

PARTICIPATORY LOCAL DEMOCRACY

The Key to Urban Liveability & Investment in South Africa and The Netherlands

A tale of two countries

South Africa and The Netherlands are each facing significant urban development challenges. South Africa is experiencing a large housing shortage and the demise of its RDP national social housing programme. The Netherlands is suffering from the 2008 collapse of its real estate market, which has also called into question the prevailing Dutch land development process. This paper discusses these crises in the context of urban development and suggests a way out for both situations: participatory local democracy. The lessons learned can provide a way out for other jurisdictions facing similar challenges.

South Africa	The Netherlands
	
Case Study 1: Rainbow Park, Camdeboo	Case Study 2: Harbour Quarter, Deventer

Case Study 1 - South Africa

The life and death of a national housing scheme

*"Housing the Nation is one of the greatest challenges facing the Government of National Unity. The extent of the challenge derives not only from the enormous size of the housing backlog and the desperation and impatience of the homeless... The time for policy debate is now past - the time for delivery has arrived."*¹

This rousing preamble and the subsequent call to action was issued by the South Africa government in 1994, the first year of democratic elections in the country post-apartheid. The resulting programme, the Reconstruction and Development Programme (RDP), built free, mass-produced homes to poor citizens across the

country. Yet, after 17 years and the construction of 2.8 million RDP houses (1994–2009), the provision of housing remains one of the country's greatest challenges. The current estimated housing backlog is 2.1 million units, or about 12.5 million people.² In 2008, competition between immigrants and South Africans for scarce housing and jobs flared into violence. Dozens were killed³ and over 100,000 were left homeless.⁴

RDP = RIP?



The ubiquitous RDP house in South Africa is synonymous with shoddy construction and inadequate living conditions. The standardized, mass-produced homes are also often far from jobs, services and public transport.

South Africa's RDP problem runs deeper than quantity however. The cracks in the quick-fix concept are becoming increasingly visible: the limited range of housing products, poor responsiveness to local contexts, lack of personal and community ownership over the (free) houses and mounting repair bills. There are more practical concerns too: shoddy construction, inadequate servicing and isolated locations that are far from services, jobs and public transport. These problems are exacerbating the urban scars left by apartheid, which enforced strict segregation of neighbourhoods

according to race, with the lowest-quality locations, housing, and services reserved for blacks. The well-intentioned RDP policy is slowly imploding.

A further factor that has complicated the South African housing challenges is the emergence of the post-apartheid middle class. This “gap market” earns too much to qualify for a free RDP house, but also can't afford housing on the private market. These often young, educated professionals are increasingly finding their political voice and more loudly demanding a say in how scarce housing resources are directed. They are demanding a more flexible, higher-quality product than the typical spartan 40 m² RDP house, straining the government further.

Although the national government has made some legislative and policy changes that purport to address some of these problems, not much has changed on the ground. In this context, we would like to add to the discussion and propose a way out for the government: participatory local democracy. Our approach, as applied in the municipality of Camdeboo, South Africa, is outlined in the next section.

Participatory local democracy in Rainbow Park, Camdeboo

Camdeboo, South Africa is a municipality located in the Province of the Eastern Cape. It has a population of 52,000. The city's urban form was drastically shaped by apartheid policy, resulting in a fragmented and dispersed city. Residents were restricted to three main neighbourhoods according to their race—black, white or coloured (the government's term for mixed race people). Although residents can now freely live anywhere, the city is still significantly divided racially.

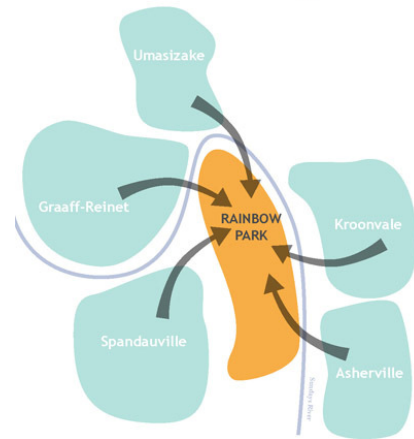
Camdeboo struggles to provide adequate housing for both its low income residents and for its emerging middle income gap market. There is a backlog of approximately 5,000 homes and many families share a house. Until recently the municipality focused mainly on building as many RDP houses as possible, thus pushing quality and urban integration goals to the background. In Umasizake, one of the biggest neighbourhoods, the average number of people living in a house (usually a 40 m²

RDP house) is about 6.5. As for the middle income gap market, the only housing available is overpriced rental housing, often provided by unscrupulous landlords.

In 2010, Camdeboo Municipal council decided they had enough with the quick-fix RDP approach. They wanted to try something new, so invited us to facilitate a participatory process to plan a new neighbourhood and to help secure Provincial funding for it. They also decided to experiment with social rental housing, a product that didn't exist in Camdeboo yet but targets the same low income groups as RDP.

The starting point for our participatory process was two-fold: a location analysis and market research. For the location analysis, we analyzed potential sites based on a number of criteria, including the potential for racial integration and proximity to shops, services and transportation. The selected site, approved by Camdeboo council, is the largely undeveloped no-man's land that separates the three main apartheid-era neighbourhoods. Of all the sites, this "neutral" territory provided the best basis for an integrated community and also the best access to jobs and services.

A Location for Integration



The next step was the market research, which provided an understanding of Camdeboo residents' attitudes towards social rental housing and market potential. Trained surveyors administered 230 questionnaires throughout the city. The results confirmed the demand for social rental housing, proposed a pilot project of 200 low income and 100 middle income homes and also suggested some of the potential challenges we might encounter in the development of a rental social housing project.

An inclusive process



Community workshops were inclusive. The red dots on the map of Camdeboo above represent the location of participants. All neighbourhoods in the city were represented.

Although the market research provided a wealth of useful data and important analysis, this was not enough to create a design for the neighbourhood. For that we needed to work directly with local people. In November 2010, approximately 60 prospective tenants joined us in a series of workshops, representing all neighbourhoods in Camdeboo. Other participants included a major social housing institution, the Province of the Eastern Cape and representatives from local social organizations. In small groups, the participants discussed their ideas for the new community and presented their results to the others.

Input from participants influenced everything from the social vision down to house layouts. One of the key outcomes was a drastic modification of the housing programme. Participants expressed a strong demand for middle income housing and for a wider range of housing products, including self-build lots. Therefore, the starting point of 200 low income and 100 middle income rental homes was expanded to include more housing and additional unit types (see summary diagram on page 5). Participants also asked for non-

housing uses. The programme was therefore expanded to include a significant amount of community space, shopping and businesses.

Workshop participants also preferred an integrated community that mixed races and incomes. In fact, during the workshops they proposed the name Umnyama Park for the neighbourhood. In the isiXhosa language, Umnyama means Rainbow, an apt name for the integrated community that will straddle the no-man's land between the town's racially-divided communities. Participants provided many other suggestions regarding street patterns, public space design, architectural style and more.

Interactive community workshops



Participants in community workshops discussed many practical topics in small groups. After the discussion, each group presented their results. Below is a sample of some of the questions participants answered in the workshops.

1. Type of housing?

What type of housing do you prefer? Do you want an apartment, studio, free-standing house or rowhouse? How many rooms do you want? What kind of finishes?

2. 100% housing or a mix?

Do you want only housing or also shops, playgrounds, schools and businesses?

3. Separate or together?

Do you want to live separate in a free-standing house or together in one complex?

4. Big garden or big park?

Do you want a big private garden or a smaller garden and a big shared park?

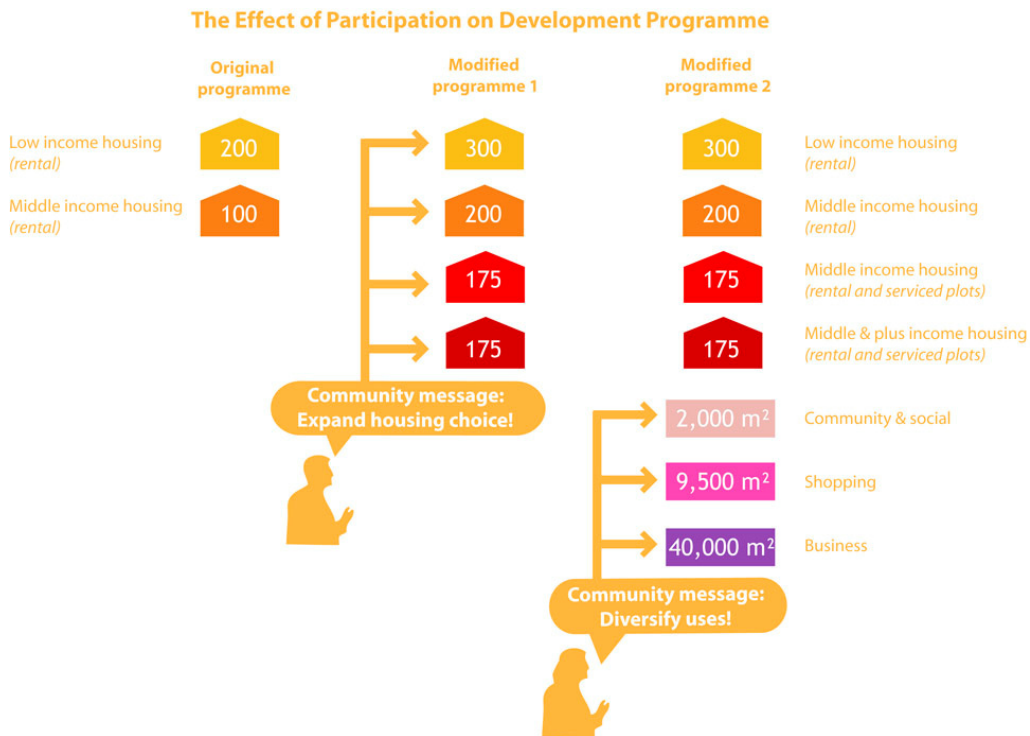
5. Which architecture makes you proud?

What kind of architecture do you like? Does the neighbourhood comprise one style? Or can different styles be blended?

We used all the information from the workshops to create a draft neighbourhood design plan with municipal staff. Then we discussed this plan in a second workshop. After incorporating participants' comments, a finalized plan was presented to Camdeboo council. Following an open public debate, council unanimously approved the plan (the full plan book can be downloaded at www.welovethecity.eu).

In April 2011 we conducted a second set of workshops with local business representatives, entrepreneurs, three top South African architects, municipal staff, and prospective tenants. Again, participants taught us many valuable lessons. From this feedback, we created a detailed design for the first phase, an economic

development strategy, a social services strategy and a project financial model. These results were also approved by municipal Council after open public debate.



Results

By the end of the first set of workshops, over 140 prospective tenants, community leaders and local entrepreneurs had participated in the development of the Rainbow Park urban plan. Their input resulted in plan that was vastly different—and vastly superior—to what was envisioned originally. From the initial 300 homes planned, the community now had a comprehensive plan for 850 mixed income homes, 2,000 m² of shopping, 40,000 m² of local business and 9,500 m² of community uses, all bound together by a grand new esplanade. Construction on the \$70 million project will begin in early 2012.

The success of Rainbow Park demonstrates a viable community-led alternative to South Africa's broken RDP social housing model. Camdeboo's foresight in bucking convention and choosing for a participatory approach resulted in a process that empowered the community. The heart of the process, the interactive workshops, helped direct scarce resources to what people really wanted and needed. This approach also contributed to the positive response from the Provincial government, one of the major supporters of the project, and also the social housing institution, the main delivery partner. Their participation in the workshops gave them confidence in the future success of the project and resulted in their commitment to invest in it.

Investment Partnership Model Camdeboo, South Africa



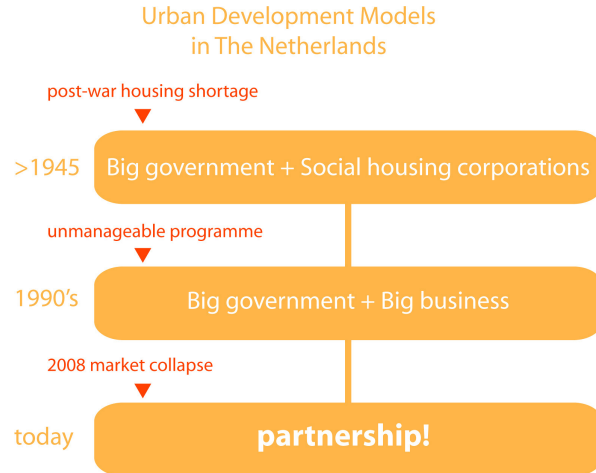
Rainbow Park provides a firsthand look at the potential future of housing delivery in South Africa: participatory local democracy.

Case Study 2 – The Netherlands

Big business and big government: collapse of the Dutch real estate market

At the end of World War II in the Netherlands there was huge pressure for houses to replace those destroyed during the war. The Dutch government responded with a “big government” approach—a drastic national social housing programme and centralized planning policy (not unlike the South African government’s approach at the end of apartheid). On the local level, most Dutch municipalities undertook an active land policy, which involved municipal land assembly followed by the sale of the land to social housing corporations or developers.⁵

As in most European countries with similar centralized schemes, the model proved financially unmanageable. In 1989, the Dutch government responded with the release of its landmark “National Policy Document on Housing in the Nineties”, better known as the VINEX policy. Significantly however, the policy didn’t call for the government’s retreat from the market, as in many other countries; it just redefined its role. The VINEX policy replaced centralized and direct delivery of social housing with a policy of increasing the supply of expensive, private-owned homes. The goal was to put the market into motion, with trickle down effects assisting those at the bottom of the market.⁶ A major part of the policy involved development of so-called VINEX locations, which are generally large areas of undeveloped land outside existing urban areas.



Nijmegen Waalsprong



Nijmegen Leeft Nieuws(2011)
www.nijmegenleeft.nl

Waalsprong is an 11,000-home “VINEX” suburb planned outside the Dutch city of Nijmegen. The huge investment in land assembly by the municipality and big developers virtually went up in smoke with the 2008 real estate market collapse. Development is hardly progressing and per day interest charges are costing the partners tens of thousands of euros.

Our Vossenpels project on part of the Waalsprong land is demonstrating how participation can engage individual and small-scale builders to spur development (www.welovethecity.eu).

To address the financial challenges of the post-war big government approach, the VINEX strategy added the deep wallets of big business to the mix. This meant that local government and private parties—including large real estate developers, major builders and other corporations—worked together to assemble and develop the large VINEX areas.⁷ The incorporation of the market into the process resulted in increasingly complex alliances and decision-making.

In 2008, the system’s steady decay became abundantly clear in the wake of the worldwide financial crisis. Many of the big businesses meant to support the government development schemes lost their easy credit and other financial means to undertake large-scale development. Financing difficulties caused a number of large housing projects to be canceled or

reduced in size.⁸ Demand for the more expensive VINEX homes promoted by the government also virtually disappeared, as consumers lost their ability to access affordable credit.

The market still hasn't recovered. For example in 2010, just under 56,000 newly-built homes were put on the market, more than 32 percent fewer than 2009.⁹ This is the lowest recorded figure since 1952. The office sector was also hit hard and vacancy rates remain high: 14% as of July 2011.¹⁰ The national real estate sector in the Netherlands could take years to recover.

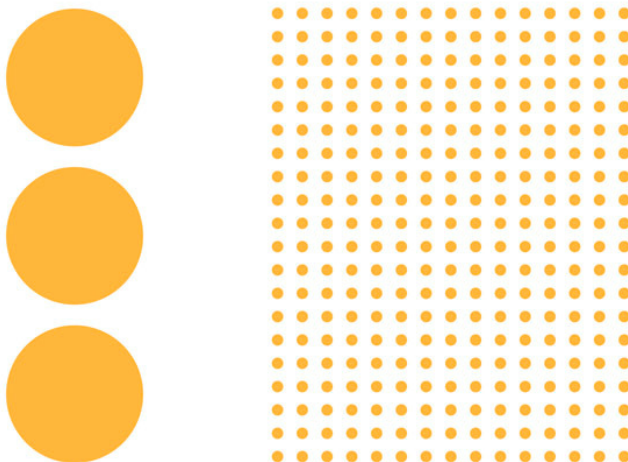
Participatory local democracy in the Harbour Quarter, Deventer

Seemingly oblivious to this market impotence is the Dutch municipality of Deventer. It's currently undertaking a massive revitalization in its historic Harbour Quarter, defying the crisis. In fact, demand for new housing and business space in the harbour is outstripping supply. This is possible because they chose another development route, without depending on big government and big business.

The Harbour Quarter revitalization project didn't begin this way, however. The project actually started in the early 2000's, in the heady, pre-crisis days of the early VINEX land development schemes. Municipal council had determined to redevelop this prime area, as many of the historic industrial buildings were sitting empty due to changes in the manufacturing economy. Government and private studies culminated in the release of a comprehensive master plan in 2004. The master plan proposed mass demolition of existing buildings and construction of high density residential development (100 units per hectare), supplemented by a wall of large office buildings. The plan was emblematic of the typical Dutch approach—dependent on professional developers and large outlays of land assembly and upfront capital.

How to redevelop ...

3 Developers? or **300 Developers?**



Primed by the recent burst of the global high-tech bubble, the municipality of Deventer began to question the wisdom of this large-scale development approach. And after intense debate, the master plan was ultimately not approved by municipal council. However, the municipality was in a tough financial corner as it had purchased a lot of properties in the harbour in anticipation of the planned development. It was also still strongly committed to the redevelopment of the Harbour Quarter. It also noticed that the area had become an interesting place for small, do-it-

yourself entrepreneurs. So the forward-thinking council took a gamble: a competition for new ideas—ideas that could thrive in the new market reality while recouping the municipality's investment.

In 2008, we were invited to participate in the development of the Harbour Quarter. Together with the municipality, we decided that this time the drivers of the development would be smaller local entrepreneurs, rather than big developers. Our proposed development model, branded the “Flemish” approach in homage to the more organic, piecemeal development model of our Belgian neighbours, turned the previous comprehensive master plan on its head. The collapse of the Dutch real estate market was the final death knell that eliminated any lingering sympathies for the old development model. It was time for a new approach.

To create investment, we turned to the power of small developers, who, it turns out, comprise the vast majority of businesses in the Netherlands. In 2010, over 90% of Dutch businesses had fewer than 10 employees. And the number is increasing: new business growth in 2010 was entirely caused by an increase in small enterprises, while the number of large businesses was reduced.¹¹

The fun began with an open call for initiatives in the Harbour Quarter that was answered by nearly 30 parties. Initiatives varied widely: a beer brewery, offices, restaurants, artist studios & exhibition space, a school, and more. In principle, every idea was considered. None was too small. After initiators presented their idea or initiative during a two-minute pitch, the networking began. We then set to work with each of them to find ways to facilitate their idea. Renewal was in motion!

Bella Macchina



Jan Nijland is a specialist in maintenance and repair of classical and special Italian cars. His successful shop in the Harbour Quarter also includes an espresso cafe and Italian wine and specialty foods. He is a prototypical Harbour Quarter entrepreneur: creative, ambitious and practical. We are currently working with him to help him realize his dream of a vastly expanded shop, showroom and living units.

Jan's business is relatively small but when investors like him are combined, then together with the government investment it becomes a whopping \$350 million. As an added bonus, the development risk is spread among many investors.

Rather than going home though, we set up shop directly in the Harbour Quarter with our municipal and other partners. A dedicated “intervention room” was reserved in an historic building for our work. There we work with stakeholders in ongoing work studios. The studios revolve around helping existing and new initiators realize their dreams in the harbour.

With development momentum started and interest in the project growing rapidly, we hosted an open Entrepreneurs Evening in early 2011. Over 150 interested parties joined us, and together we discussed the inspiring initiatives already becoming a reality and the possibilities to further invest.

The housing component of the Harbour Quarter project is similarly succeeding with the participation of numerous small investors. Through a series of participatory events, we engaged adventurous individuals and small groups. During these events, participants were provided with

information on navigating the self-development process. Due to the overwhelming response, we began a lengthy waiting list and incorporated a lottery system for the distribution of plots.

Special events have also been an important part of building enthusiasm in the Harbour Quarter and inspiring new investors. A local design competition generated creative ideas for public space. A European-wide design competition generated creative ideas for major architectural projects. Both competitions drew significant media attention. Events such as concerts, art exhibitions and festivals are also promoted. Together the special events and competitions have pushed the Harbour Quarter into the local and international spotlight and are engaging more people in the revitalization project.

As development continues in the Harbour Quarter, the list of new initiatives and investors grows. Our participatory development approach—which puts people back at the centre of the process—allows us to circumvent the big business and big government model that was decimated by the financial crisis. Small investors are seeing the results of local participatory democracy in the Harbour Quarter and want a part of the excitement too, economic crisis be damned.

Results

One of the earliest outcomes of our participatory process was our development plan, called Room for Ideas (downloadable on www.welovethecity.eu), which was unanimously approved by municipal council. Not a typical prescriptive master plan, it builds on the interest of the initial investors that were engaged through the participatory process. The plan creates space for 200 to 300 of these small and medium “developers” to realize their dreams in the Harbour Quarter and provides an inspiring framework for further growth and initiatives. These investors are currently developing 130,000 m² of living and working space (or an average of about 450 m² each), an amount of space that in another era might have been produced by a single large “VINEX” investor.

The harbour is now step-by-step evolving into a vibrant and idiosyncratic urban district for living, working, culture and leisure. Its buildings are quickly filling with entrepreneurs and new businesses. In 2009 construction began on a number of new initiatives. Incubator space for small businesses is now full and expansion strategies are being developed. The issuance of new housing plots for dozens of self and collective builders is underway. Entrepreneurs are beginning the development of live/work units. A number of existing businesses have begun expanding their enterprises and many new ones have started, such as an open air cinema, student housing, an organic market and a bed &

Inspired to invest



Other businesses and institutions have seen the excitement in the Harbour Quarter and the investments already in progress. The opportunity to become part of it has inspired many of them to also invest. Discussions are underway with a range of small and medium-sized partners, including a beer brewery, a college, a cargo hub, and many more.

breakfast boat. Public investment, includes renovation of the main street and the public space, is also underway.

A side benefit of the organic process, and the motley crew of small investors that it has attracted, is a neighbourhood with a special character. Instead of a typical bland development for which the Dutch are unfortunately famous, the Harbour Quarter is a cheerfully chaotic blend of individual ambitions that together comprise a community like no other.

Although many of the individual investments in the Harbour Quarter are small, the cumulative investment is significant: \$350 million. As an added bonus, the financial risk is small and managed, spread among the many investors. Participatory local democracy therefore becomes a tool to facilitate innovation and leverage investment, without the need for big government and big business.



Learning from South Africa and the Netherlands

South Africa and the Netherlands are both undergoing the failure of large, nationally-led “blueprint” urban development schemes. In both cases, two forward-thinking municipalities saw the writing on the wall and turned to their communities for the solution.

In South Africa, the big government RDP social housing scheme is imploding. Camdeboo municipality had the foresight to turn a participatory, people-centred approach for its Rainbow Park project, empowering the community and strengthening local democracy. In The Netherlands, the big government & big business development tag-team is collapsing in the face of a real estate crisis. Deventer municipality had the foresight to turn to its community for capital and investment in the development of its Harbour Quarter.



Camdeboo and Deventer's turn to the local community is not an ideological one. It's a pragmatic decision in response to the failures of government and business. This "third way" can provide an example for other urban areas experiencing similar challenges. The problems that South Africa and The Netherlands suffer from are common worldwide: affordable housing shortages; growing and restless middle classes; property-dependent markets; inflexible development approaches; a gap between delivered product and local needs; insufficient capital for urban development; to name a few.



The experiences of South Africa and the Netherlands provide a cautionary tale, and those of Camdeboo and Deventer provide a hopeful one. How will other countries cope with their urban challenges and their changing urban realities? Getting it right now is key to the liveability and investment in their urban future.

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