

# Rapid urbanisation to non-metropolitan urban South Africa: A call for Accrediting credible 'informal' life-enhancing responses and institutions

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## ABSTRACT

Despite the growth of, and movement of large numbers of people to rapidly expanding non-metropolitan urban centres in predominantly rural areas, this phenomenon and its accompanying vulnerabilities, multiple informalities and credible institution-formation have not received much research interest. In this paper, the focus is placed on such a town in what is regarded as 'rural South Africa'. Based on credibility theory the paper explores (1) the disjuncture between the city-scale challenges on the ground and the official recognition of these challenges, and (2) the often overlooked, yet dense and multiple web of credible informal institutions that play a crucial role in enabling livelihoods and facilitating access to services within such spaces, as opposed to the largely ineffective formal planning and governance responses to these pressing realities.

## 1. Introduction

Rapid urbanisation on the African continent to large metropolitan areas and the informalisation that has gone with it is a well-known phenomenon. What is far less recognized or studied is the growth of, and movement of large numbers of people to rapidly expanding *non-metropolitan urban centres in predominantly rural areas*, and the (1) accompanying vulnerabilities and multiple informalities, and (2) the formal and informal institutional responses to it. These latter responses relate specifically to (1) access to land, shelter, water and electricity, (2) the creation of viable livelihoods, and (3) health and social security.

The purpose of this paper is two-fold. *Firstly*, to shed light on the urbanization challenges of fast-growing non-metropolitan towns in South-Africa, and the disjuncture between (1) the *real, experienced city-scale challenges on the ground* and (2) the *official recognition* of these challenges, often due to the lack of awareness of, or unwillingness to recognise informal growth, movement and related service-challenges in national policy and performance-related accounting. *Secondly*, to highlight the often overlooked, yet dense and multiple web of *credible informal institutions* that play a crucial role in enabling livelihoods and facilitating access to services within these spaces, as opposed to the *largely ineffective formal planning and governance responses* to these realities in fast-growing non-metropolitan urban centers (Ho, 2016a,

2016b: 1126–1127).

The *first* is done by juxtaposing urban growth trends in fast-growing urban regions that are in many cases governed by local municipalities facing severe capacity and financial viability constraints (see Olver, 2017), against official accounts and policy responses in South Africa. The *second*, by zooming in on the realities in eMkhondo, a large town of about 70 000 people, that experienced a 51% increase in population between 2001 and 2011, to illustrate the pressures on such non-metropolitan urban centers, and the disjuncture between (1) the realities and challenges on the ground, and (2) the official accounts and responses to these challenges.

In the context of these challenges, the authors argue that (1) informality (and the range of related and relevant enabling and enhancing institutions) is often not, or only partially recognised as *credible*, and (2) *if this were to be done*, our understanding of place-based spatial development dynamics could be dramatically advanced, and far more suitable and collaborative ways of governance, planning and service delivery prepared for, and introduced in such spaces. Recognising these development challenges, and the questions they pose, in a fast-growing town like eMkhondo, would (1) acknowledge the realities and contribution of the complex and inter-related system of formal and informal institutions at regional level, (2) raise awareness about the dangers of the increasing disjuncture between “*credible-informality*” and

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“empty institutions”<sup>1</sup> at this scale (Ho, 2016a, 2016b), and (3) contribute to engaging and responding in a far more relevant and just way to growth pressures in, and planning capacity challenges in Southern Africa and the Global South (Watson & Agbola, 2013).

In terms of *structure*, the paper starts off with (1) a brief introduction to the settlement development challenges facing South Africa, and (2) a contextualization of the settlement planning system and the ‘standard’ planning and developmental responses to these challenges. The case is made that, even though the challenges of urbanization are well recognised in the country’s metropolitan areas and secondary cities, the growth and urbanization challenges faced by large non-metropolitan towns and ‘densely developed built-up areas’ are, despite their significance, generally understated in South African urban policy discourses and performance-related accounting. An emphasis is placed on (1) recent attempts at improving the system and remaining gaps in the responses by the State to these challenges, and (2) the value that a recognition of the *credibility of informality* could provide. This section is followed by an overview of research methods embedded within the framework of the credibility of informality (Ho, 2014) with the aim of shining a light on the often ‘officially unseen’ realities on the ground, and the subsequent inappropriate and ineffective official policy responses.

Following the methods-overview, the main argument of the paper is presented in *two sections*. In the *first*, this is done by illustrating a series of South African national settlement dynamics, using alternative and downscaled spatial indicators and models. In this section, the scale and extent of the growing urban challenge is juxtaposed with the official statistical accounts and resultant policy responses. In the *second*, the focus is placed on eMkhondo as specific study area, and more specifically (1) the urbanization and developmental challenges it faces, and (2) the disjuncture between the challenges on the ground and the official accounts and responses to support planning, governance and development in the area. Woven into this section is an exploration of the formal and informal institutional responses to these challenges, with a specific emphasis on the contribution of *informal institutions* in ensuring, enabling land enhancing livelihoods in the area, despite (1) the credibility of such informal institutional arrangements, and (2) the limitations of the formal institutions in most instances not being recognised as such (Ho, 2016b: 1126–1127).

This section raises questions about possible “non-credible” or “empty institutions” (Ho, 2016b: 1145) that were created to support development in these contexts. In conclusion, the argument is made that the failure to recognize the contribution and credibility of endogenous institutions (Gabel, 2000: 1; Ho, 2014: 5) that enable human wellbeing and buffer housing and service demands within rapidly growing urban areas such as eMkhondo, in the Global South, is a major oversight. Especially so against the backdrop of persistent calls for more evidence-based developmental responses and ‘the measurement of developmental impact’ of formal, ‘institutionalised’ interventions (Department Planning Monitoring and Evaluation (DPME, 2017a).

## 2. Developmental and credibility challenges in urban South Africa

Despite a progressive, rights-based Constitution and a large-scale housing subsidy scheme, access to land and municipal services remains a major concern in urban, as well as rural areas of South Africa ((Department Co-operative Governance and Traditional Authorities,

2014); Oranje & van Huyssteen, 2011; Palmer, Parnell, & Moodley, 2017; Turok & Parnell, 2009; van Wyk & Oranje, 2014). In many ways, the dualism of the old apartheid system with regards to urbanisation, land tenure and land-use with (1) its accommodating, enabling and benevolent approach to white South Africans, and (2) its emphasis on restriction, suppression and control in the case of black South Africans, is still the norm (Oranje, 2014, 1997; Republic of South Africa (RSA, 2018: 6). In the same vein, the colonial and Apartheid belief that black urbanites were not permanently ‘in town’ and would go (back) to reserve-like rural areas, seems to still prevail in the form of a continued focus on the provision of new housing in and around former ‘temporary’ black ‘townships’, and the lack of decisive *de novo* re-planning and re-development of historically fragmented and separated settlements as one (Republic of South Africa (RSA, 2018: 8).

Yet, urbanisation in South Africa is *real* and *one of the most pervasive features* of the national spatial development landscape (Republic of South Africa (RSA, 2018: 40–43). Associated with this process of ‘townward’ movement is a process of ‘household splitting’, whereby households formerly living under the same roof, part ways, often given the availability of State-subsidized housing and overcrowding of existing units (SACN, 2016; The Presidency, 2014). These phenomena have not only led to (1) long waiting-lists for State-subsidized housing, and (2) enormous municipal service backlogs, but also to a series of *non-regulated, unintended and so-called informal and illegal institutions* that enable access to basic services, livelihoods and tenure ‘security’ for a large portion of urbanized South Africans (SACN, 2016; Shapurjee & Charlton, 2013; Shapurjee, le Roux, & Coetzee, 2014; UN-Habitat, 2011; Powell et al. 2018). This has furthermore given rise to a situation where the function of *land as commodity*, instead of *land as a form of well-being* (Davy, Davy, & Leisering, 2013: 9 in Ho, 2016a, 2016b: 1167) has become a serious concern in especially ‘densely settled’ municipalities in rural South Africa. In these municipalities, systems of tribal authority and traditional, communal tenure *often co-exist and sometimes cooperate* with local governments that were created as the State’s developmental arm closest to the people, but that in most cases are far from this, largely due to (1) sprawling low-density settlement footprints, (2) struggling local economies and small and often dwindling municipal tax and rates bases, (3) high indigency numbers, and (4) the legal imperative to provide ‘free basic services’ to indigent households (IUDF, 2014). In these spaces, access to land, security of tenure and urban services are increasingly being secured through unofficial and informal, yet credible contracts/arrangements, which have become embedded as part and parcel of social realities and networks ‘on the ground’, despite them often being viewed as illegal, outside the tax regime and undesirable (IUDF, 2014; Ward & Peters, 2007; Watson, 1994).

At the same time, these conditions have given rise to large numbers of households, especially those residing in informal settlements and backyard rental accommodation, not having ‘official access’ to on-site water, electricity and sanitation (SACN, 2016). In most cases, households, however, overcome this challenge by connecting to water and electricity networks in ways regarded as illegal, which has a major impact on (1) use/consumption of the source/service, and (2) municipal financial viability (Department of Water and Sanitation (DWS, 2015: ii). Despite official awareness of this practice, very little (if any) effort is made at curbing or policing such connections, while at the same time backyard rentals are increasingly being acknowledged as a significant component of the urban fabric, a key source of urban incomes, and a crucial enabler of urban livelihoods (Department of Water and Sanitation (DWS, 2015: ii; SACN, 2016). This situation is aptly described by the ‘credibility thesis’, which makes the case that, “... when institutions persist over time and space, they are credible and functional, as they have evolved from a spontaneously ordered evolution, regardless of how that has been engendered by divergences of power” (Ho, 2016b: 1151).

These hybrid webs of formal and informal institutions,

<sup>1</sup> Coined by Peter Ho (2016a, 2016b: 1148), these institutions entail “...a tacit agreement between those governing to implement without implementing, and those governed to continue what they were customarily doing. It is an endogenously negotiated compromise, in which a newly desired institution has evolved into a symbolic rule detached from actors’ praxis. Positioned in the theoretical continuum of credibility, the empty institution would be situated somewhere in the middle, representing rules that are not perceived as common and, at the same time, are not enforced” (Ho, 2016a, 2016b:1148).

interdependencies and power-plays are even more complex and embedded within large and growing urban areas in rural South Africa, which, as in the case of eMkhondo, play an often un-recognised role in hinterlands characterised by dense rural settlements, hybrid land tenure and governance arrangements, and porous national borders. In spite of the above realities, (1) formalization and (2) a drive for private land tenure have staunchly prevailed as core assumptions underlying official development planning, governance and housing responses (Davy, Davy, and Leisering (2013, S9) in Ho, 2016b:1167).

It is in such spaces that the ‘credibility thesis’ argues that, “... it might be more insightful to move beyond concepts of formal and informal, private and common, or secure and insecure institutions, to leave the discussion about institutional form for a discussion about function” (Ho, 2014: 13). It is also a context in which many newly designed institutions, systems and functions arguably give rise to what Ho describes as “empty institutions”, i.e. institutions “... allowing those governing to enforce without enforcing, while those governed can continue what they did” (Ho, 2016b: 1145). This view is supported by then City of Johannesburg Councilor Parks Tau, Chair of the South African Local Government Association (SALGA), and currently Deputy Minister in the Department of Cooperative Governance and Traditional Affairs, who in an address about the challenges of urban governance and the realities of large-scale informality argued that, “(t)he reality is that ... we write all these nice policies, but the levers are not in our control. It is important to start engaging the levers that are not in our control” (Tau, 2016).

It is exactly within this context that the credibility thesis can add significant value. It highlights the need, and provides a framework, to recognise:

- The “... function of land in (communal and informal) social welfare, rather than its function as a marketable commodity that needs to be privatized or formalized” (Ho, 2016b:1167); and
- The importance of institutional function (versus form), ensuring that (1) new institutions (whether of access to land, shelter or services) and (2) governance arrangements are not detached from the practice and lived realities of the actors involved (Ho, 2016b:1145).

It should be stated upfront that the thesis is not propagating that the state should abandon its responsibility towards quality of life for the whole of society, or its commitment towards transformation and equity. It rather shines the light on situations “...in which the state devises and imposes a new institution that lacks credibility (cf. the Grazing Ban, and the volume’s following contribution on the Kelau Dam; Nor-Hisham and Ho 2016)” (Ho, 2016b: 1148).

This is of particular relevance in the South African context, where there has been a significant (and ongoing drive) towards addressing the legacies of Apartheid’s socio-spatial-engineering through engineering new institutions in, of, and for land development, land management, governance and service delivery, including:

- New forms of local governance instituted by the Municipal Systems Act in 2000;
- A new “Intergovernmental and National Planning System” (Department Planning Monitoring and Evaluation (DPME, 2017b));
- A series of measures to ensure municipal financial viability (DCoGTA, 2014); and
- The institutionalisation of the land use planning and management system in accordance with the Spatial Planning and Land Use Management Act, 2013 (SPLUMA).

As aptly stated by Ho (2016b:1166-67), “non-credibility is not the institutional antagonist of a neo-liberal idea of ‘credible commitment’, in which the state – or any other actor, for that matter – pledges to safeguard certain institutional forms – be they private or public, formal or informal, secure or insecure. It is not about institutional form at all, but about actors’

neglect of institutional function in its time and space-dependent context. If that neglect is coupled to a repeated imposition of newly engineered institutions and major divergences in power, non-credible institutions are likely to emerge from actors’ spontaneously ordered interactions”.

### 3. Research methodology

The research methodology used to explore the credibility of informal institutions in this paper focused specifically on the characteristics as outlined by Ho in terms of the “credibility thesis” (see Ho, 2016a, 2016b: 1126–1128). These characteristics include the fact that they (1) fulfill a specific function in society; (2) persist over time; (3) form a key part of social reality; and (4) are often overlooked by formal data and “morality-driven” development initiatives and responses (see Ho, 2016a, 2016b). As stated by Ho (2014: 18) in a detailed description of the credibility thesis and research into land related institutions in rural China, “(o)ne of the main challenges to operationalize the institutional analysis on credibility is how to measure it. In attempting to measure credibility, it will not suffice to go into the field and simply ask an interviewee whether he or she finds a specific institution credible or non-credible. Instead, proxies are needed that can indicate the level of institutional credibility”.

In the case of eMkhondo, the credibility of informal institutions (including every day practices and complex arrangements and hybrids of formal and informal arrangements) as mechanisms to facilitate access to land, shelter and services (for citizens in the town and surrounding dense rural hinterlands and cross border areas) were explored in terms of the characteristics of (1) function, (2) persistence over time, (3) practice/reality, and (4) acknowledgement in official evidence and responses through triangulation of different and available data sets. The results of this exploration are set out in Section 4.

The exploration itself was done through a multi-angulation of diverse datasets. The method of multi-angulation of multiple sources, including different qualitative and quantitative datasets gathered through ‘data-mining’, literature reviews focus group sessions, personal interviews and official publications to explore proxies of credibility, is well established in the credibility literature (Ho, 2016a: 1131).

The “FAT Institutional Framework” has been established as a method to explore the “Formal, Actual and Targeted Institutions” (see Ho, 2016a: 1134) and entails capturing and analysing (1) what rights have been officially accorded (i.e. the ‘formal’), (2) what rights the people actually have (i.e. the ‘actual’), and (3) what rights are regarded as functional/desired (i.e. ‘the targeted’). In exploring the dense and multiple web of credible informal institutions that play a crucial role in enabling livelihoods and facilitating access to services within eMkhondo in this paper, the focus was not placed on using the FAT framework to explore property rights per se. It was rather used as point of departure to explore and acknowledge the multiplicity of ways in which services are accessed and livelihoods created, in contrast to the largely ineffective formal planning and governance responses where service provision (including housing) is largely geared towards addressing these pressing realities through processes only recognising and managing ‘formal’ rights.

With regards to data, the following four sets were used:

#### (a) Official plans, policies and statistical data

This data-set includes (1) national and local policy responses, (2) official planning and infrastructure investment frameworks, policies, plans and investment priorities, and (3) official statistical data that state institutions are obliged to use, to ensure standardization and alignment within the highly complex multi-spherical and multi-sectoral South African governance and planning system. This data comes with a series of challenges, notably (1) its connection to administrative boundaries, which impedes tracking of change over time when these change, (2) its

datedness – the last national census took place in 2011, and (3) its lack of a focus on informal and temporary regional migration and movement across municipal, provincial and national boundaries.

(a) *'Un-official' spatially-refined indicators, analyses and settlement dynamic profiling*

This includes spatially-refined indicators developed by the national science and technology council, the Council for Scientific and Industrial Research (the CSIR), which makes use of temporally and spatially comparable indicators that are informed by remote sensing, land cover and updated data sets verified by various private data vendors and research institutions (Van Huyssteen et al., 2018). The latter analyses also include innovative ways of using voter registration to track flows of people not reflected in mere net in- and out-migration figures, as reflected in official statistics (Maritz, 2015).

(a) *Local perceptions, interviews and engagements*

These include views, opinions and perspectives that were gained from people living in the Mkhondo Local Municipality (MLM) through (1) community participation processes, and (2) focus group discussions with residents, farmers, land owners, businesses, community associations, traditional leaders and local politicians between 2015 and 2016, as part of the process of reviewing the Spatial Development Framework (SDF) for the municipality (Oranje, 2016).

(a) *Broader practice case studies, literature and interviews*

This includes studies with regards to (1) service delivery, and (2) land and housing and human settlement-related trends and interventions conducted in other areas. It also draws on case studies and interviews with municipal officials and planning practitioners about the persistence and credibility of informality in municipal areas with similar issues, obtained by one of the authors as part of a research project to explore land use management challenges and realities for the South African Local Government Association (SALGA) during 2017 (Oranje & Schoonraad, 2018).

#### 4. The credibility of informal institutions in the fast-growing town of eMkhondo and implications for planning and governance

##### 4.1. Setting and context

In this section of the paper, the focus is on the application of the credibility thesis in a rapidly growing urban area in the MLM in the Mpumalanga Province. The town of eMkhondo (formerly 'Piet Retief') is located on the N17/N2 national freight corridor and tourism route in the eastern half of South Africa (see Fig. 1 above), close to the border of the country with Swaziland and acts as a regional service center for commercial, retail and government services in the 'wider Mkhondo area' (Mkhondo Local Municipality, 2016: 183). The area is dominated by large-scale forestry activities, mostly operated by big multinational companies, which limits agricultural expansion. Spatially, the municipal area still has the basic fragmented and unequal footprint of the former colonial and apartheid spatial logic, with (1) *towns*, i.e. Piet Retief – now eMkhondo – and Amsterdam, that were created for 'white settlement, use and enjoyment', and adjacent, but separate *townships set aside* for temporary and very rudimentary 'black occupation', i.e. Ethandukhanya and Nkosanjaneni, and (2) large tracts of commercial agricultural land, still predominantly used by white farmers, and much smaller portions of communal land used for settlement and small-scale, primarily survivalist agricultural activities by black farmers, i.e. the Ngema Tribal Trust and KwaNgema areas (see Fig. 2 below).

##### 4.2. Recognising the unofficial accounts of urban growth and demand in a so-called 'rural' municipality

The need for far more housing and municipal services as a result of urban growth in eMkhondo has been evident since the publication of the 2001-Census data in 2003 (Oranje, 2003). Most of the inhabitants of the town and its surrounding areas are also extremely poor, with 50% of the population living on incomes below the national poverty level (MLM, 2016: 75). In terms of household income, more than 63% of households have 'no or very low incomes', and as such, qualify for housing subsidies (MLM, 2016: 102). Official population growth figures indicate that the municipal population increased by 20% between 2001 and 2011 (Stats-SA, 2011). However, these official figures regarding the MLM provide no indication of the growth of the population of the town of eMkhondo within the municipality as a whole. Using (1) unofficial datasets and (2) remote-sensing-informed growth-tracking tools, it is evident that this growth is not merely homogenous across the MLM, which is officially classified as 'rural' by Stats-SA. By calculating the size and growth of both (1) formal built-up areas, and (2) functionally interdependent settlements, including both formal and informal housing, the unofficial data sets illustrate the reality of the large and rapidly growing urban centre of eMkhondo, which grew by 51% between 2001 and 2011, and whose functional urban area was already calculated to be home to about 65 000 people in 2011 (stepSA, 2017; Van Huyssteen et al., 2013). Considering the number of people within a 20-minute drive time from the town core using the same data, this number grows to almost 76 000 people (stepSA, 2017).

Like many other 'border towns' in South Africa, the town of eMkhondo grew at a much higher than national average rate in the period 1996 to 2011 (Van Huyssteen et al., 2013) with significant implications for the MLM which is responsible for providing (1) access to land for human settlement, and (2) basic municipal services to all its inhabitants. Furthermore, using locally informed and spatially-specific statistics, the data suggests that the share of the population in the town of eMkhondo under the age of fourteen grew by 6% between 2001 and 2011, leading to an increase in the dependency rate in the town from 57% to 76% during this period (Mkhondo Local Municipality, 2016: 60–66). While the municipality is 'officially regarded' as a rural intervention area (DRDLR, 2016), the lived reality of a significant section of its people is of an urban, *but then a largely informal urban life*, which is not recognised or accounted for in official statistics.

Exploring town-growth pressures in eMkhondo through 'alternative' data sources illustrate that in addition to natural population growth, urban growth in this case can also be ascribed to inward, town-ward movement from surrounding rural areas to the town. Whilst these internal movements in the larger Mkhondo municipal area are not evident in official statistics, it is evident in an analyses of voter-registrations between election periods, as illustrated in Fig. 3 (see Maritz, 2015; Maritz & Kok, 2013; Van Huyssteen et al., 2013). In addition to the silence on this town-ward movement of people from within the Mkhondo municipal area to eMkhondo, the official statistics also provide very limited, if any account of a sizeable in-movement of citizens from Swaziland into eMkhondo for job opportunities and urban services, nor of the impact of this in-movement on housing, health services and municipal service provision in the town (Badenhorst, 2018; Mkhondo Local Municipality, 2016: 164; Viljoen, 2017). This 'illegal cross-border movement' was, however, voiced during community meetings in the MLM, mostly in a negative light, and specifically as a seemingly major contributor to housing backlogs, overcrowding and a vastly over-burdened public health system in the area (Mkhondo Local Municipality, 2016: 128). The development pressures in the wider South Africa-Swaziland border area were likewise also highlighted in a study on growth in a neighboring municipality to the MLM, in which remote sensing data-sets were used to identify areas of significant change in the built-up fabric (Department of Rural Development and Land Reform, 2014).



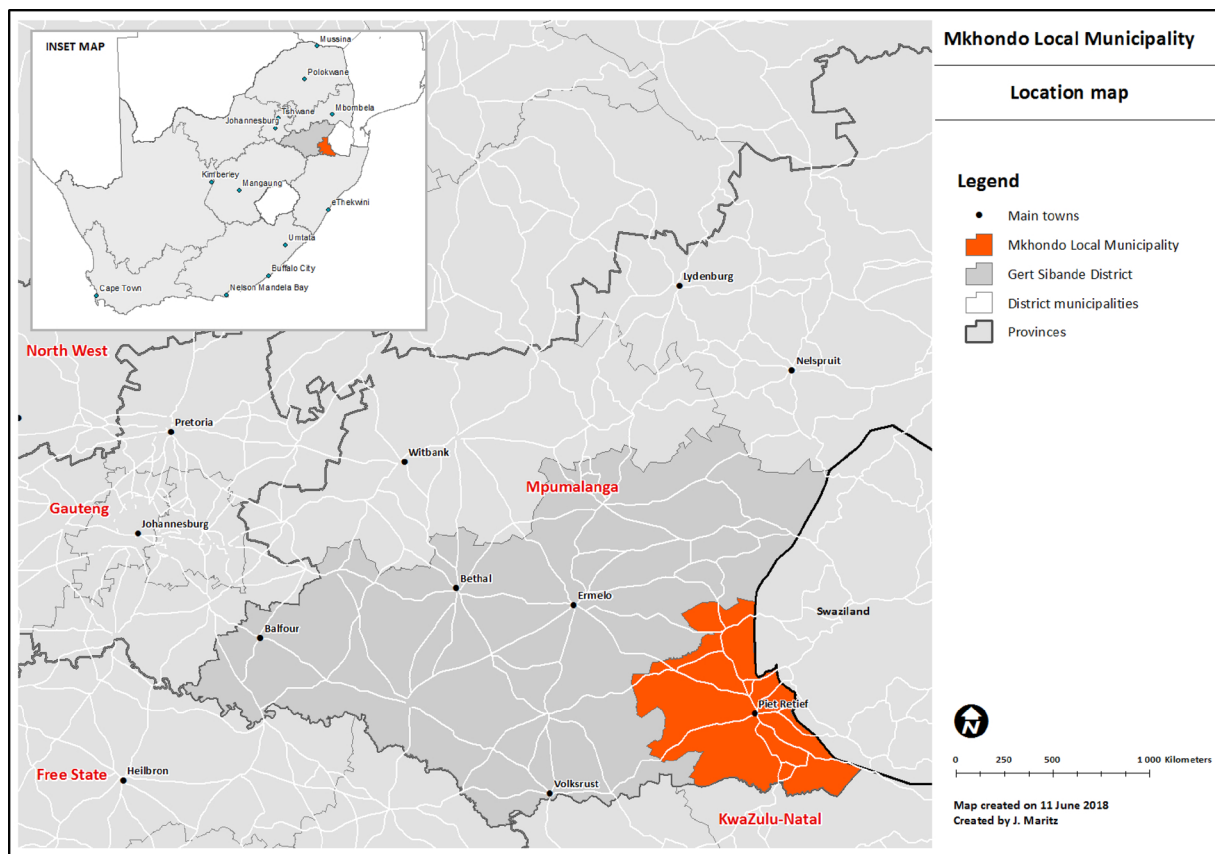


Fig. 1. Mkhondo Local Municipality in National and Regional Context.  
Source: MLM, 2016: 42.

#### 4.3. Socially embedded practices of urban livelihood-creation and the relevance of State support

Official statistics indicate that 70% of the inhabitant of eMkhondo live in formal houses, 4% in apartment blocks or flats, and 1.6% in cluster or medium-density housing (MLM, 2016: 97). These statistics also indicate progress in service delivery, with traditional housing decreasing from almost 60% of the housing stock in 1996, to almost 30% in 2011, and brick houses increasing from almost 30% of the total housing stock to 60% between 1996 and 2011 ((Mkhondo Local Municipality, 2016): 97). However, these figures do not match the observed realities of town growth, nor growth in so-called informal settlements in eMkhondo, and nor do they refer to the housing, land and service-provision challenges highlighted in community meetings in the MLM, and finer-grained spatial analyses conducted during 2015 and 2016, as part of the MLM SDF review ((Mkhondo Local Municipality, 2016): 140). These local interviews and analyses and urban growth figures from 'un-official data sources', as outlined in Section 3 above, clearly point to the fact that (1) the housing situation, as depicted in official accounts, is far less comforting and in fact deeply worrying, and (2) the formal institution of housing delivery is far less active than the official data suggests ((Mkhondo Local Municipality, 2016): 140). What was very evident in the area is a huge prevalence of un-official, informal arrangements by which access to land, rental and tenure are negotiated and facilitated. The lived reality simply being that, while the advent of democracy in South Africa brought equal land rights and new spatial planning legislation, it did not bring about significant change in land tenure and access rights and practices.

Even though a massive and well-intended state-subsidized housing scheme was introduced as early as 1995, time has taught that the model of a nationally-driven, highly codified and rule-driven system of this

nature could not cater for unique local and household-specific needs and changes over time and space (Department Planning Monitoring and Evaluation (DPME, 2016)). In the case of eMkhondo, the core challenge was the static nature of the subsidy system, coupled with its (1) inability to cater for urban growth, and (2) lack of recognition of large-scale non-metropolitan town growth. This was confirmed by public engagements in the area, during which residents ranked (1) the lack of housing, and (2) the slow pace of land reform (and the subsequent unavailability of land and lack of access to land), as two of the highest priorities in the area, ((Mkhondo Local Municipality, 2016): 140). In addition to this, unresolved questions regarding the development and use of land under the custodianship of traditional leaders – in the case of the MLM often close to the towns of eMkhondo and Amsterdam – and the lack of working relationships and joint management arrangements between traditional leaders and municipalities regarding such lands, have further aggravated the land issue.

These gaps in, and challenges with the official housing provision and 'land release' systems have over time led to a series of pragmatic, informal, locally-initiated and pursued practices to access social services, education and livelihood opportunities, which in turn resulted in the creation of solid and enduring 'credible institutions', i.e. institutions highly effective at creating and sustaining household livelihoods, but officially viewed and labeled as 'informal' and 'illegal' (Ho, 2016a, 2016b: 1126–1127). Core in the case of the MLM are significant numbers of informal rental arrangements, unrecorded in official data, and in terms of which not only backyard shack units, but also State-subsidized houses are used to 'fill a housing/shelter gap'. References to unofficial selling of State-subsidized housing, which is by law not permitted within the first eight years of the receipt of the house (Gqirana, 2015), and with the intention to lease such housing to temporary workers and 'foreigners' in the area, were also made. Whilst not recognised as part of

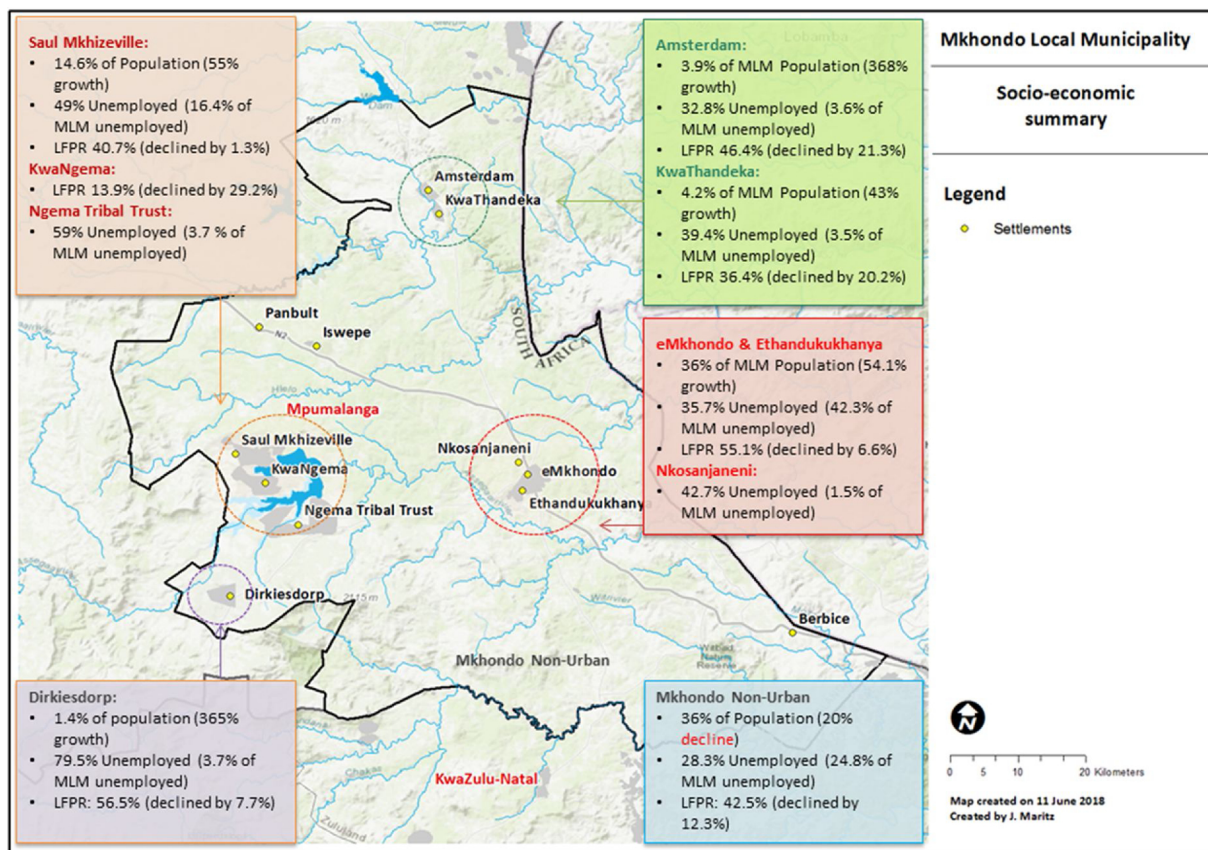


Fig. 2. eMkhondo Functional Urban Area and Municipal Context.

Source: MLM, 2016: 55.

formal land development, these unregulated purchase and rental practices and the growing investment in informal housing (1) are a key shaper of land-use in eMkhondo and surrounding areas, (2) provide access to land and urban services, and (3) provide a rental income for many families living below the minimum income level (Mkhondo Local Municipality, 2016)). Furthermore, these rental incomes, limited as they may in most cases be, do act as a safety-net in the area, as was also found by Davy and Pellissery (2013) and Guhan (1994) in developing country contexts, and alluded to by Ho (2016a, 2016b: 1149). Importantly though, the purchase of houses for rental to 'temporary outsiders', may have negative implications for the immediate areas in which these are located, and lead to frustration on the side of landless South Africans.

Whereas quantification through empirical studies into these phenomena have not been undertaken by the authors within eMkhondo itself, studies in other parts of South Africa suggest that (1) limitations in terms of choice and spatial disjunctures between the place of receipt of the housing subsidy and the place of work brought about by job-migration, (2) the huge demand for housing and restrictions in the period that a beneficiary of the State-subsidized system can sell his or her house, and (3) a five to ten-year delay in the provision of title deeds for State-subsidized housing, also contribute to an extensive system of sub-letting and illegal selling of State-subsidized housing (Poulsen, 2010; Shapurjee et al., 2014). Despite many housing and planning practitioners being well-aware of this practice, and a large and growing body of research reporting on this fact (Department Planning Monitoring and Evaluation (DPME, 2016), the potential of State-subsidized housing to generate a rental income is not yet recognised in official government policy. Likewise, decisions on where such housing should ideally be located and provided in space to fully actualize its income-creation and supplementing uses, has also not entered the

official policy arena.

Yet, while questions may be asked about (1) the wisdom and efficiency of the State-subsidized housing programme in facilitating access to housing, and (2) its value as a mechanism in transforming South African cities and providing access to the property market may be contested, its *unforeseen creation of an informal rental market might be a case of where the State has unwittingly contributed to creating a credible, viable and enduring non-formal institution* (Ho, 2016a, 2016b:1149).

#### 4.4. Assumptions underlying official planning, governance and resourcing systems

The introduction of formal town planning legislation and regulations regarding settlement development and land-use in South Africa dates back to the early 1900s, at roughly the same time as which such measures were being introduced in the United Kingdom of which the country was a colony at that time (Oranje, 1997). Over time, these measures were increasingly interwoven with, and used in the creation of 'model settlements for the enjoyment and advancement of white South Africans' (Development and Planning Commission (DPC, 1999; Republic of South Africa (RSA, 2018). In the case of black South Africans, only rudimentary town planning measures were introduced (Oranje & Berrisford, 2012). Subsequently, with the advent of democracy in 1994, 'white residential areas' were well-served with municipal infrastructure and roads, and their property values built up and protected through the many years of public investment, planning control and municipal bylaws. In the case of 'black townships', which were never seen as permanent features of urban South Africa, this was the complete opposite, with hardly any tarred roads, only high-mast lighting, very rudimentary municipal services and very low to non-existent property values (Development and Planning Commission (DPC,

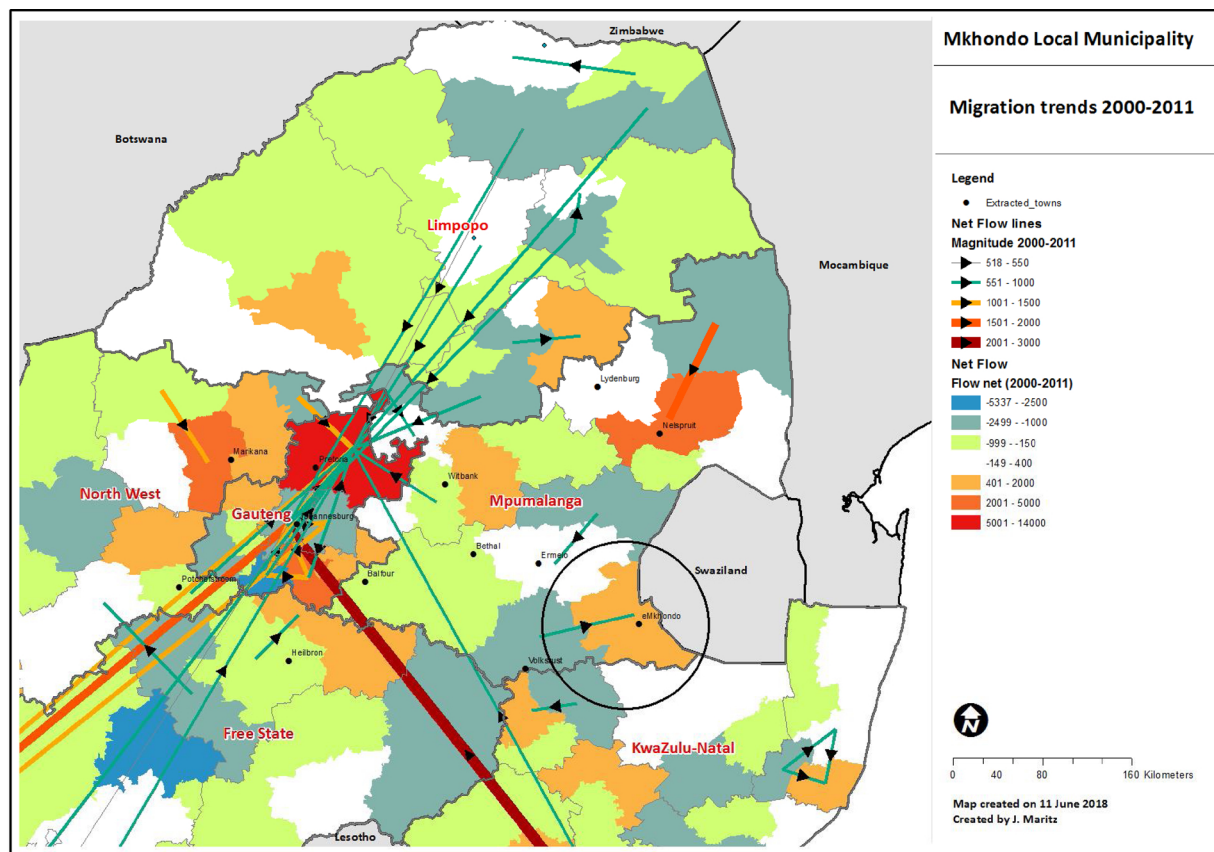


Fig. 3. In-migration and urban growth in eMkhondo.

Sources: Maritz (2015).

1999; Republic of South Africa (RSA, 2018).

The new post-Apartheid municipal finance, governance and planning system with its strong focus on 'decentralized developmental local government' worked on the premise of a very delicate balance being struck in the management and development of these two inherited sets of spaces: (1) in the first few decades, the former 'white areas', together with the 'commercial, retail, entertainment and industrial areas' were to provide the bulk of the municipal property tax income and, together with municipal infrastructure grants provided by national government, subsidize the roll-out of services in the former black areas; and (2) over time, the former 'black areas', through the introduction of quality municipal services and State-subsidized and private sector constructed housing, would become like suburbs, land in these areas would acquire value through this investment and also become 'property' (as in the former 'white areas'), and municipalities would be able to levy rates and taxes throughout their municipal areas (Republic of South Africa (RSA, 1998).

The model was one in which what *only white people* enjoyed during colonial and Apartheid times, *all South Africans* would enjoy during post-Apartheid times (Oranje, 2012). It was, however, a model that only the metropolitan municipalities and a few local municipalities with secondary cities, could hope to realise. Over time, the massive *national* spatial transformation and redevelopment task that required *national* prioritisation, *planning* and *investment*, simply proved way too big for even the best run and capacitated metropolitan municipalities, let alone the less-capacitated municipalities with relatively small former 'white areas' and large former 'black areas' (Republic of South Africa (RSA, 2018). Despite this reality, the model was pursued, with municipalities increasingly falling further and deeper into financial arrears, municipal service delivery rapidly deteriorating, and municipal spatial planning and land use management systems becoming increasingly redundant.

Down on the ground, in towns like eMkhondo, these challenges are very evident, with (1) land development and construction of new housing units taking place without plan or building permit, (2) transfer of ownership of housing units being done by means of a stamp on a sale agreement/letter in a police station, and (3) illegal connections to municipal services (notably water and electricity) common features in township and informal areas (Van Huyssteen, 2015; Department of Water and Sanitation (DWS, 2015). Studies in informal settlements in the four biggest metropolitan areas in South Africa into 'water that cannot be accounted for', which includes leakage and illegal connections, indicate that in these areas such water-loss accounted for almost 30% of water-use in the 2013/2014-financial year (Department of Water and Sanitation (DWS, 2015: ii). Coupled with the under-provision of health care facilities – very likely partially due to under-counting of the number of people living in these areas, or visiting these area with the intention to access health services – the growing inability of municipalities to provide basic municipal services, notably potable water – very likely partially due to illegal usage – poses a serious health risk in areas where people's resistance is most likely already highly compromised due to extreme poverty and malnutrition (National Treasury, 2018).

## 5. Discussion and conclusion

Using the credibility axiom to explore the credibility of informal institutions in terms of the characteristics of (1) function, (2) persistence over time, (3) practice/reality, and (4) acknowledgement in official evidence and responses through triangulation of different and available data sets, the data clearly illustrate that formal statistical data and figures do not provide an accurate picture of the experienced/lived development realities and pressures on the ground in fast-growing non-



metropolitan urban settlements in South Africa, such as eMkhondo.

While inhabitants, planners and politicians in such areas may be well aware of such growth, (1) the rapid increase in inhabitants is not reflected in official figures, and everyday practices, and (2) complex arrangements and hybrids of formal and informal arrangements as mechanisms to facilitate access to land, shelter and services, are not acknowledged in 'formal' responses. Challenges related to (1) what is often described as 'informal and illegal occupation of land', (2) densification within existing settlements, and (3) an increase in the numbers of people utilizing and accessing municipal and other urban services, are met with inadequate government responses and an increase in backlogs, with no acknowledgement or provision for individual or community agency.

This lack of recognition of 'real' data and developmental challenges and agency, not only creates a 'data' and 'evidence' gap, but is also mirrored in the 'official response', and increasingly embeds a new dualistic planning, land development, housing subsidy and governance system with on the one hand (1) a highly formalised, bureaucratized system that has increasingly less-and-less relevance for, and impact on the ground, and on the other, (2) a functionally-effective, highly adaptive, and unofficial, yet highly credible, informal system. This dualism, and the growing number of what can possibly be regarded as 'empty institutions', in the context of the credibility thesis (Ho, 2016a, 2016b: 1145), has, amongst other responses, led to strong calls for a serious rethink of planning systems in the Global South (see Poulsen, 2010; Watson, 2003; Watson & Agbola, 2013).

Moving one step up, while local government in South Africa is regarded as 'developmental and the sphere of government closest to the people', most of the infrastructure investment and development spending in the local sphere (and space) is driven by 'Master Plans' prepared in the national sphere of government. These plans have as their goal the meeting of national delivery targets, often in 'priority rural districts', of which the MLM is one, and (1) *not* the meeting of local, context-specific needs, and (2) *without* due consideration of local state, i.e. municipal, and other institutional strengths (CSIR, 2014; SACN, 2015). While these 'Master Plans' must in theory be prepared in consultation with municipalities and aligned with local spatial and economic development plans, this rarely happens, with in most cases, national projects being imposed on municipalities, and simply (and gladly) 'gobbled/taken up' in local plans by municipalities desperate for (any) investment (CSIR, 2014; SACN, 2015). The unfortunate reality is thus that the response to the needs of households and communities happens through the large-scale provision of housing and services planned and funded by formal national State institutions far away from local communities.

The SDF of the (Mkhondo Local Municipality, 2016): 164) argues that, "(t)he legacy of the colonial and Apartheid pasts, the path dependencies that have been built up in the local economy over the course of more than a century, and the capacity and support requirements of a different economy, and its accompanying and enabling spatial footprint, necessitate planned intervention". However, as argued in this paper, such interventions, in terms of enabling access to land, housing and related urban services and livelihoods, will have to (1) be made by and through *not only* formal State institutions, but (2) also consider alternative institutions to the ones based on prevailing development paradigms (Bardhan, 2005: 499). Equally so, institutions of State that want to 'make a difference' and remain relevant, will need to (1) reconsider what 'credible data/evidence for planning' is, (2) find ways of recording, making sense of, and responding to 'what is really/actually happening on the ground', but often not accounted for in formal statistics, and (3) not only rely on what is recorded in national datasets, to have any real/meaningful developmental impact and relevance in people's lives and lived spaces.

Using the MLM in South Africa as study area, this paper explored the developmental realities and pressures associated with increased urbanization to *non-metropolitan urban centers* in so-called 'rural

contexts'. The paper revealed that, in this municipality, large numbers of people access land and urban services, and create livelihoods through ways that (1) are not officially recognised, nor catered for within official systems, and (2) could potentially be described as 'credible institutions'. The paper highlighted the disjuncture between challenges on the ground, the official accounts of these challenges, and the way in which such challenges are responded to by formal institutions. In addition to this, the authors made the case that informal institutions at play in providing access to land, housing and urban services are *officially* not well accounted for, nor recognised as credible. Furthermore, it was suggested that a disjuncture exists between (1) the policies, systems and interventions, and (2) the challenges and realities on the ground they seek to address in fast-changing and complex urban systems, such as those experienced in the MLM.

The 'credibility of informality thesis' raises the question about the value of the drive for setting up formal institutions for land administration, spatial planning, municipal governance and service delivery, even in contexts where such institutions in actual effect could most probably be described as 'empty institutions'. In this kind of setting, the 'credibility thesis' calls for an approach of much more 'precaution', or what Bromley, Tallon, & Thomas (2005, 46) termed, 'a first principle of do no serious harm', and the following may be postulated: In the absence of evidence-based knowledge or institutions that can provide the required public services in fast-growing, deeply impoverished areas, the State might do more good by opting for a less interventionist, less formally institutionalized and far more of a hands-off, facilitating and nurturing approach, than pursue an all-out push for change (Ho, 2016a, 2016b: 1149). From a spatial planning and spatial transformation approach, learning from below, taking cues from what has *been made to work* under very difficult conditions, and using this 'grounded ingenuity and wisdom' to guide and inform credible, locally-responsive and effective policy, legislation and planning, may be a far better option than developing generic one-size-fit-all proposals from afar. Such an approach would also assist in moving beyond merely 'recognising the existence of informality' to learning from, building on and using informal codes and institutions to craft credible, viable and resilient legislated formal codes and institutions, and implementing these towards the realisation of progressive developmental goals. In the current South African context, where evidence-based policy-making and monitoring of outcomes are increasingly called for (Department Planning Monitoring and Evaluation (DPME, 2016), officially recognising, studying and using such 'local evidence/insight' could assist in the support and/or creation of viable, credible and truly progressive interventions and institutions that could, in turn, have a significant impact on the functioning, governance and quality of life in rapidly growing urban areas, and in addressing the country's enormous and persisting past injustices.

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