

Beyond Cooption and Protest: Reflections on the FEDUP Alternative

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Sophie Oldfield's chapter is a valuable contribution to the long and well established South African discussion about state-civil society relations. Using contemporary trends in state theory, she criticizes conceptual frameworks that counter-pose the state and civil society. Appropriately, she suggests that the alternative to this kind of dualism is a complexity perspective that appreciates the fact that the state is a vast conglomeration of institutions constituted at different levels and spaces. These institutions, in turn, are not neutral, nor can they be depicted to represent a priori particular capital logics or class interests. They are embedded within wider contestations and are, therefore, constantly shaping and being reshaped by these processes. It is on this basis that she again appropriately criticizes another dualism that afflicts the way both protest and participatory processes are depicted. She discusses a long tradition of extra-state resistance and protest that has persisted into the present era, and the relatively new traditions of state-managed participation via ward committees, IDP processes, and so on. There is, however, another tradition that she does not discuss, namely a tradition associated with the South African Homeless Federation which was renamed the Federation of the Urban Poor (FEDUP) in December 2005. The significance of this tradition is that it is quite explicitly predicated on a critique of the two traditions that Oldfield suggests lack an appreciation of complex relational state processes and institutions. The FEDUP tradition – and the global social movements represented by Shackdwellers International (SDI) that FEDUP is affiliated to – explicitly acknowledges the complex and relational nature of the state and the need, therefore, to both engage it and contest the focus of its interventions, as well as the need to preserve and protect an autonomous base within the poorest homeless communities. The purpose of this rejoinder is to articulate the significance of the 'empowerment through engagement' tradition, including a discussion of the comparative merits of this approach compared to the protest and institutionalized participation approaches.

Although I have used FEDUP as the focus for this discussion, FEDUP is in reality a contemporary manifestation of a tradition that has a long history in both the trade union movement and community politics. Although trade unionism in South Africa has always been torn between cooptive 'sweetheart' unionism and radical anti-capitalist unionism, there are examples of union movements that straddled, incorporated and synthesized these traditions. The Federation of South African Trade Unions (FOSATU) – the predecessor to the Congress of South Africa Trade Unions (COSATU) – managed to achieve this balance by the early 1980s and as it morphed into COSATU in 1985 this balanced mix of strident opposition and workplace bargaining became the strongest pillar of the mass democratic movement. The Shop Steward Councils that were set up by militant shop stewards to take up community grievances spawned the nation-wide civic movement, and not surprisingly, this movement was not at all averse to negotiating deals with local authorities while simultaneously organizing consumer and rent boycotts. Names like Mhuseli Jack in Port Elizabeth and Gugile Nkwinti in Port Alfred became associated with a new style of mass-based mobilisation coupled to sophisticated negotiations and engagement with establishment structures. It was this dynamic that created the conditions for the emergence of the 'Urban Sector Service Organisations' – PLANACT, CORPLAN, Development Advice Group, Foundation for Contemporary Research and the Built Environment Support Group. Once social movements engaged, they needed access to knowledge so that they were not dependent on knowledge generated by the dominant state or capitalist interests of the time. The Service

Organisations filled this gap. FEDUP has reinterpreted this ‘empowerment through engagement’ tradition within the contemporary South African context. However, there are others that have done the same, including COSATU, the HIV/AIDS movements, anti-crime movements and more recently interesting networks of community-based waste recycling movements.

The relational perspective that I share with Oldfield will accept as a point of departure that the power of those who control the world’s resources depends on the systematic disempowerment of the global poor. It normally follows from this that once the poor get organized and build capacity to capture and control resources, the power relations start to shift. But this implies a cause-effect relation that does not always apply (especially in this globalised world where the centres of power are geographically separated in global space): just because the poor get organized does not reduce the power of the rich, especially if this new found power is used to simply challenge the rich to change. South African social movements have learnt the bitter lesson that if the rich are left to determine the terms of change, the poor rapidly lose control of the final solutions. The alternative is, therefore, to build self-organised systems within poor communities that retain an autonomy over time that remains unaffected by whether there is conflict, negotiated engagement, cooperative partnering or simply a void in places where ‘non-states’ exist. What changes when this happens is not the power relations per se, but rather the way solutions are defined, contested, negotiated and implemented. Over time, the substance of these power relationships start to change.

This is why this alternative approach is not simply a rights-based mobilization *against* the status quo. Instead, it seeks to institutionalize alternative forms of social self-organization within communities that simultaneously express the possibility of alternatives in order to build hope, and create new power bases for sustaining the struggle over time for greater equity and justice. It is, therefore, unsurprising that the way to do this is to organize around the most critical key to daily survival, namely cash. If what is needed is a model of self-organisation within communities that is easy to replicate, appropriate to a reality that affects everyone no matter the context, flexible enough to adapt to specific circumstances, and is not dependent on external leadership or professionally managed systems, then organizing around the control of cash (savings and loans) makes enormous sense. It is an approach that touches the deepest nerve centres of every community, and penetrates the flows of energy that connects these communities to the outside world (for better or for worse). It is also an approach that is in some way remarkably appropriate to the specific realities of developing country cities where daily contact is possible in highly congested communities where living, working and recreational spaces get merged together into a seamless web of complex adaptable dynamics.

The significance of the approach that is now associated with FEDUP (and with SDI internationally which is active in 28 countries in Asia, Africa and Latin America) is that they have plaited together strands of developmental knowledge that are normally compartmentalized into separate types of developmental practice: the key role of micro-finance in development; grassroots community-organizing to build collective solidarities; technical innovations aimed at doing more with less; challenging existing inequalities at the political level; pragmatic autonomism within civil society; the specificity of the city and in particular the socio-cultural context of the urban poor as a field of organizational practice; and subordinating professional knowledge and roles to the organized chaos of community leadership. Unsurprisingly, as with any kind of synthesis, it makes everyone who has not seen

the synthesis unhappy. The pragmatic autonomism will be criticized for being reformist because it ‘lets the state off the hook’; the emphasis on continuous challenge and engagement will be criticized from the institutionalized participation perspective for being too political and confrontational thus putting potential concessions at risk; micro-finance combined with community organizing will be criticized by the micro-finance purists for being financially irresponsible; and traditional rights-based community organizers will see micro-finance as a waste of energy when the real task should be to put pressure on states to inject more development finance, and they will dismiss the significance of negotiation to win concessions for being reformist. Above all else, synthesis often makes the story too complex to tell in short and simple enough ways for academics, government officials, the media, development specialists and most social activists to understand. It can, however, work in communities because these complexities are an everyday reality. Unsurprisingly, FEDUP and SDI build capacity not via the usual NGO ‘capacity building workshop’, but via ‘exchanges’ where activists from poor communities visit and learn from other activists in poor communities. As far as the FEDUP methods are concerned, these are briefly described below. In combination they all aim to build community power but in ways that are markedly different from traditional rights-based social movements that call for state-led social transformation or the managers of institutionalized participation who favour social amelioration within the existing institutional framework. The FEDUP/SDI approach consists of methods aimed explicitly at transcending this traditional dualism in developmental thinking. Like all dualisms, this dualism is deeply rooted in a Western Scientific paradigm that can only establish the identity of ‘A’ by distinguishing it from ‘not-A’, i.e. transformation *or* amelioration (revolution *or* reform for an older paradigm). Eastern and African knowledge systems have no difficulty in thinking about ‘A’ and ‘not-A’ as embodied in the same identity.¹ The so-called ‘methods’ below should be seen in this light, i.e. crafting a developmental practice that makes it possible for poor communities to build via self-organising systems the governance capabilities, knowledge base and skills for ameliorative transformation or transformative amelioration (or any other expression that captures the synthesis). In practice, this means poor communities empowering themselves to define their own solutions *and in so doing* (i.e. not cause-effect, but simultaneously) dissolving the assumptions underlying solutions imposed by others. In other words, another dualism crumbles – the subject-object dualism as the ‘object’ refuses to be the ‘object’ by doing what ‘objects’ should not be able to do, i.e. to think and act like ‘subjects’. The result is the ‘subject/object’ of transformative amelioration. Because English is so rooted in the Western scientific paradigm, this koan can only be expressed in an incomprehensible way.

The FEDUP/SDI methodology can be described as follows:

- Savings and loans: as already described, the FEDUP/SDI approach adopts micro-finance as it’s ‘operating system’ but eschews the high cost top-down control model inspired by Grameen and the exploitative coercive model practiced by many micro-credit organizations. Instead, self-managed savings and loans systems are seen as a way of redirecting financial flows within communities; using the social relations created by

¹ . For those who may be interested, the excluded ‘middle T’ is deeply rooted in the Western Enlightenment scientific paradigm which was premised on three simple axioms, namely the identity of ‘A’ is ‘A’, therefore the identity of ‘A’ cannot be ‘not-A’ at the same time, and therefore it follows that there cannot be ‘T’ which is A and not-A at the same time. ‘T’ is therefore by definition excluded. Any form of knowledge that includes ‘T’ is ruled ‘unscientific’ and therefore illegitimate. Eastern and African knowledge systems have always made a place for ‘T’. For further elaboration see amongst others Nicolescu, B. *Manifesto of Transdisciplinarity*, New York, State University of New York Press, 2002.

savings and loans incentives to build social solidarities and trust; and as a vehicle for channeling development funds into communities. This is, however, much easier than it sounds.

- Enumeration: as any community organizer knows, when a community controls the knowledge about itself, it is able to engage with outsiders far more effectively. The enumeration process effectively turns the planning process on its head – instead of planners gathering knowledge and presenting proposals to communities who are then asked to simply shake or nod their heads, the emphasis is on active engagement in knowledge preparation and solution generation. Virtually every enumeration process is contested in some way by interests who are threatened by the prospect of communities gaining control of knowledge. The result is the entire process of planning and executing an enumeration is a highly political affair rooted in intense grassroots organizing.
- Exchange programmes: instead of transmitting knowledge via formal expert-centred learning, funds are raised to cover travel costs for local leaders of savings and loans groups to visit each other across cities, regions and countries. Not only does this enable people to learn new things from other places, it also deepens self-understanding via the process of telling one's own story to others. A key by-product, of course, is network building across localities - what some have described as 'grassroots globalization from below' - and the construction of imagined communities represented, most graphically, in the spread of common cultural practices (songs, dance, slogans).
- House modeling: house modeling is a simple technique for building mock houses out of wood and cloth in order for people to physically see what they will get for their money, and it also rallies popular community attention to a process that promises tangible proof of change. It cuts, of course, both ways – beneficiaries realize the expectations raised, while the disappointments of non-beneficiaries are enhanced.
- Negotiating and deal making: the most controversial and counter-intuitive of all the methods is the emphasis on direct engagement with, in particular, state agencies to make demands, reach agreements and co-create implementation mechanisms. In situations where states have low levels of legitimacy (which is most places) this approach fuels the most heated accusations of 'reformism', 'cooption' and 'doing the state's work'. What the critics of radical pragmatism do not realize is that engagement achieves three things: it forces communities to clarify exactly what they want, it hones the skills of leaders who soon realize that what they get at the negotiating table depends on the strength of their organizational formations on the ground, and concessions help sustain long-term commitments of large membership-based groups that must witness rewards for staying organised (this being a pressure that small lobby groups with no membership never experience). South Africa's leading trade unionists also understand these three features of effective worker organisation. It is, however, a tiger that's being ridden: leaders who become more dependent on their relationship with those making concessions than on those they should be representing soon end up inside rather than on top of the tiger. It is, however, a tiger worth riding because the alternative is a confrontational non-engagement model which is easily thwarted: all that a political elite needs to do is agree to the demands being made, and then determine unilaterally the terms and conditions of meeting the demands. Whereas the opposition wanted to delegitimise the state via non-engagement, the end result is heightened legitimation as the state captures the language of the opposition and uses it against the opposition. To survive the opposition then has to run around explaining that what the state has conceded is not the 'real thing'. By then they are on the defensive and invariably the end result is the demobilization of their constituencies who are often happy to pragmatically accept something less than the 'real thing' – at least

it is ‘something’, they will say. After that, the movement fragments into splinters, each more ideologically pure than the other. South Africans know this story only too well.

The origins of the South African Homeless People’s Federation lies in the formation of People’s Dialogue, an NGO formed in the early 1990s to facilitate exchanges and networks of local groups. It had strong links with SPARK in India, which worked closely with the National Slumdwellers Association. It was the Indian counterparts of People’s Dialogue that pioneered the development of the methodology described in the previous paragraph. Formed shortly before the founding democratic elections in 1994 by 200 local groups, the Federation rapidly grew into a national network of some 1,500 autonomous savings and credit groups whose size ranged from a minimum of 15 to a maximum of more than 500 members. By 2002, it had an active membership of more than 100,000 in some 700 informal settlements, 100 backyard shack areas, 3 hostels, and 150 rural settlements. It was active in all nine of South Africa’s provinces. The work of the federation included the ‘delivery’ of 12,000 housing units, incremental loans for a further 2,000 houses, infrastructure for 2,500 families, land tenure for 12,000 families, hundreds of small business loans, three parcels of commercial land, ten community centres, and several crèches. It set up its own housing fund, the *uTshani* Fund, in 1994 in which savings were deposited and from which loans were made including bridging finance for housing and infrastructure loans, access to grants through the government’s housing subsidy scheme and access to credit for small business loans. The SA Federation has also set many precedents for what the urban poor can do, helped to change national housing policy and developed a partnership with the city government in Durban for an ambitious city-wide programme, including an upgrading programme involving over 15,000 households.²

By 2002 the SA Federation was in crisis as a result of a tight complex set of convoluted contradictions and tensions that are difficult to grasp.³ Although in theory the rapidly expanding savings and loans groups were the organizational foundation of the Federation, by the mid-1990s this began to change as access to housing and housing delivery became the focus within a national context dominated by pressures to demonstrate the benefits of democracy. The Indian model had replicated in South Africa, but without a history of many years of bottom-up community organizing around self-managed savings and loans routines as the sub-structure of social solidarity. The deal with the Department of Housing to transfer R10 million into the *uTshani* Fund and for the Fund to act as a conduit for subsidies demonstrated the benefits of engagement but also profound dangers that were not apparent to all at the time. The benefits were clear: access to funds to take the ‘people’s housing process’ to scale. Across the country Federation leaders announced the good news. Support NGOs and state structures were geared up to spend and deliver, and international donors joined the party. Mobilisation levels were intense, high energy and large-scale. People expected to get something for their efforts.

But on the ground a subtle but vital shift took place: savings became a means for accessing the subsidy, i.e. the simple message was save R500 and you can get a R15 000 subsidy via the Fund. Getting houses became an end in itself – amelioration became the priority, transformation fell away. As thousands of houses began to get built, energy was directed into the complex processes of land acquisition, house design and construction. Like trade unions

² . This useful summary description comes from Satterthwaite, D. and d’Cruz, C., op. cit. p.13.

³ . This analysis draws heavily on research conducted by two colleagues of the author, for some of the published results see Pieterse, E. and Khan, F., “The Homeless People’s Alliance”, unpublished paper commissioned by the Centre for Civil Society, University of Natal, 2004.

that give up a class focus in favour of members, the focus became the 'beneficiaries' not the urban poor as a whole. However, the subsidies were delayed by cumbersome and resistant bureaucracies which meant the housing delivery process was funded by bridging loans to members from the Fund. By 2003, the state owed the Fund R54 million and the Fund was forced to turn off the tap. On the other hand, Federation leaders were under enormous pressure to make promises to non-beneficiaries who wanted the same deal as beneficiaries despite the fact that building costs were rocketing while the subsidy remained static. Fund managers got squeezed between a state that broke its promises (while restating it's positive policy commitments to the contrary) and Federation leaders who were reluctant to push back member's expectations. Unsurprisingly, once houses were built 'beneficiary' members were not locked into sufficiently strong daily savings and repayment routines resulting in declining loan repayment levels. This was exacerbated by the fact that 'non-beneficiary' members had no incentive to pressurize 'beneficiary' members to repay because there was no direct relation between loan repayment to some distant 'national Fund' and accessing new loans at the local level. Vertical financial flows had broken the horizontal flows of social capital. Add to this the constitutionally loose (almost populist) framework of accountability of national and regional leaders who were starting to be blamed for delays and contestable allocative decisions, and you end up with a contorted matrix of institutional and personal tensions that became increasingly redundant for the tens of thousands of non-beneficiary members on the ground. By 2004 there were signs that the movement at grassroots level might survive the baffling and unsalvageable institutional meltdown going on above them. Decoupling from the Federation per se and its NGO partners (People's Dialogue and uTshani Fund), new networks began to coalesce under a new identity that eventually called itself the Federation of the Urban Poor (FEDUP) supported by a newly formed NGO called the Community Resource Centre (CORC) working in partnership with a network of individuals and NGOs that share a progressive pro-poor agenda for a sustainable city. Eventually, People's Dialogue closed down, and the movement split – a small Cape Town faction retained the old name, while the rump of the movement (with Durban as its strongest base) joining FEDUP in 2005. The uTshani Fund, however, was salvaged via the intervention of the new FEDUP and CORC leadership who managed to wrest control of the Board. By 2006 a new 'alliance' was fully operational (FEDUP/CORC/uTshani) and this was the grouping that did the deal with the Minister of Housing to take delivery of 6000 housing subsidies to kickstart the revitalization of the 'People's Housing Process' (PHP) which is the government's official approach to community-driven housing delivery.

In conclusion, like the rights-based protest movements or the institutionalized participation approach, the FEDUP/SDI approach described above is riddled with its own contradictions and difficulties. Nevertheless, it is a distinct approach with a well developed conceptual and strategic framework that differs substantively from mainstream thinking in South Africa about participatory development or protest action. In particular, and like the trade union movement, it is rooted in an appreciation of exactly the kinds of relational institutional complexities that Oldfield urges us to consider. To this extent, it is a movement that deserves to be better understood. Even though it makes little effort to communicate with the broader public, it should attract far more media attention as well as the attention of researchers, and large-scale development funders like the Development Bank of Southern Africa, National Development Agency, Independent Development Trust, and others across the public, private and non-profit sectors. With all its complexities and challenges, FEDUP and its partners are trying to institutionalize participatory development on a massive scale via engagement with some state officials and politicians that are still willing to talk to - and work with - organised poor communities. This friendly face of the state might in time turn away, but for now it

creates a unique window of opportunity that cannot be ignored by those with an authentic interest in challenging the power relations that keep millions in poverty.