



Improving informal settlements for community development in Cape Town



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Background: Informal settlements are a common phenomenon on the peripheries of South African urban centres. These settlements often lack proper sanitation, healthcare facilities, educational facilities, clean energy sources and social well-being infrastructure. They are frequently associated with crime, illegal activities and the spread of pandemics.

Aim: This study examines the role of informal settlements in community development, highlighting both their challenges and contributions to society.

Setting: While informal settlements are often viewed negatively, they also serve essential socio-economic functions. This study explores their potential to contribute positively to societal development.

Methods: A qualitative approach, grounded in constructivist philosophy, was used. Data were collected through two focus group discussions, and thematic analysis was conducted to assess the role of informal settlements in societal development.

Results: The study confirms that informal settlements face multiple challenges, as documented in existing literature. However, they also reduce socio-economic inequalities by providing affordable housing for low-income individuals, addressing the housing deficit and facilitating urbanisation by integrating new urban dwellers into economic activities. In addition, they serve as informal markets and business hubs, supporting local economic growth.

Conclusion: Policymakers should adopt a balanced approach to addressing the challenges of informal settlements while recognising their role in economic and social development.

Contribution: This study challenges the dominant negative perceptions of informal settlements and highlights their potential contributions to community development.

Keywords: informal settlements; Cape Town; development; urbanisation; quality of life.

Introduction

While informal settlements are seen as a threat to the socio-economic welfare of societies because of various risks that they pose, including those related to health, criminal behaviour and various social vices, their continued existence may suggest that they have a certain role in community development. The purpose of this study was to explore the question: What is the role of informal settlements in community development? The question was explored with particular focus on five informal settlements in Cape Town. Urbanisation has grown at a pace that service providers have found difficult to cope with in Africa (Kombonaah 2025). In particular, the need for adequate housing to meet the needs of urban settlements has been difficult to meet (Senosha & Mahachi 2025). In addition, accelerated rural-urban migration has meant an influx of people in urban areas, putting further pressure on limited housing facilities in urban settlements. Reports indicate that an approximated 56% of the population in Africa's urban areas reside in informal settlements (Ouma et al. 2024). In this regard, South Africa has seen a growth in townships and in informal settlements to accommodate the housing needs in the growing urban communities (Magidimisha-Chipungu 2024). Despite the challenges and problems of informal settlements in terms of their political structure, functional systems and developmental issues, they fulfil some important societal development dimensions, which were of interest to this study (Geyer 2023). Urban poverty and inequalities characterise informal settlements, yet these settlements remain at the centre of urban life and development (Atkinson 2024). Research over the years has been biased towards the negative impacts and challenges of informal settlements as opposed to the potential of these settlements in facilitating development (Mmbadi 2024; Mntambo, Adebayo & Ndinda 2023). This study is an inquiry into the role of informal settlements in societal development. The specific research question was: *What is the role of informal settlements in community development?*

Literature review

Informal settlements reflect a failure by governments to provide vital housing to residents. These settlements are occupied without security of tenure and lack basic services. Informal settlements are a key feature of South African cities and most of the cities and urban areas are surrounded by informal settlements and townships (Scheba, Turok & Visagie 2021). Despite the observations that these informal settlements are associated with a myriad of challenges, they have served a vital role since the apartheid period, when they were used to aid racial spatial segregation (Bailey & Loggenberg 2025). There was a need for cheap labour that Black African people could provide, but they could not stay in the developed areas, which were meant for the whites, thereby leading to the creation of informal settlements to accommodate them (Marutlulle 2022). In South Africa, informal socio-economic evils such as poverty and inequalities lead to the proliferation of informal settlements as those at the bottom of the economic pyramid find residence in informal settlements (Fisher & Sighn 2023).

In Ouma et al. (2024), informal settlements are categorised in terms of four spatial typologies, which were important for consideration in this study. Firstly, some informal settlements tend to be on peri-urban or traditional land, which has become part of a city. Such settlements are popular in growing cities, which find themselves encroaching on their peripheries. Secondly, some formal settlements have grown beyond planned capacities, resulting in informal extensions that develop with time. Thirdly, informal settlements have also been found to develop as private or public spaces that have been occupied illegally, and lastly, formal settlements have also grown from settlements that have been established by authorities as temporary residential communities. Fisher and Singh (2023) explain that informal settlements are characterised by a lack of basic socio-economic fundamentals such as decent employment and basic needs. Hailu, Assefa and Zeleke (2024) found in their study that informal settlements tend to suffer from various health challenges, which arise from widespread pollution of the general physical and air environment. Storey (2021) also informs that informal settlements lack formal provision of key services such as water, waste disposal, electricity and education or health infrastructure and these make them vulnerable to many health problems. While the general argument is that informal settlements are a threat to societal development, studies such as that of Yankson and Allotey (2024) argued that there may be some elements that make informal settlements important and ideal in spearheading societal growth and development. Samper, Kuffer and Boanada-Fuchs (2024) opined that informal settlements have large population densities, diversity and creativity that in many cases may be central to sustainable development. These views tend to oppose the general view that informal settlements are a threat and risk to development. This study was then formulated to explore the role of informal settlements in community development.

Research methods and design

This study employed a qualitative research approach to explore the role of informal settlements in community development. By engaging directly with individuals who have lived experiences in informal settlements, the research aimed to gain an in-depth understanding of their contributions and challenges. The methodology was structured to ensure rigour, relevance and ethical considerations throughout the study.

Paradigm and approach

The study was guided by the constructivist paradigm, which emphasises the subjective experiences and social constructions of reality. A qualitative research design was adopted, which aligned with a phenomenological approach to capture participants' lived experiences within informal settlements. Respondents reflected on their daily lives and interactions to assess how informal settlements contribute to community development.

Population and sampling

Participants were selected with the assistance of leaders from the Informal Settlement Support Programme (ISSP), a Western Cape Provincial Government initiative that collaborates with non-governmental organisations (NGOs), informal settlement residents and local authorities to improve living conditions. The study identified 10 community leaders from five different informal settlements in Cape Town through the ISSP database, which are Langa, Gugulethu, Nyanga, Philippi and Khayelitsha. These areas were chosen because they suit the purpose of the study based on their geographic spread, socio-economic diversity and dominance of informal housing and service delivery encounters. Their convenience and significance to constant urban development programmes made them appropriate for researching settlement change.

Data collection process

After initial telephone conversations explaining the study's purpose, the 10 leaders were invited to participate in an online focus group discussion via WhatsApp. As they were familiar with each other through previous ISSP meetings, they collectively selected a group leader to coordinate the discussion and a moderator to ensure focus and structure. Group rules were established collaboratively to maintain an organised and productive discussion. The biographical details of the 10 focus group discussion participants are provided in Table 1.

Table 1 shows that the majority (70%) of the participants were Black African people, which is also indicative of the racial bias of informal settlement dwellers in Cape Town. Only 3 (30%) of the participants were of mixed race. All participants had stayed in the informal settlements for at least 5 years. The majority of them had been residents in their informal

TABLE 1: Demographic characteristics of the participants.

Participant	Racial group	Age range (years)	Level of education	Gender	Years living in present informal settlement
1	Black African person	30–40	Matric	Male	12
2	Mixed race person	20–30	Diploma	Male	10
3	Black African person	Above 50	National certificate	Female	17
4	Black African person	Above 50	Matric	Male	8
5	Black African person	30–40	Matric	Male	13
6	Mixed race person	30–40	Diploma	Female	9
7	Black African person	20–30	Matric	Male	5
8	Black African person	Above 50	Matric	Female	15
9	Black African person	20–30	Degree	Male	6
10	Mixed race person	30–40	Diploma	Male	16

settlements for more than 8 years. As a result, their views can be trusted and can be deemed to be reflective of many people in informal settlements. The educational levels of the participants were generally low. Only one participant had attained a degree. This resonates with the general assertion that most people in informal settlements are poorly qualified for high-paying jobs. Participants were also drawn from age groups above 20 years, with most of them being those within the 30 years – 40 years age group.

Ethical considerations

Ethical clearance to conduct this study was obtained from the Cape Peninsula University of Technology Research Ethics (No. FOBREC660). Informed consent was obtained from all participants before the study commenced. Confidentiality was ensured by anonymising participants' identities, and participation was voluntary, with the option to withdraw at any time. The research adhered to ethical guidelines to protect participants' rights and well-being.

Results and discussion

The focus group discussion was conducted over 2 days for 1 h and 30 min (10.00–11.00.). In the first focus group discussion, the discussion question: '*What is the role of informal settlements in community development?*' was posed and various responses were provided. Each participant was allowed to contribute, and each member took 13 min – 15 min to provide an explained and detailed answer. After this, the 10 quotes were then rewritten on paper to facilitate close reading and analysis. The analysis of the responses provided chiefly indicates two dimensions on the role of informal settlements in community development. Firstly, there were positive views which suggested that informal settlements had a positive contribution to the development of communities and secondly, negative views, which suggested that informal settlements were actually detrimental to community development.

A popular positive view provided by many participants was that informal settlements were important to promote meaningful economic participation for lowly qualified job seekers and people from rural areas who had migrated to urban areas to seek employment:

'These informal settlements are actually the beginning for most of the young people who arrive in the city to seek economic fortunes or to simply seek jobs. They arrive in the city with nowhere to stay. Most of them cannot afford rentals in good apartments, let alone buy a house to stay. As a result, they find themselves accommodated in these informal settlements where they may have relatives or friends. Additionally, many people who are employed in short contract jobs find the informal settlements important for their continued stay in the city and their participation in the economy. Remember South Africa is a country that suffer from wide socio-economic inequalities. These informal settlements should be considered important as they offer residents for continued stay in the city.' (Participant 2)

From the given assertions, it can be seen that informal settlements can be regarded as important as they facilitate the movement from rural to urban areas, allowing poor people to get into the city, to seek work and be accommodated. The view that informal settlements can be vital for socio-economic development is well-argued in Geyer (2023). The importance of this is explained by the view that:

'The presence of informal settlements is beneficial when considering the nature of the African society and culture of Ubuntu. In South Africa, those who work support those who do not and many of the old people in the Eastern Cape villages are supported by their sons and daughters who reside in the informal settlements while they work in the light industries or in the surrounding farms. Without these informal settlements, these young people will not have houses to stay and support those in rural areas. The informal settlements play a role in the redistribution of wealth as they allow young people to stay in the city and work so as to support those in rural areas.' (Participant 1)

The sentiments of Participant 1 complement those of Participant 8, who stated that South Africa has '... A housing backlog and informal settlements are vital to reduce the negative consequences of such a housing deficit in the city'. In this way, informal settlements are seen as important in closing the housing gap that South Africa faces. Another important view that emerged from the responses was that informal settlements should be considered to be part of the decentralisation of the city, given that these informal settlements tend to be self-sustaining with their socio-economic activities, thereby taking away socio-economic pressure from the formal towns and settlements. It was mentioned that:

'Informal settlements are actually areas of business form many people. They can be considered to be important segments of the population that have certain unique needs, which end up being business opportunities. There are townships, tuckshops, carpentry activities and various other economic activities that happen in informal settlements. It's not about people who are informally settled but its also about the business potentials existing in such area.' (Participant 8)

Despite the positive views that were described by respondents, there were also negative opinions about the presence of informal settlements. In particular:

'Informal settlements are weak security areas that become a haven for immoral and criminal activities. Criminals often hide in the informal settlements and security forces find it difficult to navigate them and trace criminals. They are pathways in the circulation of drugs, smuggling, prostitution and many more. In this way, informal areas are an eyesore, they tarnish South Africa's image due to the policing challenges that they present. Take for example observations that South Africa is unsafe and rife with crime. This is a threat to tourism and to general business practice. Investors may fear doing business in South Africa and this has negative impacts on the economic development of the country.' (Participant 5)

These sentiments were made in recognition of the dense population and squatter nature of informal settlements. The participants expressed their views on the service delivery challenges that characterise informal settlements. These views are also supported by Storey (2021), who described the lack of formal provision of key facilities in informal settlements. Most of the responses provided regarding strain on service delivery concurred that:

'Local government find it difficult to ensure the adequate provision essential services for informal settlements. These include water and sanitation facilities, basic education, electricity and so on. Most informal settlements are difficult to navigate and may not meet the basic requirements for safe provision of some basic services such as electricity. These places tend to become dangerous to human health and safety or welfare in many dimensions. People in informal settlements tend to blame the government for failure to provide basic services but the reality is that they make it difficult for the government to provide them with the essential services that they need. So in terms of development, one may argue that these informal settlements are not ideal for development as they make it difficult for service providers to do so.' (Participant 8)

In addition to the statements of Participant 8, Participant 3 also opined that 'informal settlements were associated with various forms of pollution such as land, water, and air pollution, because they are not subjected to formal waste management systems'. To Participant 7, the informal settlements were health risks to outbreaks such as cholera, diarrhoea or typhoid. These findings corresponded to Madonsela et al.'s (2024) study, which found that pollution remains a key challenge and health risk in informal settlements.

The second phase of the focus group discussions involved the identification of the basic and key themes and concepts that emerged from the first group discussion. Key words, phrases and themes from the first focus group discussion were discussed and the relationships between them were also discussed so as to create interrelationships between them. It was found that the main issues of this study were well-related and had a trade-off effect among themselves. Essentially, an improvement in one will lead to improvements in another, but may also negatively affect another. The interlinkages that were found during the second focus group discussion resulted in the preparation of Figure 1, which was also prepared using ATLAS.ti software for qualitative data analysis.

As presented in Figure 1, informal settlements were viewed both positively and negatively in terms of how they affect community development. The results of the study complement various other works in the literature, but the positive role that informal settlements have on community development has not been well appreciated in the literature.

Limitations of the study

This study was limited in scope because it focused only on informal settlements in Cape Town. The findings may not be fully generalisable to informal settlements in other South African cities or global contexts with different socio-economic and political conditions. In addition, the study relied on qualitative methods, specifically focus group discussions, which, while rich in detail, may not capture the full range of perspectives found within informal settlements. Future studies could incorporate quantitative methods or a larger sample to enhance the robustness of the findings.

Future research

Future research should explore the long-term impact of policy interventions and how informal settlements evolve in response to economic and urban planning changes. Comparative studies across different cities or countries could provide broader insights. To improve informal settlements, policies should balance infrastructure development with community needs, ensuring better sanitation, security and economic support without displacing residents. Authorities should integrate informal settlements into urban planning strategies, promote small business development and involve residents in decision-making processes to ensure sustainable and inclusive growth.

Conclusion

The study addressed the issue of informal settlements, which are a key feature in the peripheries of many South African urban settlements. It stemmed from observations that informal settlements tend to have many challenges that affect the general living conditions of people in such communities. This study sought to explore the potential role that informal settlements can have in societal development. The results of this study found that there are negative and positive impacts that informal settlements have on societies. Negative impacts include reports of various illegal activities that take place in informal settlements, the danger that they present to human health through pollution and poor sanitation and the negative image that they create for the tourism sector, thereby affecting investment. On the other hand, informal settlements were found to be central to reducing the rural-urban divide, as they allow economic participation of those who migrate from rural areas. Informal settlements were also found to be centres of some form of economic activities, as they facilitate the decentralisation of socio-economic activities from the central business area.

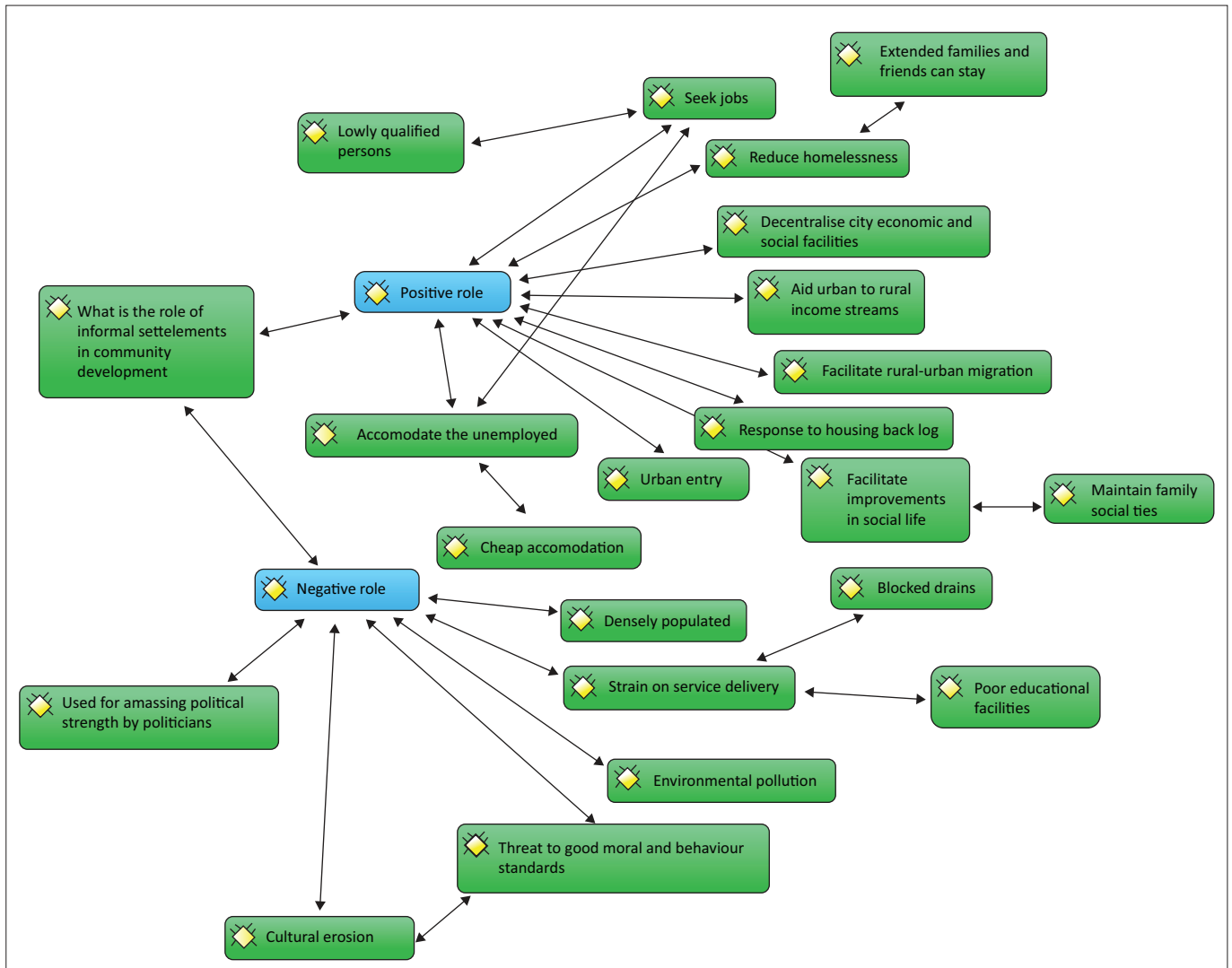


FIGURE 1: Network diagram for the role of informal settlements in community development.

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Competing interests

The authors declare that they have no financial or personal relationships that may have inappropriately influenced them in writing this article.

Authors' contributions

N.B. and T.B. contributed equally to the conceptualisation, writing, and editing of the manuscript and share first authorship. All authors contributed to the article, discussed the results, and approved the final version for submission and publication.

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Data availability

The data presented in this study are available on request from the corresponding author, T.B. The data are not publicly available because of privacy and ethical restrictions.

Disclaimer

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