany in 1990 are, unfortunately, not readily available. Furthermore, between 1997 and 2000, very little research was done in the area of public housing policy development and provision. By 2001, the Habitat Initiative Germany (2001:1-2) – a non-governmental organization which forms local alliances to participate in local initiatives such as social housing, water and land – described the provisions of housing and housing security in Germany as relatively good when compared with other European countries. However, during 2005, over 500 000 people were homeless in Germany. The reasons for such conditions include the increasing housing costs, the restructuring of the housing policies and the loss of social housing institutions as well as failure to address the problems of privatization of public housing. Therefore, in spite of Germany's good record of housing policy implementation, the country is faced with a permanently growing need for public housing (Habitat Initiative Germany, 2001:2-4).

Of particular importance to the current study is the work of Schlosser (2004:1), who observed the reforms in social housing enacted during 2002. He also focused on Germany's social housing policy, which is intended to provide public housing opportunities to low-income groups or those who find it difficult to access adequate housing for other reasons. The evidence suggested that the program shift the focus from expanding quantitative supply, through the construction of new units, to utilizing the existing housing stock. Nevertheless, the German housing sector is dominated by the private sector, although social or public housing plays a significant role in terms of low-income households.

Within the social housing sector, rentals are regulated and kept at a level which is usually well below the market. Access to social housing is restricted to low- and middle-income groups. During a period of 25-50 years, social housing is converted to private housing, depending on the exact details of the subsidy arrangement per household (Hubert, 1993:3). Moreover, within the private housing sector, contributions to the general housing conditions in Germany have been beneficial. Hubert (1993:1) has therefore deduced that the private housing policy in Germany has been favorable towards private rented housing. As a result, the private rented housing sector is large according to international standards. It also appears to be healthy according to housing quality and social profile of its occupants. Jaffe (2005) agrees with the idea of encouraging private housing and makes particular reference to the former East German scenario as follows: Although East Germany's production has been high, its standard of living has continued to fall…We know from the experience

of the past five decades that it is not efficient for the state to produce housing. The report on East Germany noted that the housing stock is plentiful, but it is not very attractive.

Although in South Africa there have not been reports of unattractive public housing, especially the 'RDP' houses, there are major problems with regard to these houses since their design and quality are generally not up to standard. Structural problems have already been highlighted and more defects are likely to emerge in the near future. Both Germany and South Africa have experienced historical extremes in terms of public housing provision; both these countries encountered social fragmentation at some stage in their history. In Germany, social fragmentation occurred after the Second World War, while in South Africa it occurred during the 1960s, with the establishment of homelands and self-governing territories which reinforced the division of people based on their culture, language and background. Such divisions in South Africa were directly attributable to the then government's policy of separate development (apartheid). In terms of this policy, the government would only consider undertaking developmental activities (such as public housing provision) of South Africans based on their different racial backgrounds, and the white population received more developmental attention than the other groups (Maharaj in Smith, 1992:75).

However, the West Bloc in Germany was economically richer than the East Bloc) and housing provision was given priority. In the East Bloc the socialist system was blamed for the appalling public housing conditions. In the new Federal Republic of Germany during the 1990s, improvements were effected, but there are still more challenges to be faced. The literature indicates that Germany is now more market-oriented – including the former socialist area – with good prospects of accelerating public housing provision.

In most of the developing countries (including South African), public housing sectors are largely dominated by the government and, although the private sector is encouraged to participate and contribute, only a small proportion falls to the private sector (Maharaj in Smith, 1992:75). The German case study provides an excellent example of both an industrialized (West Bloc) and a penurious background (East Bloc). This example should provide South Africa and other developing countries with important lessons for addressing public housing problems.

Development of Public Housing Policy in South Africa

The South African experience with reference to governance and administration of public housing policy can be divided into two main periods: firstly, the colonial and apartheid period before 1994 and, secondly, the period from the inauguration of the democratic dispensation in 1994. During the first period, public services were

generally rendered to citizens on a racial basis, while during the second period attempts have been made to treat citizens equally in accordance with democratic principles. For about five decades, housing allocations were mostly in favor of the white population and public housing policy was in place to ensure that communities remained divided on the basis of their racial background, especially during the colonial and apartheid period. But now we will turn our attention to the public housing policy trends and activities during the post-1994 period.

Housing Policy in South Africa After 1994

The National Housing Forum and the Botshabelo Housing Accord of 27 October 1994 served as the basis for the 1994 promulgation of the *White Paper on Housing of 1994 (*De Loor's Commission, 1992:1; the International Development Review, 1994; Mackay, 1999:389). According to these authors, the Botshabelo Housing Accord marked the end of intensive negotiations and culminated in the acceptance of a framework of principles and points of departure to guide the development of a single, uniform, fair and equitable national housing policy and strategy that would serve the needs of a country in transition. The Botshabelo Housing Accord binds every significant segment of society concerned with housing, both morally and politically, to a social pact that commits signatories to concerted, unified action.

Subsequent to the *White Paper on Housing of 1994*, the *Housing Act 107 of 1997* was promulgated as an extension of the existing White Paper. The Government Communication and Information Systems (2003/2004) yearbook mentions that through the aforementioned legislative measures, housing provision has been accelerated in South Africa. (This yearbook is a document in which government activities are annually reported by the government (through Government Communication and Information Systems). Dewar and Ellis (1979:213) argue that although housing is an ongoing developmental issue rather than a time-related problem which can be solved, housing problems should not be interpreted as simply the need to build more houses. These authors further warn against building more stock without ensuring quality checks and balances in terms of the structures. The Government Communication and Information Systems (2003/2004) emphasizes that the building of more houses, in accordance with the policy approach adopted in 1994, merely caused more problems for government, therefore the quality-driven approach was subsequently adopted instead. The drafting of the Housing Code in 2000, with the aim of tightening and enhancing the housing policy and strategy, has a bearing on the above argument of Dewar and Ellis (1979:213). Following government specifications in terms of the Housing Code of 2000, a guidebook was produced for providing quality housing. In August 2004 a new document, namely Breaking New Ground (BNG), was adopted by the Cabinet of South Africa. The purpose of the BNG is to outline a plan for the development of sustainable human settlements over a five-year period (starting in 2005). The document consists of three important parts:

- Firstly, **the background**, which provides an outline of the challenges in the public housing sector, informed by the outcomes of the extensive stakeholder consultation process and review of local trends.
- Secondly, **the comprehensive plan**, which highlights shifts in the approach to sustainable human settlements in the next five years and provides a summary of key programs, highlighting enhancements necessary for successful implementation.
- Thirdly, **business plans**, which provide detailed information on the programs and clear indicators of deliverables, time frames and estimated resource requirements (Breaking New Ground, 2004:2).

Lessons for South Africa and Other Developing Countries

Several lessons drawn from the literature are observed hereunder.

First, most of the countries in the world, especially the developed ones, have experienced housing problems at some stage. However, through appropriate public housing policies, the necessary improvements were affected. Now it would be unwise to assume that the measures adopted by the developed countries should be imposed on developing countries such as South Africa. Each country should adopt its own policy, unique and tailor-made to the specific circumstances of that country; as seen from the literature review, this approach has proved most successful.

Second, most of the 'successful' countries delegated their powers to municipalities for the facilitation and provision of public housing. In this regard, however, South Africa is experiencing massive skills shortages, especially within municipalities where service delivery mandates should be carried out. For example, lack of skills in areas such as tendering and procurement, municipal management, engineering as well as town and regional planning (to mention only a few) has impacted negatively on the municipal developmental agendas. This means that both skills development and public housing provision should be addressed simultaneously.

Third, the increasing participation of advocacy groups to assist government in policy development and implementation is a necessity. This practice, if adopted by developing countries, could provide assistance to the government, thereby ensuring less governmental involvement in the actual construction of houses.

Fourth, in developing countries it is evident that due to large backlogs of service delivery across the board, public housing policies are influenced and complicated by the socio-political-economic conditions in the country. Such conditions include the need for the provision of other basic public services like electricity, water and

sanitation, poverty alleviation projects and HIV/Aids (especially in sub-Saharan countries, including South Africa).

Fifth, the primary difference between developing and developed countries in terms of public housing provision is governmental intervention and regulation. It appears from the literature that developed and democratic countries are likely to opt for less governmental involvement in the provision of public housing. The underlying reason for this – as can be deduced from the American, British and German experiences – is that the respective government sectors prefer a market-dominated approach which attracts more business investments and ultimately boosts economic growth.

Sixth, it is important for developing countries to set targets so that measurable activities are put in place as indicators of whether goals and objectives are achieved or not. This is an essential activity which could indicate whether the policy is practical and could identify challenges which need to be addressed in order to accelerate the provision of public housing.

Seventh, the socialist states (e.g. those that formed part of the East Bloc) and developing countries such as South Africa prefer government-regulated interventions. This preference allows for direct attention to be given to the impoverished and homeless households, rather than relying on the market systems for adequate public housing provision.

The eighth and final lesson is that most of the developed countries have devolved the administration and provision of public housing to municipalities. It is also evident from the literature that this practice has borne fruitful results, since municipalities are closer to their local communities. In contrast, it appears that public housing provision in developing countries is usually a national driven initiative, although it may take different forms.

Conclusion

Evidently, public housing policy is part of the overall government policy which is usually informed by the broad approach and preferences of the ruling party. From the literature it appears that democratic and First-World countries tend to allow for the operation of the free market system and to protect investor confidence in providing services. So perhaps this kind of approach is the key to accelerating public housing provision in developing countries. Furthermore, developing economies such as the former East Germany and South Africa tend to increase governmental intervention in rendering public services, which seems to retard public service delivery.

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