



human settlements
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

**REPORT ON POLICY
LIMITATION
AFFECTING THE
DELIVERY OF
SUSTAINABLE HOUSING
OPPORTUNITIES FOR
THE GAP MARKET**

PREPARED BY GLOBE RESEARCH AND
SURVEY (PTY) LTD

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FINAL REPORT

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GAP MARKET**

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List of acronyms and abbreviations

ANC	African National Congress
BNG	Breaking New Ground
CAPI	Computer-Assisted Personal Interview
CPF	Central Provident Fund
DDIS	Developer Driven Individual Subsidy
DHS	Department of Human Settlement
DPME	Department of Planning, Monitoring and Evaluation
EPWP	Expanded Public Works Program
FLISP	Finance Linked Individual Subsidy Programme
FSC	Financial Sector Charter
GEAR	Growth, Employment and Redistribution
GHLC	Government Housing and Loan Corporation
GRS	Globe Research Surveys Pty Ltd
HDB	Housing and Development Board
HoD	Head of Department
HSS	Housing Subsidy Scheme
ICT	Information and Communication Technology
MES	Monitoring and Evaluation System
MEC	Member of the Executive Council
MOU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
NDHS	National Department of Human Settlement
NDP	National Development Plan

NEPF	National Evaluation Policy Framework
NES	National Evaluation System
NHBRC	National Home Builders' Registration Council
NHFC	National Housing Finance Corporation
NHNR	National Housing Needs Register
NHP	National Housing Programmes
NHSS	National Housing Subsidy Scheme
PD	Provincial Department
PRC	Peoples Republic of China
RDP	Reconstruction Development Plan
SA	South Africa
SASQAF	South African Statistical Quality Assessment Framework
SHS	Sustainable Human Settlement
SIHS	Sustainable Integrated Human Settlements
SLA	Service Level Agreement
SWOT	Strength, Weakness, Opportunity and Threats
UIF	Unemployment Insurance Fund
UK	United Kingdom
USA	United States of America

Glossary

Financial-Linked Individual Subsidy Programme refers to a National Human Settlements Programme where the government offers housing finance support to a particular category of households that may or may not have also been approved for: (1) a housing loan secured by a mortgage; (2) a housing loan secured by a pension/provident fund; (3) a housing loan secured by a cooperative- or community-based savings scheme; (4) an unsecured housing loan; or (5) an individual savings facility.

Gap market refers to that particular segment of would-be house owners that generally earns too little to qualify for an adequate housing loan secured by a mortgage and yet too much to qualify for adequate government housing subsidy support.

House owner registered owners of a permission to occupy are not deemed to be house owners. Those in possession of a vacant or housing stand are also not deemed to be house owners.

Housing loan refers to a type of credit from a lender that is used by the borrower specifically for a housing-related purpose.

Housing subsidy refers to government housing finance support to a beneficiary.

Income refers to all sources of a household's taxable and non-taxable revenue calculated on an average monthly basis. It includes but is not limited to salaries and wages; sales and other commissions and allowances; profits, interest and dividends derived from businesses and investments.

Mortgage loan refers to a housing loan where the property is used as security.

Owner-occupier includes certain deferred ownership forms such as instalment sales and rent-to-own; and excludes certain immediate ownership forms such as buy-to-let.

Executive Summary

This report provides an opportunity to examine the issue of housing in South Africa by exploring the policy changes that might have improved or limit the supply of affordable housing to low and middle-income workers in Mpumalanga province. This report specifically studies the Finance Linked Individual Subsidy Programme (FLISP), a finance policy put in place to provide a subsidy for South Africans who do not qualify and cannot afford the mortgage to decrease the loan amount. The findings are aiming at unpacking the policy limitations among the beneficiaries of gap market in Mpumalanga Province and providing concrete suggestions and recommendations as to how the enterprise of financing can be improved in South Africa.

In order to understand the strengths and constraints of the policy implementation in South Africa, it was necessary to adopt a research design that will provide various kinds of information at different stakeholders. This consideration led to examining a sample of those who are beneficiaries of the programme to find out what they have experienced and the service providers. Questionnaires were administered to 775 people from Ehlanzeni, Gert Sibande and Nkangala districts in the province and service providers were interviewed. A strength, weakness, opportunity and threat were done to examine understand what the policy is doing well and address what was lacking.

Our findings identified a number of policy gaps that need to be addressed and should be included in the reviewing of the FLISP policy process. We observed that there are too many red tapes associated with financial institutions that provide mortgage bonds that reduce the amount of subsidy (deposit) to the beneficiaries, the policy does not address land or sites as part of incentives to assist and attract lower-income earners, we identify the limitations in the role of traditional leaders as strategic stakeholders in the rural areas and finally interest rates are left at the discretion of the banks. The report suggests the following remedies to the challenges from the finding: government involvement in fixing interest rates for these unfortunate beneficiaries of loans, incentives such as land be provided for people through traditional leaders to encourage building of their affordable houses and finally the inclusion of people regardless gender.

Chapter one: Introduction and background

1.1. Introduction

The high rate of population growth and urbanization has resulted in a significant shortage of affordable housing in South Africa, most especially in Mpumalanga province. In 1994, South Africa's democratically elected government inherited a lot of housing backlogs largely due to the history of apartheid, high unemployment, poverty and urbanization. It has therefore become a challenging task for both the national government and private real estate developers to provide affordable housing to lower- and middle-income households in urban centres, mainly because of high demand and escalating prices. With urbanization and growing economic disparity, the challenges associated with housing availability and provisioning have become far more extenuated in South Africa. The increase in population has resulted in a significant shortage of affordable housing in South Africa. The prevailing economic, political, and policy environment provides the context within which concerns about affordable housing, homelessness, poor housing quality, and mismatches in demand and supply of housing can be understood.

The rise in demand and shortage of supply of sustainable and affordable housing calls for the need to address issues of affordable housing in South Africa to ensure the wellbeing of the society and the South African family. There is the need to give high priority to the provision of housing for low and middle-income households to cater for the historically disadvantaged citizens. After the abolishment of apartheid, the South African government provided more than three million houses and over a million serviced sites (Wilkinson, 2017). Housing delivery became the responsibility of the government of South Africa guided by the Constitution of 1996 affording every citizen the right to adequate housing. The Mpumalanga provincial government has been exploring various policies aimed at addressing the housing backlogs and providing sustainable and affordable housing.

A lot of policies have been implemented by the South African National Government to provide housing to disadvantaged households. The adoption of the National Housing Subsidy scheme in 1994 coupled with some housing policy shifts such as Breaking

New Ground and Housing code of 2004 (Huchzermeyer, 2009), has resulted in about 17 different housing options targeting a variety of beneficiaries. While several million households have been assisted through these programmes, others are yet to be assisted due to the creation of a gap in the market. Households earning below R3 501 qualify for a Reconstruction Development Plan (RDP) house, but only households earning more than R22 001 can get a mortgage. This creates a gap in the housing market.

Over the decades, the commitment and support of South Africa's banks to the delivery of housing finance to the poor and those within the gap market has been questioned. A major impediment in the delivery of housing for low-income households is the challenges confronting commercial banks to grant loans to the poor population in the housing market notwithstanding supporting initiatives by the government (Pillay and Naude, 2006; Tomlinson, 2007).

This led to the establishment of several initiatives by the government to unlock housing finance for the poor and those within the gap market. Thus, the South African government adopted the FLISP policy as a mode of financing affordable housing to ensure that beneficiaries are allocated houses. Under Finance Linked Individual Subsidy Programme, households with a salary ranging from R3 501 to R15 000 have been targeted. FLISP is a programme of instrument that seeks to help to qualify families by giving a once-off down payment to those who would have secured mortgage finance to acquire a residential property for the first time, the gap. Households in this salary range used to face challenges in attempting to access housing finance from banks. Their salaries were seen as too low for housing loans and yet too high for a government 'free-house' subsidy programme.

Despite these efforts from the national and provincial governments especially Mpumalanga provincial government, results have been less than satisfactory. In response to this situation, the government has established a range of initiatives aimed at unlocking housing finance for the poor. Nevertheless, the results have been less than satisfactory. The purpose of this research is to investigate policy limitations affecting the delivery of sustainable housing opportunities gaps in the implementation of FLISP across all districts in Mpumalanga province in South Africa.

1.2. Background information

Access to affordable housing is one of the challenges faced by many countries around the world including South Africa. This is not a unique issue to South Africa as more than one-third of the urban population lives in informal settlements in the global south (King, Orloff, Virsilas, and Pande, 2017).

South Africa is one of the most unequal countries in terms of income distribution with a national unemployment rate of 34.9% and 37.5% for Mpumalanga province for 2021 (STATS SA, 2021). This economic issue together with rapid growth in population and the history of apartheid has led to housing shortage since the advent of democracy (Wilkinson, 2017). In 1994, South Africa's first democratically elected government inherited an estimated housing backlog of 1.2–2.5 million units which increased to 3 million by 1997 (Karsens, 1999). Population growth and rapid urbanisation have resulted in difficulties in providing enough sustainable housing in South Africa (Turok and Borel-Saladin, 2016). This lack of adequate housing contributed to informal dwellings and shacks.

Rashid (2008) further emphasized that industrialization and urbanization have been some of the influencing factors contributing to the acute housing demand amongst the lower and middle-income groups in cities and other larger urban areas of many developing countries. However, the general demand for housing in the urban areas far outstrips supply, which in most times is due to the scarcity of suitable residential land and competing land uses in the urban areas of developing countries.

Therefore, despite the South African government's commitment and effort in providing adequate, affordable and quality houses with the emphasis on the development of low-income houses for the poor, the houses are still not enough.

Although the national and provincial governments have delivered over three million serviced sites since the dawn of democracy, the housing backlog continues to grow. In 2020, roughly 15% of the population were still living in informal settlements increasing the housing backlog from 1.5 million units in 1994 to 2.1 million in 2015. Despite the relative successes of the post-apartheid South African Government, there have been some challenges in delivering adequate basic services, that have led to recent wild spread community unrest.

This shortage in housing provision presents a challenge to the government given that access to affordable and sustainable housing is necessary for economic productivity and the well-being of households (King et al., 2017).

Housing in South Africa emphasizes the provision of adequate, affordable and quality houses for all, with a particular emphasis on the low-income groups, as determined in the South Africa Constitution of 1996 and the Housing White Paper Policy Framework of 1994.

According to Mzini, Mashike and Maoba (2013), housing is a basic human right that is enshrined in the South African constitution and requires legislative measures to make resources available to achieve and realise this basic right of citizens. The constitution makes it incumbent upon the state and provincial governments to take legislative and other measures to achieve the progressive realisation of this right.

Given that access to housing is enshrined as a basic right in the South African Constitution (Republic of South Africa 1996), the government started an aggressive housing provision program in 1994 but has not been able to completely get rid of the housing backlog (Tomlinson 1997).

South African Constitution (Act no 108 of 1996) mandates the Department of Human Settlements to provide adequate housing and integrated human settlements. Section 26 of the Constitution emphasizes the centrality of the department's role in coordinating the development of sustainable integrated human settlements.

The Department of Human Settlements draws its mandate from Outcome 8 of the National Development Plan which is Sustainable Integrated Human Settlements and Improved Quality of Household Lives. The mandate emanated from the Constitution and Housing act of 1997 to provide basic services to its communities.

This need for the provision of housing was not only limited to the low-income population, but also to those too rich to receive fully subsidised housing and too poor to access housing on the established formal market. This is called the gap housing market.

The constitutional requirement has led to the introduction of several policies to provide households with affordable houses. One of such housing policies is FLISP. The purpose of this program is to address the housing crisis for households earning

between R15 000 and R22000 through a large-scale delivery of subsidised housing by providing a once-off capital subsidy to qualifying households.

The next section discusses the problem statement of this research.

1.3. Problem statement

The Department of Human Settlement in Mpumalanga mandate entails provision, creation of Sustainable integrated human settlement and improve quality of household lives. This includes delivery of government subsidies houses, individual housing units, community residential units, social housing etc.

Several housing projects have been implemented throughout the country post-apartheid era to deliver in terms of Housing Policy framework. Housing in South Africa has undergone fundamental changes since 1994. Despite the changes to deliver houses to the poor, South Africa still has a significant backlog that needs to be addressed through a comprehensive housing policy. This housing backlog could be attributed partly to apartheid laws where Africans were forbidden from owning property and population growth. Despite the successes and achievements in providing affordable housing, demand is still high resulting in backlogs that receive criticisms from beneficiaries and other stakeholders.

According to Robertson (2017), the apparent challenge facing South Africa is the administration of policies. There is a lack of proper policies, structures, and continuous updating of the current policies which often leads to failure to adhere to rules and regulations leading to delays in the implementation of existing policies. There is a lack of detailed housing delivery plans at both provincial and municipal levels leading to poor implementation of FLISP in the province of Mpumalanga. Also, the lack of coordination of housing development at both municipal and provincial levels affects the smooth implementation of the program.

It is evident that policies and legislations are clear on what needs to be done to reduce the housing deficit, but the structural legacy of apartheid exclusionary settlement seems very difficult to reverse. The lack of cooperation among different stakeholders in policy weakens the housing delivery program. The Department of Housing introduced the Finance-Linked Individual Subsidy Program (FLISP) in 2005, aimed at

those households falling in the gap market segment (National Housing Finance Corporation 2017).

During the period (2014 – 2019), the Department made significant strides in the housing programme at moving towards the realisation of integrated human settlements for improved development. However, the delivery of the Finance Linked Individual Subsidy Programme (FLISP) remained a challenge besides being revised in 2012 and later updated in 2018.

Furthermore, according to the Mpumalanga department of Human Settlement annual report 2019/2020, finance linked individual subsidy was unable to reach its target for all the financial years. In the MTEF 2016/17, 44 beneficiaries were approved, subsidised and disbursed. During 2017/18, 22 beneficiaries were approved, subsidised and disbursed. In 2018/19 only 25 beneficiaries were approved, subsidised and disbursed. The planned target for 2019/2020 was to disburse 221 subsidies. However, only 59 FLISP were disbursed, and the department underachieved by 162.

Even though FLISP has delivered 200 housing units since 2020, there is still an enormous backlog of housing units in Mpumalanga. The provincial government is striving to improve access to affordable housing through FLISP across all municipalities, both in urban and rural areas. However, the performance of the FLISP policy has been poor.

This has prompted the Department of Human Settlement Policy and planning coordination Chief Directorate to commission the study to investigate FLISP policy gap or limitation to harmonise all the challenges to provide an evidence-based solution for poor performance.

1.4. Purpose of the report

In order to assist the Department of Human Settlement in addressing the FLISP policy gap in the Mpumalanga province, the report will provide findings and recommendation that will guide the intervention by government and other key stakeholders. This report serves as an information base to policy and decision-makers in relation to the objectives agreed upon between Mpumalanga department of Human Settlement and

Globe Research and Surveys (Pty) LTD. The purpose of this report is to inform the outcomes of the surveys and stakeholder interviews conducted, which are to:

1.5. General objective

The general objective of this study is to unpack the policy limitations affecting beneficiaries who fall under the Gap Market in Mpumalanga Province, South Africa.

1.5.1. Specific objectives

- To identify the gaps in the existing FLISP policy and make recommendations on how to address them.
- To analyse the findings in terms of the gaps between existing FLISP policy and implementation; and
- To reveal the challenges faced by beneficiaries under FLISP policy.

Chapter two: Literature review

2.1. Introduction

Chapter one provided the introduction and background to the study. This chapter provides a detailed literature review of housing policies across the world. It outlines the housing legislative and policy framework in South Africa with specific reference to the Bill of Rights and the Right to Housing, the National Housing Code and the national Housing Programmes. It highlights the various housing subsidies promoting housing affordability including FLISP, which is the main focus of the study since 1994. The chapter reviews housing history and provides the evolution of housing policies to address the shortage of affordable housing. It also provides an overview of housing subsidies used to encourage access to housing among certain groups of income earners. The chapter provides a brief international overview of housing and the participation of the private sector.

The study covers gap housing in South Africa. This includes the description of the gap market, introduction to FLISP subsidy and poor performance of gap housing policy

2.2. Overview of policy

There is an increasing awareness that policies do not succeed or fail on their own merits; rather their progress is dependent upon the process of implementation. (Hill & Hupe 2015). Policies may be thought of as the main system which provides the framework for the accomplishment of intended objectives. Formulation of policies involves making explicit the various assumptions that are made concerning the basic premises and the priorities of needs and allocation of the finances.

Policies are intended to spell out the parameters in the context of which organisational decisions are to be made. A policy is crucial in administration, for it gives a concrete shape to the political, economic and social objectives which the government lays down in the form of laws, rules, and regulations (Goel 1994:126).

Anderson (2005) defined policy as a guiding principle that is used to set direction in an organization. A policy also refers to the process of making organizational decisions which includes identification of different alternative programmes and choosing the best

based on their impact. Also, Jiboye (2011) states that a policy is a political, financial, management and administrative mechanism to reach goals. It provides a guide that defines action and sets goals and strategies to achieve those goals. Policies act as guides to decision-making within the framework of goals, objectives and management philosophies under a given set of circumstances as determined by management (Anderson, 2005).

2.3. Housing policy

A housing policy is a guideline usually provided by the government through a series of negotiations of various bodies intended at meeting the housing needs and demand through a set of suitable approaches including fiscal, institutional, legal and regulatory framework (Agbola, 1998).

Housing policies have been used globally to address housing deficits especially concerning low-income earners and other groups of individuals with the view of assisting them to a better housing option (Harris and Giles, 2003; Mukiibi, 2011). According to Van der Waldt (1994), public policy is a political process and not an analytical problem-solving process. It involves bargaining, negotiation and accommodation of various interests.

Over the past two decades, there have been several shifts in SA housing policy that corroborates the socio-economic and political significance of housing provision in the country. The housing policy shifts that have occurred since 1994 were responses to the flaws in the execution of previous policies or other internal departmental policies (Charlton and Kihato, 2006).

2.4. Defining the policy gap

A policy gap is what transpires in the implementation process between policy expectations and perceived policy results. The policy gap can also be defined as an Implementation in carrying out a basic policy decision, usually incorporated in a statute but which can also take the form of important executive orders of court decisions (Mazmanian and Sabatier, 1983). Ideally, that decision identifies the problem(s) to be addressed, stipulates the objective(s) to be pursued, and, in a variety of ways,

'structures' the implementation process. The process normally runs through several stages beginning with the passage of the basic statute, followed by the policy outputs (decisions) of the implementation agencies, the compliance of target groups with those decisions, the actual impacts of agency decisions, and, finally, important revisions (or attempted revisions) in the basic structure.

The mere existence of good policies does not automatically result in successful implementation. Problems with policies often lie in the implementation thereof, thus forming a policy gap. The policy gap pertains not only to practice but also to research in the field of policy implementation. The policy gap can vary, as do the variables involved with failed policy implementation. Policy implementation can therefore be regarded as the missing link of policy.

The roles of the different implementers are also important for effective implementation. There is normally someone who can be regarded as a fixer if obstacles are experienced. As fixers, they are constantly repairing and adjusting the machinery used for the execution of a programme.

The creation of incentives is sometimes also extremely important to obtain the buy-in or interest of the parties involved. In some cases, groups or clients that would benefit from a programme are not aware of those prospective benefits. Although effective implementation depends on good administration, that is not sufficient in itself (Levin, 1986)

Various studies have provided evidence that a range of actors influences policy outcomes. They include, for instance, organised interest groups, courts, ethnic groups, trade unions, government institutions, civil society and organised business. Furthermore, several dimensions are apparent in the policy gap. These include the disjuncture between members of the public and policymakers at the decision-making and implementation stages; the relationship between policy goals and outputs; and the dynamics between the international and domestic arenas (Lahav 2006)

Beland and Ridde (2016) state that one of the reasons for policy implementation failures is the lack of shared ideas among key actors such as professionals and streetlevel bureaucrats who are tasked with policy implementation responsibilities. Irani and colleagues (2015) use five sub-sections to clarify the process and other

related aspects involved in the implementation of policies. These include; institutions, relationships and power dynamics; capacity; financing; strategic planning and policy barrier analysis and monitoring and accountability.

Therefore, the development of implementation strategies must involve stakeholder groups such as the government, implementing and provider organisations, individual providers and front-line workers, communities and households and other actors whose action or inaction shape policy. These stakeholders have different power levels and greatly affect policy implementation in the different roles and functions they perform during implementation.

Policymakers and decision-makers must be flexible and invest considerable amounts of efforts to work out, for instance, how power relations influence policy implementation, reforms and changes in service delivery, providers' roles and reallocation of resources. They need to come up with strategies for communication, negotiation and even bargaining among different actors as a way of governing the relationships that are created in the process of implementation. The roles of each actor and their related agents need to be clearly defined and managed to create shared values around a particular policy, especially where equity goals are being pursued.

Failure to implement properly is the reason most cited for policy failure, and this is generally attributed to the inability of policymakers to formulate clear policy outcomes, inadequate governance mechanisms, and the failure of implementing agents because of limited capacity and vested interests (Spillane, Reiser, & Reimer, 2002).

According to Foxell and Cooper (2015) policy gap can be understood as a matter of less-than-perfect prediction, as opposed to (eminently predictable) difficulties with interpretation, implementation and performance. If predictive processes and tools were capable of accurately modelling policy initiatives, then outcomes could be optimized at the development stage and followed through to a satisfactory conclusion.

Policies are intended to spell out the parameters in the context of which organisational decisions are to be made. Policy is crucial in administration, for it gives a concrete shape to the political, economic and social objectives which the government lays down in the form of laws, rules, and regulations (Goel 1994).

It is imperative to learn not only from policy failures but instead to focus on lessons learnt from policy successes. In essence, implementation is nothing more than the comparison between expected policy outcomes versus the results achieved. In some instances, clients need to lower their expectations of public programmes by not demanding complete fulfilment thereof. It is a case of focusing on what implementation can deliver in practice, as opposed to clinging to unfulfilled promises.

2.5. Global comparison of housing subsidies

According to (Sock-Yong Phang:2011), Britain was the first country in Western Europe to embark on a subsidized public sector housing program. Countries with social housing policies where the government plays an important role in aiding selected groups in the population who cannot secure housing for themselves include Belgium, India, Ireland, Japan, Switzerland, United Kingdom, and the United States of America.

Some countries have moved towards a comprehensive commitment, where governments play a major role in shaping and controlling the housing market to ensure housing affordability and welfare. These countries include Denmark, France, Germany, Hong Kong, the People's Republic of China, Korea, the Netherlands, Norway, Singapore, and Sweden. An overview of the approaches of India, Japan, People's Republic China, the United Kingdom, and the United States of America has been outlined to contrast how housing policy has been shaped by the social-political objectives of each country and has evolved as the country's housing and housing finance markets have developed and expanded.

2.5.1. Singapore

The government has targeted affordable homeownership for up to 90% of the population as an important social-political objective. Four-fifths of the housing stock in Singapore has been developed by the Housing and Development Board (HDB), a statutory board that receives government grants and concessional lending. Of HDB's total stock, 95% has been sold off at subsidized prices on a 99-year leasehold basis. The remaining 5% remains rental units. The HDB also provides long-term housing loans at interest rates below market rates and a 90% loan-to-value ratio. The Central Provident Fund (CPF) plays a central role in successfully mobilizing savings for

homeownership for both public and private sector-built housing. The fund is a stage-managed, tax-exempted compulsory social security fund for all citizens to which employees and employers contribute. Purchasers of housing are allowed to use CPF savings for mortgage payments.

The interest rate charged for HDB mortgage loans is 0.1% above the rate paid on CPF savings. Housing grants for the purchase of HDB flats were introduced in 1994 for eligible households to purchase HDB flats in the secondary (resale) market. With the housing shortage largely solved by the 1990s, the private sector share of the housing supply continues to grow.

2.5.2. The United States

Unlike many countries in Western Europe that have focused government support on developing social rental housing, the US has offered a plethora of tax breaks and subsidies to promote homeownership. These encompass federal tax deductions offered for mortgage interest, exclusion of housing from the capital gains tax, and a diverse range of state and local property tax deductions. About 75% of all Americans that have taken on mortgage loans have saved on income taxes by applying mortgage interest as a deduction for income tax purposes.

Homeownership is also promoted by: regulated use of lending and credit appraisal standards, accelerated development of secondary mortgage markets (through the specialized establishment of state agencies such as Fannie Mae and Freddie Mac); and targeted mortgage insurance programs for low-income households and minority groups. A number of these measures are being critically reassessed given exacerbated swings in house prices, and amplified mortgage credit growth, during the run-up to the global financial crisis of 2007-2009 United States (1968-1973).

2.5.3. Japan (1950 to 2007)

In Japan, direct interest subsidies were channelled through the state-owned Government Housing and Loan Corporation (GHLC) created in 1950 to finance post-war reconstruction. GHLC was mainly publicly funded through special government programs and grants. During the real estate bubble period, the GHLC's lending conditions were repeatedly improved. GHLC loans were offered to house purchasers at a fixed rate below market with a 10-year maturity or a present fixed interest rate with

a 25-year maturity. In 2002, the rates were 2.755% and 4%, respectively. With the high fiscal cost of the program and the post-bubble recession of the 1990s, the program was phased out in 2007.

2.5.4. Chile-Colombia experience

Chile pioneered the capital subsidy approach in 1977 and gradually improved it over the years. While it has been greatly modified, the original model can still be recognised clearly in the existing programme. Colombia adopted a form of the Chilean model in 1990 when the government of Cesar Gaviria embraced the 'New Economic Model' and sought to modernise Colombia's economy and society. Subsequent regimes have modified the housing subsidy model but again the key elements remain.

In Chile, the wave of land invasions between 1968 and 1973 had created a very difficult situation and the housing record of the Allende government was highly problematic (Cleaves, 1974; Kusnetzoff, 1975, 1987; Macdonald, 1983). In Colombia, the epidemic of invasions and illegal subdivisions reflected how national housing policy was failing even before ICT got into severe financial difficulties and problems further complicated by the politicisation and decapitalisation of the housing agency between 1982 and 1986 (Castro, 1989; Giraldo, 1991; Pacheco, 1989; Robledo, 1985).

2.5.5. Sub Saharan perspective

Housing is understood as a holistic and multidimensional concept that represents the physical environment. The five key inter-dependent components that interact in any housing sector are land, infrastructure, finance, labour, and building materials. These components are organised and shaped by the legal, regulatory, and institutional frameworks within which they operate. The land is a core component of housing affordability. Making land accessible and affordable will go a long way to make housing affordable for the majority of urban dwellers in Sub-Saharan Africa.

The national gender policy in Zambia mandates that 30 percent of all land parcels allocated in urban areas are designated for women. In contrast, the Deeds Registries Act of 1997 in Lesotho empowers the Registrar to refuse to register property in favour of a married woman whose rights are governed by Basotho customary law. While progress is being made, gender inequalities in access to land and housing are a pressing problem throughout Africa.

Namibia established the starter title. Starter title schemes and land hold title schemes may only be established on land situated within the boundaries of a municipality, town, or village council or within the boundaries of a settlement area.

The objective of this act is to create alternative forms of land title that are simpler and cheaper to administer than existing forms of land title; to provide security of title for persons who live in informal settlements or who are provided with low-income housing and to empower the persons concerned economically using these rights.

Other countries have provided subsidies to make land more affordable for low- and middle-income groups. For example, in Algeria, there is a rebate of 80 percent on government land sold for housing. The main beneficiaries, however, are middle- and high-income households. In Morocco, plots produced by public developers are sold, through a cross-subsidisation mechanism, to households at different prices depending on the type of plot and buyer's income. However, experience throughout Africa and beyond has regularly highlighted that it is very difficult to ensure accurate targeting of subsidies

In many African countries households have abandoned their subsidy houses, partly owing to their location and poor quality of construction, but also because households are now liable for rates and other service charges. If they are to be successful, subsidies must be well-targeted, measurable, transparent and sustainable; and care should be taken to avoid distorting the housing market.

2.5.6. South Africa Housing policy perspective

The current South African housing policy is rooted in the 1994 Housing White Paper. The fundamental policy and development principles introduced by the Housing White Paper guide all developments in respect of housing policy and implementation. The White Paper contains principles of housing policy to achieve its vision. According to the Department of Human Settlement, the South African housing policy and strategy must contribute to a non-racial, non-sexist, democratically integrated society. The government is therefore required to apply legislative, administrative, financial, educational and social measures to fulfil its housing obligations.

The Department of Planning, Monitoring and Evaluation (DPME), as the custodian of evaluations in the country, has continuously promoted evaluation as an effective

decision-making tool that works across all levels and sectors of government, in different contexts and for all citizens. Accordingly, the current 2019 - 2024 NEPF reinforces the South African government's commitment to the principles of inclusiveness and the cross-implementation of different evaluation approaches and methodologies in ways that promote this inclusivity. The Policy framework provides the basis for a minimum system of evaluation across government to guide and promote relevance, efficiency and quality in evaluation processes. It seeks to ensure that credible evidence (including comprehensive sex, age and disability disaggregated data) from evaluations is used in planning, budgeting, monitoring and organisational reviews to improve performance and is supported by some guidelines that support the various steps for undertaking evaluation in line with the National Evaluation System. The implementation of the NES over the last 7 years pointed to several successes and challenges which has led to the revision of the NEPF 2011.

2.5.7. South Africa Housing policy perspective

Since 1994, there have been numerous policy and statutory developments to give effect to the new approach to housing. The following major pieces of legislation and policy documents are essential for an understanding of the Government's approach to housing policy development and implementation: The Constitution of the Republic of South Africa Act, 1996 - The Housing Act, 1997 (Act No. 107 of 1997) - The Public Finance Management Act (Act No. 1 of 1999) - The Municipal Finance Management Act (Act No. 56 of 2003) - The Division of Revenue Act (Act No. 7 of 2003) - The Growth, Employment and Redistribution Strategy (GEAR), 1996 - The Expanded Public Works Program (EPWP). (The policy context Part 2 of the National housing code, 2009)

From 1994 onwards, the African National Congress adopted a range of socioeconomic policies that aimed at improving the living standards of all South Africans through the creation of employment opportunities and to ensure a fair distribution of the country's wealth for the benefit of all citizens (De Jager, et al, 2015). Karriem and Hoskins (2016) state that "since the introduction of Democracy in 1994, the post-apartheid state has attempted to significantly address the socio-economic legacies of apartheid.

Building progressively on the Constitution, 1996 and the 1994 Housing White Paper, the Comprehensive Plan provides the enabling environment for the coordinated implementation of South Africa's core human settlement creation objectives by the three spheres of Government, civil society and the private sector. The tailor-made government programmes, found in Part Three of the National Housing Code 2009, are the next building blocks in the provision of sustainable human settlements.

In response to this Constitutional imperative, Government has in terms of the Housing Act, 1997 (Act No 107 of 1997) introduced a variety of programmes that provide poor households access to adequate housing. The policy principles set out in the White Paper on Housing aim to provide poor households with houses as well as basic services such as potable water and sanitation on an equitable basis. The Housing White Paper, 1994, sets out the Government's broad housing policy and strategy based on 7 key strategies. The 7 key strategies are were identified and it included the Housing Subsidy Scheme to assists those who cannot independently satisfy their own basic housing needs. Capital subsidy assistance is granted to low-income households to enable them to access a minimum standard of accommodation. The strategy to provide subsidy assistance has resulted in a variety of National Housing Programmes.

2.6. The policy evolution of the government subsidy programme

2.6.1. White paper on Reconstruction and Development (RDP) of 1994

The Reconstruction and development 1994 is a policy framework for integrated and coherent socio-economic progress aimed at eradicating the apartheid legacy of exclusionary housing development. It was aimed at providing affordable housing to build a socially integrated society and achieve economic growth.

2.6.2. Housing subsidies

Housing subsidies in South Africa have attempted to cater for individuals and households in different income thresholds either for rental or ownership. There are several options available to low and medium-income households supported through the Housing Act of 1997.

2.6.2.1. The White paper on Housing 1994

The ANC government adopted the White Paper on Housing to create integrated settlements where households could access opportunities, infrastructure and services within which all South Africans will have access on a progressive basis to a permanent residential structure, potable water (NDoH-White Paper, 1994).

The White paper provided the framework for housing development. It is intended for integrated human settlement creation for households to have access to opportunities, infrastructure and services. It provides subsidies to individuals to gain access to housing (Tissington, 2011).

2.6.2.2. Housing Act No. 107 of 1997

This Housing Act which outlines the housing development process for national, provincial and local government became the foundation of legislation in South Africa. The different levels of government tiers are expected to promote socially inclusive housing development in both rural and urban areas. Apart from the South Africa Constitution that contains justifiable socio-economic rights and enshrines everyone's right to have access to adequate housing; the South Africa Housing Act of 1997 is the primary piece of housing legislation in South Africa. It legally entrenched housing policy principles outlined in the 1994 White Paper on Housing.

The South Africa housing vision is confirmed in the Housing Act, 1997 (No. 107 of 1997). The Housing Act further provides for a sustainable housing development process, laying down general principles for housing development in all spheres of government. It defines the functions of national, provincial and local governments in respect of housing development; and it lays the basis for financing national housing programmes.

2.6.3. Comprehensive plan for sustainable Human Settlement policy

From the inception, the Housing Policy and Strategy of 1994 focused on stabilizing the environment to transform the fragmented, complex and racially-based financial and institutional framework inherited from the previous government while establishing new systems to ensure delivery to address the housing backlogs (BNG, 2004).

Ten years after the introduction of the housing programme in 1994, a comprehensive review was undertaken of the outcomes of the programme and the changes in the socio-economic context in the country. This led to the approval of the Comprehensive Plan for Sustainable Human Settlement commonly referred to as “Breaking New Ground” by Cabinet in September 2004.

It retains the basic principles of the Housing White Paper, the Comprehensive Plan shifts the focus to improving the quality of housing and housing environments by integrating communities and settlements. The Comprehensive Plan was supplemented by seven business plans which include Housing Subsidy Funding System Reforms. The National Housing Code 2009 sets the underlying policy principles, guidelines and norms and standards which apply to Government’s various housing assistance programmes introduced in 1994 and updated.

2.6.3.1. Financial linked individual subsidy programme

The concept of ‘housing submarkets’ is one tool developed to better understand housing markets and improve the targeting of housing policies (Belasco et al. 2012). The formation of the gap in South Africa’s housing market

Globally, the majority of low-income households are unable to purchase residential property in growing urban areas (Rakodi and Leduka 2004). More competitive land uses, such as high-income housing and retail, tend to outbid the poor (Bertaud 2010; McGaffin and Kihato 2013).

Since the advent of democracy in 1994, South Africa has been providing individual ownership opportunities to millions of poor households, most notably through the National Housing Subsidy Scheme (NHSS) (Landman and Napier 2010). The provision of over 70,000 mortgage loans to households earning below R 3500, projectlinked subsidies accounted for 80 % of provision during the first 5 years, 90 % of which were fully subsidised, focusing on the lower subsidy bands (Porteous and Naicker 2003; Public Service Commission).

The FSC, while initiated by the financial sector, was reinforced by a timely alignment with the 2004 ‘Breaking New Ground’ (BNG) policy shift which articulated the need for a ‘whole market approach’ (Tomlinson 2007). Among other interventions, BNG advocated for further increase in the specifications of the fully subsidised house

collapsing the income bands between R 0 and R 3500 for the granting of a full subsidy and extending subsidy support to households falling within the 'growing disjuncture between subsidized and non- subsidized residential accommodation' through a new finance-linked subsidy (National Department of Housing 2004).

The Finance-Linked Individual Subsidy (FLISP), to be administered through accredited lenders, was introduced in 2006 to target the newly termed 'gap market', [then set at R 3501–7000 (\$570)] to assist households in the stated income range. The current subsidy amount ranges from R3501 to R22 000. The programme was revised significantly to take account of lessons learned and expanded to include beneficiaries earning up to R15 000 per month. Under the revised programme, households earning from R3 501 to R7 000 qualify for a serviced stand in a housing project if they are unable to secure mortgage funding to buy a complete product. Households earning from R7 001 to R15 000 per month qualify for financial assistance to be able to repay their bond.

It is a once-off payment targeted at first-time homeowners whose household income falls within the range. FLISP was developed to enable first-time home ownership to households in the 'affordable or gap' market, that is, people earning between R3 501 and R22 000 per month. Individuals in these salary bands generally find it hard to qualify for housing finance; their income is regarded as low for mortgage finance, but too high to qualify for the government 'free-house' subsidy scheme.

The Department of Human Settlement implemented FLISP for the gap market to assist individuals to purchase affordable houses. This program is administered through National Housing Finance Corporation (NHFC) which is tasked to provide a holistic package to financial institutions, property developers, provincial human settlement departments and other stakeholders.

The revised FLISP can be used towards a mortgaged home, a serviced site, or assistance to construct a new residential dwelling on a serviced residential stand.

2.6.3.1.1. Individual subsidy programme

This Programme provides access to state assistance where qualifying households wish to acquire an existing house or a vacant serviced residential stand, linked to a house construction contract through an approved mortgage loan. These properties are

available in the normal secondary housing market or have been developed, as part of projects not financed through one of the National Housing Programmes. The Programme encourages the growth of the secondary residential property market achieving an objective of the Comprehensive Plan for the Creation of Sustainable Human Settlements.

The Programme provides access to funding for both credit-linked subsidies and noncredit-linked subsidies. Credit-linked subsidies are cases where the applicant applies for a subsidy that is linked to credit from a financial institution since the applicant can afford a mortgage loan finance. Non-Credit Linked Subsidies is a situation where the applicant cannot afford mortgage loan finance, and therefore applies for a subsidy to acquire an existing house entirely out of the subsidy and may supplement this with other funds that may be available to him or her. Qualifying persons who bought vacant serviced stands from their resources and need assistance to construct a house may also apply for Non-Credit Linked Subsidies.

Non-Credit Linked subsidies are available to persons meeting the qualification criteria and who do not qualify for credit from a financial institution, as determined by the institution's lending criteria or who do not wish to access credit from a lender. Credit Linked Subsidies can be accessed by persons who satisfy the qualification criteria for the subsidy, and who can access mortgage loans.

The subsidies are administered on behalf of the MEC by the financial institutions that have concluded agreements with the MEC and who will act as agents for the MEC. Upon approval of the subsidy application, the Provincial Department will issue an irrevocable letter of undertaking or guarantee to the effect that the approved subsidy will be paid. The approved subsidy amount will only be paid upon registration of ownership of the property in question in the name of the approved beneficiary or as agreed to between the MEC and the small-scale contractor in the case of the Developer Driven Individual Subsidy mechanism. Credit Linked subsidies will be administered on behalf of the MEC by banks, financial institutions and other approved providers of credit ("the lenders") who have concluded agreements with the MEC and who will act as agents of the MEC.

2.6.3.2. The purpose of FLISP

The once-off FLISP subsidy amount ranges between R27 960 and R121 626, depending on the applicant's monthly income. It can be used to buy an existing; new or old, residential property. Also, FLISP can be used to buy a vacant serviced residential stand linked to an NHBRC registered homebuilder contract; build a residential property on a self-owned serviced residential stand, or tribal stand (PTO) through an NHBRC registered home.

2.6.3.3. Qualification for FLISP

Applicants intending to acquire residential property may apply for FLISP if they meet the following qualifying criteria:-

- South African citizen with a valid ID; or permanent residents with a valid permit;
- Over 18 years and competent to legally contract;
- Have never benefited from a Government Housing Subsidy Scheme before;
- Have an Approval in Principle of home loan from an accredited South African financial institution;
- Earns between R3 501 to R22 000 gross income;
- First time home buyer;
- Married or cohabiting; and
- Single with financial dependents

Chapter three: Research methodology

3.1. Survey requirements and design

The questionnaire design, testing of the questionnaire, data collection, computer programming, data capture, and data editing constituted the methodology used in this survey, as discussed below

3.2. Designing outputs

Globe Research and Surveys was guided by survey objectives, designed the output variables. The study unpacked policy limitations affecting beneficiaries who fall under the Gap Market, established baseline data at the level of the province and subsequently made make recommendations to inform policy improvements by the relevant authority. The study also assisted in improving service delivery as per Human Settlements mandate, in particular but not limited to the following:

- How the Department could enhance the awareness of the housing opportunity instruments;
- How to involve Financial Institutions and Private Developers that can assist in unblocking policy limitations on the GAP Market within the Mpumalanga Province

3.3. Research method

This section presents the research design and methodology that was used to answer the main research questions of the study. The study examined or unpacked the policy limitations affecting beneficiaries who fall under the Gap Market in Mpumalanga Province.

The study developed an Inception Report with an associated project plan in Phase 1 to guide the execution of the study. The project milestones and timeline that were outlined in the inception report were used in phase 2. This included surveying to gather information from beneficiaries who benefited and those who didn't benefit from FLISP.

The consultant identified stakeholders together with the department that should be part of the study. There was the preparation of both beneficiaries and stakeholder engagement questionnaire which was done in consultation with the department and was later tested. The office of HoD assisted the study by issuing various letters to the Municipal Managers to inform them of the study as part of publicity. The survey for beneficiaries and stakeholder engagement component was noted to be a vital component of the study to garner key insights, inputs and knowledge around FLISP implementation.

The study entailed a review of the existing literature relevant to housing subsidy policy to identify other countries' experiences and best practices. It includes a literature search on the subject and properly document it in the study annexes to review all the housing subsidy policies that are currently in effect, either as proper policy documents or in the form of notifications, speeches, or in any other form. It involved interviewing some of the key professionals dealing with agriculture, water, and climate change issues. It identifies the gaps and makes recommendations on ways and means to address the gaps in the existing documents. Gap analysis techniques include commenting on what the present state is and how one could get to the desired state. The analysis also looks at the factors that contribute to the gaps and the underlying root causes.

The stakeholder engagement process involved conducting interviews with individuals, departments and entities across the spectrum of the FLISP. It included institutions and organisations that are involved in the FLISP. The study examined the role of the provincial government, private sector developers, financial institutions and other stakeholders. The section outlines the research process including research design, research method, research philosophy, research paradigm, research approach, research strategies, population and sampling methods, data collection methods and analysis approach. It also discusses reliability and validity as well as ethical issues.

3.4. Population

The population for this study was beneficiaries of the FLIPS programme who reside in Mpumalanga province, government officials at both municipal and provincial levels

responsible for the implementation of FLISP, private property developers and financial institutions in the Mpumalanga province. These officials were chosen because they are at the forefront of FLISP and its implementation as it is their role to realise the success of the policy. Geographically, there are three districts in Mpumalanga province namely Ehlanzeni, Gert Sibande and Nkangala. There are 17 municipalities in Mpumalanga province from which 9 were selected.

3.5. Sampling technique

Both stratified and simple random sampling was used to collect the quantitative data. The population was categorized into strata namely, Ehlanzeni district, Gert Sibande District and Nkangala district. Within each district, respondents were identified from the different municipalities and simple random sampling technique was applied within the municipalities.

The beneficiaries and non-beneficiaries of FLISP were identified using a database. The sample size for the beneficiaries was determined based on the number of beneficiaries available.

The sampling method used for the qualitative study was purposive sampling. The respondents were chosen based on their unique characteristics and experiences in housing development and delivery and the implementation of the FLISP, allowing various perceptions to be investigated. The sample will be large enough to capture perceptions that are important to be uncovered but not too large to become repetitive.

A total of 775 beneficiaries and non-beneficiaries were requested to respond to the questionnaire. These beneficiaries and non-beneficiaries were selected from 3 districts within the Mpumalanga province. Other participants were interviewed and others requested to fill out a questionnaire whenever they were not available for interviews. Participants included two officials from banks

3.6. Questionnaire design

The FLISP questionnaire was developed based on the methodology used for Computer-Assisted Personal Interview (CAPI) device standard. In order to minimise fieldworker and capturing errors, the questionnaire was largely pre-coded.

The questionnaire was designed in World Bank Survey Solutions software and deployed to mobile devices (tablets). It was subjected to a test to determine if any technical or other problems needed attention before the data collection stage.

Adjustments were made and then adopted as the data collection template.

The questionnaire represents information about the beneficiaries and nonbeneficiaries for FLISP. All analysis done in this report that included demographic variables was done using the demographic characteristics of the beneficiaries.

Table 1 summarises the details of the questions included in the FLISP CAPI questionnaire. The questions are covered in 4 sections, each focusing on a particular aspect.

Table 1: Contents of FLISP CAPI questionnaire

Section	Number of questions	Details of each section
1	25	FLISP Beneficiaries
2	25	FLISP non-beneficiaries
3	6	Government Officials who works with FLISP
4	7	Financial Institutions who works with FLISP
Total	63	

**Most questions in all sections had compulsory options to be completed by respondents*

3.7. Pilot study

A pilot study was conducted to ascertain internal validity, that is, the validity of the data and the reliability of the survey instrument. The proposed survey instrument was tested for reliability to improve face validity, readability, and comprehension. The sample for the qualitative survey instrument was restricted to 5 respondents from the different departments within DHS. Necessary adjustments were made to remove ambiguity, modify or remove some concepts and add other concepts.

The pilot study for the quantitative study was also conducted to identify possible flaws in the questionnaire, identify ambiguous questions. This targeted 20 respondents from FLISP beneficiaries.

3.8. Training

The training was conducted by Globe Research and Survey (Pty) Ltd staff. Materials for the training were prepared by Globe Research and Survey (Pty) Ltd and made available to all officials. The training covered:

- Background of the survey;
- Aims and objectives of the survey;
- Computer-Assisted Personal Interviews (CAPI);
- Questionnaire completion; and □ Field operational procedures.

25 Survey Officers were recruited from the Department of Labour youth unemployment database in order to get people who are experienced in data collection and the use of tablets. The training was conducted virtually using ZOOM it was a one-day training and was done on the 17th of November 2021. It was attended by both technical personnel and survey officers.

3.9. Data collection

The publicity and awareness campaign alerting all key stakeholders and respondents about the survey was spearheaded by DHS, supported by Globe Research and Survey (Pty) Ltd. Participation was encouraged through this campaign and assisted in the following:

- Reduced resistance encountered from respondents;
- Increased participation/assistance from the beneficiaries and non-beneficiaries;
- Ensured access to households;
- Got buy-in from all stakeholders in the sector; and □ Prepared respondents for the project.

The NHNR Income List was used, where a sample was deduced and allocated to fieldworkers to conduct enumeration through face-to-face personal interviews or telephone interviews. The questionnaire was deployed to mobile electronic devices

which supported the use of CAPI. The household survey standards were adopted throughout the processes.

Quality monitoring was conducted continuously by a team of Globe Research and Survey (Pty) Ltd staff members, to ensure compliance with all fieldwork quality dimensions as stipulated in the quality certification framework – the South African Statistical Quality Assessment Framework (SASQAF), covering all phases of the FLISP Statistical Value Chain.

After determining the sample size for the study, site visit, field workers' selection and training and pilot testing of the questionnaire, the questionnaire was administered to both beneficiaries and non-beneficiaries of FLISP by both the fieldworkers. This approach was used because it was suggested that when dealing with a population likely to be in the low-income group, there is likely to be low interest and motivation. It is, therefore, preferable to use a face-to-face approach to collect the data.

Data collection started on the 18th of November 2021 till the 3rd of December 2021. All survey officers were provided tablets, a daily report was collected from each survey officer daily. Each survey officer was allocated a minimum of sixty households to conduct face-to-face interviews with the respondents. Due to the COVID 19 pandemic each survey officer was allocated a pack of disposable masks and a 750ml bottle of sanitizers.

Due to the outbreak of COVID-19, data from officials were collected using telephone interviews and email. The questionnaires for both phases of the data collection were administered to the research participants by trained research assistants

3.9.1. Qualitative data collection

The qualitative data was collected using a semi-structured interview schedule. The interview phase followed three steps. Firstly, a pre-interview phase was used to plan for the interview and understand what questions need to be asked. Secondly, the interview phase comprised the interview where the narrator was guided using open-ended questions prepared.

The individual interviews were held in person and virtually utilising video conferencing software. The audio from the interviews was recorded using a smartphone with a voice

recording app. The interview questions identified factors hampering sustainable delivery of houses in Mpumalanga, determine the roles of various stakeholders and their challenges. Thirdly, the post-interview phase comprised of transcribing and interpreting the interview. The qualitative data were collected using in-depth interviews, open-ended questions, review of documents and reports.

3.9.2. Quantitative data collection

The quantitative data was collected using a self-administered closed-ended questionnaire. The survey instrument used a five-point Likert scale with response options ranging from strongly disagree to strongly agree. Field workers administered the questionnaire to the respondents. This reduced nonresponse bias in the survey and respondents got immediate clarifications of the questions. The study used face-to-face data collection method where field workers were trained. A list of beneficiaries of the FLISP was obtained from the DHS department in Mpumalanga

3.10. Data analysis

Once the questionnaires were returned, they were checked for completeness and inconsistent or ambiguous responses were screened out. The data was cleaned before data analysis and missing data were handled as well.

3.10.1. Data cleaning

During data collection we experienced that some of the beneficiaries have relocated, some their phone numbers were not active, some of them refused to participate. At the end of data collection, 1 080 records were captured as raw data. Before analysis, the raw data was taken through the process of editing and imputation and 305 records were found to be out-of-scope (had no usable information). The collection rate was at 90, 4% and the response rate of 74, 2% was realized.

The variables were then edited and final result codes of records with usable information were then converted. After editing, 775 records were captured as data that can be used for the analysis of the survey. Thus, the report is based on these records.

Response details

Table 2: Response by results code

Final result codes summary	Number
Completed	685
Partly completed	90
Non-contact	10
Refusal	35
No usable information	145
Other non-response	115
Total	1 080

3.10.2. Editing and imputation

Quality monitoring was conducted on a continuous basis by Globe research surveys team to ensure compliance with all field work quality dimensions as stipulated in the quality certification framework – the South African Statistical Quality Assessment Framework (SASQAF).

All questionnaires were synchronised to the World Bank data solution server where they were stored, processed and downloaded for the post-capture process of editing and imputation. At each stage of checking, data was edited to ensure consistency. Data editing is concerned with the identification and, if possible, the correction of erroneous or highly suspect survey data. Data was checked for valid range, internal logic and consistency.

The focus of the editing process was on clearing up skip violations and ensuring that each variable only contains valid values. Very few limits to valid values were set and data was largely released as received from the field.

When dealing with internal inconsistencies, logical imputation was used, i.e. information from other questions was compared with the inconsistent information. If other evidence was found to back up either of the two inconsistent viewpoints, the

inconsistency was resolved accordingly. If the internal consistency remained, the question subsequent to the filter question was dealt with by either setting it to missing and imputing its value or printing a message of edit failure for further investigation, decision-making and manual editing. Hot-deck imputation was used to impute for missing values.

3.10.3. Non-response adjustment

In general, editing (i.e. invalid or inconsistent responses) and imputation (i.e. blanks within the questionnaire) was used for item non-response. The eligible beneficiaries can be divided into two response categories: beneficiaries and non-beneficiaries; and weight adjustment is applied to account for the non-respondent beneficiaries (e.g. refusal, non-contact).

3.10.4. Qualitative data analysis

Data recordings from the open-ended questionnaire and interviews were transcribed for each question. Thematic analysis was used to analyse the qualitative data. The qualitative data were analysed thematically based on the themes developed within the research that is specific to the qualitative approach (Creswell & Plano Clark, 2017).

3.10.5. Quantitative data analysis

The quantitative data were analysed using descriptive statistics. Descriptive statistics such as frequency, proportions, mean and standard deviation were used to analyse the data. Also, graphs were used to give the distribution of the responses to the questions.

3.11. Reliability of the survey estimates

The survey estimates for questions related to beneficiaries are reliable and provide good estimates at the level that data was collected. The general rule of thumb is that if the number of cases in a cell is less than 5, the estimates should rather not be used. Alternatively, less than 5 unweighted cases per cell should also be regarded as too small to provide reliable estimates.

Content validity has been conducted throughout the preparation process of this study. This was done through careful selection of the variables and type of scale to be used

by reviewing previous studies. Furthermore, before administering the survey, feedback was sought from by pilot testing.

In this study, external validity was ensured by selecting a typical sample representative of beneficiaries of FLISP.

3.12. Ethics

Ethics clearance was sought to ensure that the rights of the stakeholders are safeguarded. Clearance is required for all research involving human respondents. This study protected participants and also explained the purpose of the study and how the data will be used.

Despite any other law, no return or other information collected by Globe Research & Surveys for the purposes of official or other statistics that relates to an individual or a household may be disclosed to any person.

3.13. Comparability with previous surveys

Since FLISP is the first of its kind in Mpumalanga province, it will be used as a comparative survey for future purposes.

3.14. Limitations of the FLISP survey

The accuracy of statistics is influenced by the ability of people to recall past information. The longer the elapsed time period, the less likely it is that information will be recalled accurately.

The NHNR list is not updated. Most individuals on the database of initial applicants have since relocated or deceased. Some key variables on the database are also missing (e.g. Physical address and/or contact numbers).

3.15. Challenges

During data collection we experienced that some of the beneficiaries have relocated, some their phone numbers were not active, some of them refused to participate. Due to COVID 19 other participants refused face to face interviews and opt for telephonic interviews.

Chapter four: Findings

4.1. Introduction

This section presents the findings for the research undertaken. The findings were guided by in-depth and semi-structured interviews as well as structured interviews. The interviews were conducted with beneficiaries and non-beneficiaries of FLISP, banks, private developers and municipal workers responsible for the implementation of the program. Responses provided hinged on the quest to fully understand the implications of implementing FLISP in Mpumalanga, identify the challenges and benefits and also improve on the delivery of the program. The findings are presented in the form of tables, charts and narratives to reveal the various aspects of the research questions.

4.2. Survey results

Table 3: Number of respondents by district, status and sex in Mpumalanga province

	Gert Sibande		Ehlanzeni		Nkangala		Mpumalanga Province	
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>
Total	219	100,0	321	100,0	235	100,0	775	100,0
Male	128	58,4	182	56,7	128	54,5	438	56,5
Female	91	41,6	139	43,3	107	45,5	337	43,5
Total	219	100,0	321	100,0	235	100,0	775	100,0
Beneficiary	75	34,2	11	3,4	5	2,1	91	11,7
Non-beneficiary	144	65,8	310	96,6	224	95,3	679	87,6
Unspecified	0	0,0	0	0,0	5	2,1	5	0,6

Table 3 above shows that there were 775 respondents from the sample across the province, who participated in the survey. The majority of the respondents were males. A high number of respondents stated that they did not benefit from the FLISP programme.

Table 4: Number of respondents by district and income levels in Mpumalanga province

	Gert Sibande		Ehlanzeni		Nkangala		Mpumalanga Province	
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>
Total	219	100,0	321	100,0	235	100,0	775	100,0
R3501-R4000	8	3,7	197	61,4	72	30,6	277	35,7
R4001-R4500			25	7,8	33	14,0	58	7,5
R4501-R5000					22	9,4	22	2,8
R5001-R5500					5	2,1	5	0,6
R5501-R6000					49	20,9	49	6,3
R6001-R7000			12	3,7	11	4,7	23	3,0
R7001-R15000	55	25,1	75	23,4	38	16,2	168	21,7
R15001-R22000	156	71,2	12	3,7	5	2,1	173	22,3

Table 4 above shows that there were 775 respondents from the sample across the province, who participated in the survey. The majority of the respondents were in the R3501-R4000 income range. Also, most of the participants in Gert Sibande were in the R15001-R22000 income range while majority of participants in Ehlanzeni and Nkangala were in the R3501 – R4000 income range.

Table 5: Number of respondents by district and age group in Mpumalanga province

	Gert Sibande		Ehlanzeni		Nkangala		Mpumalanga Province	
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>
Total	219	100,0	321	100,0	235	100,0	775	100,0
25-29	11	5,0	8	2,5	9	3,8	28	2,9
30-34	29	13,2	64	19,9	34	14,5	127	14,5
35-39	33	15,0	72	22,4	51	21,7	156	21,8
40-44	55	25,1	52	16,2	58	24,7	165	24,6
45-49	40	18,3	60	18,7	37	15,7	137	15,9
50-54	22	10,0	48	15,0	27	11,5	97	11,7
55-59	26	11,9	12	3,7	17	7,2	55	7,2
60-64	3	1,4	5	1,6	2	0,9	10	1,4

Table 5 shows that the majority of the respondents were in the 40-44 age group in the province. This is same for Gert Sibande and Nkangala. However, for Ehlanzeni, most of the participants were in the 35-39 age group.

Figure 1: Proportion of respondents by district

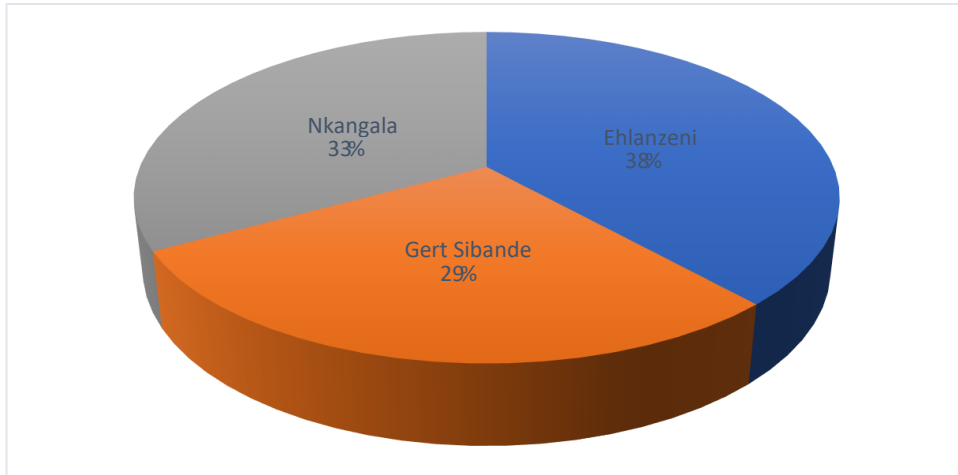
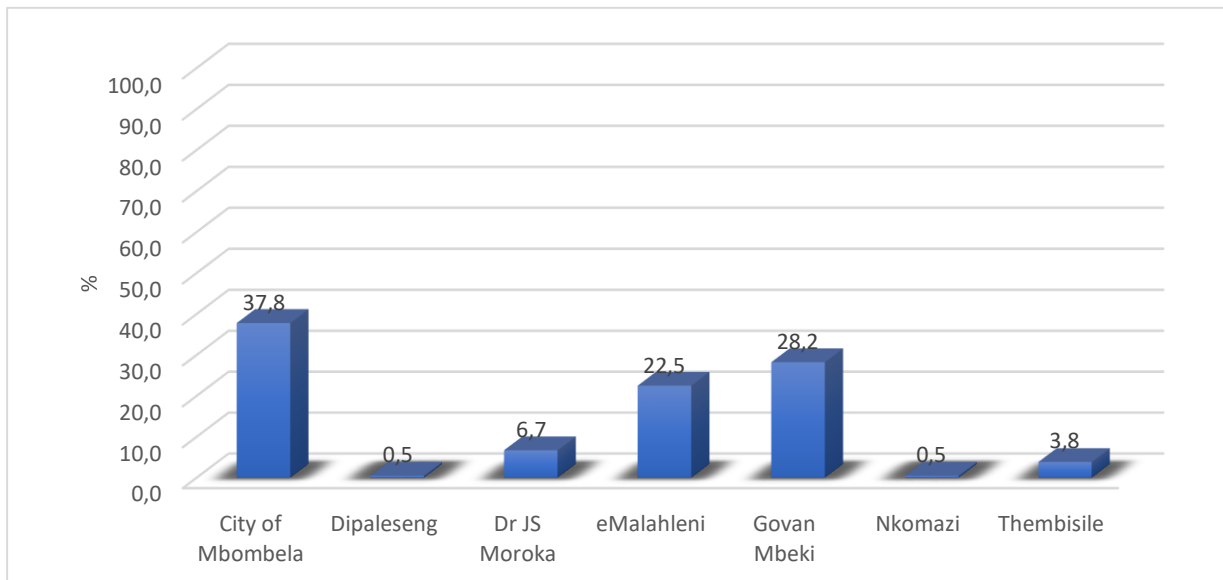


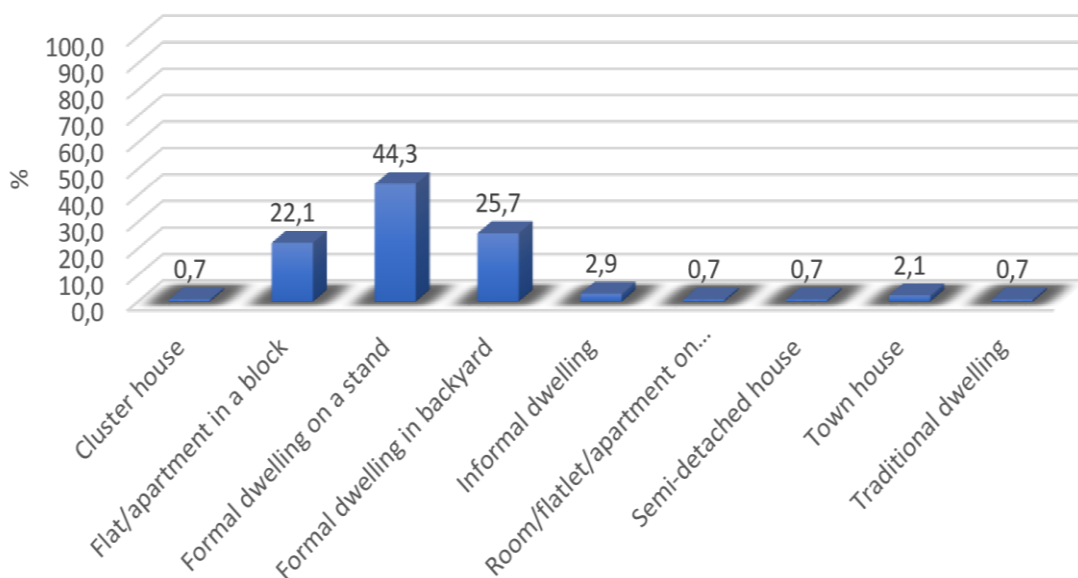
Figure 1 presents the district of the primary sampling units selected for the study. From the available data, the majority of the primary sampling units were from the Ehlanzeni district followed by the Nkangala district. There were 38% of sampling units from Ehlanzeni district, 29% were from Gert Sibande and 33% were from Nkangala district.

Figure 2: Local municipality



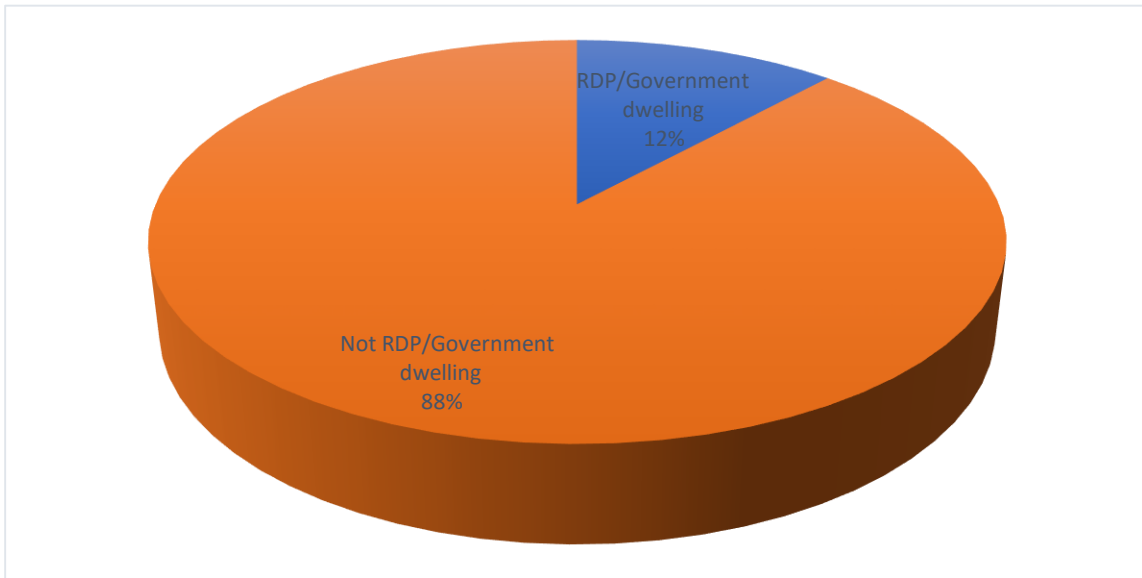
The local municipality of the respondents was analysed and presented in Figure 2. Results indicated that 37.8% of the respondents were from the City of Mbombela, 0.5% were from Dipaleseng. There were 22.5% of the respondents from eMalahleni while 28.2% were from Govan Mbeki municipality. The majority of the respondents in the study were from the City of Mbombela, Govan Mbeki and eMalahleni municipalities. Few of the respondents were from Dipaleseng and Nkomazi municipalities.

Figure 3: Dwelling



The majority of the respondents in the study lived in a formal dwelling on a separate stand while a smaller proportion of the respondents lived in a cluster house, room/flat/apartment on a property, semi-detached house and traditional dwelling.

Figure 4: Government subsidized dwelling



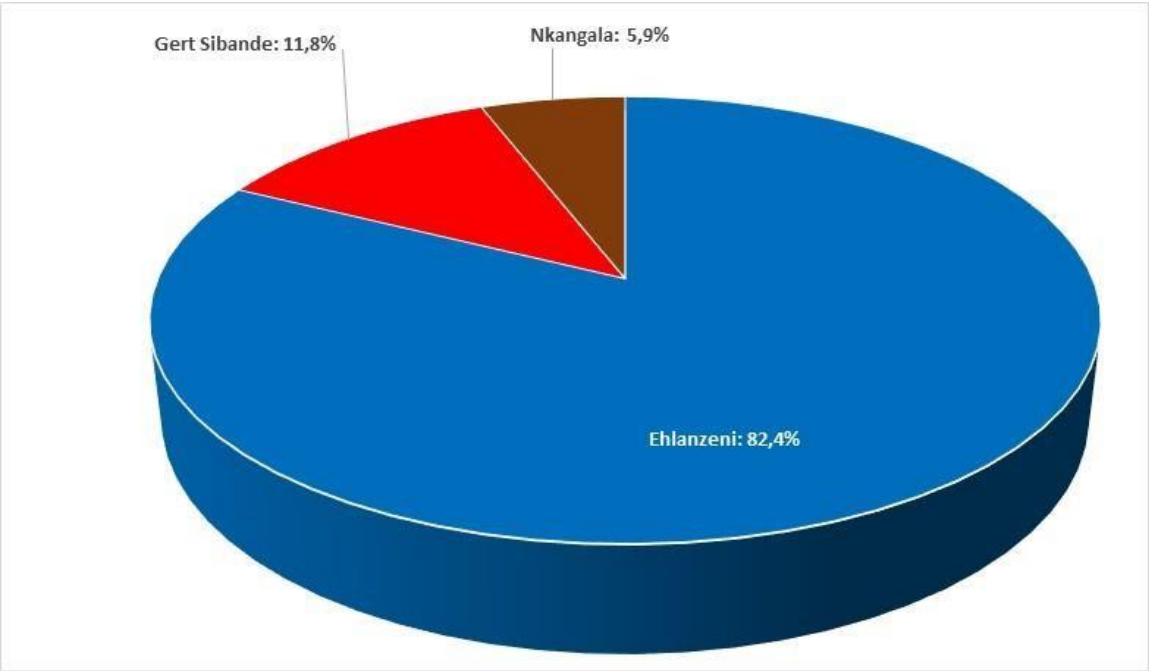
Most of the respondents in the study do not live currently in RDP or government subsidized dwellings.

Figure 5: Proportion of the sampled respondents by gender and district



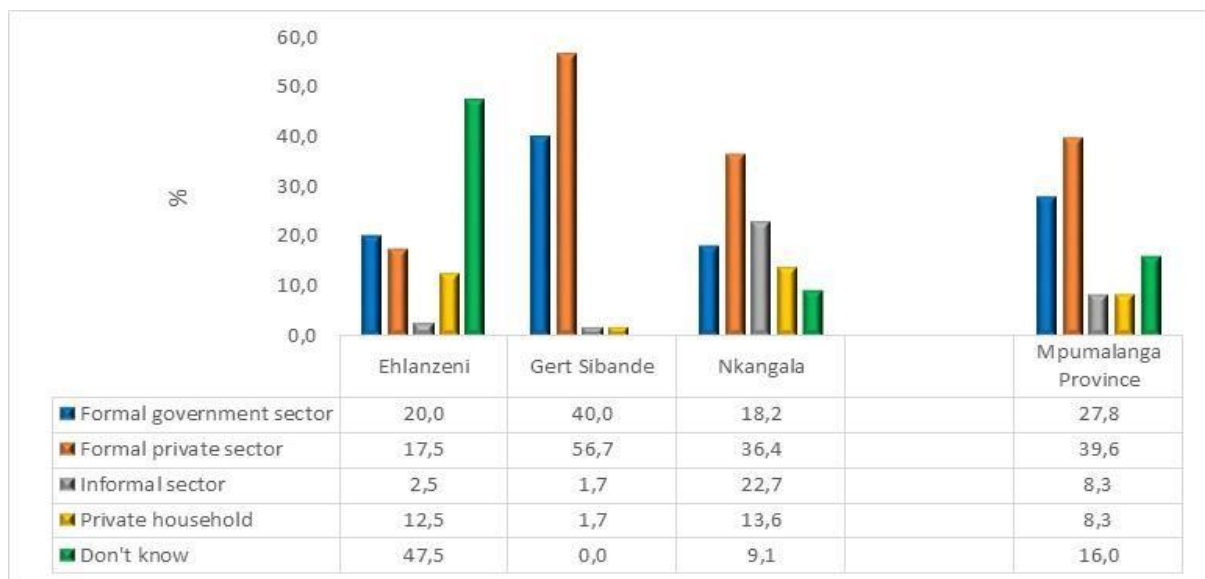
There was a higher proportion of males than females who applied for the FLISP programme in all districts of Mpumalanga province resulting in 56, 5% being males and 43, and 5% being females at the provincial level.

Figure 6: Proportion of the respondents who benefited from FLISP by district



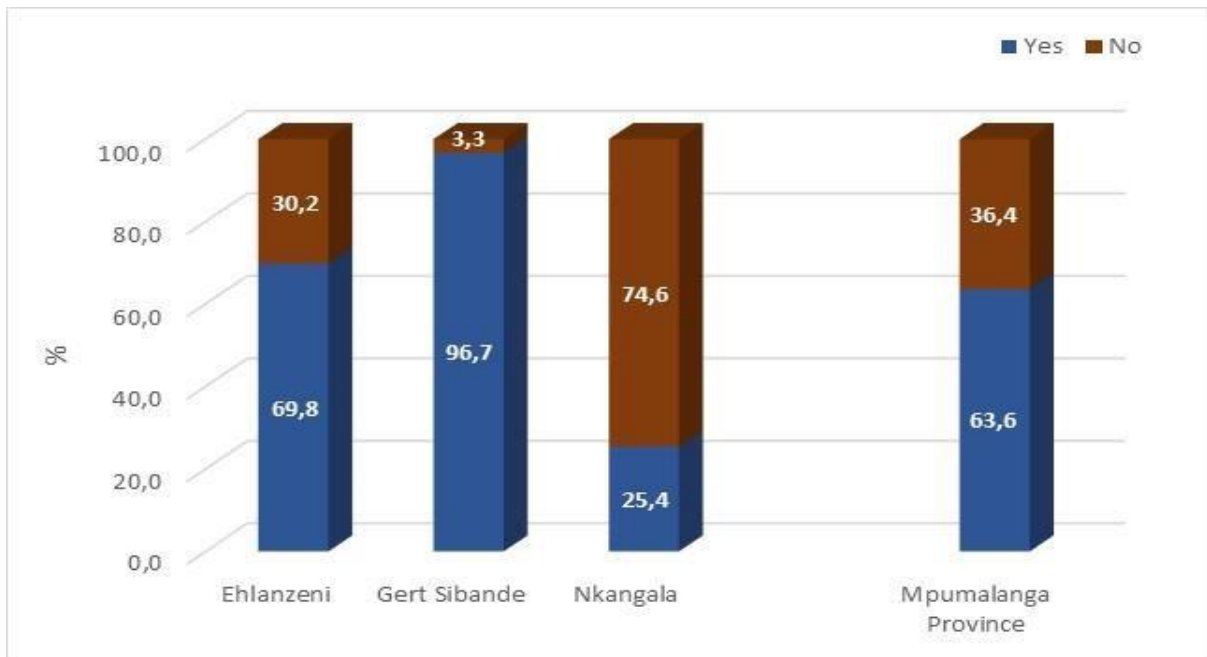
Of all the respondents who were interviewed, only 11, 7% indicated that they have benefited from the FLISP programme. Figure 6 shows that 82,4% of the beneficiaries were in Ehlanzeni district while Gert Sibande and Nkangala districts had 11,8% and 5,9% of the beneficiaries respectively.

Figure 7: Proportion of the sampled respondents by sector and district



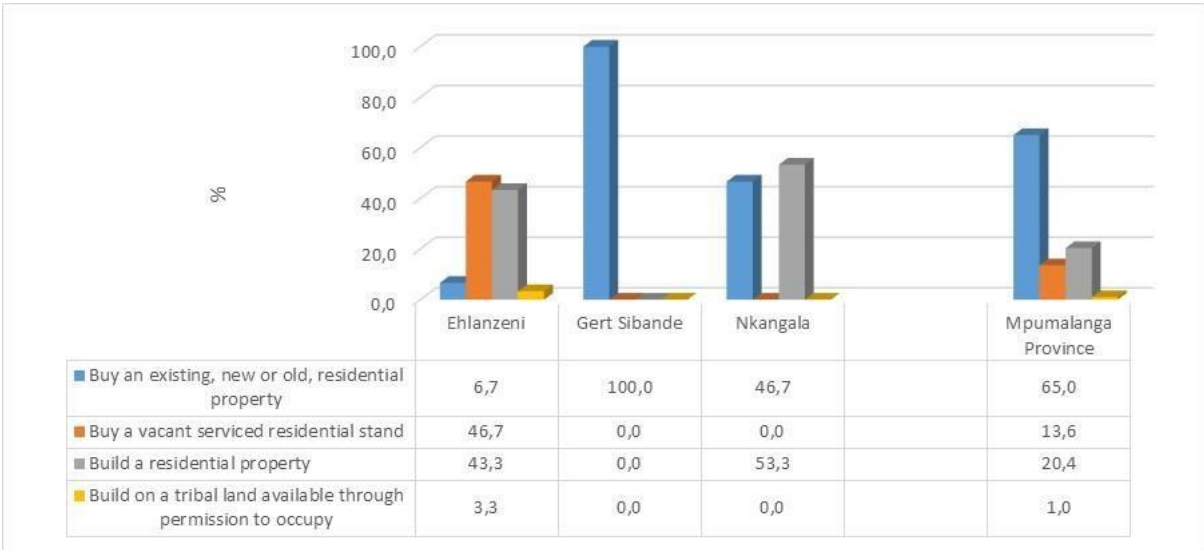
The majority of the applicants stated that they were employed in the formal private sector at 39,6%, followed by those employed in the formal government sector at 27,8% (Figure 7).

Figure 8: Proportion of the sampled respondents who have heard about FLISP



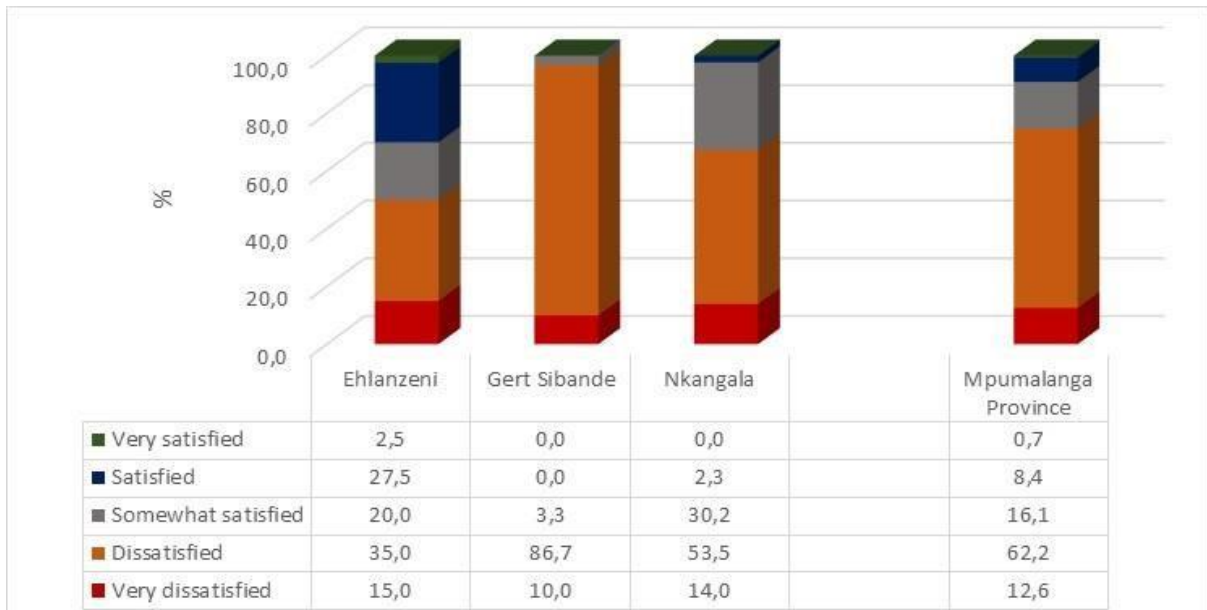
A larger proportion of the respondents have heard about the programme in Gert Sibande and Ehlanzeni districts while the converse applies to Nkangala district. Three out of every four respondents in the Nkangala district have never heard about the finance-linked individual subsidy programme.

Figure 9: Proportion of the sampled respondents by reason given for applying for the programme.



Buying an existing, new or old, residential property (65.0%), was mentioned as the main reason why people applied for the programme, followed by building a residential property (20.4%). Around one percent of the applicants wanted to build on tribal land available through permission to occupy.

Figure 10: Proportion of respondents by municipal service satisfaction and district



Results suggest that majority of the respondents were dissatisfied with the implementation of FLISP. There were 62.2% of the total number of respondents in the province who indicated their dissatisfaction with FLISP. Across the 3 districts, all respondents were dissatisfied with the implementation of FLISP.

Table 6: Tenure status of beneficiaries and non-beneficiaries

Tenure	Beneficiaries	Non-beneficiaries
Rented from a private individual	10.5	49.6
Rented from other institution	0.0	1.7
Owned, but not yet paid off	0.0	8.3
Owned and fully paid off	36.8	30.6
Occupied rent-free	0.0	4.9
Other	47.4	4.1
Do not know	5.3	0.8

The table above displays the tenure status of beneficiaries and non-beneficiaries. The majority of the non-beneficiaries of FLISP were in rented dwellings from a private individual. There were 8.3% of the non-beneficiaries who stay in their dwelling but have not paid it off. About 10.5% of the FLISP beneficiaries were staying in a rented dwelling from an individual while the majority stayed in other forms of dwellings.

Figure 11: Application status

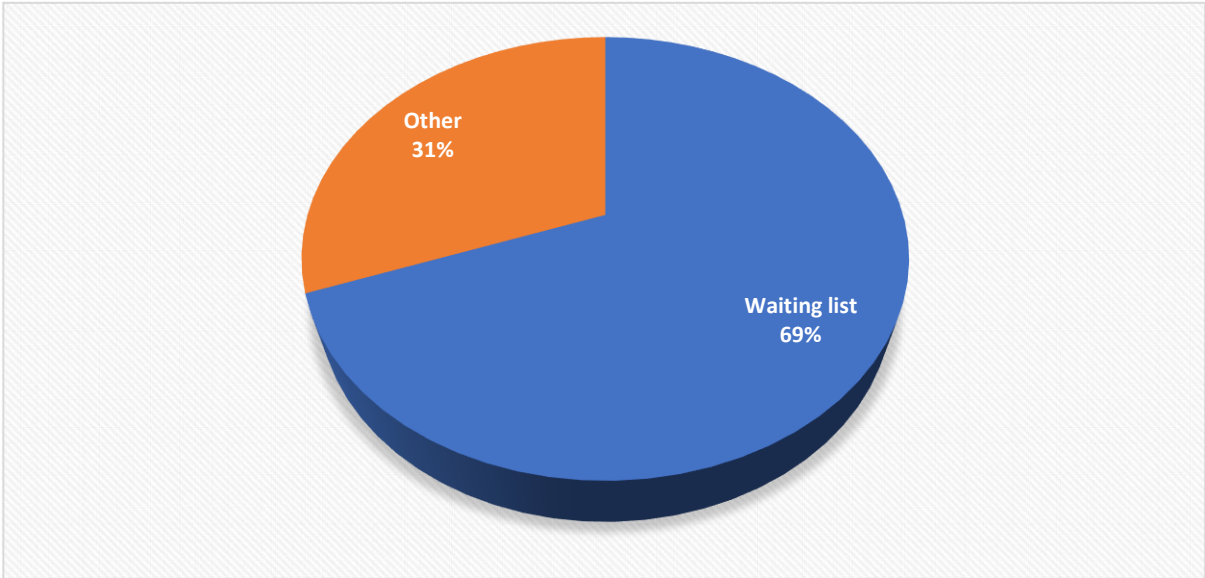


Figure 11 indicated that 69% of the respondents who has applied for FLISP are on the waiting list.

4.3. Interview with stakeholders results

A questionnaire was designed specifically to be administered to private companies around the Mpumalanga province that are not implementing the FLISP.

4.3.1. Private Companies not implementing

4.3.1.1. Buscor

According to the official, Buscor is not involved in the implementation of FLISP in the province because they are not aware of the programme. The company has approximately 400 staff members with about 30% falling into the gap market. The company showed a willingness to know more and participate in FLISP. However, more information, publicity and marketing need to be done.

4.3.1.2. Mpumalanga Mining Chamber

The Mpumalanga Mining Chamber was also selected among the companies not implementing FLISP. The result from the interview indicated that the chamber never heard or knew anything about the programme. The mining sector plays an important role in the province's gross domestic product and job creation.

4.3.1.3. Retailers

A number of retailers like Boxer, Spar, Pick and Pay and Shoprite's were selected in all three districts and were all interviewed about the FLISP. They all indicated that they are not aware nor heard about the programme. The majority of the employees within this sector fall within the FLISP income bracket.

4.3.1.4. Retail Real Estate and Mall Management Service

The retail real estate and mall management service is responsible for running Stimela Crossing Centre, Elukwatini Crossing and Elukwani plaza. The managers for these centres were interviewed to find out if they know and implementing FLISP. These centres constituted numbers of various shops. Unfortunately, all the managers were not aware of the FLISP and were hearing it for the first time. They have proposed that the Department of Human settlement should do the detailed presentation about the FLISP.

4.3.1.5. TSB Sugar Warehouse Malelane

TSB sugar warehouse Malelane was interviewed to determine if they have knowledge about the FLISP. They have indicated that they have no knowledge of the FLISP, and they are will to know more about it and requested a full presentation by the Department of Human Settlement.

4.3.1.6. Ngodwana Mill and SAPPI Ngodwana

An interview were conducted in both Ngodwana Mill and SAPPI Ngodwana about the FLISP knowledge and to check whether they are implementing the programme. They have indicated that they do have internal housing programme for their staff members. However, they have indicated that they department can request through their HR Manager to go present the FLISP and determine if it can be aligned with their programme.

4.3.1.7. Mondi Piet Retief (Pty) Ltd

The interview was done with Mondi Piet Retief (Pty) Ltd to check if they are implementing FLISP since they were other community development initiatives that they were working together with the DHS. They have indicated that they don't have knowledge of FLISP and requested presentation by the DHS.

4.3.2. Banks

An interview was conducted with an official of the First National Bank (FNB). The official indicated that FNB is the first bank to sign the Memorandum of Agreement with the Department of Human Settlement. They use the developer finance model and the end-user model as their banking models for the "GAP" housing market. They also have the Housing Group Scheme available for targeted household income groups. The bank collaborates with the government to obtain title deeds for beneficiaries as a result of the public-private partnership agreement. The bank is committed to work with the department of human settlement to implement FLISP successfully.

First National Bank cited lack of housing stock, delays in applications, delays in approval of plans and tax clearances as the main challenges faced by the institution in implementing the gap housing policy. Other challenges faced by the institution in providing loan facilities to the gap market include affordability and poor credit records

of the applicants. The average loan repayment interest rate charged by the financial institutions is based on the prime rate, which is often a stumbling block for beneficiaries when taking into account the other services fees to be paid (i.e. Bond registrations, municipal levies, etc.).

Standard bank indicated that they are not happy with the FLISP subsidy due to long process that it takes to finalise the application process. The applicants of FLISP who qualify they don't provide necessary supporting documents and they take long to submit.

Nedbank highlighted the need for alignment for FLISP processes across all the provinces. In the Western Cape FLISP money can be used to pay attorneys whereas in other provinces FLISP can only be used as a deposit or lump sum to the bank. Nedbank indicated that it works directly with NHFC not department of human settlement.

According to the banks, the challenges with FLISP programme is the lack of communication, turnaround time, pay out that take more than a year although they are quick to approve and lack of interaction with the department of Human Settlement and NHFC. The banks also emphasised that they are the only ones who always approach the NHFC for consultation and if they don't request meetings they don't communicate. The banks consultants and private developers don't prioritise FLISP because it takes time to register. There is no platform to share the experience or challenges.

4.3.3. Interview with FLISP coordinators

4.3.3.1. Municipal coordinator

All the FLISP coordinators for the three Districts were interviewed, Nkangala, Gert Sibande and Ehlanzeni were interviewed. These officials are responsible for the implementation of FLISP and play a critical role in monitoring and evaluation.

Both officials understood the FLISP policy, beneficiaries' target and its objective of it. One of the barriers in expanding FLISP as indicated by the coordinators is the high indebtedness of supposed beneficiaries.

It was also highlighted that the barriers in expanding the FLISP are that most target beneficiaries are indebted, the salary criteria used of R22 000 many people earn below it and Banks had increased it R26 100 while the department remains at R22 000.

This means those with a new bank bracket of R26 100 will not benefit from the department subsidy since they are outside the scope. The officials indicated they do roadshows and one on one publicity to those beneficiaries interested in the FLISP. In terms of monitoring and evaluation, it happens only at the provincial level.

The officials responsible for the implementation of FLISP act as spectators as a result of a power play by different stakeholders like banks. FNB accounts are problematic can take two years before it finalises due to account problems. Nedbank, SA Home and Capitec bank when the department pays for qualifying beneficiaries the money goes to the pool, they struggle to trace who the money belongs to and take time before it reaches beneficiaries. There is pressure by conveyancers to qualify beneficiaries for put deposit while the department is finalising the deposit. Banks don't treat FLISP beneficiaries the same way as those who are on the same bracket, white are given preference although they don't qualify.

It was recommended that the department should be in charge of the programme to ensure all stakeholders participate, coordinate review meetings and be responsible for communication among the different stakeholders, monitor and evaluate the partnership and collaboration.

4.3.3.2. Provincial coordinator

The FLISP coordinator at the provincial level with more than 10 years' experience was interviewed. According to the coordinator, FLISP was adopted to assist individuals who were unable to purchase houses thus those who fell in the gap market. The beneficiaries are unable to track the progress of their application. Only authorised people can track the progress of their applications. The system is linked with the department of home affairs, title deeds office, UIF and labour department.

Among the challenges affecting the implementation of the policy, it was revealed that the high indebtedness of the applicants was the most prominent. Also, some of the financial institutions do not have dedicated staff responsible for FLISP. The level of communication and coordination between the banks and the Department of Human Settlement is poor as consultants do not usually advise the banks on the FLISP policy. In addition, the turnaround time for FLISP is long.

It was recommended that FLISP should have a communication section responsible for marketing the policy using different media including television and other means. Also, to address the financial challenges, it was suggested that the department should establish a Human Settlement bank to assist with the implementation of the policy.

This is very critical due to the profit-driven nature of banks involved with the policy. With the establishment of a Human Settlement bank, the cost of building a house under FLISP will reduce because the bank may not be profit-driven.

There are monitoring tools available for monitoring and evaluating the performance of FLISP. This unit is responsible for ensuring that once approval is granted, they check for the existence of the house, state of the house to avoid paying for non-existent houses. The bank assists in monitoring and evaluating the program.

Despite the challenges, it is recommended that the program should continue but requires a review with amounts adjusted due to inflation. The amount offered to beneficiaries remains the same even with an increase in inflation.

4.3.4. Agencies responsible for FLISP

4.3.4.1. Deeds registry

An interview was scheduled with the deeds office to determine how many FLISP title deeds have been issued for FLISP beneficiaries. The Deeds office forms part of the value chain to assist with monitoring and evaluation of FLISP. The programme relies on title deeds provided by the Deeds office and therefore imperative to examine the number of beneficiaries who were registered and issued with title deed.

According to the official from the Deeds office, registrations were not categorised. It was however difficult to determine the number of FLISP beneficiaries issued title deeds within a particular period

4.3.4.2. National Housing Finance Corporation

An interview was conducted with an official of the NHFC. The official indicated that NHFC is the FLISP national implementation agent and is funded by the National Department of Human Settlement and is responsible for FLISP rollout. It is a government agency established to implement FLISP and a strategic partner for the successful implementation of FLISP. The NHFC considers the applicant's gross

income and matches it to the available scheme on the market. The client must apply for a home loan with any bank of their choice.

One of the challenges is the manual NHFC system being used to process applications. A new system has been acquired to mitigate against manual processing of applications. The non-existence of MoU between NHFC and the Mpumalanga Department of Human Settlement affects their work in implementing FLISP. There is no direct line of contact to assist customers. There needs to be a formal collaboration and partnership between NHFC and the department to strengthen FLISP implementation and get rid of silos.

4.3.5. Company implementing FLISP

4.3.5.1. Sasol

Interviews were conducted with the team that responsible for Sasol FLISP. Sasol is the only private sector that have worked with the Department of Human Settlement and implemented FLISP. The experience from Sasol FLISP implementation model was that although the programme did well, the future roll out of FLISP should be incorporated in the company's policy than to be driven by individual initiatives which tend to affect the sustainability of the programme once the person resign.

4.4. The Strength Weakness Opportunity Threats (SWOT) analysis

A SWOT analysis was done to the current FLISP policy. SWOT Analysis assisted to identify the FLISP policy's strengths, weaknesses, opportunities and threats. It served as a guide to understand what the policy is doing well, address what was lacking, seize new openings, and minimize risks. It further helped to reveal **policy** strengths and weaknesses and policy gaps.

4.4.1. Strengths

The strengths refer to the things the policy is doing well. To identify the strengths, we considered the areas that officials, beneficiaries and key stakeholders view the policy or program as doing well.

- Coordinators are the pillar of programme
- FLISP programme is part of departments MTEF with a clear target

- All major banks are implementing the programme
- The subsidy provided for beneficiaries
- Several households have benefitted from the program
- Adjustment of the income threshold from time to time to reflect economic situations
- Major decisions are taken by recognised authorities such as MEC for Human Settlements
- Guaranteeing of mortgage loans to reduce the level of risk being taken by financial institutions

4.4.2. Weakness

Weaknesses refer to the things the policy needs to improve. Weaknesses in resources or capabilities hinder the policy from achieving a desired goal or mission.

Questions addressed were:

What can be done to improve on policy, what should be avoided, what do beneficiaries and stakeholders consider as weaknesses and what factors need to be considered to improve the policy?

- The policy does not indicate how the municipality and communal land can be used to assist FLISP beneficiaries.
- The policy does not indicate how the municipality will avail its land and sites for FLISP beneficiaries
- Interest rates are not regulated
- There is lack of coordination between department and other key stakeholders (financial institutions or loan providers)
- There is a lack of inclusive monitoring and evaluation overall FLISP role players
- There is no dedicated official at the municipalities that deal with the FLISP programme
- Feedback takes time to get to beneficiaries other two years or no communication
- No system to track application status by beneficiaries
- The growth of the program is slow (few beneficiaries benefitting)
- Lack of cooperation in policy
- Lack of comprehensive monitoring and evaluation plan

- The lack of involvement of traditional leaders in the programme

4.4.3. Opportunities

Opportunities are trends that your policy could take advantage of. These are outside factors or situations that exist that may positively affect the policy in achieving a desired goal or mission. Examining the trends helps identify opportunities.

- Networking among all the different stakeholders
- Involvement of the private sector in reducing the housing deficit in Mpumalanga
- Formation of housing banks responsible for housing delivery policies
- Address the failure of government to provide sustainable housing to the gap market
- Job creation and stimulation of economic activities
- Networking among all the different stakeholders

4.4.4. Threats

Threats are outside factors that could negatively affect the policy.

- Low level of commitment from the private sector
- High-interest rates from financial institutions
- Lack of monitoring and evaluation framework to monitor activities of the program
- Stringent conditions from banks before granting a loan
- The unwillingness of banks to grant mortgage loans
- High cost of land (lack of suitable and affordable land)
- Approval takes much time
- Not learning from the lessons of monitoring and evaluation

Chapter 5: Policy gaps, recommendations and conclusion

5.1. Policy gaps identified from the research findings and recommendations:

5.1.1. Policy Gap: Programme Expansion to Informal Areas

The policy doesn't provide how is going to expand the programme to informal areas (traditional areas) where banks don't provide mortgage services and it does not address title deeds challenges. Residents of settlements without adequate surveying and planning could not get their properties registered and therefore did not qualify for FLISP.

From the banks and coordinators interviews, it was realised that only beneficiaries who live in formal areas were considered by the banks. This has resulted in the programme concentrated in the urban areas than rural areas due to the bank modus operandi of recognizing applicants from formal areas.

The FLISP policy doesn't address the bottleneck and biases that led to the programme's over-concentration in urban areas than rural areas and the role of traditional leaders in identifying sites for the housing programme.

5.1.1.2. Recommendation

The policy should be expanded to informal areas and the role of traditional leaders should be clearly defined and how they will provide land for FLISP programme. There is a need to introduce starter title in informal areas. Starter title refers to a situation where owners have a certificate of title which defines the boundaries of an area they own and for which they are responsible, and it defines the common property.

Starter title aims to create alternative forms of land title that are simpler and cheaper to administer than existing forms of land title, to provide security of title for persons who live in informal settlements or who are provided with low-income housing; to empower the persons concerned economically using these rights. Residents in less developed formal settlements who are able to satisfy the requirements for registration in terms of surveying and adequate planning should be granted titles to the properties to enable them to qualify for FLISP.

Policy should include a plan on how traditional leaders can provide land for FLISP and the introduction of a starter title that is recognized by both municipalities and financial institutions. In Namibia, they established and introduce a starter title. Starter title schemes and land hold title schemes may only be established on land situated within the boundaries of a municipality, town or village council or within the boundaries of a settlement area.

Part of the changes should allow chiefs and traditional leaders to formally issue starter title deeds. Working together with municipalities office deeds to recognize starter title rural areas which can be recognized by banks.

5.1.2. Policy Gap: Gender Equality and Youth Empowerment

The policy needs to include a strategy on how to address gender equality issues and come out with a mechanism to attract women and youth via incentives. Figure 4. The findings show that men are benefiting more from this FLISP programme than women. The finding showed that there was a higher proportion of males than females who applied for the FLISP programme in all districts of Mpumalanga province.

The Department of Planning, Monitoring and Evaluation which is the custodian of evaluations in the country prescribe the importance of addressing gender inequality when formulating policies. The creation of incentives is sometimes also extremely important to obtain the buy-in or interest of the parties involved. In some cases, groups or clients that would benefit from a programme are not aware of those prospective benefits.

5.1.2.1. Recommendation

The government should allocate land specifically for youth and women as part of incentives to attract them. Making land accessible and affordable will go a long way to make housing affordable for the majority of urban dwellers in Sub-Saharan Africa. There should be a collaboration between department of Land Affairs, municipalities and traditional leaders on identifying land designated for youth and women. The national gender policy in Zambia mandates that 30 percent of all land parcels allocated in urban areas are designated for women. The Department of Human Settlement should adopt global models to local content.

5.1.3. Policy Gap: Provision of Land to Lower Income Group

Table 4 indicated that the majority of the respondent were in the bracket of R3501 to R4000 income range. The findings shows that the policy does not address the provision of land to potential beneficiaries at the bottom of the income bracket who do not qualify for bonds. In Algeria, there is a rebate of 80 percent on government land sold for housing.

5.1.3.1. Recommendation

The municipalities must identify and provide sites for the beneficiaries at lower or entrance bracket who are not benefitting at all and there should be collaboration with traditional leaders.

5.1.4. Policy Gap: Strengthening Mandate of NHSC

The FLISP policy doesn't address too many red tapes associated with the application of bonds that results in reducing the subsidy deposit that the beneficiaries are initially qualifying for. This include the cost conveyancers' charges, the approval of plans and the interest rate.

5.1.4.1. Recommendation

The government must strengthen the mandate of NHSC or create government funded institution that will provide free in-house services like convergences services, approval of plans with fixed interest that are below the normal interest rate

5.1.5. Policy Gap: Regulation of Interest Rate

The policy does not provide how it will regulate the interest rate by banks and institution that will be proving loans. The reviewed FLISP policy has expanded the scope of institutions to provide mortgages and loans. The Singapore provides long time housing loans at interest rate below market rate. A significant 24% of all French homeowners have been supported by a direct subsidy covering part of the mortgage payment, and/or by loans at below-market rates. The government housing loan cooperation in Japan offer loans at fixed interest rate below value. GHLC loans were offered to house purchasers at a fixed rate below market with a 10-year maturity or a

present fixed interest rate with a 25-year maturity. The United State government offered the interest rate in 1968 to assist low-income households. However, was built to the government every month.

5.1.5.1. Recommendation

The interest rate needs to be regulated and it should be below the normal standard interest rate for FLISP beneficiaries.

5.1.6. Policy Gap: Coordination, Monitoring and Evaluation

The policy doesn't address the coordination and monitoring of various FLISP implementers or role players except for the individual Service Level Agreement that the department with sign specific institute. From various stakeholders' interviews there is lack of coordination, communication, standardised procedure and everyone is operating in silos. Beland and Ridde (2016) state that one of the reasons for policy implementation failures is the lack of shared ideas among key factors such as professionals and street-level bureaucrats who are tasked with policy implementation responsibilities. It was obvious from the interaction with government official, banks and NHFC that there is a lack of communication and information sharing.

5.1.6.1. Recommendation

A dedicated Coordination and Monitoring and Evaluation team that coordinates and monitors the implementation of FLISP by various stakeholders at different levels needs to be established, e.g. once the loan application is approved and deposit is paid, the team monitors whether the beneficiaries will commence with or not with construction.

5.1.7. Policy Gap: Public Private Partnership

The policy lack strategy to partner with both public and private employers who happen to have employed many people who qualify for FLISP. The programme relies on its internal publicity and communication to reach or attract beneficiaries which has proven to be ineffective.

5.1.7.1. Recommendation

FLISP should be made mandatory to be part of both public and private sector human resources benefits for those who qualify. This will also increase FLISP awareness and publicity among employers.

5.1.8. Policy Gap: Role of Technology

Figure 11. The policy does not incorporate the role of technology to allow beneficiaries access to the application process and outstanding documents needed.

5.1.8.1. Recommendation

An integrated information technology system should be introduced to indicate the various stages of the application process and also indicate outstanding documents required for each stage.

5.2. Conclusion

An important objective of the new South African democratic government has been to improve the socio-economic conditions of everyone especially the marginalised by increasing access to finance to enhance the quality and quantity of housing.

The implications for increasing access to funds is to increase the number of low income and middle-income citizens being given the opportunity not only to own a house but to have decent accommodation.

The evidence produced by this research suggests that South Africa needs to rethink about its policy on financing housing for the lower and middle-income citizens if the objectives of the programme are to be met. However, the effort of the government only is not sufficient to meet all the challenges of producing quality and affordable housing to deal with the expected housing needs of the country.

It is our view that the FLISP policy process is taken seriously, and steps taken to review the programme to meet the current trends in the country. The expansion of the programme to include all marginalised groups is mandatory.

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