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Social Housing and Upward Mobility in South Africa

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Social Housing and Upward Mobility in South Africa

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Abstract
More could be done to improve
the chances of upward mobility
for tenants of social housing in
South Africa. The social housing
policy makes no mention of
upward mobility for tenants,
even though this is implicit
within the objectives of
reducing socio-economic
and spatial inequalities. We
evaluate evidence of tenant-
level outcomes from a sample
of 1,636 households living in 10
social housing projects in
Johannesburg, Tshwane,
eThekwini and Cape Town. The
findings present a very mixed
picture of the impact of social
housing on such outcomes,
including racial integration
and upward income mobility.
Failure to demonstrate
household success risks
jeopardising the credibility
of the programme. A clear
recommendation for
policymakers is to update
the national monitoring and
evaluation framework to
include regular collection of
socio-economic information
on tenants in order to assess
the extent to which their
circumstances improve
over time.

Keywords
social housing, upward
mobility, spatial transformation,
South Africa

Résumé
Il serait possible de faire
davantage pour améliorer les
chances d'ascension sociale
des locataires de logements
sociaux en Afrique du Sud.
La politique de logement social
ne fait aucune mention de
la mobilité ascendante des
locataires, même si celle-ci est
sous-jacente aux objectifs de
réduction des inégalités socio-
économiques et spatiales.
Au travers de ce papier, nous
analysons ces dynamiques
au niveau des locataires à
partir d'un échantillon de 1 636
ménages vivant dans 10 projets
de logements sociaux à
Johannesburg, Tshwane,
eThekwini et Le Cap. Les
résultats sont mitigés quant
à l'impact du logement social
notamment en matière
d'intégration raciale et de
hausse des revenus des
ménages notamment.
De fait, l'effet limité de ces
programmes sur les ménages
risque de compromettre
leur crédibilité. Une
recommandation claire
aux les décideurs politiques
est d'opérer à une mise à jour
du cadre national de suivi
et d'évaluation afin d'inclure
la collecte régulière
d'informations socio-
économiques sur les locataires
pour évaluer l'impact de tels
programmes sur la situation
des ménages.

Mots-clés
logement social, mobilité
ascendante, transformation
de l'espace, Afrique du Sud

Introduction

The current housing crisis in many countries around the world is linked to growing socio-economic inequalities and the increasing tendency of national housing systems to treat housing as a commodity (United Nations, 2020). Many governments have retreated from the production, management and regulation of housing for financial and/or ideological reasons, resulting in the growing importance of private investors, developers and market mechanisms. The trend towards housing privatisation, marketisation and financialisation has downgraded the traditional function of public or cooperative housing as part of a wider infrastructure of social support, and elevated the role of housing as an object of exchange and speculation, and as a vehicle for accumulating wealth (Madden and Marcuse, 2016). This has coincided with rising social inequalities and growing residential segregation within many cities and towns (van Ham et al, forthcoming).

Within the poorest communities in countries of the global South, housing often serves as little more than physical shelter protecting people from the elements. These deprived neighbourhoods lack many of the support systems and safeguards to their health and safety arising from formal government rules and procedures relating to building standards, land-use zoning, environmental protection and routine public policing. Households in these circumstances can be readily evicted from their homes, causing insecurity, instability and suffering. As a result of these polarising tendencies, housing has become a driver of inequality in many countries, increasing

wealth for some of those who own their own formal properties and pushing those who don't into greater debt, hardship and precariousness (United Nations, 2020).

The resulting housing crisis has produced a counter-reaction from civil society and selected governments that seek to change how housing is conceived, valued, produced and regulated. In these countries, decent affordable housing is recognised as foundational because it confers dignity, security, well-being, inclusion, access to vital services and opportunities to get on in life. The concept of social housing, in particular, is seen as a potent way of empowering people, nurturing their development and helping them to fulfil their potential by providing a safe and supportive living environment close to work and essential amenities. It can help to lift people out of poverty by providing them with quality homes and support services at a price they can afford in places that are accessible to livelihood opportunities and public facilities (such as good schools and healthcare). By restraining the cost of accommodation, it releases vital resources for families to save or spend on other important items, such as education, food, travel to work, healthcare, childcare, retirement funds, home insurance or a deposit to buy their own home in future. This supports household stability and resilience against future shocks, including eviction. Treating housing as part of the collective resources or social infrastructure of a city or nation requires different principles to govern the allocation and management of the housing stock from those of the private market.

Social housing is usually defined as government-subsidized rental housing provided by local authorities or third sector (non-profit) organisations, with the rent set well below market levels in order to be accessible to low income groups. In post-apartheid South Africa, the focus has been on non-profit organisations, with increasing efforts made to finance, regulate and support the development of an independent social housing sector. Dwellings are allocated to tenants on the basis of their relative need, as well as their ability to pay a basic rental. This gives low-income households access to better quality accommodation and a more secure and stable living environment than they could otherwise afford, with consequent benefits for their general health, welfare and productivity. Many social housing organisations are also committed to providing a range of supplementary services over and above their housing responsibilities, such as childcare, advice on household budgeting and assistance for people seeking employment. These are intended to improve living standards further and enhance people's prospects for the future by enabling upward mobility.

The broad objective of this paper is to assess whether social housing in South Africa has lived up to its promise to improve social outcomes for households. Has it given people a helping hand to get out of poverty and live more secure and happier lives? Has it done more than this by serving as a springboard to transform their economic circumstances, move up the housing ladder and into their own homes? Conversely, has it prevented people from losing their homes (e.g. through eviction) and sliding back into more insecure, inadequate and insani

tary living conditions? And by assisting household progression and creating pathways to a more prosperous future, has it altered entrenched patterns of inequality in urban areas?

The previous paper examined the effectiveness of the government's social housing programme at the neighbourhood level. It analysed whether projects are well-located in relation to economic opportunities and public transport facilities, and how this has changed over the last two decades. The current paper focuses on individual households and considers how they have benefited from living in social housing. It examines who has benefited in terms of household composition, socio-economic status, race, gender and age. It also examines the impact on their employment status, income, personal safety, education, healthcare and public transport.

This is a provisional rather than a definitive analysis of these important and wide-ranging issues. It draws on a range of secondary sources, rather than a single original dataset, partly because of untimely restrictions imposed by the coronavirus lockdown in 2020. The most important source is a large survey carried out of 1,636 tenants living in 10 social housing projects across four cities in 2019. The original survey was undertaken for a separate exercise, but the data has been carefully re-examined for the current paper. It has been supplemented by data on the profile of tenants and an exit survey supplied by one of SA's leading social housing institutions (SHIs). We also analyse the key social housing policy documents in SA and the international literature on the contribution of social housing to upward mobility.

The outline of the paper is as follows. The next section reviews the international evidence on housing and social upliftment. Section three examines what social housing policy in SA says about social mobility. The fourth section describes the methods and data sources. Section five presents the consolidated evidence about the impacts of social housing on households. The final section distils conclusions and recommendations.

1. Social housing and upward mobility: arguments and international evidence

This section considers how social housing contributes to upward social mobility among households, i.e. an improvement in their economic circumstances or social status. It starts by outlining the basic arguments and concepts, and proceeds to summarise the evidence available from international studies. The national context clearly matters a great deal to the role of social housing. For example, one of the main debates in the global North surrounds whether social housing hinders mobility rather than enables it (Best and Shimili, 2012). Some observers believe that it may constrain mobility by confining poor households to deprived neighbourhoods where public facilities are inferior, crime rates are high, there are few role models of adults going out to work, and local residents are labelled and stigmatised by more affluent social groups living elsewhere. This may harm their morale, self-esteem and aspirations, and could hamper their ability to get on in society and succeed in the world of work. This concern partly reflects the increasing residualisation and marginalisation of social and public housing in countries like the UK, where it tends to function as a last resort for people at the bottom of the social hierarchy who might otherwise be homeless or live in overcrowded and unsatisfactory conditions. Meanwhile, in the global South social housing tends to be of a higher quality than basic private housing, especially informal private housing, reflecting higher levels of public investment and regulation. Social housing is therefore less likely to be perceived negatively and there tends to be strong demand for people to live there because of its affordability and value for money. Without careful allocation criteria, social housing in the South may be gradually appropriated by middle income households.

1.1 How could social housing promote upward mobility?

Social housing is a means of enabling low and medium-income households to live in better accommodation than they could otherwise afford. It is subsidised by the government because of the direct benefits to the households concerned and the indirect benefits to the wider society. In other words, it is a valuable 'social good' rather than a 'private good' supplied through the market. The benefits to households may arise from improvements in their health, safety, self-esteem, general well-being, social networks and/or access to economic opportunities, schools or other public amenities. The benefits to society may arise from reduced poverty and inequality, higher social mobility, nurturing latent talent and consequent economic dynamism. These impacts are particularly important in highly unequal and stratified societies with a history of discrimination and subjugation, and where social mobility is low, such as South Africa. The scale of these impacts may be influenced by characteristics of the housing itself (the cost and quality of the dwellings), features of the housing project or complex (its socio-economic and racial diversity and the level of personal support provided), and its location and neighbourhood characteristics (access to jobs, good schools, public transport etc).

The case for social housing in South Africa has always been strongly linked to the goal of urban transformation as well as social advancement. Social housing is intended to promote city restructuring and the creation of more vibrant places by building medium- and high-density rental housing in well-located areas. This is supposed to permit low and moderate income households to live in neighbourhoods which they could not otherwise afford, and from which black households were previously excluded. This should enable them to access the resources and opportunities of the city, and thereby take greater control of their lives and livelihoods. The housing stock is built with a partial subsidy from the government and is managed by dedicated non-profit organisations. They manage the housing in a socially responsible manner as a collective asset for the good of the community. They also provide a range of supplementary services and community development activities to support and nurture tenants and their children, such as nurseries, play areas, financial advice and per-sonal development initiatives. This is quite different from the government's main housing programme (called Reconstruction and Development Programme/Breaking New Ground (RDP/BNP)), where people are given a physical structure on the urban outskirts and left to fend for themselves. The property is conferred on the individual, with no ongoing role for the state or the community in overseeing the asset and maintaining its value, or supporting households to live more secure, fulfilling and rewarding lives.

The benefits of social housing to upward mobility may be once off and fairly immediate, arising from households moving from substandard shelter on the urban periphery to better quality housing in more central locations with access to new opportunities. Alternatively, the benefits may be prolonged if households are exposed to supportive living environments that help them to acquire new skills and competencies, develop new social networks and pursue new initiatives. Households may make crucial savings from the subsidised rents to spend on food, education, childcare, healthcare or insurance against some future risk or disaster. Some of these benefits may only accrue to the children of the tenants, thereby contributing to inter-generational mobility. Therefore, sensitivity to the timescale over which benefits arise is important.

A third possibility is that the benefits keep recurring as successive families move through the housing complex and into the private housing market as their economic circumstances improve, thereby releasing the dwellings for other households to occupy and advance over time. This enables social housing to function as a valuable 'social escalator' and helps to justify the higher level of public investment. It is a far cry from private housing that exists as a commodity to be bought and sold, and from which families may be evicted if they can no longer afford to repay their loans. It is also quite different from the kind of makeshift shelter that is occupied as a last resort - a roof over people's head – and where the threat of eviction may also loom large. This suggests a fourth way in which social housing may influence personal development – by protecting households (especially children) from the instability and downward mobility that undermines their health and well-being arising from an unexpected loss of income and resulting eviction from their homes.

The extent to which social housing enhances upward mobility is likely to depend on many factors. There are at least four that stand out at first sight. First, the characteristics of beneficiary households (such as their initial education, skills, employability, age, family size and aspirations) are bound to affect their prospects of advancement. For example, older

people with limited education are likely to be more constrained than skilled young adults. Second, the rent level, quality of the housing and supplementary services available are likely to influence the progress made by tenants – presumably the more support they receive the better. Third, the location of the complex and its access to jobs and public facilities are also bound to affect their chances of success. This includes the character of the neighbourhood and the positive or negative 'neighbourhood effects' (explained within the next section) on household well-being and mobility. Finally, the state of the wider labour market and the strength of demand for the kinds of skills possessed by tenants are likely to be extremely important in influencing their prospects of rising out of poverty. Where unemployment is high and job vacancies are scarce, the chances of households succeeding economically are likely to be much lower.

1.2   What does the international evidence suggest?

There is little systematic international evidence about the impact of social housing on upward mobility. This is partly because housing is not widely seen or studied as a driver of social mobility. Much more emphasis is conventionally attached to the role of education and the labour market in shaping people's ability to climb the income ladder. Furthermore, research on the relationship between housing and mobility tends to consider housing in general rather than social housing in particular. This housing research (discussed below) tends to focus on the wider neighbourhood dimension rather than the individual housing unit or complex, or its tenure. Neighbourhoods encompass schools, healthcare and other social facilities and attributes (such as environmental decay, social disorder, crime and violence) that may have a much bigger influence on mobility than the character of the individual home or block of flats.

There is increasing research on the relationship between neighbourhoods and mobility, especially in the United States, where this has become a popular research topic. The emphasis is on the impact of neighbourhood segregation – according to race or income – on constraining low-income households because of their inferior access to economic and social opportunities and their exposure to violent crime, drug-dealing and other social and environmental problems. The most prominent research has been led by the economist Raj Chetty from Harvard (Chetty et al, 2014; 2016; Chetty and Hendren, 2018). He has pioneered the use of 'big data' that tracks 20 million Americans from childhood to their mid-30s in order to assess the effects of living in different neighbourhoods on their chances of rising out of poverty. The analysis focuses on household incomes, although other indicators are also used, such as college attendance rates, fertility rates, marriage patterns and whether people end up in prison.

The evidence produced by Chetty and his colleagues is striking. A key message is that small scale neighbourhood variations matter greatly for people's life chances. Just shifting focus one or two kilometres from a 'low opportunity' to a 'high opportunity' neighbourhood transforms social outcomes. Chetty has also studied policy initiatives that assist low income families move to better neighbourhoods, concluding that: "Of the various things I've studied over many, many years, this turns out to be one of the highest-impact, most successful things I've seen," (quoted in Pinsker, 2019). Furthermore, young children experience the

biggest benefits from growing up in a better neighbourhood rather than in an area of concentrated poverty. The reasons for this are unclear, although it appears to have something to do with being exposed to decent schools, less poverty, more fathers present in families and positive social norms.

This research tends to favour policies such as housing vouchers, rather than traditional public housing projects located in deprived neighbourhoods. This means people-oriented ('demand-side') rather than place-based ('supply-side') solutions. Yet, Chetty recognises that moving low income families out of poor neighbourhoods is not a scalable or sustainable solution in and of itself. This is even more apparent in South African cities, given the much greater scale of poor neighbourhoods compared with affluent and middle-income neighbourhoods. There are far too many poor households to be absorbed into middle- and upper-income areas. Ultimately, investments are required to make all communities areas of opportunity, through better schools, more affordable housing and better transport connections. This means targeting poor neighbourhoods with additional investment and not neglecting them. This should be accompanied by support for the provision of social housing in well-located areas, where the opportunities for this exist. In other words, a multi-pronged approach is necessary.

There appears to be more systematic research on social housing and upward mobility in the UK than elsewhere. This research suggests that there is little upward progression for tenants in social housing because most of them seem to remain in chronic poverty (Stephens et al, 2014; APPG, 2020). This is linked with the fact that a high proportion of these households are persistently unemployed or economically inactive. In other words, social housing in the UK does not generally function as an escalator, at least not any more. It operates more like a safety net than a trampoline that bounces people back into the labour market and out of poverty. This is probably related to the disposal of the best social housing stock in recent decades. The remainder has become more like a residual sector or enclave occupied by households who are particularly vulnerable to poverty and worklessness.

The problem also stems from the fact that much of the UK's social housing is located in deprived areas with weak labour markets and relatively few job opportunities (APPG, 2020). Tenants have relatively poor skills, limited social networks to help them find jobs, and difficulties travelling to employment centres. The level at which rents are set in social housing also has a crucial bearing on people's disposable incomes and chances of moving above the poverty threshold. Nevertheless, there are actions that social housing organisations can take to help tenants to improve their living standards and to access employment – by overcoming the particular barriers people face, providing training and job search support, creating jobs themselves (e.g. in cleaning, catering and building maintenance), and locating future housing projects in areas with more job opportunities.

Although equivalent in-depth longitudinal analysis does not appear to have been done in many other countries, there is evidence that similar tendencies are at work in other advanced economies, especially in large, globally-connected cities that have experienced an economic resurgence in recent years (Madden and Marcuse, 2016; United Nations, 2020). Commercial pressures in their real estate markets have raised land and property prices across the board, encouraging greater speculation and pressures to redevelop older

buildings and under-used land. All forms of public and social housing have come under threat of being sold off or dismantled in the face of the general financialisation, privatisation and commodification of housing and the built environment. Rising rents and evictions have caused displacement and homelessness as the exchange value of housing trumps its use value. In short, housing is being decoupled from the purpose of meeting local residential needs to serving as an investment vehicle or liquid asset for global finance (Madden and Marcuse, 2016).

Summing up, the international evidence suggests an additional dimension to the four factors mentioned in section 2.1 that influence the extent to which social housing enhances upward mobility. This evidence indicates that the contribution of social housing is also likely to depend on the position it occupies within the wider housing market or system. If social housing is reduced to functioning as a last resort for people with little choice, it may end up as a safety net offering basic protection and security for low income households at the bottom of the social hierarchy, but not much of a springboard for them to get ahead through employment and higher incomes. In this case, considerable effort and investment will be required to transform this kind of residual social housing into a vehicle to promote upward mobility.

In contrast, if social housing serves a broader purpose and a wider eligible group it is better placed to enable upward mobility. This will require higher quality housing stock located in areas that are more accessible to jobs, decent schools and other opportunities. The composition of tenants is likely to be more diverse, including younger adults and people with reasonable levels of education and skills. These housing complexes will also be able to charge higher rents to cover their higher costs because more of their tenants will be employed. The potential for social housing to perform this transformative role will be en-hanced if it is complemented by other collective resources and social infrastructure, such as good schools, safe public transport, decent childcare, effective policing and appealing recreational facilities.

2. Social mobility in social housing policy

2.1 South Africa's social housing policy

South Africa's social housing policy says little about social mobility explicitly. In fact, the key 44-page document explaining the policy does not mention the term at all (DHS, 2005). The household-level impacts of social housing are also not discussed very much. The focus is on the broader societal transformations and housing market impacts that social housing is intended to foster, without cascading these high-level objectives down to smaller units of analysis and action. Yet, it is not difficult to argue that the goal of social mobility is implicit in the two primary objectives which underpin the social housing programme:

- First, to contribute to the national priority of restructuring South African society in order to address structural, economic, social and spatial dysfunctionalities, there-by contributing to government's vision of an economically-empowered, non-racial and integrated society living in sustainable human settlements.

- Second, to improve and contribute to the overall functioning of the housing sector and in particular the rental sub-component thereof, especially insofar as social housing is able to contribute to widening the range of housing options available to the poor.[1]

The first objective is mainly about shifting the prevailing patterns of urban development to provide affordable rental accommodation in well-located areas. This is concerned with redressing deep-seated spatial distortions and social divisions. Through spatial, social and economic changes, the policy seeks to improve access to economic opportunities and city resources for poor households, which will contribute to "an economically empowered, non-racial, and integrated society". The policy states that "Social housing promotes vertical equity through facilitating access to quality accommodation in well-located areas for low income earners who are largely excluded from such housing in the market place" (DHS, 2005, p. 41). Realising this vision of vertical equity inevitably entails upward social mobility for the poor.

The goal of social mobility is also implicit in the second primary objective, which aims to widen the range of accommodation types available, thereby giving poor households more flexibility, choice and opportunity. This points to the importance of a diverse and well-balanced housing system that offers a range of dwelling options to different households, including those who want to use social housing to move up the housing ladder over time. It suggests a possible role for social housing to progressively improve people's lives up to a point where no more government assistance is required because they have become self-sufficient and can afford to rent or buy their own homes.

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[1] The social housing policy does not explicitly define 'the poor', but limits the programme to households earning between R1500 and R15000 per month.

Social housing is more than just affordable rental accommodation. Besides high quality rental stock, the policy highlights the importance of creating social facilities in order to promote "a safe, harmonious, and socially responsible environment both internal to the project and in the immediate urban environs" (DHS, 2005, p. 11). These amenities could include play areas, landscaping, parking, laundry and drying areas, and community meeting rooms. The policy envisages that by investing in and revitalizing neglected (inner-city) neighbourhoods, social housing can increase socio-spatial equality. Well-managed social housing projects can contribute to a safer and more liveable neighbourhood, which will attract private investment, thereby making these places more desirable and improving the physical, social and economic conditions for local residents. The policy recognises the possibility that neighbourhood renewal could also have negative effects – 'gentrification' – which could displace poor households and thereby contribute to downward social mobility. To limit this, the policy recommends that the private sector also includes social housing units in their projects. However, no details are provided for how an inclusionary housing mechanism like this might be introduced.

The policy emphasises the importance of mixed-income groups and social integration in social housing projects and neighbourhoods. This is partly about economic viability. It notes that without cross-subsidising rental units through a suitable mix of incomes, much higher government subsidies would be required. In addition, bringing mixed-income tenants together is said to be beneficial in avoiding the "negative social consequences of concentrating uniformly low-income people in social housing estates" (DHS, 2005, p. 15). The policy does not elaborate on these negative externalities and it does not say what a desirable or optimal balance of income groups would be.

Social housing aims to support a wide range of income groups. The policy provides a long list of potential beneficiaries, suggesting a catch-all without real clarity about who social housing is primarily for. The listed beneficiaries include migrants, contract workers, poor, working class, middle-income, people requiring short-term accommodation, broken households (requiring urgent accommodation), single parents, people with disabilities and people from informal settlements. The list also includes: "Persons utilising social housing options as a first phase in a process to individual ownership (deferred ownership) and/or better rental accommodation at a later stage when their ability to afford higher rentals increases" (DHS, 2005, p. 13). This shows awareness of social mobility and the potential for social housing to serve as a 'social escalator'. However, the need for social housing to function as a social safety net or emergency accommodation seems to be at least as important.

In order to reach the right target group, the policy proposes a shift from auditing incomes to self-targeting. This implies that rental units are affordable to the targeted income groups injected into the market, assuming that higher income households would not want to live in cheaper units. As a general rule it states that rentals should not exceed one-third of monthly incomes. Yet there is no discussion about the impact of social housing on household incomes and the potential for families to make savings. Recognising the risk of downward raiding, i.e. the occupation of cheaper units by better-off households, the policy prescribes a maximum income limit, which should be escalated each year according to inflation. A minimum of 30% of all units in a project must be provided to the primary market, which

currently covers households with incomes between R1500 and R7500. The other 70% can be occupied by households with incomes between R7500 and R15000. The policy suggests periodic surveys to assess whether household incomes are in line with the units occupied, and proposes remedial action if necessary. However, this does not happen in practice, at least from our own experience, because social housing providers are more concerned with retaining tenants than with replacing those whose incomes have risen with poorer tenants. The policy acknowledges the need to raise rentals regularly to maintain financial sustainability of projects and accepts evictions as a necessary response to non-payment. It suggests charging higher rents at the outset and then raising them at a more gradual rate to mitigate the risk of evictions. The policy does not mention utility costs or other monthly charges that often inflate the price of accommodation more than rentals.

Social housing could contribute to social mobility through the support services offered by SHIs, although the provision of these services is optional rather than obligatory. First, the policy suggests that these services could have important stabilizing effects both for tenants and their neighbourhoods. They could:

> "contribute towards providing a sense of belonging and security among residents, stabilize the household members, and builds on efforts to help residents take on leadership roles and new responsibilities within the larger community" (DHS, 2015: 8).

Second, there could be important economic benefits if these services help to "reconnect the residents with resources in the city and region with resultant integration and market effects from the creation of well-functioning neighbourhoods" (ibid). The impact of these services on social mobility will then depend on the specific project and social housing institution. The policy envisions support for skills transfer and empowerment through education, training and information sharing although there is little detail about the targeted level of services or how they could ultimately benefit households.

The policy also expects some economic benefits to flow to low-income communities in the construction, management and maintenance of social housing projects themselves, although there is little mention about how this should take place. For instance, social housing could support economic development by creating business opportunities for local entrepreneurs operating in construction and maintenance, among other sectors.

A key justification of the higher costs of social housing in comparison to other state-subsidised housing instruments is that the programme is based upon rentals rather than private ownership and is able therefore to reach multiple households over the investment lifecycle. The policy argues that "horizontal equity is served by retaining the stock produced for the long term advantage of the poor and not transferring the benefit of ownership to individual occupants" (DHS, 2004: 41). For the locational benefits of affordable accommodation to accrue to several generations, social housing must be kept in public or collective ownership. The policy insists that the rental stock cannot be transferred to individuals, except in certain circumstances. This long-term perspective means that the policy stresses the need for high quality finishes for housing units to sustain their use over 20 years or more. The SHRA's State of the Sector Report for 2016 highlights the intergenerational value of social housing:

"While it is almost impossible to measure the fiscal benefits empirically, the social housing programme contributes to breaking intergenerational poverty, promotes social mobility and increased incomes – resulting in higher tax contributions to the fiscus. These advantages are transmitted to the next generation" (SHRA, 2016, p. 92).

In sum, although social housing policy is not couched in the language of upward mobility for its beneficiaries, its content and objectives recognize this goal implicitly. Yet, the lack of explicit recognition in the policy and regulatory framework risks subordinating this goal below other priorities. The policy targets a wide range of household types and suggests various functions for social housing. The specific mechanisms whereby social mobility could be achieved are not discussed. The risks of downward mobility (evictions, gentrification) are recognised, but again there are no details for how to minimise them. Perhaps most important, social mobility is absent in sector-wide monitoring frameworks. Because house-hold outcomes are not assessed systematically, performance depends on the commit-ment shown by individual social housing projects. The next section discusses available evidence from the sector.

2.2   Sector achievements

Social mobility has not been evaluated systematically by either SHIs or the SHRA. SHIs sometimes report about their initiatives on their websites, in public workshops or through popular media. Madulammoho, for example, mentioned in a workshop organized by NASHO on community development that they assist their tenants to move up the housing ladder through their support programmes. According to their CEO, they have helped a number of tenants to do so, with "one tenant even making it from shelter to social housing" (NASHO, 2012, p. 5). The reverse also applies. Madulammoho periodically has tenants whose econo-mic circumstances deteriorate. They are allowed or even encouraged to move into smaller and cheaper housing units.

The annual SHRA State of the Sector Reports increasingly recognize the importance of upward mobility to social housing. Yet, they also acknowledge the dearth of information about this:

"not only does social housing provide great value for money but also that it fac-ilitates movement up the housing ladder to ownership. Unfortunately, however, there is no empirical basis to credibly draw such conclusions" (SHRA, 2016: 97).

According to a recent Department of Planning, Monitoring and Evaluation (DPME) assess-ment of the social housing programme, key social housing institutions agree that on average five households occupy a social housing unit over a period of 20 years. A well-managed housing project should last longer than this, which would mean that more than five households benefit over the full lifespan (DPME, 2016, p. 24). Currently, there is very little knowledge of where tenants move to when they leave, and whether they move up or down the housing ladder. In 2016, the SHRA began to encourage SHIs to administer exit interviews in order to assess the housing and economic pathways of beneficiaries. (We analysis this data as provided by a prominent Social Housing Institution later in the paper).

In order to support upward mobility, the SHRA recommends linking qualifying households to the Finance Linked Individual Subsidy Programme (FLISP).

> "As the social and economic circumstances of tenants may improve, it is proposed that mechanisms are put in place to encourage qualifying households to move from social housing to private rental units, especially in mixed market rental models. For those households seeking ownership, the Finance Linked Individual Subsidy Programme (FLISP) should be promoted for upward mobility in the housing market" (SHRA, 2017, p. 15).

However, SHRA acknowledges the severe limitations of the FLISP subsidy, which have greatly hampered its success. Reasons for underperformance are cited as: the sluggish performance of the economy; high inflation eroding disposable incomes, and over-indebtedness of consumers (SHRA, 2017, p. 104).

In recognition of the limited evidence of the impact of social housing, in 2019 the SHRA commissioned Genesis Analytics to undertake a study aimed at understanding outcomes at the level of the city, community and tenant. The study was useful in developing an expanded theory of change setting out the pathways through which social housing might achieve the wider policy objectives. It then proceeded to evaluate evidence on 10 case study projects that included a large-scale survey of tenants.

The study was generally positive about the likely impact of social housing on tenant-level outcomes, although it had important methodological limitations (we clarify and reinterpret some of the findings in section 5). Genesis concluded that tenants experienced a significant improvement across the following domains: employment, health, education and safety. However, they also acknowledged the study's inherent limitations:

> "...these impacts are contextual and largely dependent on the specific social housing project's location. Moreover, it must be noted that social housing cannot provide a panacea for all social and economic difficulties and issues and in some instances, the contribution from social housing to certain outcomes, such as health, employment and income will be limited in the short-run. That being said, there is potential for long-run changes to occur in these, and potentially even intergenerational impact resulting from social housing." (Genesis Analytics, 2019: 5)

We believe that there are serious drawbacks in the Genesis analysis of the employment and education outcomes, which are central to upward mobility.

To conclude this section, upward mobility is increasingly recognized as an important objective in social housing. However, there is a need for more robust and systematic evidence about how well individual projects and the sector as a whole is performing in this respect.

3. Data

3.1 SHRA 2019 tenant impact study

The tenant survey conducted by Genesis Analytics in 2019 forms the backbone of our own investigation into socio-economic outcomes. The survey gathered responses on a sample of 1,636 leaseholders (tenants) from 10 social housing projects across three provinces (KwaZulu-Natal, Western Cape and Gauteng) and in four metros (eThekwini, Cape Town, Johannesburg and Tshwane). The tenant response rates were fairly high with roughly 40% of leaseholders from each of the ten projects having completed the survey. Therefore, the data is robust at the project level although it was never intended to be representative nationally.

Our analysis of the Genesis data is novel in a number of respects. First, we look for patterns between household outcomes and the desirability of the location of each of the project sites. The linkages between location and upward mobility are crucial to the way policy objectives are framed and therefore warrant much deeper interrogation. Although the Genesis study was not designed to do this, we believe that variation in location types across the 10 project case studies provides scope for some preliminary insights.

Table 1 provides a summary of the locational setting for each project with a crude ranking of the location desirability (in terms of proximity to the core). Assigning scores to location types is obviously subjective. Therefore, we report our findings at the project level so that readers can come to their own conclusions. We also provide an appendix with maps of sample project locations as well as a spread of other social housing projects in each city.

Table 1. Projects and location in Genesis sample
Source: authors' own

Project	Metro	Typology	Location Rank
BG Alexander	Johannesburg	Inner core: CBD	1
City Deep	Johannesburg	Inner core: industrial, greyzone	1
Tau Village	Tshwane	Inner core: CBD	1
Thembelihle	Tshwane	Inner core: CBD	1
Roodepoort	Johannesburg	Inner suburb: secondary urban node	2
Belhar	Cape Town	Inner suburb: secondary industrial node; university suburb	2
Lakehaven	eThekwini	Outer suburb: residential	3
Valley View	eThekwini	Outer suburb: residential	3
Avoca Hills	eThekwini	Outer suburb: residential	3
Scottsdene	Cape Town	Outer suburb: residential	3

Second, we undertake a multivariate regression analysis of the correlates of income mobility or life satisfaction of tenants. The regression analysis helps us to identify patterns in a more systematic manner – as a complement to our descriptive analysis. We are particularly interested in understanding what might cause tenants to report more favourable outcomes and whether location is related to this at all.

Third, we make use of data on the place of previous residence to create a geo-coded database in order to understand where people had moved from and in order to contrast living conditions between their current and former place of residence. If the positive outcomes of social housing on tenants is premised on individuals moving from 'worse' to 'better' neighbourhoods then this is a critical element to explore.

A technical issue which emerged was where individuals had indicated that their previous residence was at the SHIP (Social Housing Institution Project). This is probably where individuals had moved to a different unit in order to 'right size' (i.e. change to a bigger or smaller unit depending on their family needs), which seems to be fairly common in our discussions with managers from SHIs. These cases were excluded in order to avoid any downward bias in the distance moved. In total, we managed to successfully geo-code a large proportion (91%) of the original sample meaning that the results should be reasonably representative of each project population.

Finally, we reassess some of the findings of the Genesis report based on our own analysis of the data. We find that in some instances the evidence is far more ambiguous once the limitations of the survey tool are better understood. We also evaluate responses to some previously unexplored parts of the survey. We are careful to point out where we offer an alternative interpretation to the original Genesis study.

3.2 Madulammoho data

We also draw on data provided by Madulammoho SHI that offers basic descriptive information on four of their social projects: Fleurhof Views and BG Alexander in Johannesburg and Scottsdene and Belhar in Cape Town. Three of these projects were selected as case studies in the Genesis survey, which also provides us with a useful quality check.

A weakness of the Madulammoho data is that information on household income is not up-to-date (it was collected when the lease started) whilst household size can only be inferred from the size of the unit. Hence, we offer a fairly crude assessment of the socio-economic status of Madulammoho residents.

Madulammoho also provided information on tenant turnover and exits for the period Nov 2019 – Feb 2020 covering their full suite of ten projects and including reasons why tenants left their homes. To our knowledge, this is a completely unexplored dimension of the social programme, but potentially very useful in evaluating whether the programme is successful in promoting upward mobility for its tenants. In other words, the Mudulammoho data offers insights into whether people move out for positive reasons such as homeownership or negative reasons such as unaffordability or job loss.

4. Evidence: the impact on households

4.1 Spatial transformation

The history of racial segregation in South Africa means that many poor and previously disadvantaged individuals continue to live on the outskirts of cities with poor access to services and long commutes to economic opportunities. Social housing has the potential to contribute to racial integration and economic mobility by bringing poorer individuals into formerly 'white' suburbs located within the urban core. Spatial transformation is a core objective of the social housing policy although this has not been evaluated at the level of the household.

For policy to translate through to reality – as experienced in the daily lives of beneficiaries – the social housing programme needs to i) target previously disadvantaged individuals living on the peripheries ii) and move them to projects in well-located areas (i.e. in close proximity to jobs and amenities). Up until now these assumptions have been untested even though the practical implementation of the social housing programme is critically dependent upon them. The Genesis study included both steps within its 'impact pathways' although failed to interrogate them (see figure 1).

Figure 1. Policy and Strategy Impact Pathway (Genesis Study)
Source: Genesis Analytics (2019)
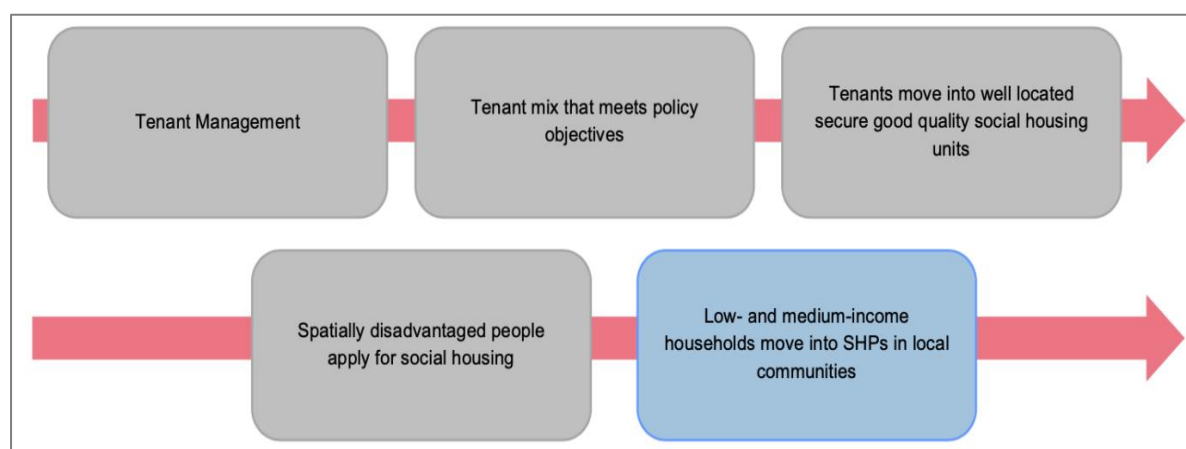
We show that there are problems with both assumptions about where people lived prior to moving to social housing and where they end up being moved to:

Table 2. Geo-coding of distance moved from previous residence
Source: SHRA 2019 impact study database; n = 1,495

	eThekwini			Cape Town		Johannesburg			Tshwane	
	Avoca Hills	Lake-haven	Valley View	Belhar	Scotts-dene	BG Alex-ander	City deep	Roode-poort	Tau Village	Thembelihle Village
Median (km)	4.35	8.11	7.38	4.83	2.19	1.27	4.83	7.02	2.69	2.85
0 - 2 km	3.9%	2.0%	3.9%	24.3%	32.3%	71.0%	3.6%	30.4%	41.0%	36.0%
2 - 5 km	46.8%	27.5%	24.3%	29.5%	42.2%	0.0%	46.7%	9.9%	16.4%	26.7%
5-10 km	15.8%	27.5%	55.3%	25.7%	3.1%	4.3%	5.9%	22.2%	3.3%	5.3%
10km+	33.5%	43.0%	16.5%	20.5%	22.4%	24.7%	43.8%	37.4%	39.3%	32.0%

Table 2 shows the results from geo-coding of beneficiaries' previous place of residence. The table clearly shows that most of residents did not move very far (usually less than 5km) to take up residence at their SHIP although there is a fair amount of variation in each case. The clear implication is that SHIs are not using previous place of residence as an important criterion in tenant selection, either to favour households living in peripheral locations or to favour households from the immediate locality. This is surprising considering the objective of social housing policy.

BG Alexander had as many as 70% of its residents moving to social housing within the same neighbourhood (less than 2 kilometres). This no doubt reflects the shortage of affordable accommodation within inner city of Johannesburg. Tau Village and Thembelihle similarly faced high levels of demand from locals already living within the Pretoria CBD. However, some projects in more remote locations, like Belhar and Scottsdene also had a significant number of people moving from within the local neighbourhood. Insights from key informant interviews suggest that SHIs are often pressurised by local politicians to take on beneficiaries from within the local community.

Overall, the fact that a large proportion of the beneficiaries were in fact living in roughly the same neighbourhood before moving to the SHIP appears to contradict the theory of change. It essentially means that looking for casual links between social housing and the objectives of spatial transformation – such as creating greater levels of racial diversity or providing access to economic opportunities and local amenities or raising spending in the local area – is misplaced. However, even if social housing did not draw many people from far off into the neighbourhood, it can still reflect or support wider processes of societal change. For instance, urban decay within most South African CBDs over the past two decades has resulted in many poorer households moving into the inner city. Helping to create decent accommodation for poorer individuals is transformative even if these house-holds had already managed to gain a foothold in the area. In a similar way, social housing which benefits local shack-dwellers in a well-located suburb would support spatial trans-formation – even if poorer families were already living in the area.

The choice of location for social housing is perhaps more foundational to the pursuit of spatial outcomes – even if we acknowledge that social housing may not have brought previously disadvantaged individuals into the area. This brings us to the second assumption: that individuals move to projects in 'well-located' areas.

Our first report included a review of the location of social housing projects using a fairly extensive database of projects across the country. We found that many social housing projects were far from the inner city and even located in former townships on the peripheries. This discrepancy raises questions for the longer-term rationale of social housing. The 10 project case studies from our tenant survey reflect the same variation in location types (refer back to our location ranking in table 1 and maps of the location of each project in the appendix).

Figure 2. Average racial mix of previous neighbourhood and SH project
Source: SHRA 2019 impact study database; Census 2011
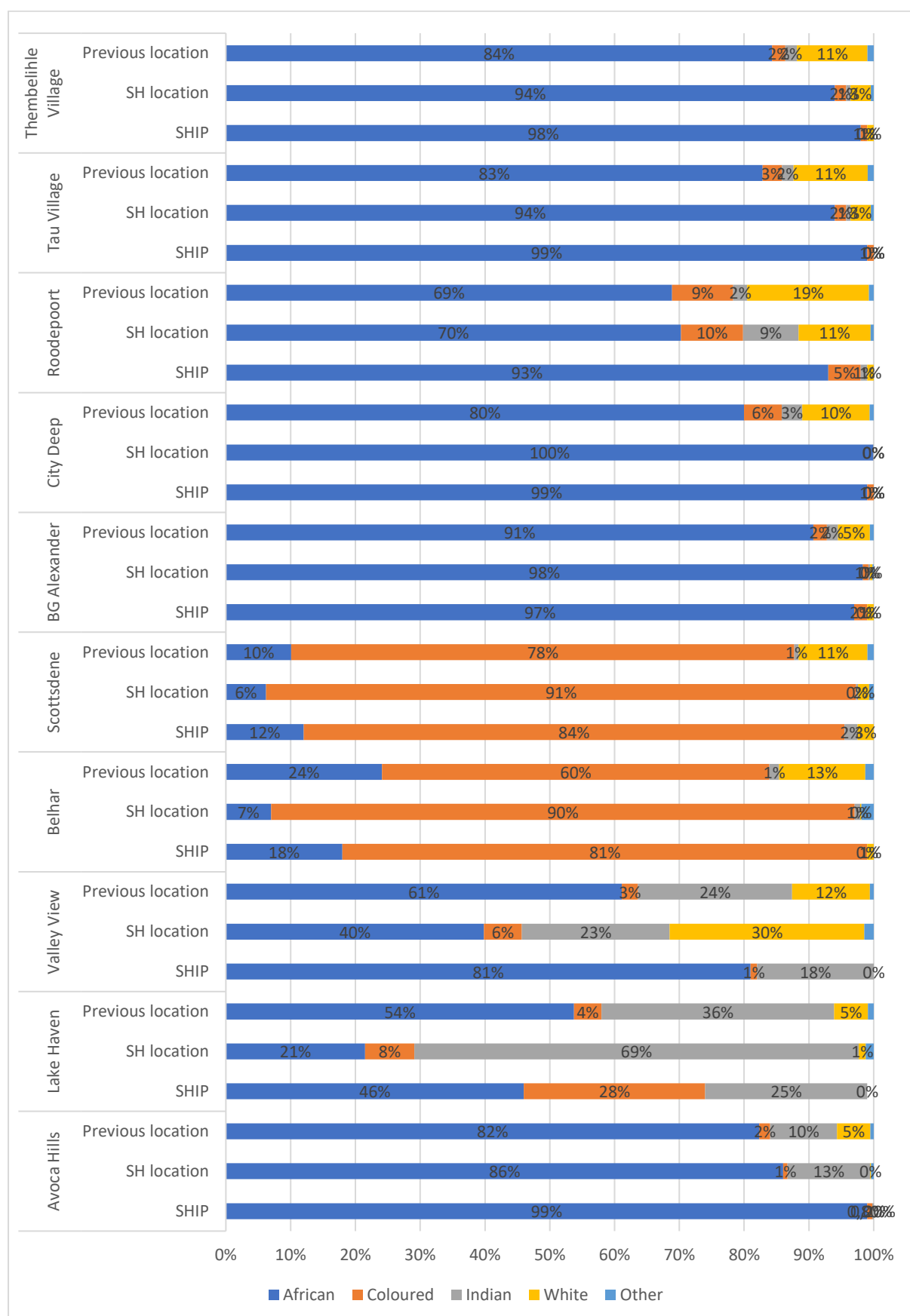
BG Alexander (Johannesburg CBD), Tau Village and Thembelihle (both Pretoria CBD) are good examples of projects located in areas well-suited to social housing. City Deep is also situated close to the Johannesburg CBD although is technically located in a former industrial area and could be considered a form of greyzone development. Roodepoort and Belhar are situated in secondary urban nodes and also appear to be reasonable locations for promoting spatial transformation. The remaining four projects are located in areas which seem harder to justify. The three projects in eThekwini (Avoca Hills, Valley View and Lakehaven) are each in regions which could be classified as residential 'outer suburbs'. Similarly, Scottsdene is located in Kraaifontein which is on the outskirts of Cape Town and far from most commercial activity.

The choice of project location has obvious implications for the racial profile of each neighbourhood and the ability of social housing to contribute towards racial diversity.

Figure 2 looks at the racial mix of the project, neighbourhood (based on sub-place data from the Census) and neighbourhood of previous residence. There is a striking resemblance between the racial mix of tenants within the SHIP, the wider neighbourhood and the neighbourhood from which individuals had moved. Locating social housing projects in racially-mixed neighbourhoods or creating racial diversity within social housing projects is clearly not a major objective of these projects.

The tenant mix of the projects themselves was usually fairly homogenous and closely linked to the local context. There were few white households in any of the projects – this is perhaps unsurprising considering that white households are a minority and relatively affluent population group. A more telling sign is the racial profile of the neighbourhood.

Only Valley View, located in Hillary, was located in a genuinely mixed neighbourhood. This may be because of its position that falls somewhere between eThekwini's inner core and periphery with Cato Manor to the North (former black area), Umbilo to the East (former White area) and Chatsworth to the South (former Indian area). Added to this, is that a fair share of the tenants of Valley View moved a considerable distance to the social housing project (see table 1) and had moved from neighbourhoods that were almost two-thirds (61%) African.

Lakehaven (also in eThekwini) is also interesting as a case of increased diversity between Indian and Black communities. The racial profile of the SHIP was 46% African, 28% Coloured and 25% Indian whilst the local neighbourhood (Newlands East) was largely Indian (69%). Noteworthy is that none of the 10 projects were located in predominately White affluent neighbourhoods. The CBD's of Johannesburg and Pretoria have long since transformed and are now predominately African.

Our previous report which examined the location of social housing projects would suggest that these 10 case studies are broadly reflective of the general spread of social housing projects in South Africa. In reality, there have been few examples of social housing located in affluent, former white neighbourhoods. The price of land is an obvious barrier and would need stronger support from local government to make this feasible.

The Genesis study also looked into the racial profile of the 10 case study SHIPs although they based their analysis on ward level data rather than on more granular sub-places. This meant that their findings were problematic because ward level data is arguably too large to effectively evaluate the racial diversity of neighbourhoods (it would include too many different neighbourhood types). The Genesis study reported that "the wards in which a large number of the projects are located are racially integrated" and even concluded that "social housing is a contributor to social restructuring, particularly at the neighbourhood level by ensuring a racial tenant mix, with the exception of a few cases". These claims are difficult to substantiate – with the possible exception of Valley View (mixed across all races) and Lakehaven (Indian/African mix). Our finer-grained analysis suggests that social housing is not making the contribution to racial integration that was originally anticipated.

4.2 Social transformation

Social housing is intended to support vulnerable groups and even promote upward mobility. Reaching those in need largely comes down to the criteria for tenant selection as set out by the SHRA (see table 3). The social housing programme is based upon a model which targets low to middle income households who do not qualify for free housing (i.e. BNG housing) but would also find it difficult to qualify for a commercial mortgage.

The primary target market are households earning between R1,500 – R5,500 per month. These income levels are very low considering that the national minimum wage in South Africa is around R3,350 per month (R20 per hour, depending on the sector). The secondary target market earns between R5,500 and R15,000 per month which is still fairly low if divided between a household of 3 or 4 persons. There is some cross-subsidisation between the primary (low-income) and secondary (middle-income) target markets because rent levels are higher in absolute terms and as a proportion of income as individual incomes increase.

Table 3. Social Housing Rent Setting
Source: Madulammoho, 2020

Rent Setting (Current)		SHRA Recommended Spread	Rent Quote (% of income)	
Lower Band	**Upper band**	**Income Spread**	**Lower Band**	**Upper Band**
a. Primary Target Market Units				
R1 500	R3 500	10%	R375 (25%)	R875 (25%)
R3 501	R5 500	20%	R945 (27%)	R1 485 (27%)
b. Secondary Target Market Units				
R5 501	R7 700	20%	R1 760 (32%)	R2 464 (32%)
R7 701	R11 300	20%	R2 695 (35%)	R3 955 (35%)
R11 301	R15 000	30%	R4 181 (37%)	R5 550 (37%)

Figure 3. Distribution of income per capita (Rands per month)
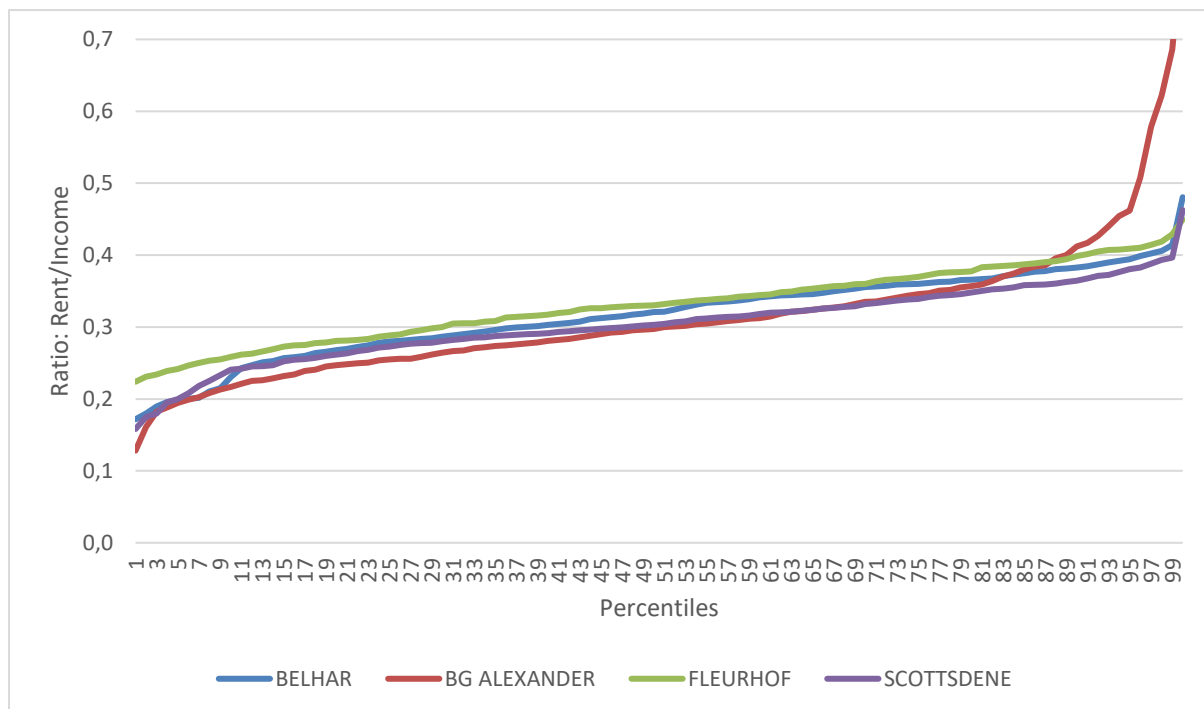Source: Madulammoho, 2020
Notes: historic income data adjusted for inflation; household size based upon unit size
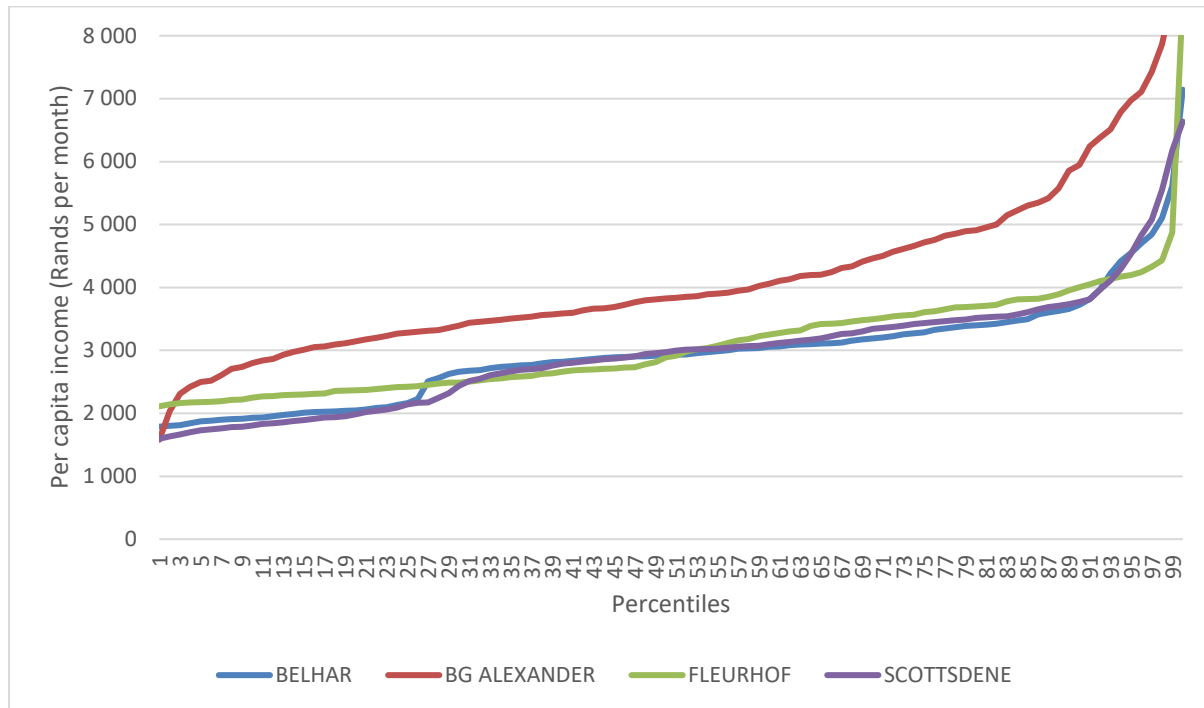
Figure 4. Distribution of rent/income ratio
Source: Madulammoho, 2020
Notes: historic income data adjusted for inflation; rent in current prices

Rent levels for social housing seem to be very competitive in comparison to the private rental market although this obviously depends on the location. For instance, a one bedroom flat in a multi-storey apartment block in Delft (a township in Cape Town) is on average between R1400 and maximum of R3500 per month (Peterson et al, 2020). This is for the informal rental market in Delft and prices would be even higher in most formal rental markets. Our interviews with SHI's suggest that there are generally long waiting lists which reinforces our impression of strong demand.

Figure 3 shows the spread of incomes of tenants renting within a selection of projects managed by Madulammoho SHI. Estimates of monthly per capita income are based upon assumptions about household size (related to unit size) and inflation (based upon Statistics South Africa's Consumer Price Index excluding housing prices). Hence, we are discounting the possibility that households experienced either substantive increases or decreases to their income that were out of step with inflation (such as through job loss/gain, promotion/demotion). The evidence for upward mobility is the focus of the next section. The figure here provides a static view of the income status of households upon entry into the programme.

The figure shows that 25% of households had a per capita income of less than R2,500 per month. This is only slightly above the poverty line of R1,427 which is based upon a cost of basic needs methodology (see Budlender et al, 2015). Incomes remain relatively flat over most of the sample and were below R4,000 per person per month up until the 90th percentile. The exception is BG Alexander which generally had higher levels of per capita income at all levels. Closer inspection of the data suggests that this result is somewhat artificial. Households in BG Alexander actually had similar income levels to other projects but there were a greater number of single/communal bedroom units (i.e. one-person households) which skewed the per capita income distribution upwards.[2]

Figure 4 shows how rentals levels compare with household incomes across the Madulammoho sample. Rentals are a significant proportion of monthly household income and generally range between 20% to 40% of monthly income (which matches up with the rent setting regulations from the SHRA in table 3). Rent should be affordable for most households (rule of thumb is 30% of income) although there may be a few exceptions at the tail of the distribution.[3] Some households might be able to afford higher rentals if they save on transport costs by moving closer to their place of work. For the majority of households, rent remains a major cost item despite being partially subsidised by the state.

Another aspect of the affordability of housing is the relative cost of basic utilities. Figure 5 shows what proportion of tenants believed that their electricity and water bill was affordable. Water was generally perceived to be affordable with the exception of a minority of tenants in Thembelihle and BG Alexander (35-40%). The cost of electricity was more of a concern, although only in one project (Roodepoort) was electricity considered unaffordable

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[2] The impact of household size and composition on the measurement of income poverty is discussed at length within the international literature (Deaton, 2003). Households incur fixed costs which means they can economise on demand as more persons are added. They also face different needs depending on their family composition (i.e. ratio of children to adults). Equivalence scales adjust for such differences in the measurement of poverty but are not always applied in practice due to their added complexity.

[3] High rent to income ratios could be because households have recently lost an income stream or otherwise due to some data discrepancies in the sample.

by a majority of tenants. There was considerable variation in the cost of electricity for tenants across projects which may reflect the extent to which some municipalities offered concessions for certain projects. There appears to be a need for the SHRA to play a greater role in promoting awareness amongst local authorities about potentially supporting SHIs with rates and utilities discounts.

Overall, the picture which emerges is that social housing was well targeted towards low-income households. Rentals appear to have been set appropriately although the average household was still spending about 30% on rent and some as much as 40%. The design of the programme meant that households falling within the secondary market (R5,500 – R15,000) subsidised those in the primary market (R1,500 – R5,500) but neither market segment were particularly well-off.

Figure 5. Affordability of utilities
Source: SHRA 2019 impact study database
Notes: Survey question: Can you afford your monthly electricity/water bill?
Sample: n=1636 households (full sample)
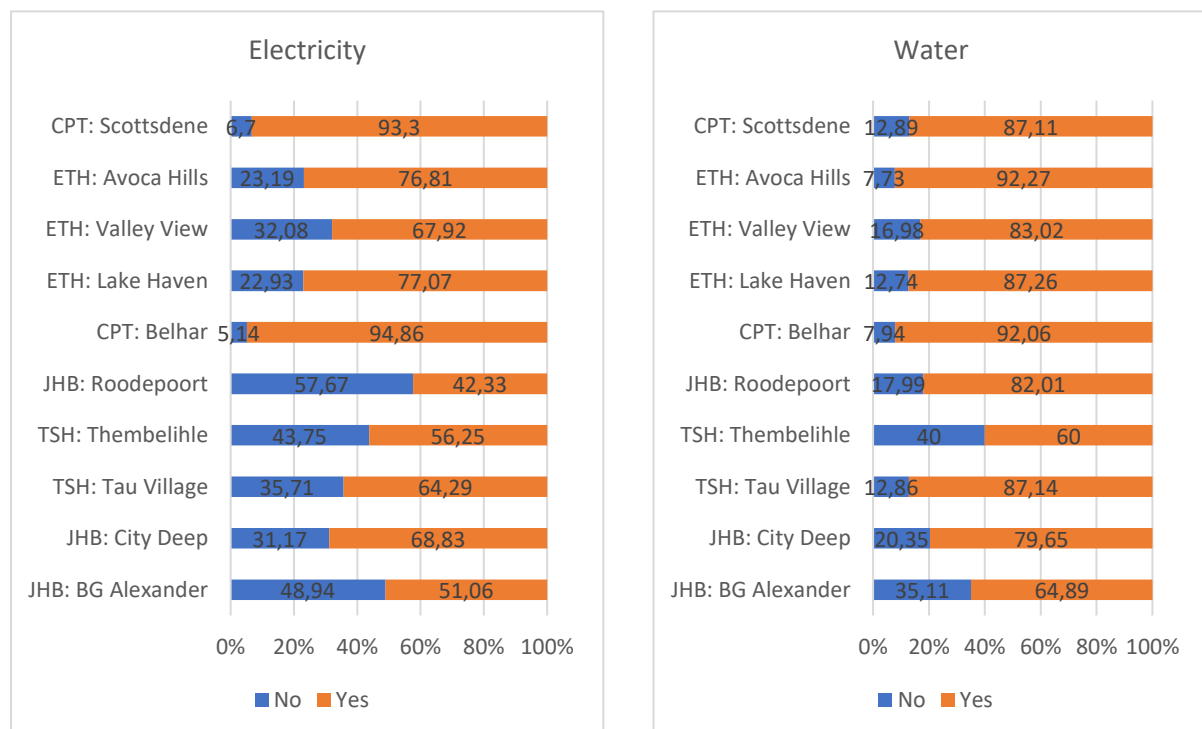
The implication is that SHIs have to work within tight margins where affordability is a challenge for both tenants and SHIs. The focused targeting of low-income households is commendable but may also be a threat to the financial viability and sustainability of SHIs. Anecdotal evidence indicates that SHIs make a loss from their lowest income units because the rentals do not even cover the costs of routine maintenance and management. The risk for the programme is that social housing projects may fall into disrepair and households end up receiving inconsistent and sub-standard services. There may be a case for the SHRA to relax some of their rules regarding quotas and income bands shown in table 3 and to allow SHIs to accommodate an additional tier of middle-income households to help cross-subsidise the others.

4.3 Social mobility

Social housing in South Africa has always been intended to achieve more than just provide additional housing stock. The explicit policy objectives – to address structural, economic, social and spatial distortions – make this clear. The higher costs compared with RDP/BNG housing are justified on the basis of these broader goals. The objectives imply that households are provided with the foundation to get ahead and prosper. Yet the extent to which households actually experience upward mobility is not systematically assessed by the SHRA and has not been adequately explored by SHIs or independent observers either.

There are four different ways in which households might experience a change in their life chances. The first is through a once-off improvement in their living circumstances. For example, households moving into social housing might experience an increase in their disposable income because they are now spending less on rent or less on transport (if they have moved closer to work and school) or have more options for public transport. Households could also receive non-financial benefits when moving into social housing, such as through access to higher-quality healthcare, schooling or recreational facilities in the area.

Second, households might experience mobility through a cumulative improvement in their life chances. This is more than just a step up in conditions when entering social housing. Upward mobility can be ongoing in the sense that households manage to position themselves on a new trajectory because they become more productive and start to save and invest. The end result could be leaving social housing if they can afford to buy their own home. For instance, moving into social housing could lead to improved access to education or training opportunities which in turn end in promotion at work. Some SHIs offer services such as job counselling, skills training or education to tenants.

Third, households might experience upward mobility through the cumulative impact upon their family (inter-generational mobility). The full benefits of social housing may take a long time to be realised, but they could be very important if children are given access to a safe place to grow up, with better healthcare, nutrition and formal education. This aspect of mobility is the most difficult to capture because of the time horizon and methodological complexity, yet its contribution to society should not be discounted.

Fourth, social housing can affect mobility if households are protected from negative shocks or entering a downward spiral. A temporary income shock (e.g. from job loss) could have a lasting impact if people's health, well-being and motivation deteriorate. Social housing could help to prevent households getting trapped in debt and ultimately evicted from their homes through careful advice and counselling. Protection against shocks could also create a more stable home environment for children and thereby impact on inter-generational mobility.

We are interested in all four aspects of social mobility, although severe limitations are imposed by the available data.

4.3.1 Income and work

Figure 6 presents evidence about how tenants themselves perceived their disposable incomes to have changed since moving into social housing. On the whole, tenants were usually positive (25 – 63%) or otherwise neutral (23 – 53%) about changes to their disposable income, with a minority of tenants indicating that their disposable income had declined (6 – 33%). However, the amount of variation between projects suggests that more is going on than we could account for.

Figure 6. Change in disposable income since moving to social housing
Source: SHRA 2019 impact study database
Notes: Survey question: How has your disposable income changed since moving into social housing? Sample: n=1,634
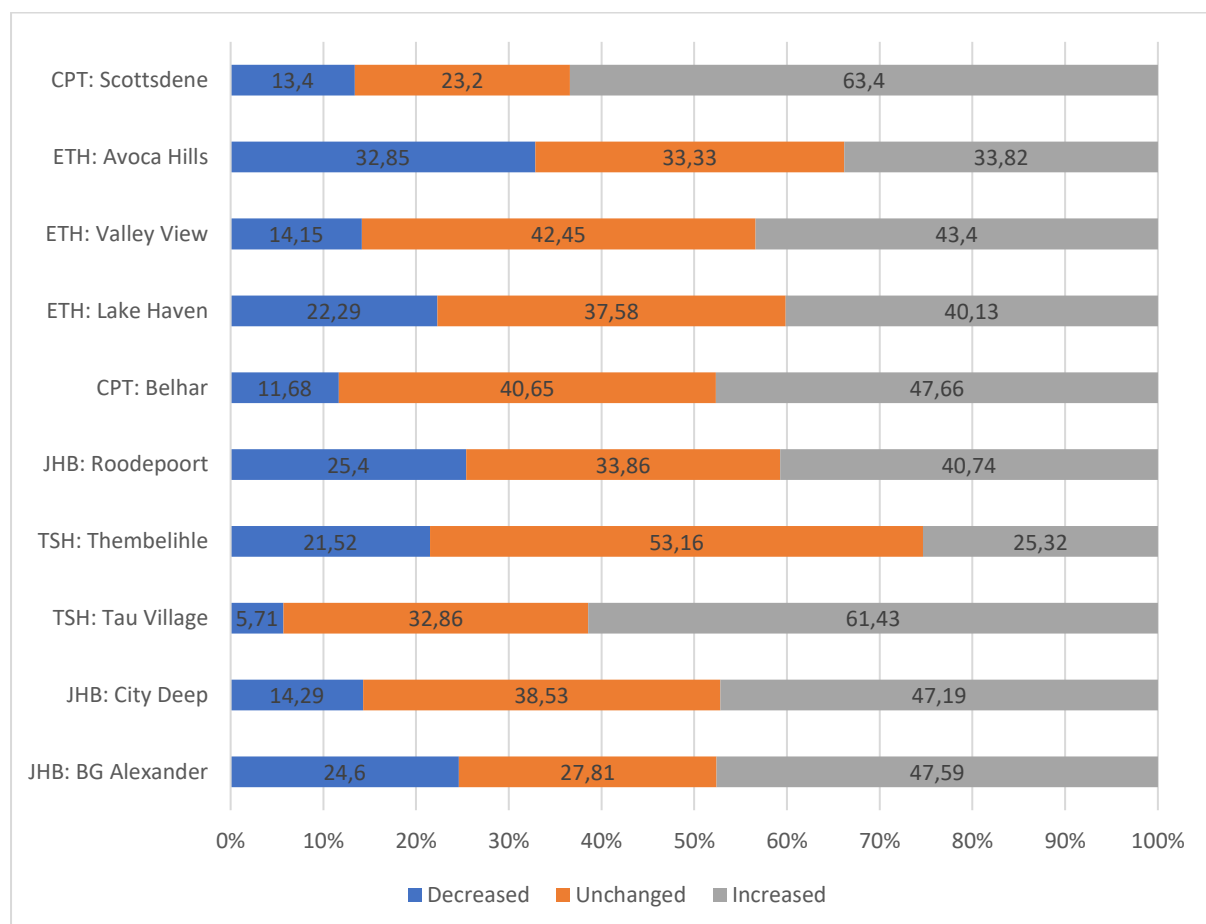
For instance, 62% of individuals living in Tau Village believed that their disposable income had increased compared to only 25% of respondents from Thembelihle (which is only a few kilometres away). Individuals living in Scottsdene were the most positive about their disposable income even though transport costs presumably would be higher for tenants living in this area. There seems to be no obvious link between the project location and whether or not tenants were positive about a change to their incomes.

The distance to the workplace would presumably be a key factor in determining whether tenants could save on transportation by moving to social housing. However, we already know from earlier evidence that a significant proportion of beneficiaries did not end up moving very far to take up residence, which would limit the impact of this potential benefit.

Figure 7 shows that the proximity to work varied widely across the projects. The majority (58%) of employed tenants in Belhar travelled over 15km to work, followed by 48% of employed tenants in Valley View. At the other end of the spectrum, only 17% of employed tenants in Thembelihle travelled over 15km to work. Projects in and around the CBD (BG Alexander, City Deep, Tau Village and Thembelihle) did appear to more favourable in the distances spent travelling to and from work.

Figure 7. Distance to workplace
Source: SHRA 2019 impact study database
Notes: Survey question: What is the distance from your complex
to resident # 's workplace? Sample: n=1926 persons
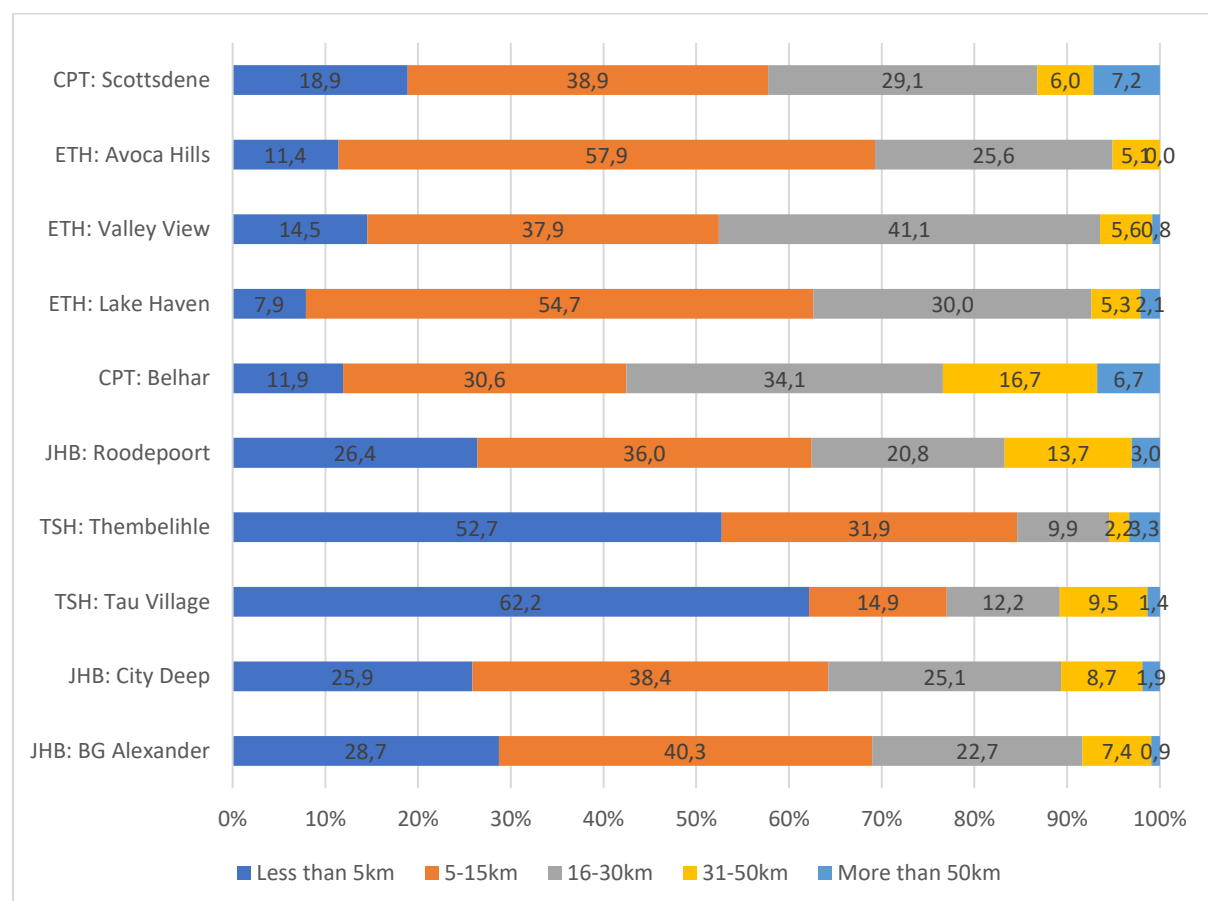
In summary, a move into social housing had a positive impact on disposable income for a significant share of households, although there were nearly as many who were neutral, and a minority share who were negative. In other words, the overall impact was positive but rather muted. A related issue is whether households experienced a deeper structural change to their economic circumstances through social housing.

An obvious channel for sustaining upward mobility is access to employment. The social housing programme requires that leaseholders hold a secure job so it would be misplaced to look at the rate of employment amongst leaseholders as a sign of progress. Yet there could be other adult household members who were previously unemployed that had improved their job status through social housing. This could have occurred if they were supported by job advice or training programmes or had better access to job vacancies in the surrounding area.

The Genesis study was interested in how social housing impacted on employment rates and reported a positive outcome. However, this finding is incorrect due to a flaw in the survey instrument where information on employment status was only partially collected.[4] This missing information makes it impossible to assess how employment might have changed for the full sample of adult residents comparing employment status before and after moving to social housing. Because of this, the Genesis study was mistaken to conclude that there was a "…22% increase in the number of adults in a household employed when compared to when they lived in their previous residences". The best one can do is to examine the current employment rate among tenants.

Figure 8. Rate of unemployment
Source: SHRA 2019 impact study database
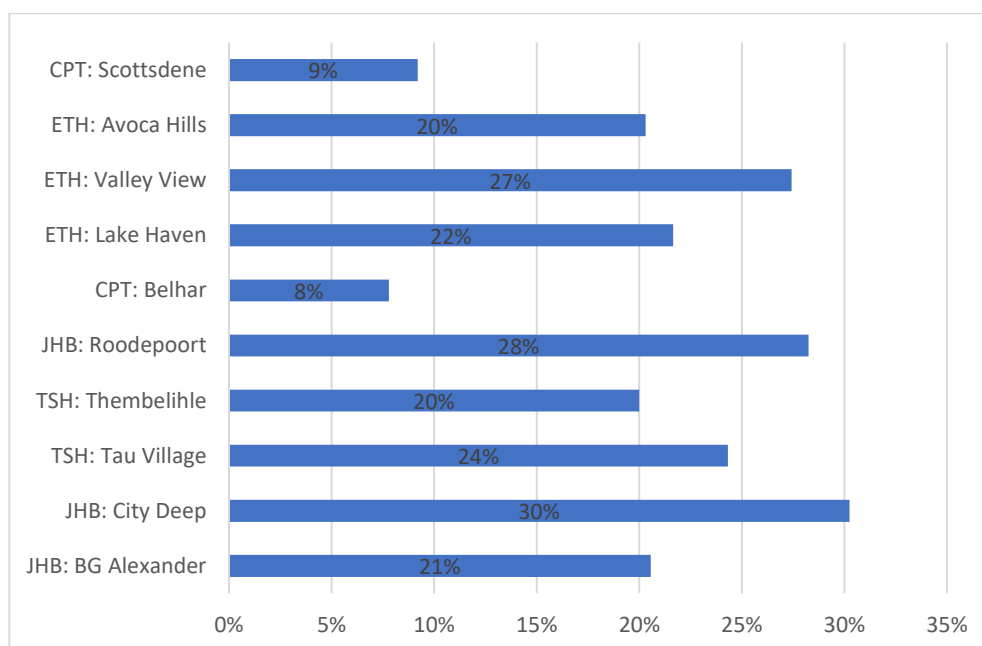Notes: Survey question: Derived Sample: n=2585 persons

Figure 8 shows the rate of unemployment for adult household members in each of the 10 projects. Unemployment was a problem in all of them, although no higher than the national unemployment rate of 29% in 2019 (StatsSA, 2020). Belhar and Scottsdene had the lowest unemployment at 8% and 9%, whilst City Deep and Roodepoort had the highest at 28% and

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[4] No data was collected on the employment status at the previous place of residence for people who were currently unemployed. These individuals might have remained unemployed since moving to social housing or they could have lost their job, but we don't have the data to determine what happened.

30%. From this limited evidence it does not appear that households experienced a significant improvement in their labour market position. The picture is incomplete (without knowing what unemployment was like before), but it does suggest that unemployment remained a challenge in many households. It is possible that unemployment actually increased for adult residents after moving into the social housing because SHIs favour recruiting people with jobs so that they can afford to pay the rent.

4.3.2 Education

Education is a critical mechanism for promoting economic mobility. Whilst the pay-off to higher education in South Africa is very large, it can take many years to complete. Similarly, a solid primary and secondary education is critical in laying the foundation for success later on, but it may take a generation to be realised. We do not have the necessary data to examine the long-term effect of social housing on education, but we can at least explore whether social housing is linked to higher educational investments which would hopefully lead to dividends in the long run.

Figure 9 shows the percentage of tenants who perceived that their children's grades improved since starting at their new school upon moving to social housing. At first glance, the results are overwhelmingly positive, with 63-88% of households reporting that their grades had improved and almost none reporting a decline (with the exception of Scottsdene). This encouraging finding was also highlighted in the Genesis study which reported that "tenants claim that their children have experienced improved educational outcomes".

Figure 9. Percentage with better grades
Source: SHRA 2019 impact study database
Notes: Survey Question: How have the children's marks changed since they started at the new school? Sample: n=162 households; no persons changed educational institution in Tau Village
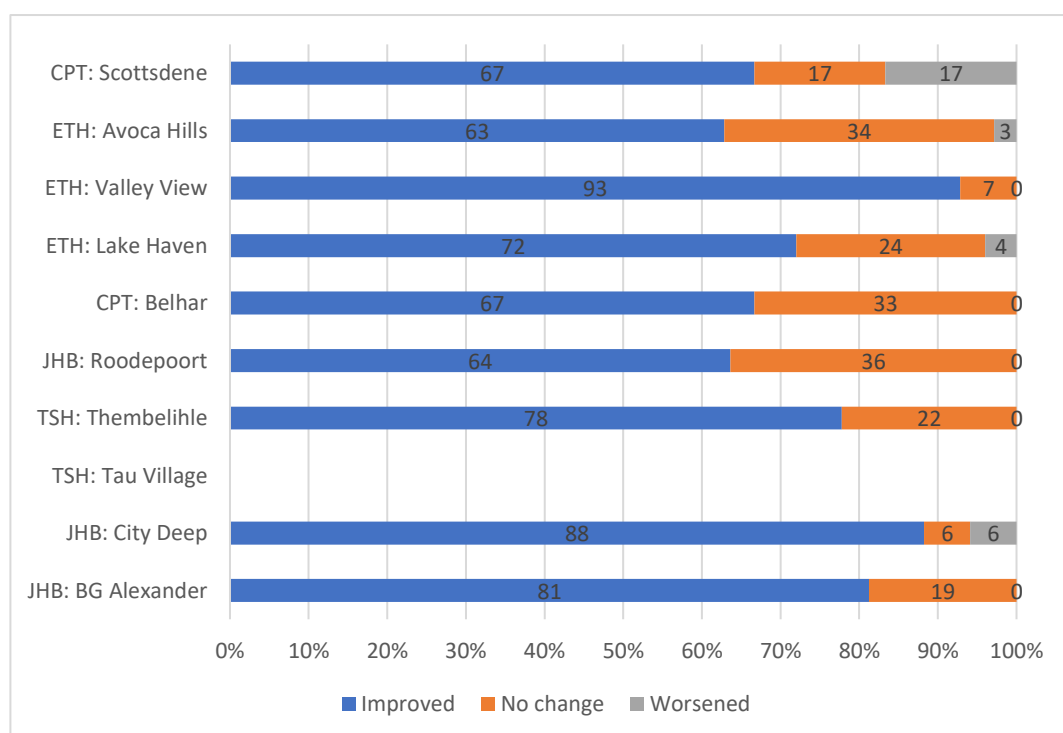
Figure 10. Percentage changed educational institution
Source: SHRA 2019 impact study database
Notes: Survey Question: Did any of the children of this household attend a different educational institution when you lived at your previous residence? Sample: n=694 households
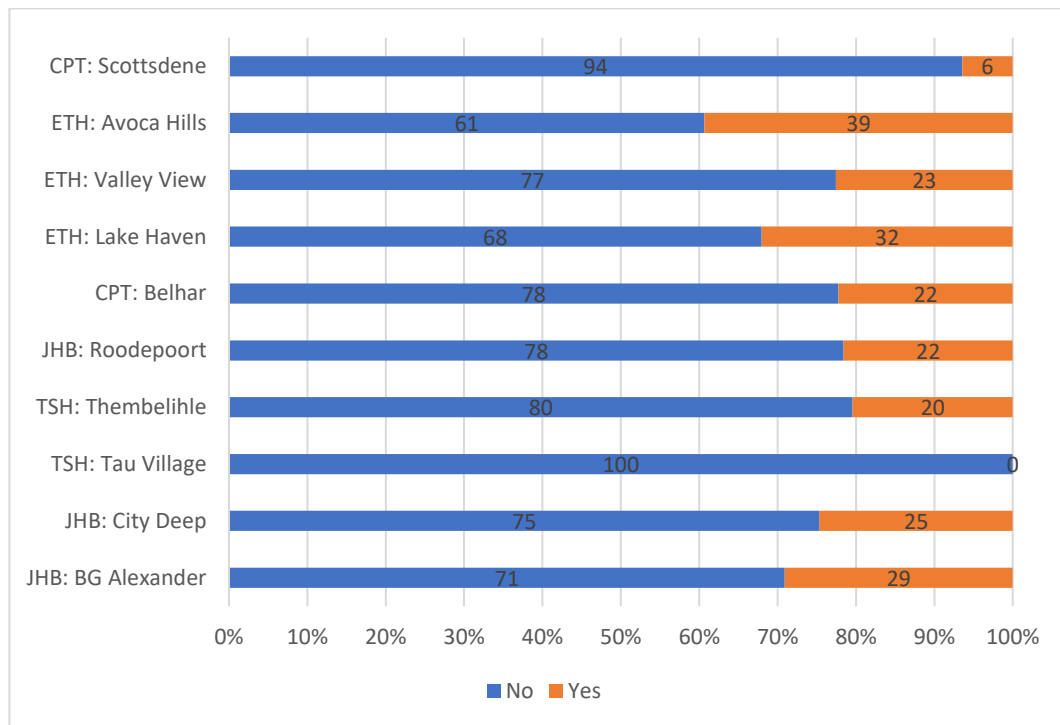
However, closer inspection of the data suggests that this conclusion is premature, and possibly biased. Figure 9 failed to take into account the fact that most children did not actually change schools upon moving into social housing (figure 10). For instance, in Scottsdene only 6% of children changed schools and in Tau Village there were none. This means that there was probably significant selection bias at work, which motivated these minority of parents to make a change to their children's schooling.

Most households with children ended up travelling fairly long distances to get to school each day (figure 11). Children in Belhar and Avoca Hills travelled the furthest. Children in BG Alexander and Thembelihle lived closest to their schools. The fact that most children did not change schools also seems to imply that access to schooling was never a primary motivation for choosing to move into social housing. The reasons as to why most learners did not change schools need further exploration.

Figure 11. Distance to current educational institution
Source: SHRA 2019 impact study database
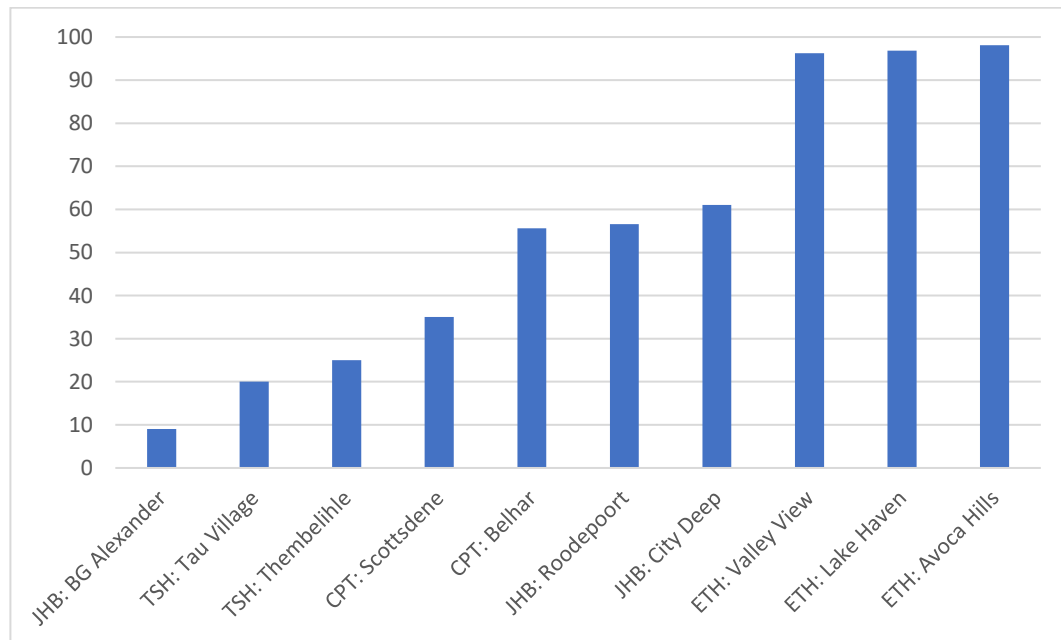Notes: Survey Question: What is the distance from your housing unit to this educational institution?
Sample: n=1225 households
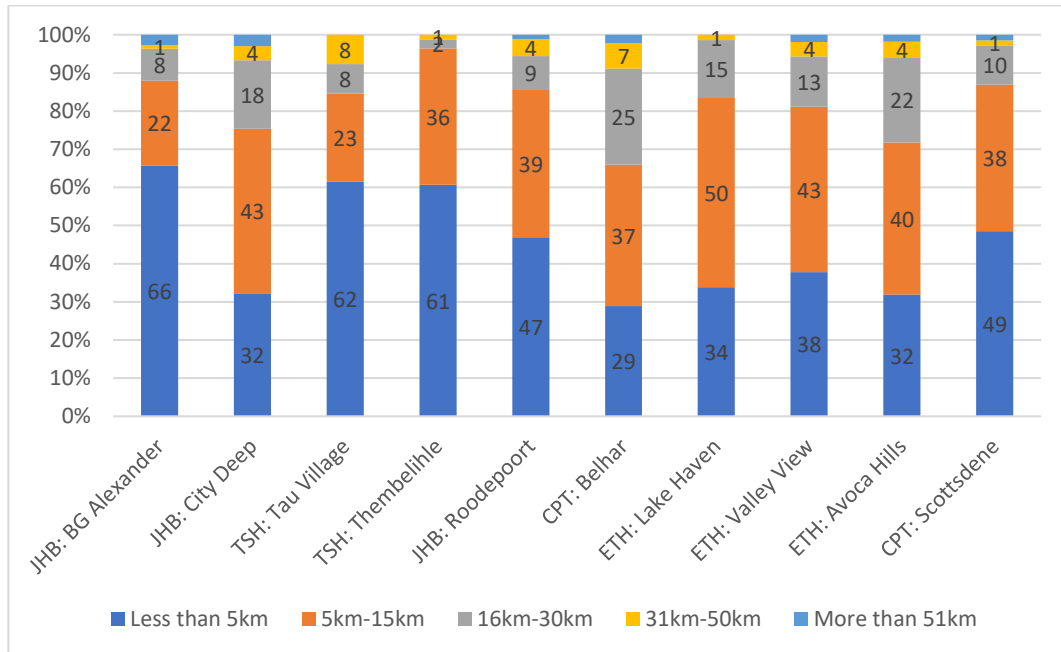
Figure 12. Awareness of a community development programme in complex
Source: SHRA 2019 impact study database
Notes: Survey question: Does this complex have a social development programme?

A last piece of evidence looks at how social housing contributed to education and capacity development in its broadest sense. Figure 12 shows the extent to which tenants were aware of any community development programme in their complex. Education and training were first on a long list of potential capacity building activities (including health services and sports activities).

Awareness of support services was very mixed, with very little awareness in some projects (like BG Alexander and Tau Village) and opinions from tenants elsewhere being fairly divided. The exception was projects located in eThekwini (i.e. Valley View, Lakehaven and Avoca Hills) which all showed high levels of awareness of community development services. The main message is that promoting personal development of tenants did not seem to be a priority in most social housing projects. The SHRA does not systematically monitor household outcomes, which may affect the incentive for SHIs to take on the additional costs involved in community development.

4.3.3 Living conditions

A clear channel through which social housing can improve the lives of beneficiaries is through the standard of housing and general living conditions. This is likely to be a strong once-off effect, although the cumulative impact of creating a more stable, comfortable and peaceful living environment could be much broader and longer-lasting.

Figure 13 shows the type of housing that people were living in before moving into social housing. A perhaps surprising finding is that a very small proportion of people were previously living in shacks. This is consistent with the fact that the people applying could not be in extreme poverty – they had to have a steady income to qualify. BG Alexander, Tau Village and Thembelihle stand out with most tenants previously living in an apartment block (59 – 64%). This makes sense considering that most of these tenants were already living within the inner city. In all other projects, most people were previously living in conventional housing. Many were probably living with family or relatives in overcrowded and inadequate conditions, although we don't have the data to prove this.

Improvements in safety and security were a benefit for most people moving into social housing. Figures 14 reveals how households perceived their level of safety to have changed since moving. The results were very positive with most people believing that their social housing complex was safe. This was also an improvement for many households compared with where they lived previously. The notable exception was tenants from Lakehaven who expressed a strong decline in their level of safety with as many as 39% feeling either unsafe or very unsafe. It is unclear why Lakehaven was perceived by many tenants to be unsafe. This warrants further exploration.

Figure 13. Housing type prior to moving to SHIP
Source: Genesis SH database 2019; Census 2011
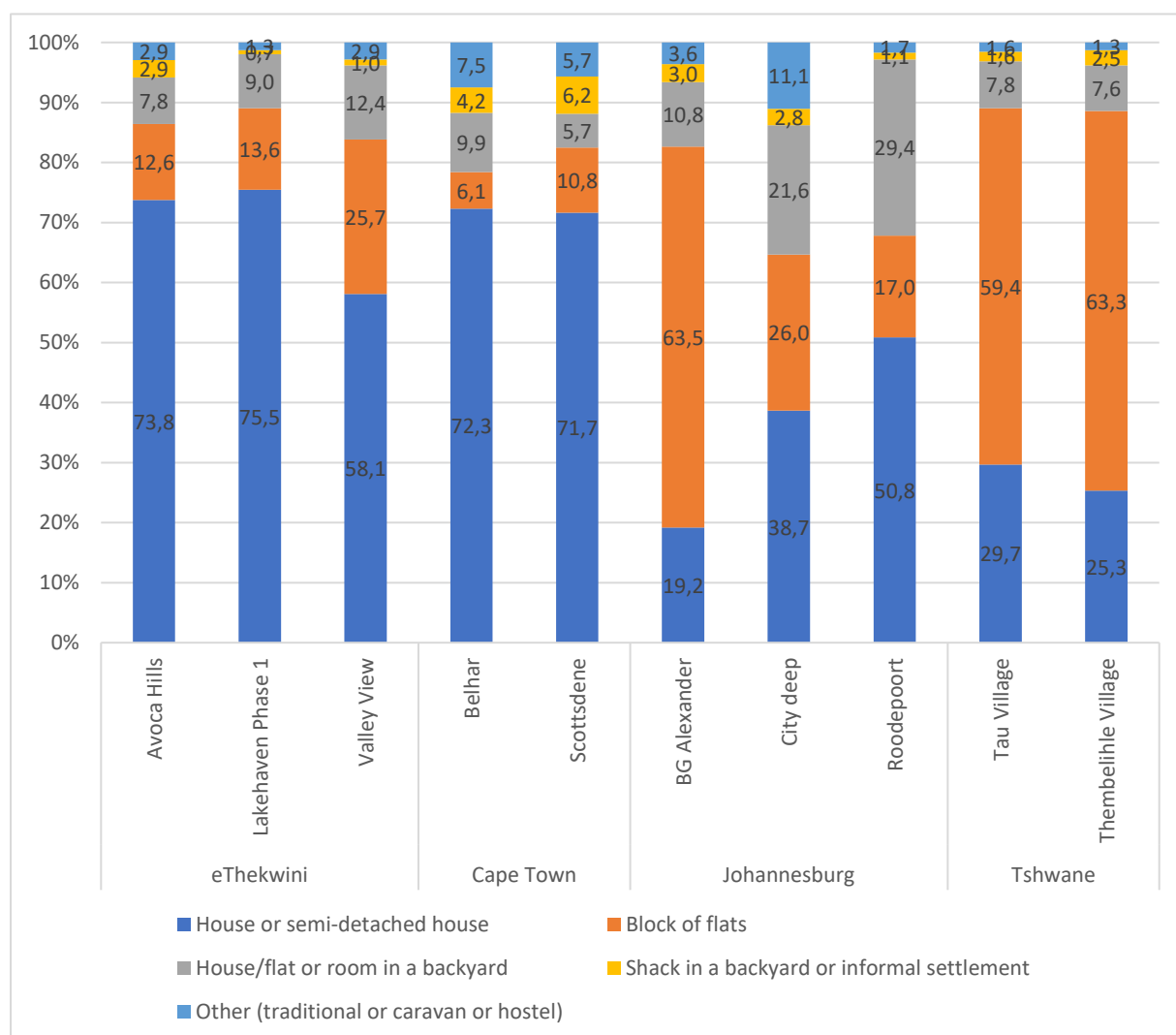
Interestingly, the fact that most people felt relatively secure when moving into a social housing complex was not necessarily because they moved into a safer neighbourhood. Figure 15 shows how people felt about walking alone in the dark (in the neighbourhood) at night compared between their current and previous places of residence. Tenants from projects in and around the inner city tended to report a slight decline in their perceived level of neighbourhood safety whilst tenants from Avoca Hills and Belhar believed that their current neighbourhood was much safer. Related data on people's experiences of theft and crime in their current versus previous place of residence shows similar variability across projects with no clear trend before and after moving to social housing.

Figure 14. Perception of safety in current complex and previous street/complex
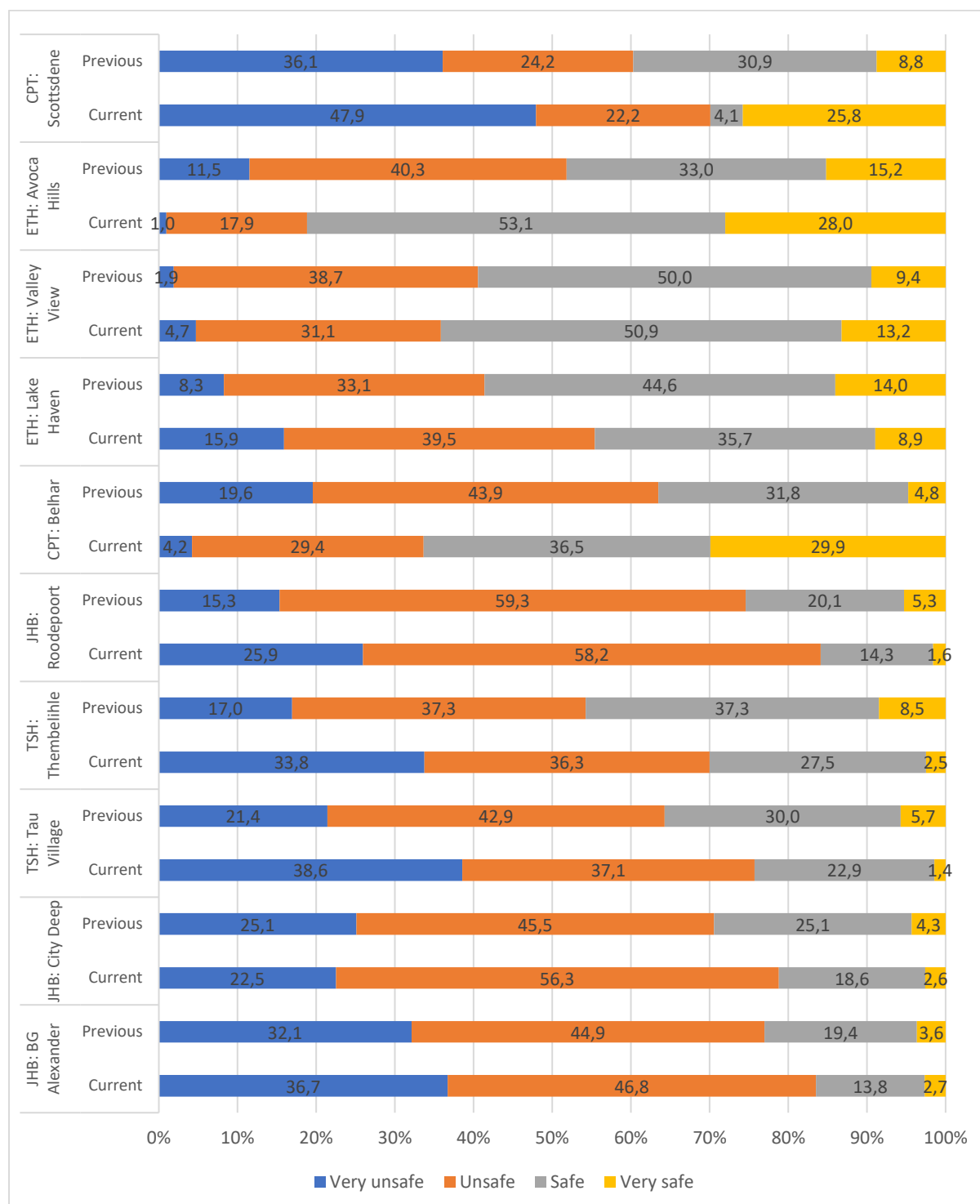Source: SHRA 2019 impact study database
Notes: Survey question: How safe did you feel in your complex/Road?
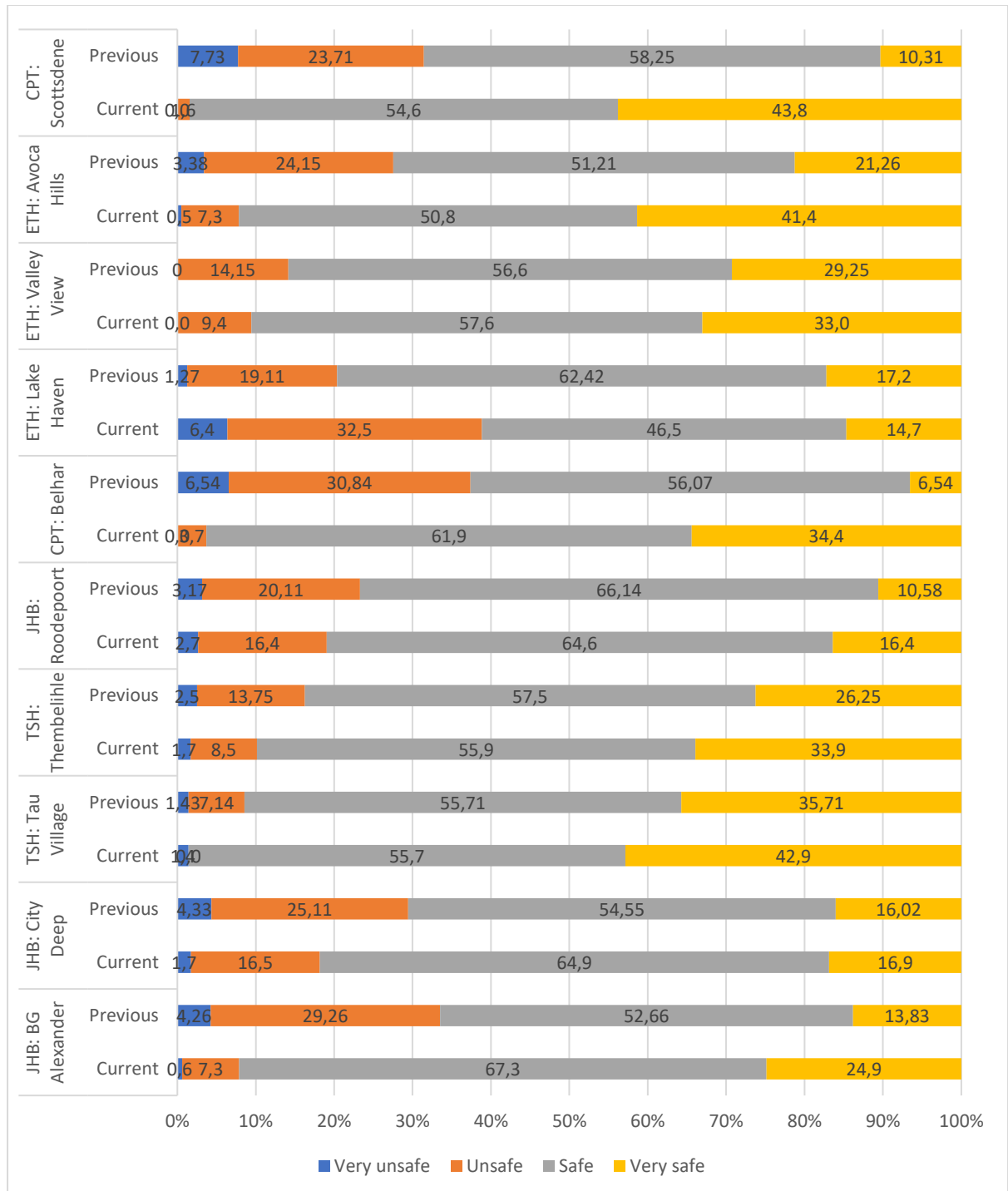
**Figure 15. Perception of safety of walking alone
in the dark between current and previous neighbourhood**
Source: SHRA 2019 impact study database
Notes: Survey question: If you had to walk alone in your area when it was dark,
how safe would you feel?

This evidence seems to suggest that most SHIs were able to manage the level of security within the social housing project building or complex but not necessarily within the wider neighbourhood. Many social housing projects had dedicated security measures such as CCTV, controlled access points or security guards. However, some projects were susceptible to neighbourhood-level risks, such as those located within the CBD.

4.3.4 Progression from entry to exit

A final perspective on upward mobility comes from evaluating tenants' reasons for moving into and out of social housing. People may move into social housing for a variety of reasons, although the policy might assume that their main intention is to improve their social standing. Furthermore, a clear sign of upward mobility would be where households exit the programme to purchase their own home – or at least because they can afford to rent elsewhere (in the private sector).

Figure 16 presents the reasons why tenants originally moved into social housing. Affordability is the dominant factor cited in every project (between 39 – 64% of responses). This is perhaps unsurprising given the shortage of decent affordable housing in all metros and the level of subsidies given to the SHIs. The SHIs know that their rents are below market rents, although they have been rising in recent years because of higher costs, including for municipal services. Our discussions with SHIs suggest that there is a strong demand for social housing and many projects have waiting lists.

Figure 16 also suggests people were aware of the wider benefits afforded by social housing. Proximity to work was the next most common reason, followed by security and the quality of the accommodation. These factors varied greatly in importance across the projects. For instance, security was only really important in Cape Town (Belhar and Scottsdene). Mention of "independence/place of my own" suggests that some people were previously living in overcrowded conditions. Interestingly, social ties or schooling did not feature at all.

Figure 16. Reasons for moving into an SHI
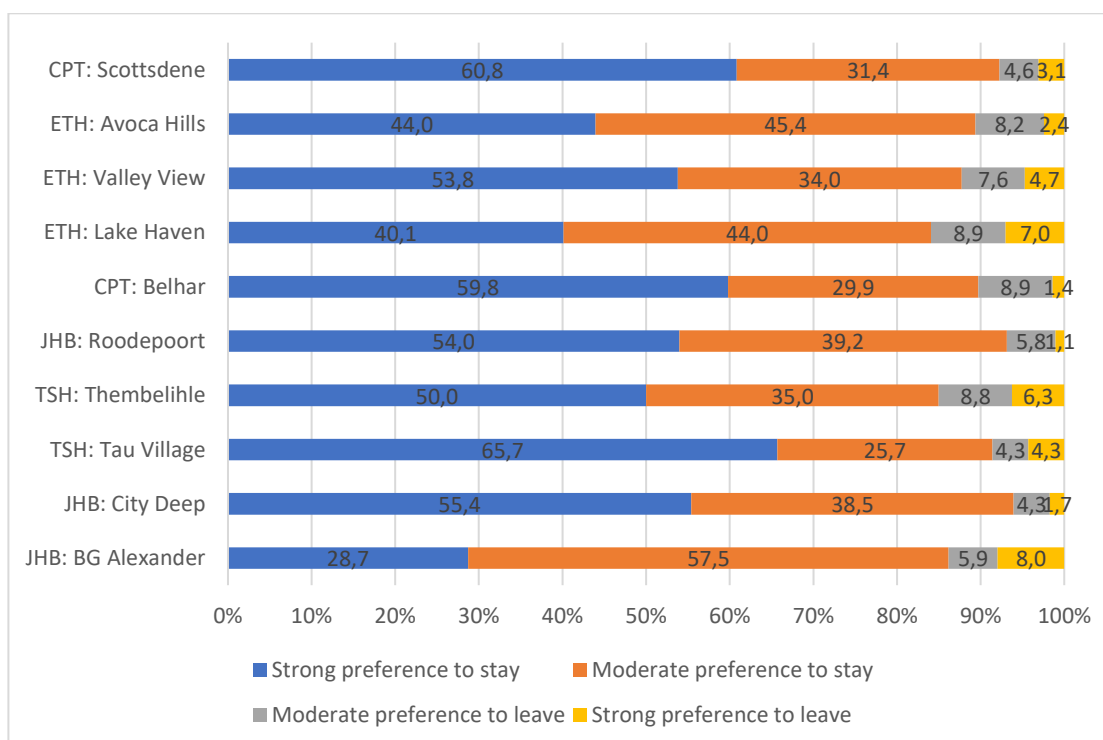Source: SHRA 2019 impact study database
Notes: Survey question: What is the most important reason why you moved to this area?
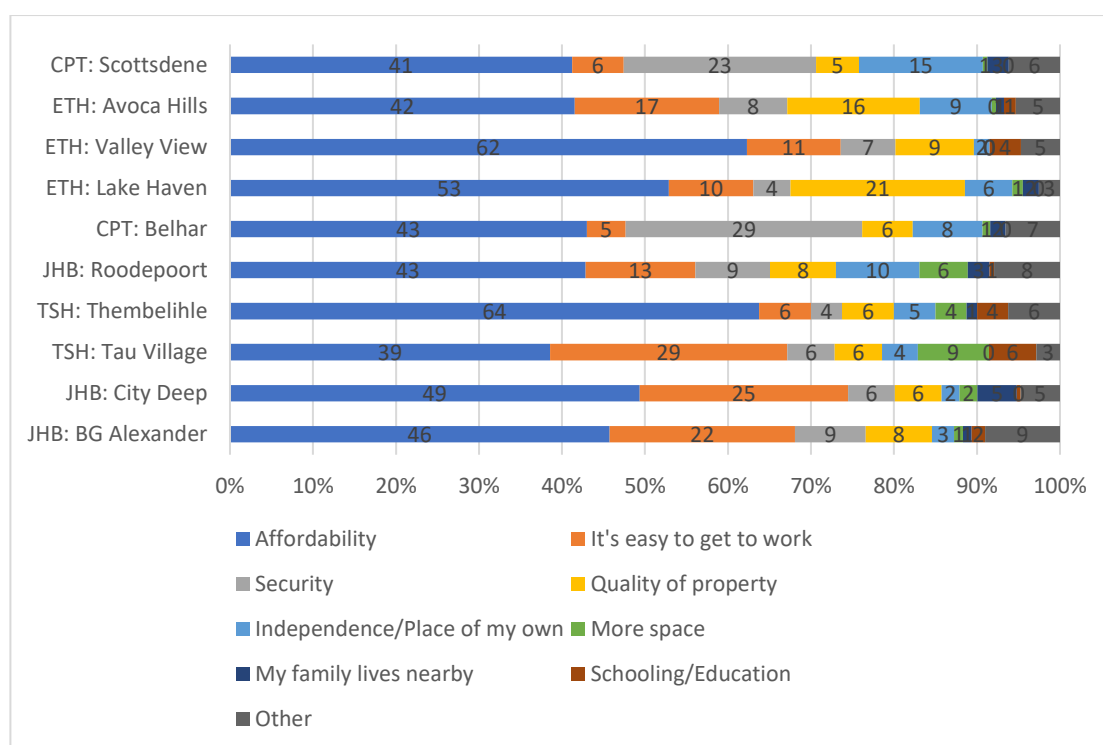
Figure 17. Preference for remaining in the area
Source: SHRA 2019 impact study database
Notes: Survey question: How strong is your preference to continue living in this area?

Upon moving into social housing people expressed a strong preference to continue living in the area in which they now live (figure 17). They had found somewhere affordable to live and wanted to remain in the neighbourhood. This is consistent across all projects although attachment to the inner city (particularly at BG Alexander) seems less strong than elsewhere, presumably because the surrounding environment is less liveable and secure.

Figure 18. Exit reasons
Source: Madulammoho, 2020
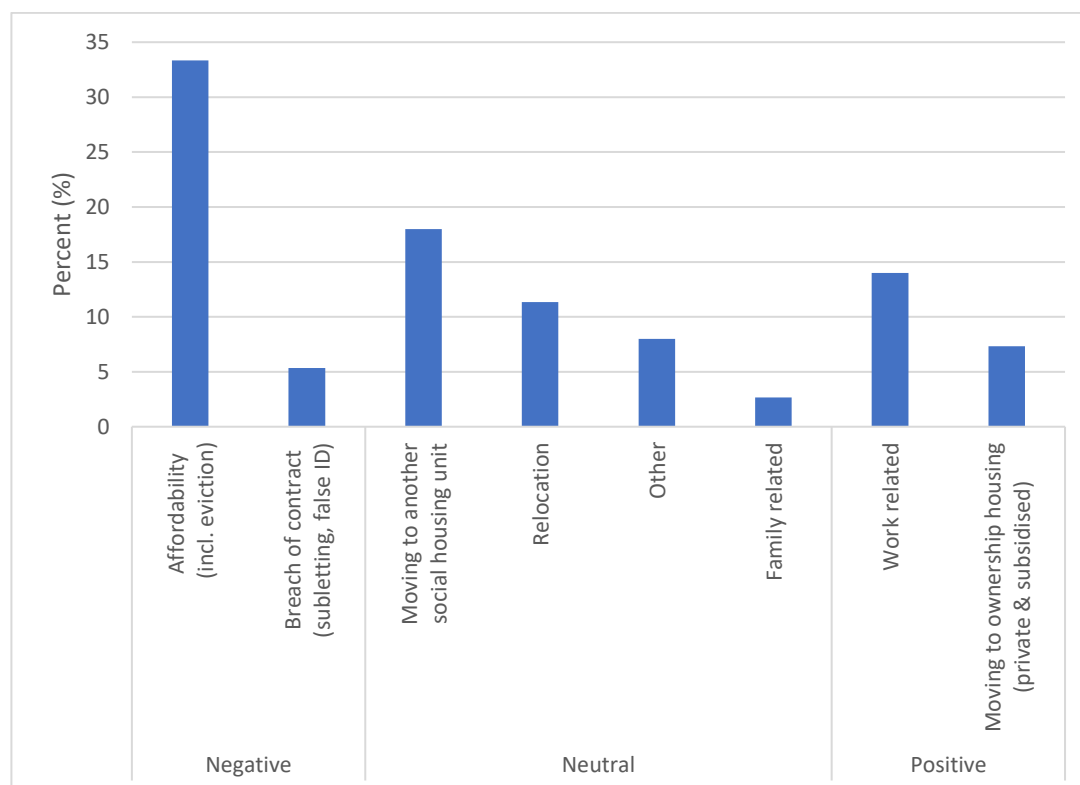
The reasons why people leave social housing give us some insights into where they may end up. Figure 18 presents data from social housing projects managed by Madulammoho (10 projects across Johannesburg and Cape Town which include BG Alexander, Belhar and Scottsdene) for the period Nov 2019 – Feb 2020.

The story is not one of consistent upward mobility. In fact, the main reason people left social housing was problems with affordability (33%). This included eviction in some instances. This is somewhat surprising considering the social intent of the programme. The fact that house-holds in financial distress were obliged to leave is a concern, although more information is needed on how these cases had been managed and how lenient the SHI had been before resorting to eviction. We know that SHIs are under extreme financial pressure at the moment so it may be necessary for the SHRA to consider some form of safety net to help those who experience a temporary loss of income to get back on their feet and start paying their rent again.

Most other reasons cited by those leaving Madulammoho were neutral – either because of 'right sizing' in moving to another social housing unit (18%), relocation to another city (11%) or because of family reasons (3%). There were also some notable positive cases. We assume that all work-related cases (14%) were positive although they were not necessarily linked to a promotion and pay increase. Only 7.5% of tenants left the social housing because they were moving into home ownership. Further research is needed to understand what enabled this to occur.

Considered together, the evidence related to social mobility is patchy. Social housing did seem to make a once-off improvement in people's lives, mainly because rent was more affordable and security within the complex was better. Yet there was little sign of deeper shifts in life chances, whether through access to opportunities for work in the area, improvements in the quality of schooling, or the SHI's community development activities. This may not be surprising considering that many households were already living in the neighbourhood. One might have expected stronger evidence of upward mobility if the programme was focused more on improving household level outcomes, alongside the core function of delivering 'bricks and mortar', i.e. decent, affordable housing.

4.4 Project location and outcomes: a multivariate analysis

A key issue emerging from the discussion so far is the extent to which household outcomes are influenced by project location. The ten projects in the sample reflect a variety of neighbourhood types ranging from the CBD (BG Alexander, Tau Village, Thembelihle), inner city (City Deep), secondary urban nodes (Roodepoort and Belhar) and outer suburbs (Valley View, Avoca Hills, Lakehaven and Scottsdene). One might expect that projects close to the core city would perform better than those on the periphery. This is highly relevant for SA cities where the quality of life is still strongly related to location, with the poor typically trapped on the outskirts in townships and informal settlements. The racial composition of neighbourhoods is similarly intertwined with socio-economic status (income).

The descriptive findings shown above do not suggest a straightforward relationship between household outcomes and project location. A more sophisticated approach is to use 'multivariate analysis' to try and control for a range of factors that might obscure the underlying patterns. We are particularly interested to assess whether household perceptions of their well-being are significantly related to project location.

We formulate two regression models of the factors that correlate with household income and well-being. It should be borne in mind that the analysis is preliminary. Longitudinal data and more sophisticated methods would be required to establish causal relationships.

First, an Ordinary Least Squares model investigates the factors that might be related to the household's level of satisfaction in life.[5] The Genesis survey did not ask tenants whether they experienced a change in their life satisfaction after moving into social housing. Hence, we

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[5] The Ordinary Least Squares regression is a statistical technique which can be applied to estimate the relationship between a dependant variable (life satisfaction) and a group of independent or 'explanatory' variables. The advantage of a regression (over a simple correlation) is it separates out the contribution from each independent variable which are otherwise bundled together.

are obliged to focus on a static assessment of household well-being and how this might relate to location (i.e. were tenants from better located SHIPs more likely to report higher life satisfaction?).

Second, a probit model investigates the factors that might be related to a change in household disposable income since moving into social housing.[6] This involves a dynamic assessment of whether the location of social housing is related to an increase in disposable income (i.e were tenants from better located SHIPs more likely to report that their disposable income had increased since moving into social housing?).

The analysis requires creating a series of variables which one might expect to be related to life satisfaction or income. These include: SHIP location ranking (SHIPrank), household size (hhsize), race of leaseholder (African), gender of leaseholder (femalehh), single parent (singleparent), trip duration to work (trip_duration_work), walking duration to public transport (walk_duration_transport), affordability of water (water_afford), affordability of electricity (elec_afford), unemployment (unemployed), neighbourhood safety in dark (unsafe_dark), safety within the SH complex (unsafe_complex), satisfaction with SH customer service (satisfaction_SHI_service), awareness of community development programme (aware_comm_dev), and distance moved from previous residence (prev_res_distance).

In order to analyse the influence of location, the sample of 10 projects is separated into three basic location types: inner core, inner suburb and outer suburb (see table 1 in section 4).

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[6] A probit model is a special case of regression where the dependent variable can only take on two values (in this case: 0 'disposable income did not increase' or 1 'disposable income increased').

Table 4. Multivariate models on the significance of location
Source: authors' own based on SHRA 2019 impact study database
Notes: *significant at 90% level of confidence; ** significant at 95% level of confidence

Dependent variables	Life satisfaction (1-10)		Increase in income (0,1)	
Independent variables	**Coef.**	**P-value**	**Coef.**	**P-value**
hhsize	−0.099**	0.036	−0.003	0.931
african (base: all other)	−0.255*	0.059	−0.237**	0.013
femalehh (base: male-headed)	−0.110	0.314	−0.140	0.071
singleparent (base: all other)	0.048	0.718	0.045	0.631
trip_duration_work	0.067	0.292	0.000	0.992
walk_duration_transport	−0.022**	0.025	0.005	0.502
water_afford_yes (base: no)	0.173	0.263	0.060	0.584
elec_afford_yes (base: no)	0.657**	0.000	−0.010	0.914
none_unemployed (base: all other)	0.260**	0.034	0.258**	0.003
unsafe_dark (base: no)	−0.047	0.688	−0.047	0.574
unsafe_complex (base: no)	−0.017	0.921	0.060	0.614
satisfaction_SHI_service (likert scale)	0.226**	0.000	0.018	0.225
aware_comm_dev (base: no)	0.083	0.491	0.083	0.335
prev_res_distance	0.058	0.418	−0.018	0.721
Constant	4.831**	0.000	0.058	0.904
SHIP_location_rank (base: inner core)				
inner suburb	0.425	0.693	0.267	0.728
outer suburb	1.962**	0.025	0.344	0.579
Interaction: **SHIP_location_rank x prev_res_distance**				
inner suburb x prev_res_distance	−0.018	0.886	−0.055	0.536
outer suburb x prev_res_distance	−0.224**	0.028	−0.057	0.433
Number of observations	1 245		1 248	
Model R-squared	0.191		0.024	

Table 4 shows the results. Both models have low explanatory power (low r-squared) which suggests that the relationships between the dependent and independent variables were not strong and hence difficult to predict. This is consistent with the wide variation seen in many of the indicators discussed earlier.

The first model reveals a significant relationship between household satisfaction and project location, although the direction of the relationship is not as anticipated. The model suggests that households within outer suburban locations were more likely to be satisfied with life than those in the inner core or inner suburbs. Furthermore, there was no significant difference in life satisfaction between projects in the inner core and inner suburbs.

This result is surprising considering that inner urban projects should have several locational advantages compared with outer urban projects, such as proximity to jobs and amenities. Of course, these benefits may be offset by various disadvantages of central city living, such as higher crime and greater congestion. The first model suggests that the pros of inner urban living do not outweigh the cons.

Before reaching a conclusion on this, a further step was taken to incorporate where people had moved from. This qualified the impact of location on life satisfaction. The interaction effect between project location and distance moved worked against the advantage to outer urban projects. In other words, people were less satisfied with outer urban projects if they had moved from further afield. This did not apply to tenants who moved into inner urban projects. This seems to mean that satisfaction with outer urban projects was driven by people in surrounding areas who had probably already discounted any disadvantage from moving to a peripheral location. In other words, they were prepared for the inconvenience.

The second model exploring the relationship between changing household income and project location is easier to interpret. Basically, there is no significant relationship between upwards income mobility and location apparent in the available data. Households moving to inner urban projects do not become better-off than households moving to outer urban projects, despite potential savings in travel costs. Only two variables were significant predictors of a positive change in income, namely population group and employment status. In general, the model had very low explanatory power.

There are several insights to take away from the multivariate analysis. First, household outcomes are only loosely related to location and other variables. This may indicate that households generally experienced only modest improvements in their living standards from moving into social housing. Stronger improvements in well-being might well have exposed bigger differences between different types of project. And stronger improvements in well-being would have required the programme to devote more attention to the various factors that influence upward mobility for households.

Second, project location was not linked to household well-being in any simple or direct manner. This could just reflect the difficulty of sorting and ranking projects by location type. There are many trade-offs to consider in deciding whether a project is 'well-located'. For example, some projects that appear to be peripheral from casual observation could turn out to be quite well-connected to key employment nodes or good schools, especially if they are located along a mass transit route. This calls for a more sophisticated locational analysis.

Third, the perceived benefit to households is bound to depend on where they move from. Households already living in the same neighbourhood will mainly recognise beneficial features of the housing itself, such as the standard of accommodation, how well it is managed and the affordability of the rent. They will tend to take for granted the characteristics of the location, or at least put them into the background. In contrast, households moving from further afield are bound to be more sensitive to what the neighbourhood has to offer, and what the disadvantages are. Their new neighbourhood may be better or worse than their previous neighbourhood. Most important, their subjective assessment of their change in circumstances is likely to reflect both the neighbourhood and their new homes. Further qualitative research is needed to interrogate this.

Conclusions and recommendations

South Africa's social housing policy has highly ambitious and important goals to narrow socio-economic and spatial inequalities. Social housing could play a valuable role in building an integrated, non-racial and prosperous society. Improving the well-being and life chances of individual households is an integral part of achieving wider social and spatial transformation. By providing a secure home base with access to economic opportunities and social facilities, social housing can help families to get on in life and thrive. Therefore, there is a compelling rationale for social housing to help overcome the entrenched spatial and social divides in SA cities and promote shared prosperity.

Yet, social housing policy has been couched in the somewhat abstract and rarefied language of social and spatial transformation. Policy-makers have not translated these lofty goals into specific objectives for social housing projects and practices. The implications of social transformation for actions towards individual households have also not been spelt out. Consequently, the policy doesn't indicate the particular ways in which transformation could be achieved at the household level. There is no specific guidance given to SHIs indicating how they should promote household advancement and what pathways are most likely to produce sustained upward mobility. In addition, SHIs are not monitored or evaluated on the basis of the socio-economic status of households and their progression over time. Even when tenants enjoy a sizeable increase in their disposable income, this is ignored by SHIs and SHRA.

Not surprisingly, therefore, the focus of policy and practice is on delivering the core product of subsidised housing, namely adequate, affordable dwelling units. It is entirely appropriate that national government, the SHRA and SHIs consider this to be the primary function of social housing. A safe and sound home base is a precondition for people to live more stable and happier lives. It is also understandable that national government and the SHRA have placed great emphasis on the sheer quantity of housing delivery, because the sector's track record has not been strong in this respect and budgets have been under-spent. In addition, long waiting lists of households eager to access social housing have put pressure on the sector to accelerate production.

However, many of the secondary functions of social housing seem to have been neglected as a result of an increasingly narrow focus on physical delivery. One of the issues that appears to have been relegated in importance is the outcomes for tenants. It seems that insufficient attention has been given to ways of accelerating household upliftment and preventing people from slipping back into poverty. In the absence of clear policy frameworks, practical guidance or monitoring arrangements, SHIs have been left to decide for themselves how much importance to attach to two particular, interrelated issues that are central to upward mobility: (i) the geographical location of social housing projects and (ii) tenant selection/management. The result is that practice is very uneven between projects – some SHIs are deeply committed to household improvement and take these matters seriously, while others consider them to be far less important.

We believe that the lack of a strong policy towards location and tenant management helps to explain the very diverse outcomes apparent in section 5 above. Basically, a range of other factors have intervened to the extent that many social housing projects are not very well-located and many tenants have not improved their circumstances to the extent that one might have anticipated. The potential for social housing to lift people out of poverty for good by creating opportunities for them to achieve upward mobility has been diluted by other factors and considerations. We discuss this further below.

Looking to the future, it appears that for social housing to act as a springboard to transform people's life chances, more emphasis by the SHRA and SHIs will need to be given to household outcomes and mechanisms to facilitate upward mobility. This will also require more investment in research and data collection to improve understanding of how social housing affects pathways to prosperity, and what kinds of actions and interventions are most effective at strengthening positive outcomes. We conclude with a range of provocations, which we think are consistent with the evidence, but are preliminary and should be the grounds for further investigation.

Location is a secondary consideration for SHIs and tenants

Social housing projects vary enormously in terms of their location, with some situated in the heart of the city and others towards the outskirts, including in former townships. The availability and price of land seem to dictate the investment location, rather than its suitability for promoting spatial and social transformation. High levels of demand for the small supply of social housing stock mean that occupancy rates are high irrespective of location – SHIs don't need to worry much about location because they are guaranteed to find enough tenants wherever they invest.

Furthermore, SHIs do not seem to give any preference to tenants previously living in poor locations and who would benefit most from a better location. We understand that some SHIs make some effort to recruit households who work in the vicinity and live elsewhere, but this does not seem to be the general practice and does not appear to be encouraged by the SHRA. SHIs also seem indifferent about targeting particular groups to meet other social objectives, such as racial integration, potential for upward mobility or scope to reduce vulnerability to economic shocks or other hazards. It seems that more discussion is required about the process of tenant prioritisation and the criteria for selection.

The main concern of most tenants is the cost of the housing unit. This includes escalations in the cost of electricity and water. It is not surprising that affordability is considered more important than location because tenants are already in employment. They seem reconciled to travelling long distances to work. Many tenants were already living in the area prior to moving into the social housing, so they were not exposed to very hazardous environments. Yet, the benefits of social housing should go beyond a more affordable home. Social housing is intended - and has the potential - to achieve much more than this, including helping people to get ahead and fulfil their potential.

We believe that the government and SHRA should consider doing more to prioritise desirable locations for new projects or expansions. This could mean giving more weight to locational factors in project appraisal. It could also mean working more closely with local authorities and other state entities to unlock strategic land parcels. It may mean offering more generous development subsidies in good locations in order to offset the higher costs of development there.

In terms of tenant selection, SHIs should be encouraged (or required) to select a certain proportion of households who currently live in peripheral locations and are burdened by excessive transport costs. They could also factor in their proximity to their place of work to guarantee that tenants will be better off. This category of 'ideal' tenant would be someone working in the area who previously lived far away and who would benefit greatly from living closer to work. There are other household categories that being more explicit about would help to fulfil other policy objectives.

We also encourage the SHRA to consider introducing guidance to encourage SHIs to recycle their stock among more households. People who can afford to move out and into the private rental market or to buy their own homes should generally be encouraged to do so. This would free up valuable space for more needy households to occupy and another round of upward mobility to occur. Whilst the happiness and stability of the community of tenants is important and helpful in various ways, there are wider benefits to be derived from the periodic throughput of potential beneficiaries and more widespread social mobility.

Households experience modest improvements rather than transformative changes

A move into social housing has an immediate positive impact upon the lives of many tenants, although the benefits appear to be modest rather than transformative. Most beneficiaries were living in formal housing with access to basic services previously (although their living conditions were probably overcrowded). The biggest benefit is probably the opportunity to save on the costs of accommodation with the outside chance of moving closer to work or schooling. Most tenants were presumably happy to be spending less on their housing costs, but it is unclear if this was helping them in a more fundamental and sustained way.

Most people considered their surrounding neighbourhoods to be unsafe, but the housing complexes themselves are relatively secure because of the direct security measures put in place by the SHI. This is another important benefit of social housing because crime has very detrimental effects on stress and well-being. Children are likely to derive enormous benefits from growing up in a safe and stable environment. In contrast, most tenants are either unaware or uninterested in the capacity building programmes on offer. This is surprising and warrants further investigation. Is it correct that most SHIs focus on their narrow housing responsibilities within the confines of a tight budget and neglect the supplementary services and community support activities that foster personal development and improve

people's lives? Do the bread and butter issues of housing management crowd out their wider social responsibilities? Without more systematic information on the social functions of SHIs we simply don't know the scale and scope of their role as 'community investors'.

The SHRA should do more to harness the know-how and dedication of the SHIs to enhance upward mobility. It should collect information on household outcomes in its routine monitoring and evaluation of the sector. It is widely-known that employment is the critical factor that influences social mobility. Consequently, SHIs should be encouraged to provide capacity building and related activities. They could help with getting people into jobs (or better jobs) by writing CVs, providing contacts and preparing for interviews. They could support educational initiatives (such as evening classes for adults), training schemes (such as apprenticeships with their building contractors) and offer work experience (especially in providing on site services). A particular focus on young people may be appropriate in some housing complexes, ranging from early childhood development to after-school classes for teenagers, training in digital skills, sports and other constructive activities.

SHIs should consider novel ways of creating jobs for vulnerable tenants through, for example, food gardens, landscaping or catering activities, especially at this time of the covid-19 economic crisis. They could access and implement useful government schemes, such as the Community Works Programme, and consider setting up social enterprises where tenants have suitable skill-sets or interests. They should consult tenants regularly about the best ways of assisting them to meet their needs and to work together to create opportunities to realise their hopes and aspirations. This would help to strengthen trust and understanding between tenants and SHIs, which might mitigate occasional threats of rent boycotts. The SHIs could use their financial acumen and wider networks to negotiate funding from other sources to support these broader tasks.

Social housing targets poor households although it could price out the most vulnerable

The social housing programme is ambitious in trying to create a housing asset which is economically viable, while still serving a market with low or moderate income levels. SHIs strike a difficult balance between managing the pressures to ensure viability alongside their mandate and enthusiasm for social upliftment. Shortfalls in rent collection and high operating costs can push SHI's to make decisions that are not in the best interests of marginal tenants. There is a danger that many low-income households get gradually priced-out through a combination of annual rental increases, rising utility prices and hikes in municipal rates. This means that some poor households are forced to exit the programme due to constraints on their income, perhaps arising from stagnant wages, job loss or having more children.

Social housing policy may need to show greater flexibility to support vulnerable households. One approach would allow for a third tier of middle-income households, in order to permit more cross-subsidisation. The SHRA and SHIs could also consider creating some kind of cushion or safety net for households who fall into financial difficulties through no fault of their own and who may be forced to leave the programme just at the time when they most

need the support. This might be a temporary employment scheme where tenants provide services for the complex (such as painting, cleaning or security) in return for rent relief. It would be a tragedy for social housing to evict long-standing tenants and force them into squalid accommodation and dangerous living environments just because of an un-expected interruption in their external earnings.

The need for improved information and monitoring

The diversity of experience across projects is striking and suggests that the practical realities of implementation and the differential motivation and commitment of SHIs out-weigh the stated national policy goals. Projects that are driven by clear objectives (such as access to jobs or racial/social mixing) would arguably generate more consistent responses from tenants, rather than the mixed outcomes that we have detected. Poor monitoring of the real-world impact of social housing undermines the ability to detect the programme's achievements. A stronger information and knowledge base would help to reflect more deeply on current practice and help SHIs and the SHRA to learn more from experience.

The objectives of spatial and social transformation are undoubtedly ambitious and ine-vitably difficult to achieve in reality. Failure to demonstrate success risks jeopardising the credibility of the social housing programme. The relatively high costs of social housing demand clear evidence of performance in relation to the stated policy objectives. We encourage greater commitment to collect relevant information more systematically in order to allow more detailed monitoring and evaluation of the impact of social housing on upward mobility for households.

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Appendix

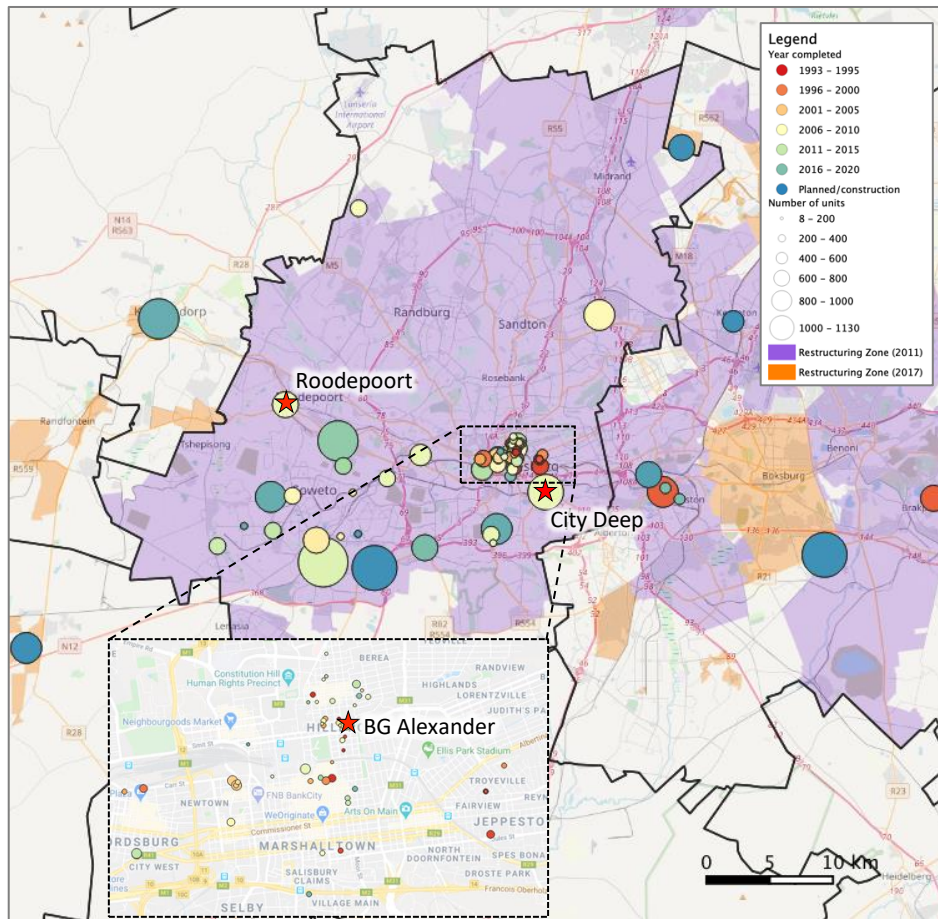**Figure A1. Social housing in Johannesburg and Ekurhuleni**
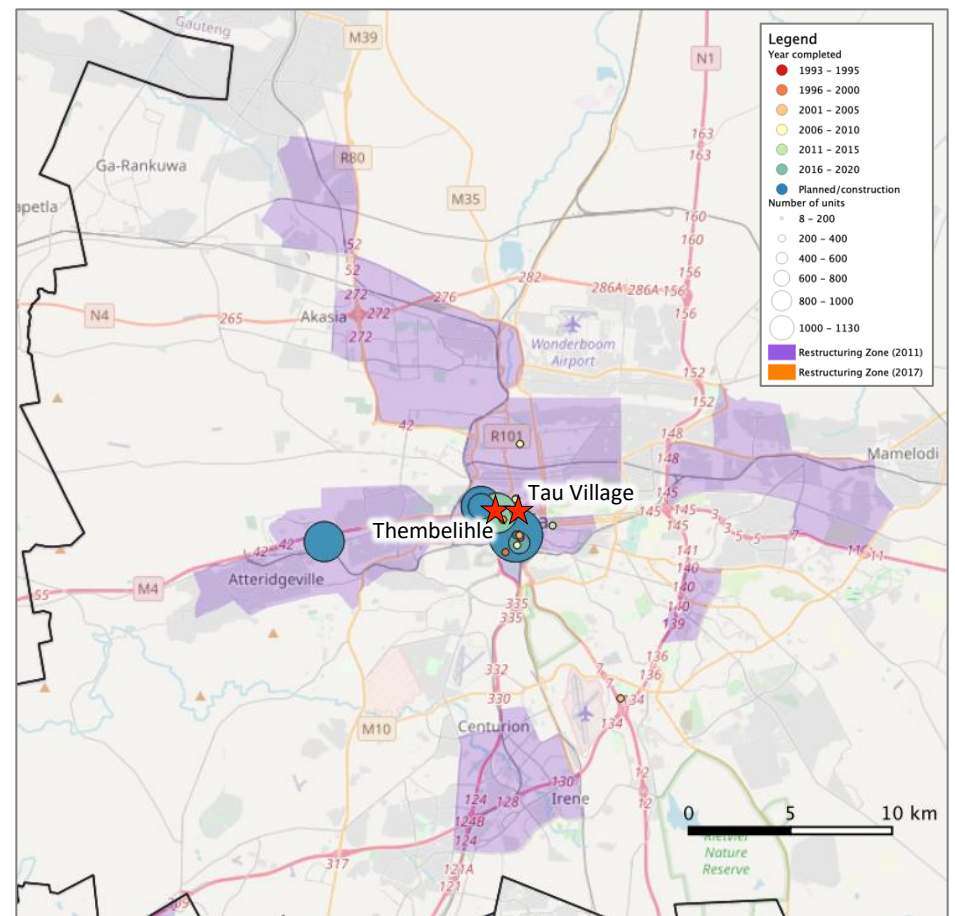

Figure A2. Social housing in Tshwane
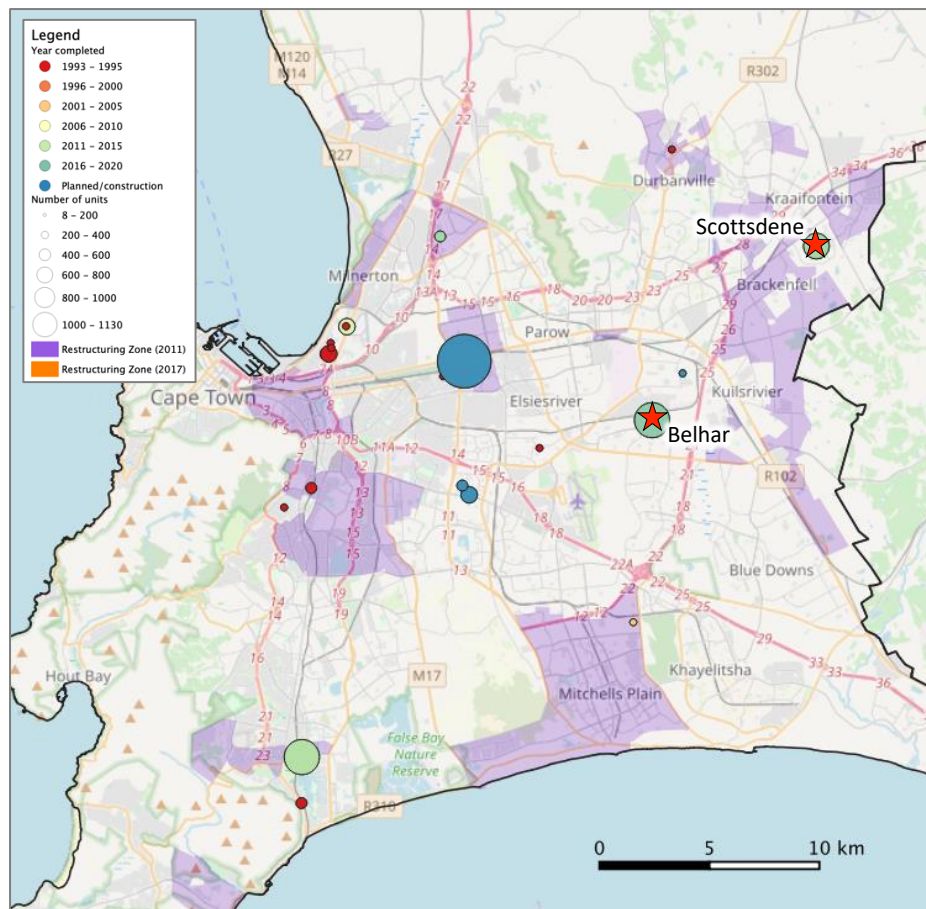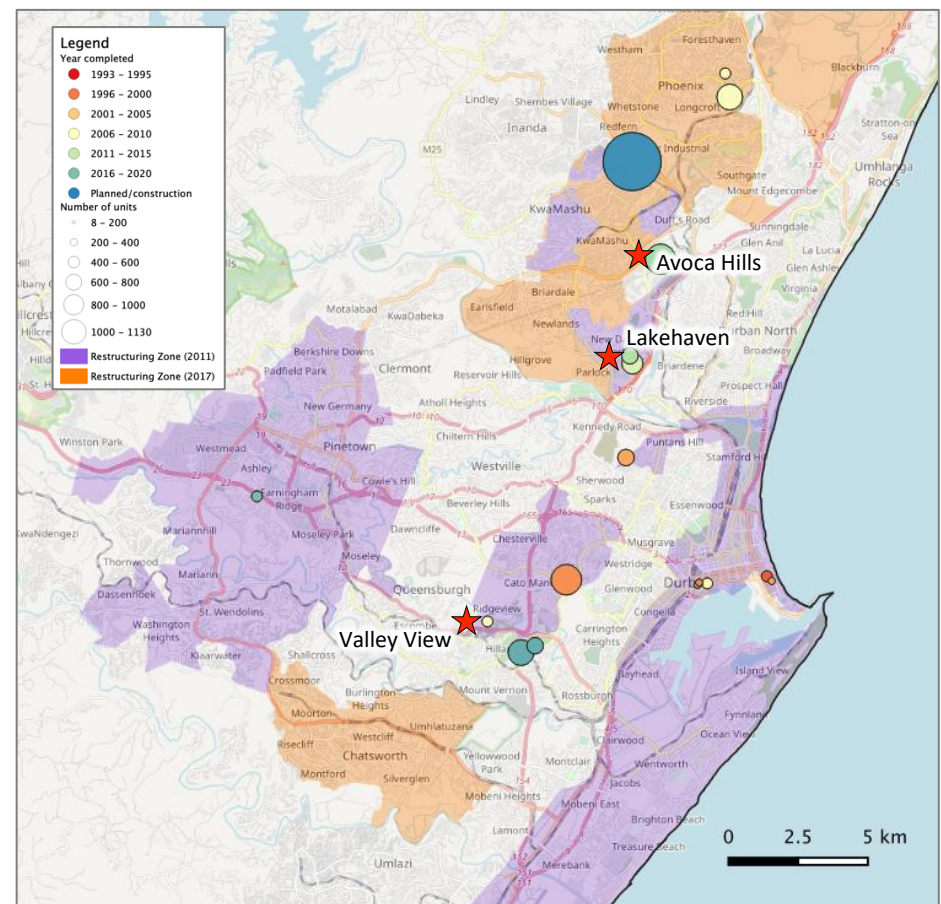
Figure A3. Social housing in Cape Town

Figure A4. Social housing in eThekwini

Source: HDA/SHRA consolidated database

What is AFD ?
The Agence Française de Développement (AFD)
Group is a public entity which finances, supports
and expedites transitions toward a more just
and sustainable world. As a French overseas
aid platform for sustainable development and
investment, we and our partners create shared
solutions, with and for the people of the global
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Active in more than 4,000 projects in the French
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our teams strive to promote health, education
and gender equality, and are working to protect
our common resources – peace, education,
health, biodiversity and a stable climate.
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