The National Housing Forum
Consensus Based Policy Making During Political
Transition in South Africa

by Mathew Nell and Kecia Rust

INTRODUCTION

The housing situation in South Africa is in absolute crisis. Estimates put the backlog at about 1.2 million units for urban black families, with an urban growth rate projected at 4.3% p.a. from 1990 to 2010. Poverty, a stagnated housing delivery sector, the non-availability of housing finance for the poor, rent boycotts, and a state housing sector that comprises 14 departments are only some of the conditions exacerbating the problem. In addition, the political situation in South Africa is such that unilateral state intervention is considered illegitimate with the participation of organisations representing the homeless and disenfranchised.

Forums, by offering a platform for multi-party negotiations to take place, resolve several problems. They bring the "community" and its immediate experiences to the negotiation table, making policy options the product of agreement by a range of groups, thereby legitimising the policy making process. They create the environment for effective participation by mass based organisations with grassroots concerns, together with other key interests. Forums are also able to view problems from a holistic perspective, because all parties to the Forum put their issues on the negotiation table for mutual resolution. Forums in South Africa also seem to be creating support for a development approach in which the current government recognises its limitations and is engaging non-government organisations to undertake development jointly.

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The National Housing Forum is one of the first of a series of forums aimed at unlocking logjams created largely by apartheid planning in a wide array of policy areas. The Urban Foundation has questioned whether the housing crisis is inevitable in a rapidly urbanising society, or whether it is a consequence of the failure of public policy. The National Housing Forum aims to address the housing crisis with sound public policy planning, which involves the full participation of all relevant stakeholders. Its experience might mark a change in the nature of policy making in all of South Africa's policy arenas.

This article aims to look at the background to the establishment of the National Housing Forum, its constitution, membership and progress to date, and to come to a better understanding of the role of forums and the nature of public participation in the policy making process in South Africa.

EVENTS LEADING TO THE ESTABLISHMENT OF THE NHF

On 1st August 1991, the Development Bank of South Africa (DBSA) and the Independent Development Trust (IDT) convened a meeting to address the political and socio-economic challenges of worker hostels throughout South Africa. The rising tensions between hostel residents and adjacent township communities, the growing recognition of the squatted living conditions of hostel residents, and the understanding of the need to coordinate the development initiatives of both government and non-government bodies in respect of hostels, all gave impetus to the meeting.
The meeting attracted a wide representation (subsequently known as the ‘National Discussion Forum on Hostels and Housing’), and concluded that “the hostel’s issue is a National Priority that must be resolved with the participation of Hostel Dwellers and Adjoining Communities, Political Parties and Civics, the State and Local Provincial Authorities.” The meeting also concluded that “a National Housing Forum must be established to develop a framework within which the hostel issue can be addressed.”

A working committee, comprising representatives from the African National Congress (ANC), the Pan Africanist Congress (PAC), the Azanian People’s Organisation (AZAPO), the Inkatha Freedom Party (IFP), the National Civics, the National Council of Trade Unions (NACTU), the Congress of South African Trade Unions (COSATU), the Western Cape Hostel Dwellers Association, the SA Department of Planning, Provincial Affairs and Housing, the South African Housing Trust (SAHT), SBDC, Urban Foundation (UF), IDT, DBSA, and the Consultative Business Movement (CBM) was created to pursue the establishment of a ‘National Housing and Development Forum’. While a national forum on housing was being pursued, the discussion committee on hostels continued, concurrently pursuing the original brief to the extent it was able. These two committees agreed to report back to the “National Discussion Forum on Hostels and Housing”.

At a pivotal meeting on 1st November 1991, the “Short Term Guidelines for Hostel Initiatives” and “Proposals for a National Housing Forum” were adopted by the National Discussion Forum. A Finance Week article published that week suggested that the NHF “promises to be the first manifestation of an interim authority which is needed to govern SA in the run-up to democratic elections.”

It is now evident that the transitional political process occurring in SA at that time had a significant influence on the realm of possibilities considered by the delegates at the 1st October 1991 meeting. The establishment of national forums, of which the NHF was one of the first, was envisioned to be an interim mechanism to facilitate debate on housing issues from which many major parties had been excluded. Not only was this recognised by extra-parliamentary groups, but also by government itself. The reception of the De Loor Commission Report by government is an example.

The “De Loor Commission” (which emanated from the South African Housing Advisory Council), was called for at the end of 1990, by the Minister of Planning and Provincial Affairs. It was intended that this Commission review the existing budgetary dispensation for housing and advise on a new national housing policy and strategy for South Africa. Convened by Dr. Joop De Loor, the Commission published its report in April 1992. Originally, it was intended that the Commission’s findings would be adopted as legislation. By April 1992, however, it was agreed that instead of being accepted unilaterally as housing policy by government, it would be regarded as a position paper to be put before the upcoming ‘National Housing Forum’. The government was conscious that the De Loor Commission Report had failed to resolve inputs from extra-parliamentary groups, and thus lacked the credibility and legitimacy that wider consultation with the broadly representative members of an envisioned housing forum could bring it.

Over the year of negotiations and consultation towards a Founding Agreement, it became evident to the founding members that the envisioned National Housing Forum represented the opportunity to inject into a South African housing policy debate, legitimate policy options and workable proposals which were backed by consensus among all the players. Other national, regional and local negotiating forums were also being formed at the time, underlining the fact that government was only one of many players necessary for effective policy making. Since a non-democratically elected government could never be legitimate, and since grassroots organisations lacked the capacity and technical expertise in crucial areas, forums comprising those with technical capacity and those with popular support would greatly assist the policy making process for an interim period.

THE FOUNDING AGREEMENT AND STATEMENT OF PRINCIPLE

At the 31st August 1992 meeting of the plenary of the NHF, the sixteen founding members launched the NHF by signing the Founding Agreement. The opening preamble of the Agreement sets out the initial points of consensus to which all founding members and subsequent new members bind themselves.

The document outlines the enabling provisions and structures of the Forum that allow it to do its work. It commits members to applying themselves jointly to the negotiation of short term strategies, medium and long term plans and policy frameworks for the housing sector, on a basis which allows maximum participation by the general public through the representative bodies of its members. It also confirms commitment to the pursuit of a non-racial, non-sexist, non-partisan national housing plan that actively redresses historical imbalances, eradicates the enormous backlog, and prepares for future demands. The emphasis of all activities in the Forum, the members agreed, is on shelter provision for the poor in South Africa. The Statement of Principle arises from the Founding Agreement, and is supported by all NHF members.

STRUCTURE OF THE NHF

The Founding Agreement sets out the basis on which the NHF operates. The work of the Forum passes through various stages before reaching discussion and ratification at its highest decision making body, the Plenary. The Coordinating Committee is the driving force in the process, identifying key areas of concern for the short, medium and long term investigation of a working group
STATEMENT OF PRINCIPLE

The National Housing Forum aims to negotiate for a workable and non-racial future direction for the housing sector in South Africa, with a particular emphasis on the provision of housing to members of disadvantaged communities.

The main objective of the NHF is to draw up a carefully negotiated strategy which:

- demonstrates immediate, visible and appropriate delivery on the ground;
- addresses historical imbalances and backlog in respect of housing with particular focus on members of disadvantaged communities;
- promotes an effective housing process for all;
- integrates the cities;
- facilitates access for the poor to social and commercial amenities;
- enhances the effectiveness of state intervention;
- maximises non-state delivery capacity (including private sector);
- maximises the participation of the community in the housing process;
- has quantifiable targets for identifiable accountability;
- links proposals to national development and economic growth strategies.

STRUCTURE OF NHF

PLENARY

- Highest decision making, representative body;
- Meets quarterly or when necessary;
- Addresses Coordinating Committee recommendations.

COORDINATING COMMITTEE

- Arena for negotiations, supported by working groups;
- Representative body;
- Primarily responsible for the coordinating and development of policy and strategy proposals;
- Meets regularly.

WORKING GROUPS

- Land and Services;
- End-user Finance and Subsidies;
- Delivery Systems and Housing Types;
- Institutional Structures, Roles and Fund Mobilisation;
- Restructuring the Built Environment;
- Hostels.

When a position is presented at the Coordinating Committee level, member representatives take it back to their constituencies or organisations for consultation and negotiation. The results of this process ensure that the representatives secure mandates for positions from their principals. In this way, the NHF secures mandates from its members to either pursue, amend or discard a particular initiative. Without this crucial aspect of the negotiations process, the credibility of the Forum comes into question, and the tenuous relationships forged between members is threatened. Decisions at the Coordinating Committee level are taken when there is consensus between members. If consensus is not attainable in the first instance, the proposal is redrafted to meet the concerns of the members. In instances where consensus is not possible, mechanisms are in place to proceed with majority decisions. Once consensus is reached at the CC level, the proposal is brought to the Plenary level for ratification. The Plenary then gives the CC the mandate to finalise agreements reached, with a view to affecting policy. Once sufficient consensus is reached and a position is agreed to at the Plenary level, consenting members are directed, to the best of their ability, to act in terms of the agreement. It is not the task of the Forum to implement its policies, but to negotiate for effective implementation of its policy recommendations within the appropriate structures.

MEMBERSHIP

Over the year between the initial conceptualisation of a forum on housing and development and the founding of the National Housing Forum on 31st August 1992, the interim working committee went through both an internal and external process of wide ranging and thorough consultation, to bring together organisations committed to achieving short term strategies, medium and long term plans and policy frameworks for the housing sector. With a view to being as inclusive as possible, the working committee called on all organisa-
tions who had a national contribution to make to the housing sector. To allow maximum participation by the general public, representative national interest groups, national development and finance agencies, and business were invited to comprise the members of the National Housing Forum.

In January 1992, government representatives to the National Discussion Forum advised a meeting that the government had decided to withdraw from forum discussions in favour of potential alternative processes that could develop through constitutional negotiations. It was agreed that a national housing forum would be pursued without government, and that it would interact with government as and when necessary. It was agreed that bilateral negotiations between the NHF and government could be as, if not more effective. The founding members were conscious of the fact that a broad-based representation would secure the Forum an initial legitimacy and lend it authority when negotiating policy initiatives and delivery options.

Member organisations are asked to provide the Forum with two representatives to the Coordinating Committee and two representatives to the Plenary. Coordinating Committee member representatives also sit on their selection of working groups. Many of the representatives, while not necessarily "experts" in the field of housing, lend other valuable skills and experience to the process. The civic and mass-based organisations bring a widely consulted mandate to arrive at certain policy to the Forum and in-depth experience in grassroots conditions, expectations and needs. Business organisations bring an understanding of the economics of the housing sector and of the possibilities for growth and development within it. The development organisations bring development expertise and an understanding of the interaction between policy and practice.

Notwithstanding the wealth of experience brought by the different organisations to the Forum there is a great need for capacity building at all levels in terms of understanding the broad array of conflicting factors impacting the housing sector or developing adequate negotiations and consultation skills etc. In order to facilitate this building of capacity as well as begin negotiations at a smaller more workable level, various caucuses have emerged in which members with similar aims and objectives explore the issues, identify their positions and arrive at points of compromise.

The NHF has made provision for incorporating additional organisations as members if they comply with certain criteria outlined in the Founding Agreement and are willing to sign the Statement of Principle.

**MEMBERS OF THE NATIONAL HOUSING FORUM**

- African National Congress (ANC)
- Association of Mortgage Lenders (AML)
- Azanian Peoples Organisation (AZAPO)
- The Building Materials Manufacture and Supply Sector
- Congress of South African Trade Unions (COSATU)
- The Construction Sector
- The Democratic Party
- The Development Bank of Southern Africa (DBSA)
- Independent Development Trust (IDT)
- The Inkatha Freedom Party (IFP)
- The Kagiso Trust (KT)
- The Life Offices Association (LOA)
- Non-Governmental Organisation Sector
- Non-Profit Housing Delivery Sector
- Pan Africanist Congress (PAC)
- South African Consultative Coalition on Labour Affairs (SACCOLA)
- South African Housing Trust Limited (SAHT)
- South African National Civic Association (SANCO)
- The Urban Foundation

*As of July 1993.

**ENHANCING MEMBER CAPACITY**

Because of the newness of forums to the South African policy making scene, it has been recognised that the capacity for policy formulation among the various players is often not as strong as is necessary. The problem lies both with community groups, who have a lack of resources to enhance their own capacity, as well as with business who have resources to deploy in implementation but not in policy formulation. It was also realised that the development organisations, while experts in the field, do not have the grassroots experience or legitimacy to lead the policy formulation process on their own.

The Communication and Participation Committee, and the Capacity Building Task Team were created to address these problems. Together they have drawn up a comprehensive communication strategy that engages Forum members and their constituencies to the full extent possible. The Trainee Housing Specialist Programme has also been created as a mentorship programme between member nominees and NHF, professional staff and consultants. Producing accessible newsletters and research reports for mass distribution, organising regional workshops, providing speakers on request and attacking the mass media with information about the NHF these two committees address the limitations of "the forum" as a policy making and mandating structure. The two committees seek to pursue progressive programmes to facilitate increased understanding of housing issues amongst member organisation constituencies and the public at large.

**PROGRESS TO DATE**

To operationalise the aims and objectives and make use of the structures set up by the Founding Agreement, the members ratified the Initial Programme of Work on 31st August 1992. The aim of the Initial Programme of Work was to provide a framework in which the entirety of the problems in the housing sector could be determined,
understood and in which possible solutions could be proposed and negotiated.

The first phase of the Initial Programme of Work was the "Overall Review and Plan Framework". This phase involved compilation and assimilation of existing data on the relevant issues. It was then agreed between the six working groups with a view to identify the nature of the problems within SA and to determine the overall alternative choices which need to be assessed in developing a plan of action. By May 1993, four of the six working groups had completed their terms of reference for Phase I and made publicly available the specially commissioned research reports that had been used as input into the working group process.

At the time of writing, the working groups were drafting terms of reference and deliberating their approach to Phase II. Because of achievements in Phase I described below, the Co-ordinating Committee developed the terms of reference for the second "Detailed Planning" phase in terms of an agreed negotiations programme with the Department of Local Government and National Housing. This programme would be directed at overall rationalisation and restructuring of the housing sector and enable the NHF to also address specific issues in terms of a pre-agreed negotiation programme.

Originally Phase III was envisioned to be the final plan amendment and approval phase. If Phase II negotiations happen as planned Phase III might become an overall assessment of the "National Housing Plan" and recommendations for a future, single department of housing. The primary aim of Phase III is to finalise success in the negotiations programme of Phase II with a view to having immediate effect on the 1994/95 National Budget and to create an environment in which the new government of national unity can operate effectively, with a broadly supported policy and strategy alternative to the current apartheid housing planning policies. The constitutional negotiations and transitional process currently underway, however, will influence what ever is planned for the National Housing Forum.

The entire programme outlined in the Initial Programme of Work was initially envisioned to take 36 weeks. It was soon recognised however, that this was an unrealistic target, as negotiations among members and between the Forum and government needed time in order for consensus to be reached. It is agreed that the longer programme currently being pursued ensures that solid relationships between members are being forged and maintained and that common grounds of understanding are being reached. In addition, the NHF is developing a strong, bilateral negotiation relationship with the Department of Local Government and National Housing. It is understood that these slower processes are in the nature of forums and engaging civil society in the policy formation process. In the long run, the time spent securing consensus is saved by the evolution of sustainable programmes.

In October 1992, the Coordinating Committee organised a two-day strategic workshop. The aim of the workshop was to identify critical problem areas in housing to which the NHF should give its immediate attention.

Each member was asked to give a presentation that outlined their constituency's identification of the key issues for immediate action in housing. From this process emerged 14 issues identified for immediate attention by the NHF.

From these 14, the following four were identified for fast track attention:

- Government spending budget related matters (including the issue of unutilised serviced sites and inappropriate subsidies);
- Unilateral Restructuring and Rationalisation (particularly with respect to short term negotiations and monitoring);
- Current Government expenditure on hostels (R 326 million);
- Inappropriate disposal of strategic state land.

With the identification of 14 issues for immediate attention, and four of these for urgent action, the NHF was amending its programme of work by including a fast track, problem specific element. This served to add a sense of urgency and participation in the transition process to the Forum. As the momentum of the Budget Initiative in particular, but the Hostels Initiative equally as

**ALLOCATION OF IMMEDIATE ISSUES TO SPECIFIC WORKING GROUPS**

**Land and Services**
- Inappropriate disposal of strategic land
- Lack of identification of, and access to, land for the poor
- Emergency provision of services
- Inequitable services and service charges
- Inappropriate bulk service investment

**End User Finance and Subsidies**
- Non-availability of mortgage finance

**Delivery Systems and Housing Types**
- Lack of consolidation initiatives
- Disposal of existing state rental stock
- Consumer exploitation and education

**Institutional Structures, Roles and Fund Mobilisation**
- International involvement in housing
- Government spending; budget related matters (including the issue of unutilised serviced sites and inappropriate subsidies)
- Unilateral restructuring and rationalisation (particularly with respect to short term negotiations and monitoring)

**Restructuring the Built Environment**

**Hostels**
- Current Government Expenditure on Hostels (R 326 million)

**Other**
- Inadequate community capacity building (includes rural and urban community control over decision making, education, training and empowerment)
much took over that of the Initial Programme of Work, the true impact of negotiations at a forum level was realised. The National Housing Forum had secured respect from both government and the general public as a legitimate negotiations body with sufficient relevant expertise to significantly influence the policy making process.

The progress of the National Housing Forum confirms that negotiation forums are a workable way to ensure multi-party participation on complex, multi-faceted issues and to impact in the short term on key areas of public policy and practice. Progress on two of the fast track issues are set out below.

THE BUDGET INITIATIVE

At a Coordinating Committee meeting in October 1992, the IDT representative to the NHF confirmed that the IDT's Capital Subsidy Scheme programme would institute no new projects after March 1993. Stated government commitment, made at the release of the De Loor Commission Report, to not proceed with unilateral implementation of a national housing policy and strategy before broadly based consensus was reached on a future approach to housing in SA, meant that without the IDT projects, a stalemate in respect of the delivery of low cost housing existed.

The National Housing Forum viewed this situation as a unique opportunity for a major breakthrough in the provision of housing. In negotiations with the Department of National Housing it was agreed that joint action in this regard would have significant impact. The parties (NHF and DNH) agreed to propose to the Minister of Finance that a significant portion of the budget outside the regular housing allocation should be directed to a proposed interim, non-racial structure for the disbursement of budget funds to be jointly administered by the NHF and the DNH. The parties further agreed to continue negotiations in respect of this initiative, specifically addressing the efficiency, transparency, and equity of existing and proposed programmes, the most appropriate distribution and delivery mechanisms, and criteria, terms and conditions for fund allocation.

This initial, motivational document has since expanded to include documents setting out the objectives and guiding principles, the appropriate institutional arrangements, the proposed application of the requested special allocation, the job descriptions for members of the proposed Secretariat and powers of the Joint Housing Boards.

The Budget Initiative relies on a principle of social compacts as the basis for allocation of project funding. Like the National Housing Forum, the initiative requires relevant actors at a local level to enter into an agreement, a social compact, committing themselves to the success of a proposed project. Funding would be made on a project by project basis, except in the case of consolidation initiatives in areas in which initial projects had already been started. The requirement for the formation of local, social compacts is intended to enable people to gain some control over the housing process to secure higher level of consensus and to reduce local level conflict.

The Budget Initiative must be viewed in the context of an ongoing pursuit of a single consolidated housing strategy, policy and structure. The Budget Initiative is structured so that individuals at the grassroots level can directly feel its impact in particular, and the impact of NHF negotiations in general. Through the forum structure, not only is discussion representative and inclusive of mass-based interest, the proposals emanating from the process also demand mass-based, democratic representation at a more local level to function. Ultimately, the success of the Forum depends on the evolution of local social compacts. The Budget Initiative is designed to facilitate this.

THE HOSTELS INITIATIVE

In the first half of 1992, the government announced a plan to allocate R326 million to the upgrading of state-owned hostels. There was a fear among the members of the Forum that the upgrading programme, if run by the state unilaterally, would overlook individual and community interests, thereby hampering the success and viability of long term hostel reconstruction.

The NHF has engaged in protracted negotiations with the Department of National Housing on the R326 million hostels redevelopment programme. A detailed plan for hostels redevelopment has been drawn up, including a short term emergency programme and the pursuit of a long term policy to expand the range of accommodation options for single people or migrants. It has already been agreed that a National Hostels Co-ordinating Committee is to be established jointly by the NHF and the DNH which will be mandated to control funding and the strategic decisions over hostel restructuring.

The basis of NHF involvement in the hostels redevelopment programme is to ensure that participation of all interested people and groups in the decision making process must be ensured at every level of negotiation and decision making. Following the principles of the Short-Term Guidelines for Hostels Initiatives, the NHF aims to ensure that community decision making, and ownership of the process, vital to the success of any development initiative so stressed by community tensions, is pursued.

CONCLUSION

In a non-racial, democratic South Africa, the apartheid planning legacy makes for a confusing myriad of illogical and conflicting policies that stifle economic growth and investment and restrict the upward mobility of South African citizens.

The future of the National Housing Forum as noted above, depends on the future
intentions of the new government of national unity. The NHF could become party to a statutory body on housing policy or could dissolve entirely, leaving its members as interest groups who will lobby the government in respect of their individual interests. Whatever the possibilities, however, it seems likely that the success of the Forum in bringing together key housing interests in an extremely heterogeneous society will contribute to a more effective, legitimate and accountable housing process in South Africa in the future.

NOTES


5 ibid.


7 Friedman, p.56-57.

BANKING SUPERVISION . . .

Presentations to Boards of Directors

The Head of the Banking Supervision Department also makes annual presentations to the boards of directors of all banks. These presentations consist of an overview of the banking sector as a whole, as well as a discussion of each risk area in the individual bank, based on the information submitted to the Department by the bank concerned.

Macro Report

A macro report reflecting the latest developments in the banking sector as a whole is compiled on a monthly basis.

Annual Report

The annual report of the Registrar of Banks, which is laid before Parliament on an annual basis, reflects not only the latest trends in the banking sector, but also the direction in which the regulatory environment in South Africa is heading.

Disclosure

The Bank Supervision Department strives to ensure that a proper framework exists for disclosure in the banks' annual financial statements, in accordance with generally accepted accounting practice, to enable depositors to form an informed opinion on the financial soundness of particular banks.

CONCLUSION

The rapidly changing financial environment in South Africa and the rest of the world poses new challenges for the management of banks and banking supervisors. These challenges require new approaches and innovative thinking in order to ensure that the risk-management process continues to be conducted effectively.

Furthermore, all key players in the risk-management process need to be aware of how their responsibilities change as a result of environmental changes, so that effective contributions can be made to the entire risk-management process.