

uTshani Buyakhuluma (The grass speaks): People's Dialogue and the South African Homeless People's Federation

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SUMMARY: This paper describes the work of the NGO, the People's Dialogue on Land and Shelter from 1991 to the present and the development of the South African Homeless People's Federation Alliance out of the network of representatives from illegal and informal settlements with whom this NGO worked. This includes details of the housing savings schemes, national and international exchange programmes, the uTshani Fund for housing loans, the land unit and dealings with government. It also includes a description of the remarkable community-based training and enumeration exercise which helps the residents in any settlement to develop their own plans for housing and priorities for action. To provide some context, the paper describes the ineffectiveness of the Mandela government's housing policies which thought that support for private sector "mass housing" was the solution, rather than support for people's own processes, as advocated and demonstrated by the Alliance. The paper ends with an account of how official support for the Alliance has grown but also how difficult it is for any formal government structure to support community directed action.

I. THE SOUTH AFRICAN HOMELESS PEOPLE'S FEDERATION

THE SOUTH AFRICAN Homeless People's Federation is a social housing movement for the urban poor. It was established in 1994 as the formalised network of autonomous local organisations that ran housing savings schemes. Its national character, active membership, autonomy and high level of participation makes it one of the most important social housing movements in Africa. Its rapid growth, influence on national policy and links with global networks have also given it a prominent international profile.

The Federation is a closely knit network of community based organizations from all over South Africa. These organizations are united by a common development approach which has the following characteristics:

- all member organizations are rooted in shack settlements, backyard shacks or hostels;
- all organizations are involved in savings and credit, managed at grassroots level by the members themselves;
- while men are not excluded, the vast majority of Federation members are women;
- all organizations are involved in struggles for security of land tenure and affordable housing;
- self-reliance and autonomy are hallmarks of Federation groups. Power and decision-making are highly decentralized, with individual organizations responsible for their own development activity and direction.

A number of regional and national groups (or informal committees) have developed in response to the Federation's rapid growth. These regional and national structures facilitate interaction between the autonomous organizations within the Federation, provide support and assistance in time of need and articulate the objectives and aspirations of the Federation groups to the formal world.

The South African Homeless People's Federation has a special relationship with the NGO the

People's Dialogue, the organization which initially created the space for the Federation to emerge. Box 1 outlines the events that led to the formation of this NGO in 1991 and the gradual consolidation of what became the Federation in 1994. Today, the People's Dialogue is the support arm of the Federation. The two organizations are involved in a close partnership in pursuit of the same socio-economic objectives, adding value to each others' practice.

Box 1: The origins of the South African Homeless People's Federation and the People's Dialogue

1989 (September): The Asian Coalition for Housing Rights organized an "Asian People's Dialogue" a gathering of representatives from Asian squatter communities in Seoul, South Korea. Catholic Welfare and Development, an organization based in Cape Town, was invited to send a delegation of South Africans and seven community workers from various land and shelter organizations were selected. The Korean authorities refused to grant them visas, supposedly on the grounds of sanctions against apartheid, although South African businessmen routinely got South Korean visas. The South African community workers went to Thailand and the Philippines to meet some of the people who had attended the Asian People's Dialogue. Although this exchange proved to be of limited value in terms of the usefulness of the experience to the participants themselves, the participants returned with such enthusiasm for the processes they had witnessed that they called for a Southern African People's Dialogue^[1] to be organized.

1991: The Southern African People's Dialogue on Land and Homelessness was held in Broederstroom, Transvaal, with participants coming from 63 settlements in the subcontinent. There was also a large contingent of overseas housing specialists. The delegates from the homeless communities dominated the proceedings and the meeting made clear the need to support exchange programmes between settlements and to address their isolation. Four methods developed to achieve this: exchange programmes; information-gathering and sharing visits to settlements; talking newsletters (audio-cassettes) and broadsheets; and workshops. The talking newsletters allowed a spread of information to those who could not read and did not speak English.

1991: The growing involvement of community organizations in the network highlighted the need to change the organizational structure to allow the representatives of these organizations to take control of the networking. A contact group was established of 24 elected members who were responsible for ensuring that the People's Dialogue remained responsive to the needs and demands of people in informal settlements. Through this Contact Group, local and inter-regional exchanges and dialogues gained depth and greater momentum.

1992: The international exchange programme began. Although many offers from groups in other countries came, the network initially wanted to concentrate on local level networking and exchange. After internal exchanges, two regional workshops to follow up the original People's Dialogue and the development of the Women's Forum during 1991, the network felt ready to initiate some international exchanges, as they became a logical extension of local and national exchanges. An invitation from the Asian Coalition for Housing Rights was accepted and exchanges made to various Asian countries. After this, a partnership was agreed with three Indian organizations: an Indian NGO SPARC, *Mahila Milan* (a women's cooperative set up by pavement dwellers in Bombay) and the National Slum Dwellers Federation.

1992 (February): The Housing Finance Workshop. This had involved months of careful preparation by the steering committee of community organizations and a South African

NGO, Planact. It helped strengthen the network and the partnership with the three Indian organizations mentioned above. It also made clear the fact that the network would have to organize to get change within the formal system. Several housing finance organizations, political parties and government officials were invited but government officials failed to attend. The African National Congress sent a speaker who only came to speak and did not stay to listen.

1992 (February): Representatives from Bombay's pavement dwellers came to visit settlements in Bloemfontein, Durban and Cape Town. The Indian women stressed how they had to develop their own internal analysis of their problems and their own solutions, rather than rely on externally provided analysis and solutions. The Indians also recognized that many poor communities in South Africa were well organized and could develop their own solutions.

1992 (May): Seven community leaders visit many low income communities in three states in India, hosted by the National Slum Dwellers Federation, *Mahila Milan* and SPARC.^[1] As one of the South African participants noted, the NGO SPARC did not make decisions for the low income communities in which they worked.

1992 (August) onwards: The growth of housing savings schemes, in recognition of the fact that savings were needed if they were to get access to decent housing and that the housing credit schemes that were provided by banks or other organizations were either not going to lend to them or would not meet their needs (for instance refusing to handle very small savings and provide small loans).

1992 (September): Community organizers from 40 settlements throughout South Africa and Namibia meet in the community of Kleinskool. This represented the point when what became the South African Homeless People's Federation took over the direction from the NGO, the People's Dialogue. Each region elected coordinators for two year terms of office and their job was to "engage in a system of focused networking in order to identify community needs and address them via exchange programmes at the regional and national level. They will work via existing community structures, forging friendships and alliances in the process. Activities will include house-to-house visits, making informal contacts, arranging workshops and facilitating exchanges so that the voice of the homeless and landless poor will be heard clearly in South Africa."

1994 (June): Housing Finance Workshop

1995 (January): *uTshani* Fund begins operation

SOURCE: Drawn principally from Bolnick, Joel, "The People's Dialogue on land and shelter; community driven networking in South Africa's informal settlements" *Environment and Urbanization* Vol. 5, No. 1, October 1993, pp. 91-110.

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The Federation's activities are as extensive as is their outreach to informal settlements throughout the country. While savings and credit is the driving force of the movement, it is not the Federation's only housing related activity. The national and regional structures have six other components besides savings and credit and these, in turn, are replicated at settlement level especially in the older, more established savings groups. Thus, the Federation's work can be described under seven headings:

- Housing Savings Schemes Support

- Exchange Programmes
- Community Based Training
- Enumeration
- Technical Teams Support
- *uTshani* Loans
- Land Unit.

Each of these will be described in more detail, after describing the context within which the Federation's work developed.

II. WHAT IS BEING DONE ABOUT THE MANDELA GOVERNMENT'S FAILURE TO ADDRESS THE PROBLEM OF HOMELESSNESS IN SOUTH AFRICA?

THERE ARE AN estimated 15 million people squatting in shacks in the towns and cities of South Africa. The government of National Unity, headed by Nelson Mandela, which replaced the apartheid regime after the April 1994 elections inherited a housing policy that had been designed by and for the private sector - especially the large financial institutions. Although the new government prioritised housing, little material support has so far been offered to these 15 million people.

The “sunset clause” agreed in the course of pre-election negotiations ensured that many old-order bureaucrats would remain in the civil service until April 1999. More significantly, the new government’s key ministries of housing, land affairs and reconstruction and development (now defunct) lacked the vision, the experience, the capacity and the institutional space to spearhead an effective challenge against the imperatives of the marketplace and the old civil service.

The situation was made worse by the fact that many of the cadres in the liberation forces, now elevated to national and provincial government, were ideologically committed to state provision of housing and politically committed to making sure that the private sector was not to be “let off the hook”. Their ambition was to coerce the private sector into producing low-income housing at relatively low levels of profitability. The majority of organizations in civil society, NGOs and community based organizations had a long history of anti-apartheid struggle and were anxious to support the new government in its ambitious plans to build a million houses every year.

The strategy of using negotiations to resolve conflict between rival interests enjoyed great popularity in the early days of the new South Africa because that was how a political solution had ended the era of apartheid. It was inevitable, given the pivotal role that Joe Slovo had played in these political negotiations, that his major objective during his short tenure as Minister of Housing was to find common ground between all the stakeholders involved in the housing process.

The minister’s desired consensus was reached at an important conference held in Botshabelo in October 1994. The Botshabelo Accord created the framework whereby one million houses were to be built every year. In effect, it ensured that the bulk of the government’s financial and human

resources and institutional capacity was placed at the disposal of private contractors and the banks who, in exchange for access to the government's capital subsidy programme, would be required to ensure housing was available for the homeless and make formal credit available to those who could afford it. As a result of the actions of the South African Homeless People's Federation, who represented the homeless sector at Botshabelo and who had already demonstrated the effectiveness of people's housing, the government also pledged to support what they called "the People's Housing Process". The fact that this was little more than a poorly understood afterthought indicated how weak the Federation's position was relative to the private sector, the public sector and others anxious to deliver housing "entitlements" to low-income settlements rather than supporting them in defining their own solutions.

Nevertheless, the Federation remained confident because it knew that the government's discourse on people centred development meant that a window of opportunity remained open to them. They went back to basics, to their unassailable strengths. They continued to build organizations in the shack settlements, to develop and refine systems of people's housing and people's housing finance together with their overseas colleagues. They built organizations and began to build houses and waited for the public and private sector initiatives to grind to a halt and for government officials to turn their attention to the people's sector. They did not have to wait long.

This planned solution to South Africa's housing problems offers little to those with low incomes. Private contractors can obtain a capital subsidy (worth a maximum R15,000 for housing, infrastructure and services) to develop low-income houses. The government proposals for subsidy provision are only really able to reach those with a household income of R1,000 to 3,500 but the income of 65 to 80 per cent of the homeless is below this threshold. Without secure tenure and bridging finance, community organisations cannot access the capital subsidies and the vast majority of urban dwellers continue to address their housing needs with no support from formal sector agencies. There are some local government, state and NGO initiatives, but all are small-scale and are restricted to a few settlements.

In its first year, the government was able to provide or support less than one-tenth of the housing it had wanted to make available. Most of the funds allocated to housing in the 1994/95 budget were rolled over into the next year's budget. Although the 1995/6 budget was almost double the previous year, about half the funds came from 1994/95, disguising the fact that, in real terms, the housing budget for that year was cut by more than half the amount originally stipulated in the government's medium-term financial planning. The government sought to encourage banks to provide housing loans to relatively low-income groups through a mortgage indemnity scheme - but, in general, the banks failed to support low-cost housing and the contractors who built housing either targeted the not-so-poor or poured the subsidies into expensive infrastructure development which used up most of the subsidy.

The Department of Housing responded to this crisis as quickly as could be expected by an over-staffed and rule-bound bureaucracy. Increasing attention was paid to the people's housing process and, whilst the government was absurdly cautious not to offend the entitlement oriented sectors of civil society by openly acknowledging the pioneering role of the People's Dialogue/Federation Alliance, the mechanisms they were adopting to give substance to the "people's housing process" were borrowed directly from the Federation's experience.

III. HOUSING SAVINGS SCHEMES

IN THE FEDERATION, people are mobilized through savings. From the outset, members of savings schemes practice self-reliance as they build and run their own organizations with their own resources. This is why the Federation is sometimes referred to as the Black Consciousness Movement of the urban poor. This does *not* mean that the Federation is a Black consciousness organization for it has no political affiliation. But it is rooted in an affirmation of the dignity and the strength of the homeless poor. In this regard, the housing savings schemes play a very important part through emphasising to people their own value and capacity.

Housing savings schemes are groups of women (men are not excluded but few choose to participate) who save regularly. Saving is a central activity for the Federation and members have to belong to one of these schemes. A frequent comment from other more sceptical members of the community is that members can save little in comparison to the total cost of housing construction. However, the Federation perceive a much more complex relationship between its savings schemes and housing finance. They have no illusions that the savings will be adequate for building houses but emphasise the importance of saving for the following reasons:

- savings mobilise poor people. The Federation has a saying: "We do not collect money, we collect people";
- savings ensure high levels of participation and mutual interaction in an organisation. Through investing the very limited funds they have, the members have a material stake in their organisation and in its decision-making. Savings encourages regular interaction and enables strong bonds to be created;
- savings create a space for the central participation of women in informal settlements. This is because women are much more interested than men in saving for credit and for housing;
- savings and loans enable community organisations to develop the capacity to manage and control finance and to demonstrate this ability to the outside world.

Savings are banked locally and used to provide small-scale finance to members for emergencies and for supporting income-generating activities. All matters relating to the management of these finances (except for interest rates) are determined locally and are undertaken by treasurers, book-keepers and collectors drawn from the schemes' members.

Housing savings schemes concentrate the resources and the knowledge of the communities. This tends to create tensions because established patriarchal organizations, accustomed to controlling resource flows and dominating development in informal settlements, perceive these groups as threats to their power. Over time, many of these organizations recognize that the housing savings schemes are an enormous asset to their communities. Instead of seeking to undermine them, they give them support, understanding that by supporting the schemes they maximize the development opportunities of their communities.

The number of savers and of housing savings schemes is growing rapidly - see Table 1. Some are stronger than others but most are the strongest organizations in their communities. They are not

strong in terms of access to force or to power but strong in terms of empowering their members and creating the space for them to make their own life decisions and carry them out. Many of them have also initiated small-scale emergency loans and loans to support income-generating activities to ensure that the money that is collected reduces their vulnerability to economic shocks and supports local development activity.

Table 1: Growth of the Housing Savings Schemes

	JULY 93	JULY 94	APRIL 95	APRIL 96
SAVINGS SCHEMES	58	137	198	316
ACTIVE SAVERS	2,178	7,002	9,627	17,280
TOTAL SAVINGS	R34,039	R165,023	R272,250	R452,658

Following the elections in April 1994, the government continued to prepare and enact strategies and policies designed to promote the formal sector delivery of low-income housing. The People's Dialogue raised about R4 million to initiate a capital fund for loan finance and the Federation started designing houses with the assumption that their members would not be able to obtain the capital subsidies offered by the government and that they would have to meet all the costs through loan finance. Later in 1994, the new housing minister committed the government to supporting the People's Dialogue fund with a grant of R10 million. By June 1995, the Federation was ready to start building houses and, in the following year, the number of housing construction starts by members increased rapidly.

Negotiations with government continued throughout 1995 and 1996, particularly to obtain direct access for Federation members to the government's capital subsidy. Meanwhile, the building of houses in the settlements resulted in a new enthusiasm among residents who were previously sceptical.

IV. EXCHANGE PROGRAMMES

THE HOMELESS PEOPLE'S Federation grew out of exchange programmes between the residents of low-income settlements. The Federation now survives and continues to grow because of exchange programmes. On any given day, there are dozens of local exchange programmes taking place. Every week of the year, there is at least one inter-regional exchange programme taking place and every second month the Federation travels to other countries in Africa, Asia or Latin America or receives visitors from people's organizations from other countries.

The international exchange programmes link the South African Federation to other grassroots savings and credit organizations throughout the world. These international linkages have been strengthened by the birth of an International Federation of the Homeless Poor.^[1] The South African Homeless People's Federation is the focal organization in Southern Africa. The Federation's systems of mobilization, information-gathering, land struggle, savings and house construction are being shared at present with 11 other people's organizations from nine different countries.

This process of constant networking creates a lattice of linkages throughout South Africa's squatter settlements. It sustains a solidarity born of shared experience and it multiplies the impact of this experience exponentially by making the knowledge and capacity of a single community available to all the groups in the Federation. In the process, it realizes a vision of self-reliance for the homeless poor and reduces a debilitating dependence on external agents such as professionals, politicians and government officials.

Via exchange programmes, the skills, knowledge and resource capacity of communities are identified and steps are taken to gather them together in housing savings schemes through expanding the membership and further investing in skill-sharing and development. Box 2 is a report of one such exchange programme.

Box 2: Exchange Programme to Vosloorus Ext. 20, November 1995.
(Report by Benedictor Mahlangu)

Day One 9/11/95: Meeting with representatives of the Civic and Council Executive. Alinah and I explained the work of the People's Dialogue, the Federation and the Housing Saving Schemes. The representatives understood our outline and promised to call a community meeting.

Day Two 10/11/95: The meeting was held for 9:30 am. I explained how the People's Dialogue and the Housing Saving Schemes worked and encouraged people to ask questions, which were answered clearly. At this meeting 20 people joined the Federation and started saving with an amount of R100. At 12:30 pm, Auntie Iris arrived and explained to the older members of Luthando how the affordability forms should be compiled and these were given to them at a later meeting at 6 pm. They were so excited and the older members started a door-to-door campaign to upgrade older members and they themselves called a meeting for the following day at 9 am.

Day Three 11/11/95: We started checking members' savings books and also the bank book and treasurer's books to see if they were in order. We noticed that R714,00 was outstanding. When I asked about the money, I was told that it had been lent to other members and that it was being collected. The members who borrowed the money said that they would repay it as soon as possible.

From all the exchanges that I'd organized this was the most powerful that I had come across. The reason for this was that the members were very organized and those who had lost interest were upgraded. To date, they have saved R3,200, number 100 members and hold meetings every Wednesday at 5 pm. They also promised that, by December, they would save more. Alinah and I thought that they should start with their development plans quite soon because their housing savings scheme was not very strong but they have shown commitment to and interest in the People's Dialogue and the South African Homeless People's Federation.

SOURCE: Report by Benedictor Mahlangu, Housing Savings Scheme Convenor, Gauteng.

V. COMMUNITY BASED TRAINING AND ENUMERATION

CONTRARY TO THE perceptions of the formal sector, poor communities are the major producers of houses and will continue this role in the future. Among the poor, women play the role of designers. Yet, communities rarely acknowledge this role and poor women generally don't feel proud of their creations. Women living on the pavements of Bombay, for instance, who were the impetus for the South African Federation,^[1] have planned, designed and costed their own homes. But when asked about their homes, they responded as though the questions were a joke and they could not take seriously this acknowledgement of their skills. Now it is the same with the women in the South African Federation.

It is natural for them to take on this role because they aspire to better living conditions, wish to construct homes with better materials and create basic amenities and a place for children to play. But their present inability to do so is often translated into reticence when it comes to participating in creating such alternative designs.

The experience of South African squatter leaders when they visited India reinforced an awareness within South Africa that, in order to upgrade informal settlements, communities must get organized, declare to themselves and to the state what they want and be prepared to participate in the redevelopment. Evidence in India and South Africa, and around the world, shows that state agencies rarely produce an alternative without pressure from communities. Yet, how can organizations undertake this when there are no assurances from the state, when most community residents are sceptical and even the enthusiastic are unsure? Over time, *Mahila Milan*^[1], the South African Federation's partner in India, developed responses to these difficulties. They now undertake a two to five-day training programme in low-income communities to identify and support the aspirations of women to obtain a better home. The South Africans have studied this process by participating regularly in training programmes in the low-income settlements of India. They identify elements of value, adapt them to South African conditions and seek to replicate them in settlements where housing savings schemes are strong enough to begin housing development.

The training programme is appended to the Federation's exchange programme for housing savings schemes. As a result, each settlement in need of such community driven training automatically becomes a training and learning ground for at least ten other areas. Collectives of men and women belonging to housing savings schemes from many areas gather together and participate in this process. The strategy is simple. Women who have mastered the training process work with men and women from the settlement in the presence of at least another 40-50 men and women from other settlements who are also eager to learn. The accompanying festivities, excitement and camaraderie create a good learning environment.

The participants first share an evening meal, followed by some cultural entertainment put together by the young people of the area and, before long, volunteers from the community begin planning for the next day. First, groups are formed and the entire settlement is divided into areas which different teams learn to cover. Throughout the first day, each team goes over their assigned area at least four times and becomes completely familiar with each and every part of it, the families that live there and the structures that exist.

In the morning, the teams begin by counting huts and families. It is important to count families

too since there is often more than one family living in a hut. The teams cover the whole area and, in so-doing, walk on every path and observe all the structures in the settlement.

When every team has finished this exercise, they gather on the main square and give the information to someone from the community who collates it. The information is then transferred onto a map marking out the houses, the roads, the places of worship, the toilets and so on. Often, the length, breadth and height of each structure is also measured and included in the map. Finally, when all this has been done, sections will be created and houses numbered. Mobilization accompanies training, the number of participants grows rapidly and the work speeds up. The community usually organizes a community meal and everyone eats together; over these meals, experience of such activities in other settlements is discussed.

In the afternoon, the household enumeration begins. For this too there is a standard, simple format which is changed slightly to suit the needs of each community. It basically looks at who lives together, the ages, the relationships, education, sex, occupations and income. This is followed by the migration history of the family, its savings and investment history and participation in organizational processes. This part often takes a long time. About one-quarter of the households are enumerated with the help of outside participants. One set of people begins to compile the information while another set works with sections of the community to begin house and settlement modelling.

In effect, what happens is that everyone sitting together working on this process now has a detailed understanding of their settlement. They then begin to design houses and neighbourhoods and, before long, cardboard boxes, tins and other such tools are used to build models. Women do very well in this process; they have an intrinsic understanding of the use of space and they bring this into the design plans.

By sunset on the first day, there are processions coming from all parts of the settlement. People take their models and layouts to the centre and, in the midst of a community gathering, explain the features of their design. Everyone is sheepish about the clumsy models but nevertheless proud of them. The day ends with everyone talking about what they have learnt from this process.

What happens on the first day is that the energy of local residents and residents from other areas creates the conditions for taking entire settlements through an educational process through which they can talk about their own areas, their structures and their layouts in a collective way. Because the process purposely creates conditions to allow women to take a central role in the proceedings, it unlocks the knowledge and skills that women have already developed in the creation of their homes and the management of their families.

Until they go through this process, communities tend to believe that only professionals can perform this task and they abdicate from contributing to the changes that are needed for their settlement's improvement. Once a training process has been launched, the people have a set of ideas and inputs which can guide the formalization of the design. When professionals arrive, they can add value to the people's actions.

Usually, by the second day, only a small team remains and the rest of the outsiders leave. Their jobs are taken over by all the local people, supported by the trainers.

Today, both in India and in South Africa, the two countries' Federations undertake these activities in all the settlements where they see potential for improvement. It is a way of helping communities understand what changes can be guided by their needs, how the process occurs and what to expect at the end of the process. It is also a means for the community to sustain interest. After all, shelter issues take a long time to be completed. Delays can dishearten the groups who do not understand the process. The Federation's community driven shelter training programmes ensure that not only the leaders but also entire communities contribute practically and cohesively to the planning and implementation of development in their settlements.

VI. THE TECHNICAL TEAM

FOLLOWING THREE YEARS of exponential growth within the Federation, it was inevitable that certain changes and adjustments would be necessary to ensure the smooth running of the Building Information and Training (BIT) centres and, more specifically, their technical component. BIT Centres are places (either a storage yard, community centre or a members' kitchen) which act as a focal point for Federation activities around housing construction and development. Some of these adjustments relate to existing financial arrangements whilst others apply to the ultimate self-sustainability and strengthening of systems within the Federation. In developing BIT centres, care must be taken not to restrict other local initiatives. Over the course of the past year, all have learnt a lot about both the strengths and weaknesses within the present technical support system. This is part of the dynamic of the Federation. Their systems are always being adjusted to accommodate the varied and ever-changing needs of its members.

Given all the time spent negotiating with government on various levels and on various issues, the Federation's building process has been very successful. Given the lack of real support and understanding of the people's process by government and the private sector, the accomplishments of the technical team have been quite miraculous. On average, Federation groups have built decent sized, structurally sound, individually designed houses for approximately R150/square metre (less than half the cost of contractor built houses). In the process, the housing savings schemes in the Federation have also built community spirit and good neighbours at the same time - something outside the brief of private and public sector housing.

Federation experience has shown that finding technical solutions to their housing needs is the easiest part of a complicated process and is well within the reach of the urban poor. In fact, it is the one pillar of the housing process which the poor have the least difficulty in supporting on their own. It is the area of the housing process which requires the least professional intervention. The poor have building skills in abundance. The Federation proves this time and again by building technically sound houses at very low cost. This is why the Federation has little interest in NGOs, technicians and lay people from the formal world who propose innovative technologies as solutions to their housing problems. The advocates of these kinds of proposals fail to understand that solutions to housing problems do not lie in brick or mortar or any more appropriate alternative.

Federation members also have many of the “harder” skills required for solving housing problems such as accessing and allocating land, creating systems of distribution and governance and managing finance as opposed to the “soft” skills of designing and building formal shelters. The catch is that the whole social system is set up in such a way that, whereas poor people are encouraged to develop building skills and sell them on the open market, it obstructs their attempts to exercise their “harder” skills. To exercise these skills, the homeless poor need to organize themselves to demand the resources they need. This is where the Federation comes in: the Federation struggles to create the space for the poor to exercise these hard skills to enable them to undertake the simple task of constructing decent and affordable houses.

VII. THE *uTSHANI* FUNDS FOR HOUSING LOANS

THE MOST INNOVATIVE and ambitious element of the Homeless People’s Federation’s activities has been the establishment of a credit mechanism controlled by the homeless themselves. This is called the *uTshani* Fund.

From the outset, the network of homeless poor that was to become the Homeless People’s Federation realized the importance of access to credit. This need was one of the main motives for starting housing savings schemes. Whilst the homeless poor possess energy, initiative, skill and experience in abundance, they lack the material resources to transform their situation. The Alliance decided in 1993 that the only way around this problem was for People’s Dialogue to assist the Federation in establishing its own finance scheme. After a period of capacity development, which included a major conference on housing finance in June 1994 attended by the late housing minister Joe Slovo, *uTshani* Fund began operations in January 1995. Although managed on a day-to-day basis by People’s Dialogue staff in Cape Town, the Fund’s executive decision-making structure is a governing body comprised of representatives from each of the nine regions in the Homeless People’s Federation, as well as the Federation’s three national convenors.

The *uTshani* Fund makes finance available directly to housing savings schemes. Any scheme is eligible to apply for an *uTshani* Fund loan. In order to apply, a scheme must provide affordability assessments for the potential borrowers and building plans. Schemes which are new to housing loans normally receive finance for a group of ten members. Second and subsequent groups may be larger. Once the member’s monthly repayments have been worked out, *uTshani* Fund staff determine the amount which can be borrowed over a 15-year period at a simple interest rate of one per cent per month. If necessary, the housing savings scheme then adjusts its house designs to build within this budget.

Once the money has been advanced, the scheme distributes the funds to members and is responsible for all further aspects of local loan management. Loans are disbursed to members in the form of building materials, not cash. Great emphasis is placed on simplicity and transparency. The schemes are encouraged to hold weekly and bi-weekly meetings with open access to information. Book-keeping, the release of funds, the distribution of building materials and the management of the construction process are undertaken by the members, supported by other Federation groups in the course of regular settlement-to-settlement exchange programmes.

The Fund itself provides information which allows the schemes to follow their loan balance and repayments. Thus, the *uTshani* Fund develops systems which fit with the systems evolved by the savings schemes and not the other way around. Table 2 gives more details of the funds that the *uTshani* Fund has disbursed and the repayment rates.

Table 2: *uTshani* Loan Fund Analysis

Settlement	No. of loans	Loan amount	Monthly repayment	Repayment rate
Piesang River (Inanda)	38	R401,262	R4,200	126%
Bossiesgif (S. Cape)	10	R 82,850	R1,000	85%
Oukasie (North West)	10	R 78,701	R 950	100%
Kleinskool (E. Cape)	30	R278,360	R3,425	85%
JCC Camp (S. Cape)	33	R266,195	R2,000	91%
Kgotsoong (Free State)	28	R127,175	R2,305	103%
Kanana (Gauteng)	10	R 75,671	R 930	69%
Mxenge (Cape Town)	20	R226,562	R2,300	111%
Luthando (Gauteng)	20	R157,163	R1,720	162%
Lethabong (North-West)	10	R 69,019	R 830	127%
Sub 5 (South Durban)	10	R 93,133	R1,120	190%
Thusanang (Gauteng)	11	R101,449	R1,540	n.a.
Botshabelo (Gauteng)	15	R 93,133	R1,120	107%
TOTALS	245	R2,141,817	R28,058	108%

Soon, more than 30 additional housing savings schemes will be building houses using *uTshani* Fund loans. Box 3 gives an example of the work of the Fund.

Box 3: *uTshani* Fund Report, Visit to Mosselbay and Bossiesgif (8 August 1995)

Mossel Bay members had a special meeting for their problems on Sunday evening at 6 pm.

On Monday morning, I met bookkeepers from the Vusisizwe and Imizamo Yethu Housing Savings Scheme. In the afternoon, I met the treasurers and collectors to work out loan interest and deposits.

On Tuesday, I clarified the *uTshani* Fund system. Members were not familiar with the concept of deposits so I explained very clearly how important these were as security and how, should a member have a problem with a monthly repayment, the *uTshani* Fund could take from the deposit to pay for that particular month, the same as daily savings.

If a member has enough money in her savings book, she can borrow her deposit from the housing savings scheme. I made it clear that it is not compulsory for a member to save a set amount; they could save more if they wished and they could put even more on deposit if they liked.

It appeared to me that Vusisizwe Housing Savings Scheme in Mossel Bay was a building centre and not a housing saving scheme because they just focus on building and totally forget about daily savings. I motivated them and they showed great interest in daily savings and deposits although some of them did not even know where their savings books were. They promised to pay deposits in terms and collect it in the BIT centres account. Then, they would transfer all deposits to the *uTshani* Fund account.

SOURCE: Report by Florence September (*uTshani* Fund Convenor, West Cape).

Table 3 summarises the growth in housing loans and completed houses. The improved housing has made an evident difference to both the physical comfort and self-respect of those with new houses. The maximum size loan of R10,000 (also the most popular loan) is sufficient to purchase the materials and employ a skilled builder for a 54 square metres two-bedroom house with a living room and kitchen, a corrugated iron roof and re-use of some materials. (Unskilled labour from the household is provided free of charge.) These houses are considerably cheaper than the private sector alternatives which the people would not be able to afford. A contractor built house of the same size would cost an estimated R37,000.

Table 3: Loans Committed and Houses Occupied

Date	June 1995	January 1996	June 1996	August 1996
Loans Committed	98	130	245	325
Houses Occupied	4	38	97	189

The average monthly loan repayments are now between R90-100. Originally this figure was about R120 a month (a total loan of R10,000) but concern over the size of loan repayments and more experience with house building costs has enabled Fund staff to reduce the size of loans. Aggregate repayments are currently about 125 per cent of stipulated monthly repayments. Concealed by this figure is the fact that, on average, 10-15 per cent of individual Federation members are late with their repayments at any one time.

A loan of R10,000 is probably only affordable by those with an income of R700 a month (which is currently about the average in the Federation) on *uTshani* Fund terms and conditions of an interest rate of 12 per cent per annum and a 15-year loan term. However, households that manage to obtain the capital housing subsidy of R7,500 from the government will only have to raise R2,500 through loan finance. The repayments for a loan of this size are affordable by a much wider income group. However, a continuing problem for the Federation is developing a housing solution for pensioners and others on low incomes who do not qualify for the capital subsidy.

The Fund is obliged to deal with some contradictions. The major ones are not of its own making nor does the problem lie with the Federation. There has been a lot of thought in recent months within People's Dialogue and the Federation about what function the Fund is really performing in terms of national housing policy and delivery. Basically, the Fund is covering up for the failure

of the government's housing subsidy programme. By giving large loans to very poor households, *uTshani* Fund is helping them to build houses but at the expense of burdening them with a large debt for many years.

This problem has arisen because the government's subsidy system for housing is inaccessible to the very poor, even those organized in housing savings schemes. This is because a low-income household can only get the housing subsidy for a housing unit built by a contractor. Thus, it is the contractor who builds "the low-cost housing unit" for the poor who gets the subsidy - and low-income households cannot get the subsidy directly to support their own efforts to build or improve their homes. By borrowing the full cost of their house from *uTshani* Fund, Federation members are providing their own "bridging finance" for an indefinite period. If the subsidy system were accessible, people would not have to borrow so much - they would borrow only as much as was needed to "top-up" their subsidy.

This does not mean that the Alliance is making a mistake by using *uTshani* Fund to initiate the people's building process in many housing savings schemes. It is vital that the Federation has its own source of finance for housing. The problem is that of Federation members taking out such large loans over such a long period - as much as R10,000 payable over 15 years. If the subsidy system was accessible, people could borrow much less - say R5,000 on average - to finish the homes they started with subsidy money. They could then repay these smaller loans over two or three years instead of 15.

The Federation/People's Dialogue Alliance is constantly challenging the discrimination against the poor within the subsidy system and is negotiating in several provinces for direct release of subsidies to housing savings schemes. This would be the only way to achieve a lasting victory for the people's housing process. This would enable *uTshani* Fund to make smaller loans, thus reducing the time needed to repay the loans and the interest rate charges, and would enable many more of the tens of thousands of families linked to the Federation to build houses.

VIII. FUNDING FOR THE UTSHANI FUND

THE UTSHANI FUND is controlled jointly by People's Dialogue and the Homeless People's Federation through its governing body which meets quarterly. Between these meetings, the Fund is managed on a day-to-day basis by People's Dialogue staff in Cape Town. The Governing Body is comprised of representatives from each of the nine regions in the Homeless People's Federation, as well as the three National Convenors of the Federation. Professional support staff have no vote on matters of loan policy. The main responsibilities of the Governing Body are to:

- set overall policy on fund-raising, investment, and loans.
- consider extraordinary loan applications as necessary.
- receive and consider reports from the Fund Manager summarizing on-going loan activities.
- exercise executive authority over *uTshani* Fund.

Certain operational costs of *uTshani* Fund are borne by People's Dialogue. It is envisaged that the Fund will gradually be made financially self-sufficient, as long as this is compatible with the goal of providing **low-cost** housing finance.

The uTshani Fund was initiated with European donor support. Obviously for any housing finance scheme to reach a large number of households, more funding had to be found. Late in 1994, the late Housing Minister Joe Slovo offered the Federation a grant of R10 million to enable it to expand the reach of uTshani Fund. This was done in the hope of demonstrating the effectiveness of this model in order to provide a mechanism to reach very low income households. This offer was maintained by the new Minister, Sankie Mthembu-Nkondo, although there were considerable delays before the funds were secured. The uTshani Fund has historically been incorporated as a part of People's Dialogue, and has needed no separate legal standing of its own. This is an adequate and appropriate arrangement, since uTshani Fund works only with the Federation. However, as a result of concerns expressed by the National Housing Department a further organization was required.

This separate legal holding body, known as uTshani Trust, now serves as a conduit for the Department's R10 million grant. The agreement was drafted so that the uTshani Trust would be able to channel funds from government or other donors to uTshani Fund and thence to the Federation in a highly transparent and accountable way. The Trustees are drawn in equal proportion from government and the Federation. All releases of Trust funds to the Federation must be approved by a majority of the Trustees. The Trust is audited and its records are open to inspection by government at any time. Once the R10 million has been drawn down (and repaid), the Trust funds are passed over to the Federation and the only remaining obligation to the government is an annual audit and report on activities.

The Trust has been structured in such a way that any grant, subsidy, government allocation, or other sum can be channelled through it and remain subject to the same procedures governing the R10 million grant. This makes it possible for the Trust to act as a legal conduit for other forms of government assistance to the Federation, whether in the form of housing subsidies, grants to Building Centres, or further seed capital for loan finance.

IX. THE LAND UNIT

SOUTH AFRICA'S HISTORY has been characterized by successive waves of land hunger and land struggles which resulted in massive dispossessions: the Frontier Wars, the *Difegane*, the land-grabbing of 1913 and the attrition of removals from the 1950s through the 1980s. The new Mandela government inherited a situation in which the land hunger of the poor was acute. It was assumed in many circles, rather naïvely, that the government would embark on a vigorous process of land redistribution and land reform. Whilst there have been a few highly publicized cases of land restitution, this government seems to spend as much energy forcing poor people off the land or preventing them from gaining access to it as they have enabling them to secure a piece of ground on which to live.

The laws and practices of the post-apartheid government allow the urban poor to gain access to land via one route only: that of waiting patiently for contractors to offer them tenure on serviced plots on the periphery of the cities. Any other attempts to secure tenure are forcibly rejected by the state. Removals, harassment and evictions of the poor remain common occurrences.

A window of opportunity does remain open. Whilst the Ministry of Police belied its new name of "Safety and Security" by delaying and finally refusing to sign a very pragmatic "People's Protocol for Police Conduct During Evictions", and whilst some provincial housing ministers^[1] threaten squatters with violence, the Department of Land Affairs has chosen to explore with the Federation more appropriate ways of addressing the pressing issue of urban land.

Meanwhile, Federation members still struggle constantly against evictions and are thwarted in their efforts to access resources and begin house construction because they lack formally recognized security of tenure. The Federation's Land Unit seeks to address these most fundamental issues. At the moment, the Federation is required to spend most of its time in defensive activities: preventing evictions, stopping harassment, seeking alternative land. But the situation is bound to change as the Land Unit develops cohesion and as increasing numbers of groups at risk from eviction set up savings schemes and add their concerns and their capacity to the Federation.

The Federation regards security of tenure as a basic right - but this is a right that continues to be denied to millions of South Africans. However, the Federation sees a struggle for abstract rights as being only a part of the process. It is all very well to have rights entrenched on paper but what use are they when the social forces in the society prevent these rights from being implemented? Securing tenure comes out of practice, not theory. In every province in South Africa there are housing savings schemes in the Federation who are engaged in land tenure struggles. Through hard negotiations and strategies born from experience, the Federation is developing ways of dealing with issues of land tenure.

X. INTERACTION WITH GOVERNMENT

SINCE APRIL 1994 and the first democratic elections in South Africa, the Federation has pursued a careful and sustained strategy of critical engagement with government. The strategy has been to develop mechanisms for people centred development - mobilization and management of credit, information-gathering, organization-building, house construction, loan repayment - and to show government how these bottom-up activities ought to be supported.

Whilst the post-apartheid government has constructed a discourse of people's empowerment and support for the poor, these ideological positions have lacked any material underpinnings either in the form of enabling legislation or in the capacity and actual will to deliver. The Federation has understood that governments rarely respond to the needs of the poor unless the poor are organized and politically adept at putting pressure on them (see Box 4). The Federation has also understood that the capacity to impact positively on legislation and to influence the institutional arrangements which govern delivery would be of little value to the poor if they lacked the ability at grassroots level to harness and manage human and material resources for the purpose of development.

Box 4: President Mandela Visits the Federation, 26th November 1995

It was like a dream when we were informed that the President would be visiting Oukasie (Brits) and that he would like to spend an hour at the South African Homeless People's Federation Building Information and Training Centre. We were determined to show Madiba (the popular name for Mandela) that the poorest of the poor had stopped depending on other people to do things for them; that they were taking control of their lives and future. People can develop their own skills and capacity to address shelter needs. This was a golden opportunity to drive our point home.

The day of the 26 November dawned at last. We were at the BIT Centre as early as 6.30 am. Was that not crazy? Madiba was coming only at two in the afternoon. At eight o'clock, Father Michael of the local Catholic Church arrived with a sound system. There was singing and dancing. Convenors were shouting, using the sound system, "Come one, come all! Madiba will be at the BIT Centre today!", "Viva South African Homeless People's Federation!" and "Viva People's Dialogue!" Slogans drowned the BIT Centre.

The President of South Africa arrived at the BIT Centre at 2:30 pm, 30 minutes behind schedule. There was immediate loud ululating, jumping and dancing. People were pushing forward to touch their President and the bodyguards had a tough duty to perform. They stopped the majorettes from coming into the Centre but Madiba softly said "Let them come in" and he started talking to them and shaking hands with all of them. Father Michael of St. Joseph's Catholic Church in Oukasie said a prayer. Madiba was taken around the BIT Centre and saw the women in action making bricks. We moved to the show house. Mama I, Patrick and Rose gave presentations on the BIT centre. Patrick gave an explanation of the charts - the layout, costing and the house model. Madiba said, "I am impressed, people do things for themselves and come up with this house within the subsidy."

He was marvelled at the participation of women. He encouraged the members to carry on the good work. Mama I read the message from the People's Dialogue and the Federation to the President. He responded by saying this message should be handed over to his secretary. Madiba also read his speech to the members of Homeless People's Federation. Patricia presented Madiba with one of the Federation's house models. She requested the President to place this model on his dressing table so that he sees it before he goes to bed, sees it when he gets up and remembers that the Federation needs his full support.

SOURCE: Report by Iris Namo, People's Dialogue Director.

In South Africa's formal institutions, like everywhere else, there remains the assumption that people's organizations, especially squatter organizations, lack capacity and that it is the job of external agents to either deliver products or to build capacity through guidance and training. The Alliance seeks to shift policy and change the institutional mechanisms governing housing support by demonstrating that:

1. poor people are far more capable than government and other formal institutions are willing to recognize;

2. capacity is built via direct everyday experience, not via abstract teaching by so-called experts; and

3. the real lack of capacity, which needs to be addressed urgently, is the capacity of officials, politicians, banks, planners and other professionals to understand and (with understanding) to support a people's housing process.

Box 5: The Gap between Image and Practice	
<p>THE IMAGE:</p> <p>Department of Housing grants R10 million to the Federation.</p> <p>Department of Land Affairs designs progressive land reform legislation and works closely with the Federation on urban cases.</p> <p>National government praises the Federation as a shining example of people centred development.</p> <p>Provincial governments agree in principle to grant subsidies directly to housing savings and loan schemes.</p> <p>Local authorities democratically elected to bring resources and government support closer to the people.</p> <p>Political parties mobilize support by promising social transformation and equal distribution of resources.</p>	<p>THE PRACTICE:</p> <p>A trust is established that seeks to manage the disbursement of loans to the Federation.</p> <p>Department of Land Affairs lacks institutional capacity, conceptual clarity and political space to implement an extensive programme of land reform. Thousands of people are evicted every month.</p> <p>Government fails to integrate highly successful Federation systems into the mainstream of its delivery process.</p> <p>Provincial governments require the Federation to change its character to comply with top-down requirements as a precondition for the release of subsidies.</p> <p>Councillors in many settlements threaten women in housing savings and loan schemes with violence if they do not stop building houses.</p> <p>Political parties use party allegiance to control resources and dictate development. The Federation is challenged because it has no party allegiance.</p>

Today, the Federation enjoys significant moral support in national and provincial government. The People's Dialogue/Federation Alliance has earned a high profile as a practical example of people centred development. The Department of Housing regards the Federation as one of its key partners in the people's housing process. The Federation enjoys a similar relationship with the Department of Land Affairs. Since housing delivery is effectively a provincial responsibility, the Federation has developed a working relationship with most provincial housing boards, having set up joint steering committees to monitor the efforts of the Federation to gain direct access to housing subsidies for its members. Relationships with the recently elected local authorities are

not always positive. This is to be expected. Newly elected councillors regard it as their responsibility to provide services such as infrastructure and housing and find it difficult to accommodate organizations which are calling for direct control of resources to manage such processes themselves.

XI. CONCLUSION

THE PEOPLE'S DIALOGUE/Homeless People's Federation Alliance has managed to take advantage of an historic window of opportunity that was opened by the birth of the new South Africa. This created an environment that was extraordinary in the chance it provided for innovation and experiment. The ability of the Alliance to maximize this opportunity came directly from its grassroots practice. By creating a framework which ensured that local community level initiatives were self-conscious and autonomous and by developing systems which maximized decision-making and control at grassroots level, the Alliance was able to edge government towards the provision of support for a people's housing process. In a very uneven and incomplete way the Alliance has been able to hold government accountable to its professed mandate of supporting the "marginalized" and the poor.

Tensions and contradictions have increased rather than diminished as the Alliance has made headway. Many of the challenges now come from the fact that the Federation's very successes in developing appropriate mechanisms for a people's housing process has actually propelled it into a pioneering role in which its formal partners in government still struggle to understand the dynamics of the process. At every point of intersection between formal and informal systems, be it housing finance, technical standards, legal arrangements, building of capacity or struggling for land tenure, the Federation has been obliged to simultaneously develop its own systems through experience and practice, to maintain its flexibility and to defend itself in the face of the doubts and misconceptions of government, private sector actors and other stakeholders in the private sector. The poor women and men in the South African Homeless People's Federation can thank their own extraordinary resourcefulness for the progress they have made. They can also look for support and guidance from their partner organizations in the illegal and informal settlements in urban centres in Africa and Asia who have readily shared their own experiences at this vexing point of intersection between the informal settlements and the formal world.

NOTES AND REFERENCES

1. The Southern African People's Dialogue on Land and Shelter is an autonomous sub-committee of the Southern African Catholic Development Agency (SACDA). It is called "Southern African" because of links with Namibia, Lesotho and Botswana. Theoretically, SACDA is mandated to work wherever the Southern African Catholic Bishops' Conference has dioceses. Although they have moved away from their regulation, they continue to envisage that this will grow into a sub-regional programme.

1. See *SPARC and its work with the National Slum Dwellers Federation and Mahila Milan, India*- Sheela Patel, SPARC, IIED Paper Series on Poverty Reduction in Urban Areas, IIED, London, October 1996, 17 pages. See also Patel, Sheela and Celine D'Cruz (1993), "The *Mahila Milan* crisis credit scheme; from a seed to a tree", *Environment and Urbanization* Vol.5, No.1, pages 9-17.

1. The International Federation of the Homeless Poor, otherwise known as the International Slum Dwellers Network, is a loose network of people's organizations who share a common strategy of seeking to address issues of security of tenure and affordable housing via savings and credit. Members' organizations are from India, Sri Lanka, Thailand, Cambodia, Philippines, Namibia and South Africa.

1. See Bolnick, Joel (1993), "The People's Dialogue on land and shelter; community driven networking in South Africa's informal settlements", *Environment and Urbanization* Vol.5, No.1, October, pages 91-110; also the NGO Profile of SPARC (1990), "SPARC - Developing new NGO lines", *Environment and Urbanization* Vol.2, No.1, April, pages 91-104.

1. *Mahila Milan* is a federation of women's collectives in Bombay that was formed by women pavement dwellers; the name means "women together" in Hindi. For more details of its work, see Patel, Sheela and Celine D'Cruz (1993), "The *Mahila Milan* crisis credit scheme; from a seed to a tree", *Environment and Urbanization* Vol.5, No.1, pages 9-17.

1. Their official name is Members of Executive Council at the provincial government level; these are in effect ministers within provincial governments.