

The neo-liberal facade: Re-interpreting the South African housing policy from a welfare state perspective

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Abstract

Conventional wisdom holds that South African housing policy is mainly based on neo-liberal ideologies. Although most academic writing would agree on the neo-liberal principles of South African housing policy, this paper argues the contrary. If theoretical developments of the past two decades in housing theory are considered, South African housing policy is based much more on welfare principles than on those of neo-liberalism. In order to support the statement, the paper firstly provides a brief synopsis of the South African historical context that had an influence on the current housing policy. Thereafter a analysis of the neo-liberal assumptions on which South African housing policy is founded is discussed. This is followed by a focus on welfare concepts, such as the Esping-Andersen typology of welfare capitalism, the Ulf Torgersen metaphorical concept of housing as the 'wobbly pillar under the welfare state', the Bismarckian and Beveridgean welfare-state classifications and Jim Kemeny's concept of the place of welfare in unitary and dualist tenure systems. Lastly, the contribution that welfare concepts can make in order to reinterpret South African housing policy is discussed in further detail.

Keywords: developing countries; neo-liberalism; welfare-state theories; housing policy; South Africa

Introduction

Most governments have welfare policies in place, including welfare policies based on housing assistance. Welfare policies are usually intended to assist households unable to gain access to basic services through the private market. In addition, the extent and influence of welfare policies vary not only between countries but also between the developed and the developing world. Differences in housing policies between countries are often attributed to how, specifically, welfare is prioritised in different governance regimes. Therefore, in order to understand and interpret housing policy in South Africa, it is essential to analyse welfare concepts in international context. Western Europe is far ahead of less developed countries with regard to theoretical analysis. Certain theoretical claims, informed by a neo-liberal perspective, have been made about South African housing policy. Yet, it is questionable whether these claims will be able to stand up to analysis according to welfare-state principles.

This paper is structured as follows: firstly, there is a brief discussion of the particular South African historical context that had an influence on housing policy development. This is followed by a critical

analysis of the neo-liberal assumptions on which South African housing policy is premised. This, in turn, is followed by a discourse on the welfare concepts of the Esping-Andersen typology of welfare capitalism, the Ulf Torgersen metaphorical concept of housing as the ‘wobbly pillar under the welfare state’, the Bismarckian and Beveridgean welfare-state classifications and Jim Kemeny’s concept of the place of welfare in unitary and dualist tenure systems. Lastly, there is a further, more detailed discussion on how welfare concepts can contribute to a reinterpretation of South African housing policy.

SA policy development

The South African policy environment before 1994 was rooted in the historical socio-economic and political context of the preceding decades. Literature on early discourses, the influences, conflicts and history of housing policy development in South Africa are abundant (a few examples being Maylam, 1995; Rust & Rubenstein, 1996; Goodlad, 1997; Huchzermeyer, 2001; Gilbert, 2002). Therefore, this paper only gives a short synopsis of the historical context that led to key policy developments in the preceding decades.

During the early 1900s, legislation was put in place to segregate different population groups (for example, the *Natives Land Act No 27 of 1913* and the *Natives Urban Areas Act of 1923*). Thus, different types of housing, that are still prevalent today, and legislation were already embedded in the South African historical landscape long before the apartheid regime came into power in 1948 (*apartheid*, meaning ‘separateness’ in Afrikaans, was based on the principles of racial segregation of different population groups). During the apartheid regime, which spanned from 1948 to 1993, strict laws based on racial division were put into place. Government interventions in housing were limited mostly to the white population, while black population groups were encouraged to invest in their homelands (*homelands* were specific geographical areas set aside by the apartheid government for black population groups both to rule and on which to reside permanently). However, the strict control measures that were put into place by the apartheid government of the time did not prevent urbanisation. African people in search of economic opportunities streamed to the cities and housed themselves in informal settlements on the outskirts of towns (Rust & Rubenstein, 1996).

Lack of proper accommodation in conjunction with the political instability of the time, gave rise to rebellion, upheavals and riots. By the 1970s and 1980s, the apartheid government was pressurised to relinquish its strict racial laws and invest more in infrastructure in areas where the black population lived. In 1994, at the time of South Africa’s first democratic election, the African National Congress (ANC) came into power. The next section will focus in greater detail on the ideological influence of neo-liberalism on ANC housing policies.

Neo-liberalism in developing countries

Neo-liberal perspectives had a major influence on housing policies worldwide. In addition, international agencies such as the World Bank and the United Nations adopted many neo-liberal principles in its policy guidelines for the developing countries. These international agencies, especially the World Bank, had a major impact on neo-liberal housing policy assumptions in South Africa. This section will firstly provide a brief description of the theoretical bases on which neo-liberal policy is based. This will be followed by a discussion of the ideological influence of neo-liberalism on housing policy, as conceptualised by the World Bank - in developing countries and in South Africa.

Neo-liberal theory

The theoretical foundations of neo-liberalism are based on the economic guidelines of capitalist development and free markets (Palley, 2004). Neo-liberal ideologies underwent a transformation from being an abstract philosophical and economics theory in the 1960s, to influencing state economics and politics in the 1970s. This neo-liberal theory is based on the belief that open, competitive and unregulated markets liberated from state interference represent the optimal mechanism for economic development (Brenner & Theodore, 2002:351). Neo-liberalism first gained prominence during the late 1970s and early 1980s as a strategic political response to the sustained global recession of the preceding

decade. Neo-liberal theory is built on three interrelated foundations of the economical, social and political domain:

- Economically, markets are identified as the most rational means for resource allocation.
- Socially, markets comprise a foundational set of individual rights, responsibilities and opportunities.
- Politically neo-liberalism emphasises that state involvement should defer to market-related functions, except those functions most fundamental to the polity, for instance law, defence and policing.

As an alternative to welfare-state principles, neo-liberalism argues for the dismantlement of the providing state in favour of policies that emphasise the market and private sector involvement (Brenner & Theodore, 2002; Peck & Tickell, 2002).

During the 1980s, neo-liberal policies were adjusted to confront a number of failures and contradictions that had resulted from earlier neo-liberal implementations (Brenner & Theodore, 2002; Peck & Tickell, 2002). The private sector was unable to provide housing either to low-income households or to poor households. By the early 1990s, government's role was adjusted to an enabling role where the state played a greater part in private sector development. The most recent phase of neo-liberalism is associated with new modes of policymaking, concerned specifically with reregulation and containment of those who had been marginalised by the neo-liberalism of the 1980s (Peck & Tickell, 2002). Some authors regard the post-1990 period not only as a neo-liberal phase but also as an enabling welfare-state phase.

The World Bank and neo-liberalism in developing countries

The World Bank, formerly known as the International Bank for Reconstruction and Development (IBRD), was initially established in 1945 in order to provide long-term financing for reconstruction projects in developed countries after the Second World War. From the late 1940s onwards, the World Bank became involved in projects in the developing countries of Latin America. Involvement in other developing countries in Africa and Asia commenced in the mid-1960s. Initially, the World Bank's mandate was to invest in large-scale infrastructure development, and housing was given low priority. However, when the World Bank entered the housing field in 1972, it became the forerunner in influencing housing-policy directions in developing countries (Harris, 1998:176).

Since the early 1970s, developing countries increasingly followed housing-policy agendas proposed by international agencies, including the World Bank. Subsequent to having limited success in providing public housing, governments shifted their focus to sites-and-services housing projects as proposed by the World Bank (Pugh, 2001;1997). Site-and-service principles, as promoted by the World Bank, focused on neo-liberal principles and economic aspects such as affordability, cost-recovery and replicability (World Bank, 1993). During the 1980s, in true neo-liberal fashion, the World Bank promoted the idea of limited state involvement and greater market involvement. This phase was characterised by a radical shift from being a providing state to that of being an enabling state. The World Bank conception of enablement is specifically structured on market principles. Accordingly, the World Bank affirms that governments assist with the provision of economic, legal and institutional mechanisms that are needed to enable housing markets to work formally and more efficiently (World Bank, 1993). This focus on the market should be interpreted against the global shift of development strategies towards incorporating neo-liberal principles.

Neo-liberalism and housing theory in South Africa

In line with World Bank proposals, the National Housing Forum developed the basic foundations of South African housing policy during the early 1990s. The policy framework is set out in the *White Paper on Housing* of 1994 (DoH, 1994). The most recent document to influence housing policy is the *Comprehensive Plan for the Development of Sustainable Human Settlements* (DoH, 2004). In principle, South African housing policy favours a neo-liberal, market-driven housing approach with the role of the

state reduced to being facilitative. Therefore, given its neo-liberal intent, South African housing policy tends to be analysed from the one-dimensional perspective of neo-liberalism and political economy.

Theories of political economy focus mainly on economic factors when policy is analysed, and the relationship between market and state is a pervasive theme. In a housing-policy context, political economy is often associated with theories of new political economy. New political economy incorporates theories of enablement, which include principles of both market development and liberalisation (Pugh, 2001:416). Although new political economy theory can be interpreted from a multi-layered perspective that deals with the level of interaction between the state and the market, interpretation however tends to be one-dimensional (Pugh, 1995, 1996, 2001). In line with Pugh's arguments (1995, 1996, 2001), new political economy theory is usually dichotomised between neo-liberal and neo-Marxist interpretations of market *versus* state or state *versus* market. As a result, new political economy theory is wrongly confined to the economic paradigm of neo-liberalism with its focus on the reduction of state roles in favour of market expansion (Pugh, 1995). Pugh emphasises that the theory of new political economy is based on enablement liberalism, is multi-institutional and can be interpreted as falling on a continuum between pro-market and/or pro-state. The following section elaborates on welfare-state theories and concepts. The main argument of this paper is that these welfare theories and concepts can potentially enrich housing scholarship in South Africa. In addition, by including these welfare concepts in housing-policy analysis, tensions and contradictions within South African housing policy can be better understood.

Welfare theories and concepts

Conventional wisdom holds that South African housing policy is mainly based on neo-liberal ideologies. Although most academic writing would agree on the neo-liberal principles of South African housing policy, this paper argues the contrary. If the theoretical developments of the past two decades in housing theory are considered, South African housing policy is based much more on welfare principles than on those of neo-liberalism. Welfare-state theories display many similarities with the new political economy that influences housing scholarship in South Africa. However, contrary to the theories of the new political economy, welfare-state concepts focus more strongly on sociological theories than on economic theories for policy analysis (Kemeny, 1995). Although housing-policy analysis is still to a large extent influenced by economic and political theories, the place in housing-policy analysis of theories associated with the welfare state is increasingly being recognised (Kemeny, 2001; Malpass, 2003). Welfare-state analysis firstly focuses upon *how* government can assist or intervene in its citizens' welfare through social policies. Secondly, welfare-state analysis investigates the *why* of specific kinds of government assistance or intervention in welfare. In addition, the *effects* of government intervention are often empirically measured in order to determine the outcome of state intervention in respect of society.

The following section focuses exclusively on key welfare theories and methodologies as reflected in housing-policy literature. Critical discourse surrounding welfare theories and concepts extends beyond the scope of this paper. For the purposes of this paper, welfare theories and concepts are seen as useful tools in interpreting variations of welfare regimes and welfare-system application in the South African housing-policy context. Specific attention is given to the Esping-Andersen typology of welfare regimes and systems. Thereafter, the 'wobbly pillar' metaphor portraying the relationship between housing and the welfare state is discussed. Attention is also given to the Bismarckian and the Beveridgean classifications of welfare states. Lastly, the ideological nature of Jim Kemeny's analysis of dualist and unitary rental aspects is explicated.

The Esping-Andersen typology of welfare capitalism

The Esping-Andersen three-way typology of welfare capitalism has been highly influential in social policy research (Esping-Andersen, 1990). Although housing has not featured as a key element in Esping-Andersen typologies, several housing researchers have adapted his theories to include housing (Kemeny, 1995). The Esping-Andersen typology focuses on the relationship between the state and the market in the provision of welfare services. According to the Esping-Andersen typology, the *ideal* welfare state can be classified into three different types of welfare regimes: the social-democratic,

corporatist, and liberal welfare states. Esping-Andersen admits that this classification is idealised and that provision of welfare services actually fall within a continuum of different systems and are thus adjusted accordingly. Stephan Leibfried (1992) suggested a fourth type of welfare state not included in Esping-Andersen's analysis, namely a rudimentary welfare-state regime.

What follows is a brief description of the four different types of welfare states:

Social-democratic: In a social-democratic welfare regime, the state plays a central role in welfare provision and the market only a marginal role. Welfare systems tend to be de-commodified from market-related activities. Typical countries to be classified as social-democratic welfare states are Sweden, Denmark and the Netherlands.

Corporatist: Family and conservative groups - such as the church - have a central role in welfare provision in a corporatist regime. The state plays a subsidiary role and markets only a marginal role in welfare systems. Corporatist regimes tend to have conservative systems of welfare provision. Countries considered to be under corporatist rule are France, Belgium and Austria.

Liberal welfare: The market has a central role in welfare provision in liberal welfare states. Although the market prevails in welfare provision, the state is involved in a residual system of targeted welfare systems. Countries such as the United Kingdom, Ireland, and Switzerland are seen as liberal welfare states.

Rudimentary: In rudimentary states the family is the cornerstone of the society and takes responsibility for the welfare of next of kin. Historically, the state's role is limited with regard to welfare systems (Leibfried, 1992). Mediterranean countries, e.g. Spain, Portugal and Greece have rudimentary elements in its governance systems.

When using the welfare-state typologies for purposes of analysis, it is crucial to distinguish between welfare regimes and welfare systems (Kemeny, 2001:60). *Welfare regimes* refer to ideological power relations between governance systems - the state, the market and the family. Welfare systems relate to welfare outcomes generated by such power relations. For example, a liberal regime tends to have residual outcomes; corporatist regimes lean towards conservative systems; and, social-democratic regimes focus on de-commodified welfare provision. Thus, when analysing a country's policies from a welfare perspective - based on Esping-Andersen's typology - both the ideological power relations and also the systems used to achieve this outcome need to be taken into consideration.

Housing as the 'wobbly pillar of the welfare state'

The 'wobbly pillar' metaphor, developed by Ulf Torgersen (1987) is widely used to analyse the relationship between housing and the welfare state. According to Torgersen, in terms of welfare priorities, housing is a contested area. Unlike other welfare pillars, such as health, education and social security, housing welfare tends to be neither part of the welfare state, nor fully part of the free market (for a few examples, see Kemeny, 2001; Malpass, 2003, 2008). While most countries regard health, education and social security as a universal right, the same cannot be said of housing. Housing is not provided as a free or subsidised welfare service in all countries. Instead, housing delivery is usually provided by different combinations of public, subsidised and private provision (Kemeny, 2001). In addition, welfare sectors, e.g. health, education and social security have more characteristics in common that are not shared with housing.

The state tends to limit its social welfare function regarding housing and decidedly so in comparison with other welfare services. Especially from the 1970s, with the emergence of neo-liberal policies, housing has been particularly vulnerable to a deviation from established welfare-state principles. Despite, housing being viewed as the 'wobbly pillar' of the welfare state, housing nevertheless has an important role to play in welfare regimes. Some authors (Malpass, 2008) claim that the 'wobbly pillar' has served its purpose and that the latest trend in policy development housing has a far greater role to play in welfare states than it has been given credit for. This role ascribed to housing is related to the economic and political ideologies of a country. Malpass (2008) describes how housing in some

countries has evolved to become the economic cornerstone of welfare policies. In this context, Malpass (2008) argues that governments in Western Europe are beginning to regard homeownership as a pillar that supports other welfare policies. For example, home-ownership can be used as collateral for social security.

Bismarckian and Beveridgean welfare classification systems

Bismarckian and Beveridgean classification systems - emphasising differences in social policy - are often used to explain differences between welfare states. Bismarckian and Beveridgean welfare descriptions are based on an ideological analysis of the extent to which democratic processes result in extensions of social rights. While the welfare outcome of both systems is based on a transfer of welfare, the underlying ideological objectives differ considerably. In essence, Bismarckian policies are conditional and strongly related to a household's ability to provide for its own welfare services through the market. By contrast, the Beveridgean welfare system is founded on social rights and the universal provision of basic welfare services for all (Bonoli, 1997:357). Bismarckian and Beveridgean classification systems can be analysed in conjunction with Esping-Andersen's three-way typology of the different welfare states.

Bismarckian welfare policies

According to Esping-Anderson (1990), modern welfare policies are built on the foundations of Bismarckian social policies. The origins of Bismarckian policies can be traced back to the 19th century. Bismarck forged the first coalition between the state, the market with regard to social welfare provision and economic production. Although the original intention of the Bismarckian policies was to counteract the rise of socialism, they seemed to be conducive both to market efficiency and competitive welfare delivery. Bismarckian welfare systems are historically linked to post-war industrial capitalism and are dependent on the capacity of society to secure full employment (Bonoli, 2007). Bismarckian policies are not designed to provide workers with welfare security, and the level of social protection is firmly based on individuals' affiliation with the labour market through their employment (Abrahamson, 2005). Instead, Bismarckian policies are focused on ensuring that welfare benefits are proportionally divided according to income, employment, market performance and merit. However, given the fact of growing employment insecurity, Bismarckian welfare systems have increasingly been faced with new challenges and with pressure to bring about structural reform. When a country experiences economic difficulties, welfare systems based on Bismarckian policies are perceived as worsening economic, social and political problems.

Beveridgean welfare policies

Beveridgean policies are based on *Social Insurance and Allied Services*, a report written by William Beveridge in 1942. Beveridge proposed a programme of social reform, arguing in his report that not all groupings in society have access to welfare through either the state or the market and are thus forced to rely on other resources (Matznetter, 2001:1). Hence, the state should provide basic welfare services not only to a select group but to all its citizens. Thus, contrary to Bismarckian welfare systems - where access to welfare is linked to affordability - Beveridgean welfare policies are not income related but are based on equality and need. Beveridgean welfare policies are usually implemented in social-democratic states. The state is the central institution providing welfare, and welfare is financed through taxes. All legal citizens are equally entitled to welfare services (Abrahamson, 2005:4).

Bismarckian and Beveridgean welfare systems are multi-dimensional. By implication, welfare states incorporate aspects of both Bismarckian and Beveridgean systems. Therefore, analyses of welfare states should focus on the relative extent to which Bismarckian and/or Beveridgean policies are implemented in a specific country (Bonoli, 1997:362). The contemporary welfare state tends to be dualised, with one set of policies for middle-class and affluent households, and another set of policies for low-income households (Abrahamson, 2005:18).

Unitary and dualist tenure systems

Expanding on Esping-Andersen's welfare regime typologies, Jim Kemeny (1995) developed a theoretical framework based on rental tenure systems. Kemeny contends that there is a close relationship between tenure policies and the type of welfare state a society adopts. Kemeny's influential book, *From Public Housing to the Social Market* (1995), expands on theories differentiating between dualist and integrated unitary rental systems. Accordingly, dualist and unitary rental tenure systems are based on ideologies of how markets are supposed to operate. These ideologies contain aspects of privatism and of collectivist social values (in Hoekstra, 2005:5). The ideology of social values is a key determiner in power relations that influence policy directions. Kemeny (in Hoekstra, 2005:20) argues that although social values play an important part in determining policy directions, these ideologies are nevertheless often ignored in policy analysis.

Dualist tenure systems and the ideology of privatism

The ideological roots of dualist rental systems are founded on principles of privatism and on liberal welfare regimes. In a dualist context, privatism is related to individual interests in the market. The state tends to restrict its involvement in welfare. The main reason for restricting state involvement is based on the beliefs that state involvement in the market weakens fair competition (Hoekstra, 2009:48). Thus, the market is also responsible for providing social welfare, while state involvement is only residual. The state role in rental housing is minimised and restricted to low-income people who are unable to provide welfare for themselves in the free market. Welfare is dichotomised when the state separates the unregulated private rental market from the state-controlled social rental sectors (Kemeny, 1995).

Typically, the private rental market is unregulated; rentals are high; and landlords offer limited protection to tenants. In addition, the social rental sector tends to be stigmatised and is seen as an unfavourable tenure option (Hoekstra, 2009:48). Kemeny (1995) therefore argues that the rental sector is viewed negatively in dualist societies and homeownership rates are viewed to be higher than when unitary rental systems are in place. In addition, in a typical dualist rental system, the development of the social rental market is discouraged and in many cases existing social rentals are moreover being sold at drastically discounted prices. Dualist rental systems are encountered in countries such as the United Kingdom, Ireland and Belgium (Hoekstra, 2009:53).

Countries that adopt dualist rental systems are characterised by small rental sectors, the intention being only to provide housing to low-income households. Given that the dualist rental sector focuses on low-income, social housing estates are inclined to have a large concentration of poor and low-income people grouped together. The quality of these social units tends also to be basic and relatively lower than those of either the private rental sector or the ownership sector (Hoekstra, 2009:54).

Unitary rental systems and the ideology of collectivism

The ideologies in support of unitary rental systems are related to collectivist social values. According to Kemeny (1995:11), unitary rental systems were founded on the social market model that was implemented in countries such as Germany in the 1930s. Unitary rental systems were influenced by the post-war welfare state in Germany and further widely implemented in other Northern European countries, such as the Netherlands, Denmark, Sweden and Austria (Hoekstra, 2009:49). Social democratic and corporatist welfare regimes tend to put in place unitary rental systems. Countries in favour of unitary rental systems are committed to constructing markets in such a way that economic and social priorities are balanced. Intervention in markets is seen as necessary, and the state encourages markets to incorporate important social collectivist values of equality.

Policies based on unitary rental systems include competition between the non-profit and the profit sectors. However, in order to achieve such competition, state intervention is necessary, and governments are involved in the enablement and regulation of rental markets. Typical interventions by the state include fixing affordable rental amounts for subsidies to the private rental sector (Kemeny, 1995). Common practice in a unitary rental market is either to reinvest profits in renovation or to use them to build new rental stock. As mentioned in Hoekstra (2009:54), countries that adopt unitary rental systems are characterised by larger rental sectors than are those based on dualist principles. In addition, unitary

rental sectors not only provide housing to low-income households, but also to households in the middle-income category. The quality of such social units is generally poor and the rentals in either the private market or the ownership sector are usually very small.

Analyses focusing on dualist and unitary rental tenure classification systems go beyond economic or political explanations of housing policies. Both dualist and unitary discourses give an alternative account of societal systems and of the ideological trends that influence policy in society. Essentially, in line with Kemeny's arguments, societies are either more privatised or more collectivised in their social consciousness, and these social values are inherently reflected in the social policy programmes of a country. The focus of the next section is on the value and relevance that welfare-state theories and conceptual frameworks might have in the South African context.

Re-interpreting the South African policy from welfare perspective

As mentioned in a previous section, South African housing policy tends to be interpreted from a new political economy perspective. Given the influence of the World Bank, with its policy firmly embedded in neo-liberal principles, the label of 'neo-liberalism' is copiously applied to the South African context. In addition, neo-liberal aspects are often related to homeowner societies. Thus, since homeownership and the neo-liberal ideology endorsing the ownership concept have been dominant and recurrent themes in South African housing policy literature, scholars tend to interpret the policy from a one-dimensional viewpoint without fully comprehending welfare principles. Some of the aspects incorporated in welfare-state theories have been noted in the greater urban discourse on the developmental state, but have not been conceptualised in any depth (for a few examples see Marx, 2006, Parnell & Pieterse, 2002; Pillay, Tomlinson & du Toit, 2006). Exhaustive welfare-state analysis, as developed in the European context, has yet to find its way into literature on housing policy in South Africa.

The following section conceptualises the value welfare-state theories can have in the South African context. First, I elaborate on the state-market dichotomy in interpreting Esping Andersen's welfare regimes. Second, I discuss equality and inequality principles as conceptualised by the Beveridgean and Bismarckian welfare systems in South Africa. Next, there is a discourse on the place occupied by housing in welfare delivery in South Africa. Last, I elaborate on the concept of privatisation and collectivism in the rental housing discourse.

Market versus state principles of Esping-Andersen's welfare regime theory

The dichotomised state-market relationship is a pervasive theme in housing policy research studies. However, as mentioned before, the state-market relationship is usually interpreted from a neo-liberal perspective. Although there is some truth in the neo-liberal intent of South African housing policy, application of the policy is much more complex. Ideologically, the housing policy is based rather on Esping-Andersen's social-democratic welfare-regime principles than on neo-liberal principles.

Policy complexities are apparent when the ideological origin of the housing policy is traced back to the South African Constitution. The South African Constitution is based firmly on social-democratic regime discourses. Accordingly, the ideological documents of the White Paper on Housing (*DoH:1994*) and the Reconstruction and Development Programme (*DoH:1994*) proclaims that all citizens have equal rights of access to housing. In addition, given the socio-economic situation in South Africa (South Africa has an unemployment rate of more than 30%) the state commits itself to the notion of meeting the basic needs of all its citizens. Thus, from a social-democratic regime perspective, the state has no choice but to be active in welfare provision. Tensions come to the fore when the housing policy -, influenced by the World Bank's enablement principles - is interpreted as being neo-liberal. Although the intention of the housing policy is for the state to play a facilitative role in enabling the private sector and the market to provide housing to its citizens, the application of state-led, low-income housing development proves the contrary. Whether the state has had any success with its intention of attracting the private sector to invest in the low-income housing market for low-income houses is open to debate.

Equality versus inequality in the Bismarckian and Beveridgean welfare application

Bismarckian and Beveridgean multidimensional classification systems reveal further complexities in application of South African housing policy. A dual system of welfare is in place: a Bismarckian system is in place for citizens who are able to secure themselves better levels of services in the private market. The state's role, based on adaptations of Beveridgean welfare principles, is to alleviate poverty and provide welfare to those unable to access services through the private market. However, the perception exists that welfare - based on homeownership and provided by the state - is not on a par with that provided by the private market. Thus, inequality levels in South Africa are sustained through the application of Bismarckian welfare-system principles, where individuals who can afford better housing are better off than those owning state-provided houses. In a housing context, housing procured via the private market is considered to be much more desirable and worth investing in than are the ownership houses received from the state. Thus, housing provided in accordance with welfare-state principles tends to have a low commodity value. In addition, since state-provided ownership houses has led to increasing numbers of people owning low-value houses, the wealth gap between government-assisted houses and those provided by the private sector has further widened. The intention of the housing policy to create a viable, low-income housing market - where state-provided housing is viewed an economically valuable asset - has yet to be realised.

Housing, a politicised cornerstone of the South African state

An analysis of housing as a welfare service in relation to the broader spectrum of other welfare services such as health, education and social security (comprising social grants, e.g. pensions and child grants) has not yet been done in the South African context. However, when the 'wobbly pillar' metaphor is considered, it can be argued that housing has never been a 'wobbly pillar' of welfare provision. The provision of low-income housing has, since the implementation of the Housing Policy in 1994, been a highly politicised, highly contested and visible cornerstone of welfare provision. This cornerstone concept is confirmed by the government's ideological promise in 1994 of providing one million houses to its citizens in five years' time. Although government had difficulties in keeping to its promise, it did manage to deliver one million houses in a six-year period. To date, more than 2.7 million ownership houses have been provided by the government to poor, low-income households in South Africa. Thus, given the considerable volume of housing supply by the South African government, it can be argued that the housing policy application is largely based on welfare principles rather than on those of neo-liberalism.

Rental housing: privatism versus collectivism

The importance of different housing tenure systems has been displayed throughout this paper. Typically, housing policies differentiate between different forms of rental and ownership tenure. An analysis of the influences that underlie these systems is thus fundamental towards understanding and theorising about housing policies. Kemeny's distinction between dualist and unitary rental systems is based on ideology theory. Kemeny, through his rental typology, illustrates that the ideologies of privatism and collectivism of a particular society have a major part to play in shaping a country's housing policy. In South Africa, the concept of social housing has only recently been introduced (DoH, 2004). The previous system of public housing (state-provided rental housing) was based solely on a dualist rental system, where state rental housing was seen as an unfavourable option reserved for low-income households. However, the current social rental system of social housing (rental housing, subsidised by the state, but owned and managed by housing corporations?) contain aspects of both the unitary and the dualist values of collectivism and privatism respectively. The origins of the social housing policy in South Africa can be traced back to the Netherlands. The Netherlands, a social-democratic welfare state, implements a unitary

system of rental housing. From a unitary perspective, social rental housing in South Africa is intended to provide affordable rental accommodation to a greater segment of society. This is done by incorporating middle-income households as beneficiaries. However, some dualist principles are still in place, since the private rental sector in South Africa is not regulated and the social rental sector is unable to compete with the neo-liberal, market-related rentals being asked in the private sector.

Conclusion

This paper began by sketching the historical context of the South African housing policy and subsequently elaborated on the influence of the neo-liberal ideology - as advocated the by World Bank - on the policy. Next, theoretical trends prevalent in the context of welfare concepts were discussed in further detail. These discussions revealed that South African housing tends to be interpreted from neo-liberal perspectives without taking into consideration welfare-state concepts. Welfare-state theories, which have in the past decade developed into a major field of discourse in the international context, have not yet found their place in the South African context. The last section of this paper made a valiant attempt to assess the potential value that welfare-state principles might have towards understanding the South African housing policy from a multidimensional welfare perspective. The international theoretical and methodological frameworks discussed in this paper provide potential theoretical foundations for housing policy analysis in South Africa. Incorporating these frameworks - especially welfare-state theories - could open up new directions for theoretical discourses and debates and so enrich and further stimulate scholarship on housing policy in South Africa.

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The earlier welfare "reforms" and the current anti-welfare legislation and austerity practices have been accompanied by a series of endless imperial wars, especially in the Middle East. The 1960s witnessed the greatest racial war in modern US history: Mass movements in the South and North rocked state and federal governments, while advancing the cause of civil, social and political rights. The liberal left Democrats embraced the platitudinous Obama/Clinton team as the "Great Society" gravediggers, while wailing at Trump's allies for shoving the corpse of welfare state into its grave. Conclusion. The U.S. was never a welfare state. The richest country in the world has the simplest social safety net of any.

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