



**MINISTRY  
HUMAN SETTLEMENTS  
REPUBLIC OF SOUTH AFRICA**

**REMARKS BY THE MINISTER OF HUMAN SETTLEMENTS, MINISTER  
MMAMOLOKO KUBAYI, SALGA TRADITIONAL LEADERS FORUM , LIMPOPO, 14  
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**Programme Director, Cllr Shadrack Maluleke**

**Hosi Pheni Ngove, Chairperson: Provincial HOTL**

**Distinguished guests**

**Ladies and Gentlemen**

**Good Afternoon**

The underdevelopment of the rural and communal areas of our country is a product of historical injustice that continues to weigh heavily on the efforts to build a better life for all. Motivated by racial prejudice, the apartheid government designed its systems to increase wealth for the minority while institutionalizing poverty for indigenous Africans. In addition to this, there was little investment on both economic and social infrastructure including human settlements infrastructure in the former homelands. This has produced a skewed distribution of income which has remained too stubborn to disrupt. That South Africa is today the most unequal country in the world is unsurprising because it has its genesis in this dreadful history.

The reality we must all face is that over the past three decades, the productive economy of rural areas has declined further, and this has also been worsened by the sharp drop in agricultural employment. This means that of the 33% of population that still lives in the rural areas, a very small proportion is self-sufficient. This has been a significant push factor for rural to urban migration, which has resulted in rapid urbanization in South Africa. The unintended consequence of such a development is the shift in the housing demand

from rural to urban spaces. This is evidenced by the increasing challenge of the ever increasing number of informal settlements and the inner-city housing crisis.

This means that our approach to Integrated liveable Human Settlements in rural and Communal Areas, cannot be conceived without confronting the economic reality of the rural areas.

The shift in the mandate of the Department of Housing to the delivery of 'human settlements', reinforced the notions of spatial transformation and integration. This change meant that our Department would have to coordinate both housing and those functions that contribute towards a sustainable settlement which includes public transport, land-use planning and management, local economic development, health, education and social development. This means that when we talk about human settlements in the rural and communal areas, it must also include those functions that contribute towards a sustainable settlement without which they will not be sustainable.

In his State of the Nation Address, President Ramaphosa announced that "...Infrastructure South Africa has been allocated R600 million for project preparation, specifically in rural and under-resourced areas." This is an important development because the Delivery of Integrated liveable Human Settlements in rural and Communal Areas is dependent on the existence of other enabling infrastructure such as roads, bridges and dams.

For our part, to augment the infrastructure investment that is already underway, the department of human settlements took a decision to increase the proportion of the Human Settlements Development Grant (HSDG) that could be spent on bulk infrastructure from 5% to 30%. This change was made with the rural provinces in mind. Apart from the fact that urban provinces have always enjoyed the lion's share of our country's infrastructure investment, rural areas lack basic services such as roads, electricity, running water taps and sewage systems.

Cognisant of the reality that many rural settlements are located far from water and electricity infrastructure, which may deny our people access to these services, we have introduced policy measures that will go a long way in addressing these challenges. These changes are aimed at responding to the economic changes, especially the rising cost of living and energy poverty and security needs for the vulnerable. We have decided that subsidised houses will be provided with solar panels, and rainwater harvesting devices especially in the rural areas. For persons with disabilities, the houses will be fitted with burglar bars to improve security.

The trend we have seen recently is that in Limpopo, a significant portion of the middle class is investing huge sums of money in building multistory houses in customary land . They are defying the notion that they first need to have a title deed in order to invest. We believe that this trend should serve as proof that permission to occupy in communal land provides the certainty of tenure for occupants, similar to that of a 99 year leases that are offered in urban areas. We therefore call on financial institutions to change their attitude and lending rules that still exclude people who live in communal land.

Indeed, for the financial institutions to build confidence in the communal property market, traditional leaders will have to reign in on the informality that is creeping in and rendering this market untrustworthy. There are cases where leaders sell and allocate the same piece of land to different people, which creates conflict amongst the buyers. To attract more investment, public and private, traditional leaders and government will have to closely work together to stop this behavior.

Our government has taken a lead in investing in rural and communal areas. We have introduced a scheme called First Home Finance which is managed by an entity of the Department of Human Settlements called National Housing Finance Corporation (NHFC). First Home Finance is a once-off housing finance subsidy that enables qualifying beneficiaries to buy or build their first homes on affordable basis. The scheme makes it possible for South African citizens and legal permanent residents, whose household income is from R3 501 up to R22 000 per month. Households in this income band generally find it hard to qualify for housing finance to access their first homes because

their income is regarded as low for mortgage finance, but also too high to qualify for a government 'free-basic house', the RDP or BNG house.

A key aspect of the FIRST HOME FINANCE will be the ability of households to access the programme within a set of non-mortgage finance instruments. In addition, the programme allows for the programme to fund households who hold "Permission-To-Occupy" certificates. This is particularly important in relation to the extension of credit and funding to households in rural areas. The ability of households to improve and upgrade homes and properties has a number of socio-economic benefits. This will be a game changer of the rural property market and rural economies. This program will also be bolstered by the implementation of the Government Employees Housing Scheme which will also fund properties in the rural areas.

The intensification of the effects of climate change has meant that our country experiences unusual and extreme weather patterns. These weather patterns that include heavy rains that often lead to floods, thunderstorms and typhoons that results in disasters. Loss of life, property and infrastructure has become a common occurrence in these disasters. In rural areas, when these extreme weather conditions occur, mud houses are even more vulnerable and they often get destroyed leaving people homeless. It is for this reason that, the national Department of Human Settlements has placed the elimination of mud houses as a top priority.

Housing delivery through the People's Housing Programme serves as a catalyst for numerous developmental benefits and community opportunities that contribute to the creation of more integrated, sustainable human settlements and improved housing citizenship. It is acknowledged that the current mode of housing delivery, based on the awarding of tenders, is unsustainable. Therefore, there is a need to increasingly promote the approach adopted in the People's Housing Process (PHP) or self-help housing and to place more emphasis on the incorporation of cooperatives in the delivery of housing. In this regard, we will continue to empower our people/communities through the People's Housing delivery process and encourage meaningful participation of the beneficiaries in these projects. In rural areas, where people take pride in building for themselves, we will support these programmes and they should be encouraged. This programme has been

highly successful. For example in KwaZu-Natal, Vulindlela Rural PHP project delivered almost 25 000 units through the People's Housing Process programme, utilizing Construction and Service Cooperatives and thus created more than 2 300 jobs.

Housing can indeed be used as a tool for Spatial Transformation and this requires greater cooperation between government and traditional leaders. The scope of cooperation include but is not limited to:

- Making land available for human settlement
- Land use planning and management
- Protection of projects from disruption by criminals
- Facilitation of people's housing programme
- Provision of land tenure through PTOs

The delivery of integrated, sustainable and livable Human Settlements in rural and communal areas, will only be possible if it is coupled with economic revitalization. This will also assist in slowing rural to urban migration, thus creating a developmental virtuous cycle.

I thank you.