

A professional perspective on a people's process: a history of VukuZenzele

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The VukuZenzele development took place from 1997 on the periphery of Khayalitha in Cape Town. It is the second Greenfield development of the South African Homeless People's Federation; and considerably more ambitious than the first development, with 235 houses and economic development plans. This discussion focuses on the difficulties of balancing a process that simultaneously sought to support secure tenure with housing and infrastructure, income generation and a transformative social organization. The multiple needs of the poor have been widely recognized but there are few programmes that have sought to address this multiplicity with integrated development. The approach of the Federation is to strengthen an inclusive collectivity of the urban poor with the understanding that this will enable the achievement of other needs. Of particular note is the emphasis placed on the inclusion of the poorest.

This introductory section begins with a description of the approach of the South African Homeless People's Federation and their support NGO, People's Dialogue on Land and Shelter. Section two then moves on to summarize the significant events and achievements at VukuZenzele. To enable a more rigorous understanding of the experiences, the study also reviewed a municipal housing programme in the nearby neighbourhood of Manenberg. Later sections explore three themes in more detail to assess the progress that was made, the difficulties that remain and the implications of these project experiences for people-centred development.

The study concentrates on a number of significant themes that emerged when these development interventions were considered through the lens of the research questions. One theme is the difficulty of ensuring a strongly empowering methodology in a highly regulated and professionalized context. The availability of a state housing subsidy, whilst increasing the possibilities of providing shelter assets, increased the involvement and therefore strengthened the influence of formalized approaches within the developments interventions. As shown below, this made organic, flexible, people's driven development more difficult. This is the context in which People's Dialogue and the Federation sought to invest heavily in the strengthening of organizational capacity within the residents of low-income settlements, as opposed to using a development approach more focussed on the delivery of physical assets. The experiences enable a reflection on the relative merits of this approach and offer a second theme for consideration. A third and final theme is integration of shelter assets and income generation. Project staff were required to consider what it meant for a project to incorporate interventions around collective interest (land acquisition, infrastructure and housing) with livelihood opportunities for selected households. The solution for this project was to develop a commercial area with space for both formal

and informal activities. However, in practice, conflicts about collective and individual interest, together with equity, did not surface because income generation activities proved very difficult, not because of the internal contradictions but because of a lack of openings for such a development within the local context.

The VukuZenzele case study was prepared by a staff member who had been involved in the project on a regular basis for 18 months with an extended involvement beyond that date. The Manenberg case study was written up without such intimate involvement in the project, although drawing on the documented experiences of those who had been involved and further interviewing. Whilst there is no reason to believe that those interviewed held back information, the methodologies are different, one being based on participant observation and the other on key informant interviews (both supplemented by secondary information).

The approach¹

The South African Homeless People's Federation (which calls itself *uMfelandaWonye* meaning literally 'we die together') is a national network of organizations from informal settlements around South Africa. It is formed by over 1,500 autonomous local organizations of urban poor households that have developed savings and credit schemes and are seeking to develop their own housing schemes. Working in alliance with the People's Dialogue for Land and Shelter (its NGO partner), it is engaged in a process through which the urban poor reclaim their power to choose. By coming together and comparing their experiences, the poor are able to see that they have options, and that their collective resources can help them make better use of such options. A third partner is the *uTshani* Fund that was developed by the Federation and People's Dialogue to provide loan capital savings scheme activities. The initial loan capital, provided by international donors was augmented, in October 1994, by a donation of R10 million from the South African Housing Minister. Lending has been primarily offered as bridging finance for state housing subsidies. By 2003, NGO professionals had helped the South African Homeless People's Federation to manage over R70 million in loan finance and build 10,000 houses.

The Federation process seeks to empower communities to identify opportunities, demand entitlements and find lasting solutions to their development needs. Working together also helps communities solve problems themselves and hence strengthens their ownership over development processes. There are three core components to the process. First, members of the Federation share a common mobilizing strategy around savings and loan activities. The savings groups are encouraged to include all residents in the settlement and all members are encouraged to start saving daily. Almost universally, women are those that choose to be involved and hence women gain recognition in their settlements, and are empowered to play key leadership roles. Second, the Federation uses community-driven data-gathering and mapping to build communities' skills in physical development interventions.

Communities undertake surveys within the neighbourhood and city. Surveys help communities to examine themselves and to create a capacity within community leaders to articulate this knowledge more widely. The enumeration process draws residents into the local savings scheme as non-members are curious about what is going on. Third, community-to-community exchanges are a powerful mechanism for spreading knowledge, for example, on how to set up a savings scheme or how to negotiate with city government (Patel and Mitlin 2002). These exchanges bring together ordinary residents to tell their stories, share their experiences and develop new ideas. Exchanges help to provide communities with the confidence to overcome problems, the insight to abandon traditional solutions and the knowledge to address critical issues. They ensure that the Federation is rooted in solving daily problems for membership groups.

With respect to furthering inclusive people-centred development, the core components create and strengthen three distinct but linked change processes at a local level:

- Organizational capability within low-income settlements and building linkages between each community and their peers. This change process is realized primarily through the Federation network and through savings and loan activities. Community groups need to develop democratic internal organizational capabilities and explore relationships based on equity to ensure inclusiveness. These features are essential for sustaining the participation of the poor in demanding change, both within their communities and with external organizations. For too long, grassroots organizations have been neither accountable nor representative of the poorest and most vulnerable residents.
- Community-based problem solving - building skills and locating and building resources within and outside communities to solve problems. The problems low-income communities face often require them to reflect collectively to deconstruct the issue and identify solutions. Communities need time and space to consider options. They need to pilot activities, develop innovative decision-making and resource-allocating processes, test their solutions, and even fail and try again. Mistakes and failures are sound investments and often offer the most effective learning.
- Learning to negotiate - with city governments, state governments and other groups with whom dialogue is essential for communities to secure long-term solutions to their problems. Often such institutions do not know how to work with the poor. The experience in South Africa has shown that communities have to redesign government programmes if they are to be useful in poverty reduction. Successful negotiations are about getting to know the government and its priorities, building personal relations and identifying and developing possibilities.

When the African National Congress government took office in 1994, it recognized that housing was a priority for those living in South African townships and promised to build one million houses within five years within its Reconstruction and Development

Programme. The government introduced a capital subsidy programme for land purchase, infrastructure and housing to achieve this aim. This subsidy was introduced at R15,000 (then worth about £1,500) and was available through a means-test to low-income households. But this was not a subsidy, in general, to the household but rather was accessed for existing neighbourhoods or Greenfield developments through subsidized housing units constructed by commercial contractors. By 1999, limitations were apparent. Most of the 680,000 new houses that had been produced were very small – usually one or two core rooms and a latrine. A high proportion of them had been badly designed, poorly constructed, and located far from jobs or other possible income sources. In response, many residents have sold their newly acquired houses at low prices because they were simply not homes. Such an outcome repeats the familiar story of many site-and-service or core housing schemes throughout the world. Moreover, there are some 15 million people squatting in shacks in the towns and cities in South Africa. In addition to the approximately 3 million new housing units needed to meet the existing housing deficit, an estimated 150,000 units a year are needed to keep up with new needs. This is the context in which the Federation have been seeking to create a people's driven housing alternative.

The VukuZenzele Development

The VukuZenzele development began in 1997 when the Federation, frustrated with its lack of success in securing land, developed a 24-point plan that included land invasions (once all other possibilities had been exhausted). One group committed to securing land was VukuZenzele (meaning Wake Up and Do It!) Housing Savings Scheme whose members were backyard shack-dwellers in Khayalitsha. The Savings Scheme was launched in January 1997 when an emerging community leader, Nosipathela Mhuili, and some of her friends visited the Victoria Mxenge Housing Cooperative, the first housing development of the South African Homeless People's Federation, and learnt about savings schemes.

On 21 March 1997 VukuZenzele invaded public land that they believed they had been promised by a councillor in 1994. Evicted from this land, they were told by the chair of the Housing Committee that they should wait their turn. At much the same time, People's Dialogue was approached by members of the Bridgman family who owned land close to Victoria Mxenge. Plans to develop the land for low-income housing were already in place with a particular emphasis on workshop housing to enhance income-generation. John Bridgeman (the senior member of the family) wanted to sell to a community able to fulfil his planned experiment in poverty reduction. To increase the likelihood that Bridgemen would sell to the Federation, People's Dialogue proposed that the residents would be drawn from VukuZenzele Housing Savings Scheme as their members lived nearby and some members were slightly better off than other Federation members with part-time trading activities.

The final deed of sale was signed on 17 December 1997. To apply for the state housing subsidy, the establishment of a formal community organization was required in addition to land tenure. After much debate, the constitution setting up the Communal Property Association was signed on 22 March 1998. At much the same time, a second savings scheme living close to the site lobbied for inclusion. After the intervention of the regional Federation, Luyolo's members were also offered access to the land. The Western Cape Federation had reservations about the allocation of the land to VukuZenzele both because there were many groups pressing for land and because the Federation process placed considerable emphasis on addressing the needs of the poorest. Whilst the Western Cape Federation were eager to acquire the site from Bridgeman, they were hesitant about the conditions attached to the deal. Despite the inclusion of Luyolo, the development continued to be known as VukuZenzele and that is how it is referred to here.

When they had secured the land from Bridgeman, VukuZenzele had also acquired the architect who had been working on the plans. Aaron Wegmann was a Swiss architect and planner who was keen to develop an integrated site with high-density accommodation and green space. People's Dialogue staff already had concerns about the design of the first Greenfield development and were keen to present double-storey options to the Federation. The total area of the Vukuzenzele site was 7.4 hectares; 1.5 hectares was under servitude for power transmission lines and could not be used for building. The most appropriate land for commercial development was adjacent to Weltevreden Road and 1.5 hectares was put aside for this purpose. The remaining 4.4 hectares was allocated to community and residential use (235 plots). After some discussion, plots of 140 square metres were agreed. A limited number of workshop houses on the border between the residential and commercial areas were allocated larger sites. After discussion the community agreed to double storey units and the plots were developed accordingly.

The construction process started as soon as possible to build the confidence and capacity of the group and in practice this meant before the plans were approved by the Council. VukuZenzele identified the first 20 families that were ready to build houses. The Federation, anxious to maximize political opportunities, had secured the agreement of the Minister of Housing to come and open the show houses on 1 November 1998. Following hesitation related to the double storey units, a building group from Durban and an international exchange from India helped to complete the houses. Despite limited participation from VukuZenzele members and rising costs, three houses were ready and the opening ceremony was widely considered to be a success. Building continued and by February 1999, ten double-storey houses were finished and a further 12 single-storey houses had been started. Planning permission for the development still had not been agreed and although there were no substantive objections agreement was not likely for several months. A further 100 houses could be built before the infrastructure installation but the others would need to wait for landfill.

During 1998 and 1999, plans for the commercial development continued with an attempt to secure a petrol station on one corner which was a junction between two busy roads. There was a long-established chicken farmer who had rented land from Bridgeman and who entered into a rental/purchase agreement. There were also plans for a market area for informal traders.

In an effort to rapidly push forward progress and consolidate the community, People's Dialogue persuaded the Management Committee to construct 50 foundations. The objective was to improve participation through increasing the number of families on the land; the expectation was that once foundations were constructed residents would move from renting backyard shacks to their plots. The initial agreement had been foundations for double storey houses and 40 square metre single storey houses. However, within days, there were several 70 or 80 square metre foundations appearing. This forced the issue of housing choice into the open. In May 1999, the group of residents wishing to build larger single storey houses took control of the Management Committee. After the supportive intervention of the Western Cape Federation, a compromise committee that included the old leaders was agreed. The new Committee was committed to providing a good service to the members. By June, all financial issues remaining from the foundations were reconciled and the costs allocated. Loan repayments for the first group of 22 families were impressive with money collected regularly from all but two members (who had particular difficulties). To enable further loan releases, costings were prepared for the group that would build on the 36 foundations that had been completed. Only three members were interested in building on the foundations for double-storey houses. Between the end of August and mid December 1999, 86 loans were released and the house building process continued swiftly. However, only two of the double-storey houses were started and neither was finished.

In November, People's Dialogue and the Federation leaders agreed to develop a new and faster building methodology so that they could be seen to be successful in competing with the contractors providing subsidy financed developments. Late in 1999, building guilds began to be introduced in a small number of developments. These were composed of skilled builders, only some of whom were Federation members. Guilds were contracted to build the houses according to an agreed plan and with a payment system that offered a bonus for timely completion. Meanwhile, planning approval for the residential and commercial plots had been agreed in September 1999 and, after tendering, infrastructure work began in January 2000. As the infrastructure was completed on both the residential and commercial parts of the site, further efforts were made to secure companies interested in leasing or purchasing the commercial plots. Despite numerous approaches to formal and informal enterprises, there was very little interest.

By March 2000, poor loan repayments on existing houses were threatening the release of further loans. The cause of the situation was disputed. VukuZenzele's Management Committee blamed the regional Federation because they told members that they could

not be thrown out. The regional Federation said it was the Committee's fault because people did not trust them to bank the monies. Some members argued that no-one had asked them to pay. A further pending issue was some members had previously been offered and accepted houses on other subsidy projects however the subsidy money had been stolen by a corrupt developer. The issue had not been resolved by the Provincial Housing Board. As the community struggled with repayments, two specific allegations emerged. The first was that the initial group of leaders had misappropriated loan funds. The second was that one of the leaders was selling double storey plots to people outside of VukuZenzele. The Federation agreed to an investigation. Reporting in June 2000, the investigators concluded that whilst some of those in the double storey houses were not on the original VukuZenzele list, they were friends, relatives or somehow associates. With a large development delayed over several years, it was accepted that some members would change as the original families moved (perhaps with the death of one of the adults) or found accommodation elsewhere. With this finding, there was a resurgence of energy within the group. Members who had been very passive for the last few months now became more active, seeking to understand financial and organizational issues related to the development.

By January 2001, the national Federation became immersed in a reorganization to address issues of leadership control, strategies to secure housing subsidies, the role of loan finance in a people's movement and a lack of membership participation. Loan finance, even that related to committed subsidy funds, was suspended. However, with the support of People's Dialogue, 25 double-storey units intended for workshop houses at VukuZenzele were completed.

In respect of the commercial development, ambitions had been scaled down. The petrol companies were not very interested; an option was acquired by one company but this lapsed following regular violent robberies in the area. John Bridgeman became involved in seeking further investment and took an option to sell or develop part of the site but he also failed to achieve success. People's Dialogue and the Federation decided to move away from large-scale commercial investment on the land to concentrate on hawkers and small-scale vendors.

The post-tornado development in Manenberg

To explore issues of effectiveness within the approach, an alternative approach to housing need was also analysed.² On 29 August 1999 a tornado swept through Cape Town destroying part of Manenberg. This neighbourhood is close to VukuZenzele. An estimated 2,850 families had damage or destruction to their homes and 825 council-owned housing units were destroyed together with the shelters of 80 families living in background shacks and the houses of 80 sub-tenants. In terms of apartheid urban planning, the areas are distinctive. Manenberg was created during the removals of coloured communities from the city centre in the 1960s and

1970s, whilst VukuZenzele is being developed on what was previously vacant 'buffer' land lying between the coloured and black African communities in Khayalitsha.

The physical redevelopment following the tornado consisted of temporary housing for all of those in need and the private homes constructed for the Council tenants but not for the group of sub-tenants and backyard shack dwellers. Temporary housing still continues for the second group. These sub-tenants and backyard shack dwellers have now been promised access to completed home ownership units (within the government subsidy scheme). There was a limited opportunity for employment in the construction of houses but there were no significant efforts made to support livelihood development for the families who lost their homes in the tornado.

Manenberg was established as a 'coloured township' following racial segregation during the 1960s and 1970s when the Groups Areas Act resulted in forced removals from District Six and other 'grey' areas of Cape Town (Robins 2000, 7). The removals reduced the assets of middle-class and wealthier coloured families whose properties were seized without compensation. The design includes blocks of flats with terraced and semi-detached houses. For additional income, council tenants often sublet rooms in the blocks and, in the case of ground-floor tenancies, rented space in their back yards for shack dwellers. With extremely high levels of unemployment and poverty, Manenberg is an area notorious for its high crime levels, incessant gang violence, and brutal domestic and social relations. The City of Cape Town Municipality has identified Manenberg as one of Cape Town's six 'zones of poverty'³ that required special treatment.

The economic situation has been made more difficult as Manenberg residents have been adversely affected by the decline of traditional industries particularly clothing and textiles. This decline had affected social relationships within the community as, despite the high degree of formality in these employment options, older women controlled access to jobs and selected those younger women who they believed would be reliable employees. Women have been recognized by the Council to be 'responsible' household heads who paid their service bills. The decline in this source of employment is therefore related to an increase in family breakdown and lack of social cohesion in Manenberg. It is estimated that 18 per cent of the economically active population are now employed in informal activities many of which are believed to be related to a drugs-robbery-arms trade economy mediated by gangs (Chipkin 2003, 71). This understanding, together with the declining role of women in managing employment opportunities, is important in explaining the response of the Council to the tornado damage.

The response to the tornado disaster was divided into emergency action and re-development and this study concentrated on the second of these. Following the tornado, there was a consensus within the Council that the flats should not be reconstructed but rather an alternative strategy should be followed with individual home ownership replacing rental accommodation. The social transformation of the area was sought through the physical improvement process and Robins (2003, 10) elaborates a broadly accepted analysis of the intentions that lay behind the improvement strategy of the City Council. In summary, the Council intended that home ownership would simultaneously re-establish parental authority and respect to older adults within the family unit, offer an asset that could be used to extend access to credit (for other investment and consumption activities) and encourage private investment to complement local authority expenditure. Hence it was hoped that housing investment would catalyse changes in social relations, reduce support for gangs, end the culture of non-repayment for services and encourage a new partnership between citizen and the state.

This response was designed by the City to be consistent a broader set of strategies. The general objective of the Department of Community Development was to establish housing as the socio-economic driver in the reduction of poverty, addressing issues of social cohesion and community capacity alongside more material goals (Khan and Thurman 2000, 12). However by the late 1990s this objective had developed a more specific pro-market form with the creation of the Cape Town Community Housing Company. The Company was designed to redistribute additional resources to a group of those benefiting from the state housing programme in return for which the beneficiaries were expected to save and take loans. By offering the housing subsidy with a top up loan for those households able to follow a regular savings programme, the Company sought simultaneously to encourage savings and responsible repayment behaviour, bring the formal financial sector closer to the poor and address the criticism that the subsidy houses were too small (Khan and Thurman 2000). By the time of the tornado, the Company was facing serious delays in the anticipated programme of construction due to difficulties in accessing suitable land for low-income housing development and in securing housing subsidies. The Council decided that the reconstruction programme would be based on home ownership with the units being provided by the Cape Town Community Housing Company. The approach was controversial, not least because it required households to save and take on a loan obligation with the 'reward' of an additional subsidy, and because the additional subsidy was therefore not available to the poorest households.

A number of community groups and NGOs supported local activities following the tornado and one particular group, the Manenberg Tornado Recovery Forum emerged. Once the destruction had been assessed, the Council concluded that 280 Council tenants needed to be re-housed and a number of other families who had been renting rooms in the flats or who lived in backyard shacks also required accommodation. Through the Cape Town Community Housing Company, Council tenants were offered a choice in the

size of the house (from 40 to 64 square metres) with additional payments being required in all cases. At this stage, nothing was offered to the group that has been renting rooms or shacks from the Council tenants. As these re-housing options emerged from the Council, there was division within the community and the Manenberg Tornado Recovery Forum split into the Manenberg Disaster Committee (MDC) and the Manenberg Tornado Committee (MTC). The community divided over the decision to rebuild for home ownership. Some were supportive but others were concerned about the financial implications and greater risks. At the same time, the sub-tenants and the backyard shack dwellers were anxious about their own future and eager to be included in the housing developments.

As a result of this level of community contestation, the Council began to work with individual families. The first construction company to be given the contract went insolvent before much work was done. Following the appointment of a second construction company, the first houses were completed in 2002. Half their workforce was drawn from the community and the Manenberg Development Committee acknowledged this to be of assistance to their members. During the development of the planning process, there was a great concern within the community that the consultation process is merely a 'rubber stamp' for programme and policy decisions that have already been made elsewhere within the Council (Khan and Thurman 2000, 19). In part this reflected the financial and time constraints faced by city officials. However, earlier interest on the part of the Council in a participatory process had raised expectations. Despite ongoing tensions, community representatives from several groups continued to attend meetings with Council as the development proceeded. A project committee was established and met regularly. By October 2003, the houses had been handed over to families and the transfer of ownership was being completed (Minutes of Tornado Project Committee Meeting, 9 October 2003). The poor construction of the houses was quickly recognized to be a serious problem and repairs became a regular item on agenda of the Committee Meetings.

The position of the Council shortly after the tornado was that no housing would be provided for the sub-tenants and backyard shack-dwellers. The initial agreement between the Council and these families was that they would continue to be tenants of the beneficiaries of the rebuild programme. However, this was more a request from the City than something that the residents strongly supported and it was increasingly recognized that it was unlikely to take place. These residents examined a number of options including those of the South African Homeless People's Federation. However, they did not develop any concrete plans of their own but rather lobbied for Council provision. By 2003, the Project Committee responded to a change in political leadership within the Council by exploring new options for the 64 remaining families. Initially two alternatives were considered – one for housing units of 30 square metres and the other for 37 square metres. Both were to be financed within the state housing subsidy with the second option falling within the People's Housing Process in which the recipient households contributed sweat equity and

did not make any financial contribution (if they fell into the lowest income category of the subsidy provision). However, as plans progressed the People's Housing Process option was withdrawn because '... it was decided that the risks would be too high for PHP in Manenberg. This being a small project it will also not be economically viable for developer' (Project Committee, 3 November 2004).

The shack dwellers themselves are bitter and frustrated. They do not understand why they are still waiting in 2005 and compare their situation to those who recently had their homes destroyed in a fire in the Joe Slovo area of Khayalitsha. In this case, the Council put the families into community and civic centres on a temporary basis and rapidly started the rebuilding process already on the cleared land. The residents consider they have been unfairly treated. They do not want to move further away from the area but they are not confident about the location of their new homes. The ongoing delays about construction are a source of intense anxiety. The families argue that the government is not concerned with their well-being and that the health inspectors have only visited once despite the fact that in the temporary accommodation 64 families have to share two toilets. Women explained that they have filled in the subsidy forms many times when earlier forms have been lost. Their situation has been made worse, they argue, because of the Council has made promises that have not been kept. Many times they have been told the houses are about to start only to see the deadlines pass without action. The Council acknowledge their responsibility to this group and say that land has been purchased adjacent to where they are living now. Ongoing concerns with affordability mean that officials have been looking for ways to enable the households to benefit from the subsidy even if they cannot afford to make the required financial contribution. The elimination of the People's Housing Process option means that a cash contribution is required even by the poorest families. Project Committee meetings continue to take place and discuss plans for the development of subsidy financed housing for this group.

Professional processes and the impact on participative development

The experiences at VukuZenzele and Manenberg add insights to how urban poor communities that seek to improve their shelter (land, infrastructure and services) interact with professional agencies concerned with urban development, and the consequences of such interaction for both material asset acquisition and empowerment processes.

The South African Homeless People's Federation and People's Dialogue have sought to develop a people-driven development strategy. Local community management is a critical component helping to ensure that designs and plans are relevant to the poor. Strong local ownership ensures that people's money is blended with outside resources, and that improvements are maintained

(wherever possible). Involvement in grassroots development activities roots the Federation in the realities of the poor, and develops within that movement the experience of collective strategies to address needs. With housing a priority need for the urban poor in South Africa, it was inevitable that housing would emerge as a key theme for the Federation. This emphasis was particularly strong because the Federation's core organizing group is women and, in many traditional South African societies, housing is the responsibility of the women.

When, in response to the need for housing improvements, the government introduced a housing subsidy that offered a capital amount as a means-tested entitlement for low-income households, the Federation and People's Dialogue sought locally controlled subsidy funds for Federation activities. From the beginning it was recognized that the need to secure subsidy funds was likely to constrain a people's process due to the strong regulatory attitude of local government. Due to a large extent to the work of the Federation, the government introduced a specific subsidy stream, the People's Housing Process, to enable communities to self-build rather than work with contractors. However, as this experience demonstrates, this stream remains a formal, highly regulated system.

The tension between these two positions (formal regulated development and people's self-build activities) had a number of impacts on the development process at VukuZenzele, both immediately in regard to delays in activities and the costs of the development and more substantively with respect to local control and a feeling of disempowerment. Looking more broadly at Federation activities, such problems were pervasive in Greenfield developments. Federation groups with secure land tenure and infrastructure who were securing subsidies for the house only (consolidation subsidies) were generally able to avoid local government involvement and the associated regulatory process. Hence consolidation subsidies moved forward swiftly in the Western Cape but Greenfield sites were considerably more problematic.

The city and provincial council both had regulatory responsibilities at VukuZenzele. The city council had responsibility for planning and the provincial government was responsible for the subsidy approval and release of funds. The level of involvement, the need for approval and the time taken to secure such approval all had an influence on the capacity of the community to address its own needs and its scope for defining solutions. This can be exemplified through the issue of group status. One objective of the federating process is to create a social space open to the poorest and most vulnerable who are otherwise excluded. A first step for many grassroots organizations (such as those inspired by NGOs, the church, credit unions and local government) is to establish a constitution together with rules for membership and activities; however this deters the poorest who are not comfortable with such procedures and savings schemes are deliberately informal. Such a process is unacceptable for a subsidy

application as applying groups have to be formally constituted. VukuZenzele members embraced this discussion with some enthusiasm and developed their own rules for their Housing Association, only to be told that they had to accept a pro-forma constitution for their application to be rapidly considered. A second example is that when the housing subsidy application was sent to the Provincial Housing Board the status of the land rights held by members was questioned. The Federation and uTshani process was that the land title was to be collective and held by the VukuZenzele Housing Association. Residents who borrowed for housing development had a loan agreement identical to those signed by other Federation members receiving loans (and the Association held the loan agreement to bridge finance infrastructure monies). The Provincial Housing Board determined that residents were tenants of the Association until they had repaid their loan and for the application to be considered, they required a lease agreement signed by each member. A simple agreement was drafted by People's Dialogue and agreed by the Management Committee. Staff at the Housing Board rejected the agreement. It had to be redrafted twice by a lawyer before the text was accepted. These costs were absorbed by People's Dialogue rather than put onto the development but more significantly the resulting procedures and legal documents, whilst acceptable to professionals, were ambiguous to the community and created a feeling of insecurity and disempowerment.

With respect to regulatory control over the building process, despite the purchase of land late in 1997, it was not until half way through 1999 that planning permission was granted and the infrastructure tender could be prepared and issued. The original plan had been for double storey houses throughout the area. However, by the time plans were verbally agreed, finalized and submitted, it was evident single storey houses would cover a significant percentage of the site. The planning department required several standard housing types rather than accepting individual variation (which is an inevitable part of the self-build process). Whilst not concerning VukuZenzele's members *per se*, such activities further lengthened the process and increased technical costs. Behind the requirements for detail lay an assumption that Council officials would be responsible for regulating formal development procedures such as plans for housing expansion. Therein lay a complete contradiction between the theory and reality of Council processes. On the one hand, officials had to proceed as if the practices of the previously white sub-urban areas would pertain. On the other, they knew that this was not likely for many years and households would transform their immediate environments with no reference to the authorities.⁴

In addition to the formalization of the process, the delays involved in securing agreement from the planners and the costs of meeting their requests, a further issue is that of the building inspectors whose job was to check the quality of construction at various stages. The building process has to pause whilst the inspection is made and the quality of the work approved. Clearly there is a practical problem with people building intensely at weekends. The Federation experience is that the attitude of the

inspector is critical. With a positive interested attitude, minor problems can easily be identified and resolved. With a 'standards must be maintained' attitude, the building groups lost confidence and additional costs (or lengthy time wasted in disputes) were incurred when work had to be redone. Generally speaking the inspectors were positive but there was considerable uncertainty about their attitude.

The highly regulated professional planning environment had associated costs that were charged against the subsidy. For the City Council in Cape Town, infrastructure standards had to equal to those required for state investments as the state was assuming responsibility for maintenance. Hence standard (high) specifications for water, sanitation and roads were required. In Port Elizabeth, another Federation group had worked with an engineer to meet the high standards whilst reducing costs. Small modifications were made to the plans. For example, the standard required that a toilet could be placed anywhere on the site and hence pipes had to be placed at a low level within the ground. The community themselves were involved in the installation (paid skilled and unskilled work). As a consequence, costs were 50 per cent of what they would otherwise have been. The City Council at Cape Town were not keen on such modifications and the community did not have the confidence to develop alternative plans for infrastructure installation. Moreover the relatively high levels of alternative livelihoods had already indicated a lack of interest in direct community participation. Hence standards were not amended and the plans were tendered to conventional engineering firms with established allowances for professional services and profits. This reduced the amount available for the house itself. Generally, individual members saw this opportunity to acquire housing as an event rather than a process. No formal financial institution was interested in lending to the poor and hence they were not certain they would be able to borrow from elsewhere. VukuZenzele's Committee with the uTshani Fund set an amount (theoretically a maximum but a tiny number of borrowers took less than this) of R11,500 for a housing loan in advance of the subsidy releases; this was based on an estimate of R8,500 remaining from the subsidy (with an estimated R6,400 for infrastructure) plus R3,000 maximum Federation 'top-up' loan. However, when infrastructure costs rose above R6,400 and affordability became problematic.

In the case of Manenberg, the Council sub-contracted the construction to a professional company and therefore many of these issues did not arise as the construction process was controlled by professionals. However, one of the issues emerging in Manenberg was that building control was insufficient even in the case of the professional construction company resulting in considerable construction problems that have had to be rectified over a number of years. The use of the Cape Town Community Housing Company resulted in the families taking on loan finance; focus groups and interviews suggested that affordability is problematic and repayments low.

Private enterprise and collective interest

The search to improve incomes and accumulate private assets was very real for the members of VukuZenzele and the development specifically intended to address members' need for shelter and enterprise development. In addition to the specific needs of VukuZenzele's members, People's Dialogue and the Federation were seeking to learn how to address issues of economic development particularly in the context of Greenfield sites. Whilst savings schemes had long been encouraged to lend from their savings capital for income-generation and micro-enterprise activities, this was the first attempt to explore more substantive strategies. This discussion here explores the complexities of what was involved.

In 1997, when uTshani bought the land on behalf of VukuZenzele, the land was held by a Bridgeman family trust through a company established for tax purposes. John Bridgeman made great emphasis of his desire to contribute to the well being of the poor and this emphasis came to have a strong influence on the path that the development took. Bridgeman's vision was one that combined productive enterprise with residential development. Whilst that vision resonates with urban planners' perspectives for low-income communities with strong informal activities in some Southern cities, it was not based on experiences within South Africa. Eager to acquire the land and interested in income generation, People's Dialogue and the Federation took over the vision and selected savings schemes that offered some potential for entrepreneurial activities and success. At the same time, city council planners shared a professional interest in these plans and designs and encouraged such a development in the area. Expectations of opportunities for formal and informal enterprise were created within the community and questions about these plans continued to be asked throughout the development with an increasing sense of disappointment due to a lack of progress. Bridgeman's vision came to influence both the selection of residents and the expectations of those residents. However, after four years of efforts, People's Dialogue decided that the development potential of the commercial strip of land was illusionary. There was a major problem in securing investment finance as the area was judged to be too poor (with an inadequate consumer market) and too risky. Believing that it lacked the expertise to launch the commercial development, the NGO sought a range of paid and unpaid professional assistance but none was successful. With the benefit of hindsight, the plans simply appear to be too ambitious.

Despite these difficulties in respect of the overall development, both the initial land owner and the chicken farmer took decisions to maximize their own assets. These two experiences are illustrative of the context in which economic relationships had developed and continued to develop in South Africa. Knowledgeable white entrepreneurs are able to use market information to their advantage and appear to do so with greatest regard for short-term income.

Numerous attempts were made to earn an income from the commercial land including the sale of bill boards, temporary second hand car sales, unrealized interest by building material suppliers, a possible petrol station (but the site was judged unsuitable) and a multi-storey block of residential accommodation (too expensive). Attempts were made to secure partnership investment from the state through the provision of public services on the site such as a post office; however, there was no interest. Whilst many companies paid lip-service to equitable development, there was no willingness to take on the associated risks. Violence was an ongoing problem. In 2000, a guard at a building materials shop a kilometre up the road at Nyanga Junction was killed in an armed burglary. A short time later there was a further death in similar circumstances at a nearby petrol station. The relative lack of success of other initiatives to strengthen economic development in the low-income settlements of Cape Town also suggests that expertise alone is not enough. There was no substantive interest in developing formal commercial activities so far from existing commercial centres nor was there any corporate interest in supporting such activities for social reasons. The commercial case itself did not make sense to these companies - local low-income African communities had been travelling to buy from formal shops located in higher-income areas for decades and they could continue to do so. If a single commercial centre could have been secured in a low-income area, there might be concerns from others about losing a market and hence a more outward interest. But with no-one willing to take a risk, all the larger corporate concerns were safe in their existing selling strategies. Structural conditions both make it difficult for small informal businesses to grow to join the formal sector and, in related fashion, enable large companies to dominate the market from their chosen locations. Although income generation was not a major focus of the project at Manenberg, the failure of home ownership to result in entrepreneurial activities among the resettled families points to similar constraints. Such opportunities are relatively limited and hard for those without specific skills and capacities.

In respect of the community, activities moved to the workshop houses. The workshop houses are located on plots that were slightly bigger than the other areas and the final double storey units were to be considerably bigger with either 90 square metres or 120 square metres of floor space. A number of families showed an interest in the workshop houses but many had a speculative interest and some were open about simply wanting a bigger residential unit. Regardless of their business plans, all explicitly requested 120 square metres suggesting that asset acquisition was a significant factor. It was quickly apparent that fewer than ten of the interested families had substantive business experience. The allocation of the workshop houses became a source of contention between the NGO, the larger community and the individuals (including community leaders) who sought ownership of these units especially as costs escalated. Estimates in 2000 suggested that material costs for the larger units would be above R20,000 with high labour costs due to the complexity of the construction. This further increased the hesitation of the NGO who could immediately identify considerable affordability problems for all but the most established entrepreneurs.

By 2000, leadership was being contested within the community and there were significant concerns about the allocation of workshop houses to these leaders. These tensions were felt in a 'go slow' with considerable numbers of the community refusing to meet with the NGO to discuss the workshop houses. People's Dialogue remained convinced that if VukuZenzele development was to achieve its objectives, the active participation of all the community in the workshop houses was essential to ensure that the collective interest was secured and the savings scheme managed the loans and repayment processes. The fact that the involvement of the community was a prerequisite enabled it to effectively block plans and activities by refusing to participate.

Within People's Dialogue staff, there was a growing awareness that the workshop houses were 'a step too far' due to the fact that there were few members operating enterprises with production involving more than themselves and their family on a part-time basis. There was a growing awareness that such businesses did not require the purchase of large amounts of space with the associated risks. For business purposes, small emerging business activities needed smaller units that could be rented whilst expansion of the business was attempted. Rental units had two advantages for the community: first, the community could be drawn into a management role thereby building capacity; and second the income (once construction costs were recovered) would assist in funding local community activities. The community agreed that these would be more suitable and such units replaced the initially planned workshop houses.

In addition to difficulties related to the context within which commercial relationships take place in South Africa, there was also a lack of experience about how to integrate strategies that offer individuals opportunities to improve incomes with strategies that offer communities a chance to secure land tenure and basic services. Working with land and infrastructure, the benefits of collaboration within the community are evident (although not always uncontested). In the context of economic development, the picture is not so clear. The lack of experience in People's Dialogue became particularly problematic in raising expectations among the leadership and members that could not easily be realized and in the level of inequality incorporated within the settlement design that involved (at a maximum) plots with 20 per cent more land containing units with 300 per cent more accommodation. This was confusing for the leadership, the immediate community and the broader Federation in regard to the emphasis placed elsewhere on equality of opportunity and options that favoured the poorest. There was considerable disillusionment when jobs were not forthcoming, and this helps to explain the conflict over the workshop houses. The failure to develop the commercial land added to an increasing division between leaders and members, and increasing frustration about the outcomes of the project. The feelings of disappointment were particularly acute for the leadership. They thought that the project would deliver housing and jobs and they had offered significant amounts of their time to achieve these objectives.

Civil Society: A New Deal but not a New Deck

The process of change at VukuZenzele took place in circumstances that were highly constrained. As noted in the preceding sections, many of the constraints were externally generated reflecting both economic (commercial disinterest plus a lack of public investment) and administrative (ie. formalized and regulatory state approaches to urban development). However, there was a further set of constraints that reflect the social relationships within VukuZenzele itself. This section explores social relationships between leaders and community members and the developing organizational capacity within the group.

The objective of the savings scheme process with the emphasis on daily saving is to replace existing exploitative and divisive relationships between membership and leaders with a strongly participative process based on an active membership and with accountable leaders who are transparent in their dealings with the community. The daily savings component has a number of characteristics that go to the heart of the transformed and transforming organization. Daily collections ensure members are in regular touch with each other. Relations are familial, identifying and responding to needs as they arise; for example, the daily visit might identify a sick child and the need for an emergency loan. The regular contact builds up friendships and helps members grow confident about the changes they collectively want and the strategies that can be explored. Working together members are able to approach more powerful agencies and individuals such as the council or landowner and negotiate for improvements. For people who are short of money, savings requires a strong sense of trust and members need to establish accountable systems of financial management. Through this process, they explore new relationships between members and leaders which are often women reflecting the strong savings element and majority of women members. Leaders are selected by the savings scheme and their credibility is dependent on their active participation in daily saving (and other Federation activities beyond the savings scheme). A leaders' role is seen as supportive rather than controlling, as co-learners rather than instructors, and their responsibilities are emphasized more than their rights.

Leadership in grassroots organizations is widely recognized to be flawed as leaders often seek material rewards by being an intermediary between the community and political processes. Leaders secure payments through this role and violence may occur if they are challenged and their benefits are threatened. For example, Scheper-Hughes (1992, 513-4) describes how the elected leader in a small town in Brazil started to control access to community resources using them for his personal activities. He refused to call general meetings and when one was called the level of violence was such that the meeting was abandoned and he then declared himself president for life. She concludes that the problem is the 'lack of basic trust' (page 516) which, in this context,

is reinforced by the 'structured relations of inequality, dependency and police violence that rule the adult lives of *moradores*'. The Federation worked alongside similar relationships and savings schemes generally had to negotiate with existing leaders. In Khayalitsha, for example, in many cases, taxi drivers were the highest income earners within each small area or group of houses that constitute a neighbourhood. Care was taken not to antagonize these families, their wives might be invited to join the savings scheme and the family might be one of the first that would receive housing loans. In contractor-built housing developments, this type of relationship is reinforced by the resources involved; a new elite is created (or an existing elite is strengthened) as leaders act as intermediaries between the contractor and the residents. This leadership is typically provided with cell phones for the duration of the contract (to ensure they can be quickly contacted when needed to resolve disputes and other issues), they may be directly paid for their services, they may be able to allocate jobs to family and friends and they may secure a particularly well-located plot.

How successful was the Federation process in VukuZenzele in transforming relations between leaders and members into those appropriate to accountable and representative organizations? A number of events suggest that relationships in VukuZenzele cannot be characterized either by the ideal of the saving scheme or by the realities associated with many grassroots organizations. In general, daily savings was very weak although savings activities continued on a regular (weekly) basis. Loan repayments were well organized and maintained for a year following the first construction phase. Neighbours did help each other in addressing needs and dealing with everyday crises as well as working together to secure the collective interests. Most members did not participate in decision making about the development and a small group of elected leaders emerged who took responsibility for all aspects of construction and finance. However, a significantly larger group of about ten to 15 members played a support role in building and saving and were active in attending meetings. When there were concerns, over 50 members regularly attended community meetings.

The events that followed the release of funding for the construction of foundations in 1999 are indicative of relationships between leaders and others in the community. During the first building phase of 22 houses, many families stood back. The lack of infrastructure on site was an active deterrent to move as most were living in rented shacks with access to toilets. In early 1999, pressure to continue with construction mounted from People's Dialogue and funds were released for 50 foundations. The management committee and People's Dialogue intended that members would construct 50 foundations primarily for 40 square metres single storey units (with a small number of double storey units). It rapidly became evident that the members had other plans. Some brought their own materials and within days, there were several 70 or 80 square metre foundations appearing. One of the national leaders of the Federation stopped the building as it had not been agreed and the community members and Management

Committee had several tense meetings. People's Dialogue offered a compromise and suggested that some plans should be prepared for 56 square metre double-storey house. However, when the Management Committee agreed, the members simply elected a new Committee willing to support much larger houses. After the intervention of the regional federation together with People's Dialogue, a mass meeting agreed that the two Committees (old and new) should work together. This new Committee agreed that members should be allowed to build larger single-storey houses.

In seeking to understand the social relationships within the community, it is helpful to juxtapose this experience with the alternatives presented above. Members of VukuZenzele were universally anxious to improve their housing and sought to replicate the large single storey houses they saw at the first Federation Greenfield development. They understood that their best housing strategy was to join the Federation and seek to access their subsidy through a self-help process. They were willing to participate in savings and planning exercises and they were willing to repay loans. However, they were not overly anxious to participate in the rituals of the Federation and, in at least some cases, their income levels offered an alternative security to that offered by a national movement of the urban poor. Hence their membership of the Federation was somewhat tokenistic and they had little interest in a representative organization of the urban poor. Their expectations of relationships can be characterized as a New Deal – they expected that their leaders would facilitate their access to the housing subsidy for large single storey houses. In return, they were passive participants in Federation processes and they acknowledged and supported the existing leadership (who were allowed to dominate interactions with the resource-rich NGO and the Council, and influence the purchase of building materials). This New Deal was not unusual in the Federation, particularly in the Western Cape Federation where considerable building was taking place. Many were passively involved in the Federation, hoping to secure a loan together with a subsidy and be allowed to build a house. In some groups, members showed little interest in savings funds, almost treating them as a fee and membership involvement fell considerably after construction. Such members simply did not consider the Federation as a group that could assist them to address their wider development needs.

The New Deal offered relationships that were significantly different from traditional relations. Building costs were monitored and the leadership was accountable to members for the financial decisions made on their behalf. Patron client relationships between leaders and members were replaced by those based on administrative and technical skills.⁵ Benefits were predictable and significant, and there were democratic systems that could be used when leadership failed. Social capital existed and was used in the process of building construction where there were financial benefits – such social capital was also used to resolve disputes within the community without the use of violence – a very significant achievement.

However, the New Deal was very far from the transformation that was sought by the Federation and People's Dialogue. With savings being seen as a 'membership fee' there was little interest in using savings to demonstrate the collective capacity of the poor or to offer loans. The solutions that were developed were not particularly pro-poor and did not seek to address the needs of the more vulnerable members. The New Deal members had a weak loyalty to the wider Federation and did not consider that they had responsibilities to contribute to new experiences and capacities in urban development. Issues of leadership control of resources together with possible misappropriation were tolerated up to a certain level providing that the funding for house construction was made available. There was little interest among the wider group in assisting with financial and organizational activities and contributing to administrative tasks.

Conclusion

In respect of the developments themselves, a number of achievements have been secured by VukuZenzele Housing Association both for the families living on site and for those that will join them. These conclusions reflect on what has been learnt from this experience in terms of both the general model and its particular use in this Greenfield development. The example of Manenberg is used to highlight the specific dynamics and benefits of empowerment-orientated development programming.

The discussion above points to the successes but also the very real difficulties faced by both developments. In respect of both relations with the state and the interest of the commercial sector, there was little encouragement for the transformative component of the Vukuzenzele development nor for the expectations of the Community Development Department in the case of Manenberg. This appears to reinforce an earlier conclusion:

Reintegrating as many as half of the population with an existing political community in which they can exercise their rights cannot be done in any meaningful sense *unless the systems in dominance* – authoritarianism, peripheral capitalism, and patriarchy – *are themselves change in fundamental ways* (Friedmann 1990, 105-6, quoted in Abu-Lughod 1998, 237)

The context in South Africa in 1994 was apparently one open to pro-poor change. The self-help housing initiative at Victoria Mxenge combined with the scale of Federation membership caught the attention of the politicians and officials as much as the emphasis on community empowerment and community control of the development process. State institutions were apparently supportive. However, in fact, as shown here, in some processes, there were few changes. This is equally true of the state's manifestations at the local level as shown above by the consequences of conditions attached to the subsidy as it is at the provincial level as indicated

by the inability of the Federation to secure subsidy releases as scale (or even at all in most Provinces). The form in which the subsidy releases was made did not favour the people's driven incremental building approach and the slow scale of releases meant that the Federation was consistently challenging for more finance through mobilizing more members. The consequences of the bureaucratic process meant it was difficult for the poorest to be involved. As argued below, the lack of success of the Federation in accessing state resources lay behind its anxiety to accumulate members and its focus on housing product.

The pressure on the Federation to shift to a housing delivery focus rather than an empowerment focus did not only come from its own perception of where its interest lay. As exemplified by VukuZenzele, thousands of families were anxious to secure access to the housing subsidy to enable self-build. Staff at the Provincial Housing Board in the Western Cape recognized the effectiveness of the Federation's approach and households visiting the Board to request access to their subsidy were referred on to the Federation. The Board simply could not respond to individual applicants (particularly in regard to the regulation of financial flows and technical standards) but it could recognize who could best meet the needs and interests of the homeless.

In the commercial context, there was an even greater lack of change. To powerful economic agents, sizeable investments in low-income areas were inconceivable. Many companies undertook empowerment policies to ensure that black Africans were given opportunities to take up senior staff posts. Financial institutions, such as banks, recognized the pressure that they were being put under to lend to previously excluded groups of the population. On occasion they were willing to lose money to be seen to support such endeavours.⁶ They recognized (and supported) a political imperative for change. But the commercial interest in township investment was not there because traditional purchasing patterns remained intact. The poor travelled to existing commercial areas to shop whilst continued low-incomes prevented a high purchasing capacity; there was no commercial imperative behind a spatial shift in retail sales investment.

Hence, the dominant systems in respect of the economy and state bureaucracy remained unchanged. The adverse nature of the external environment meant that People's Dialogue staff and often the Federation leadership spent considerable amounts of time negotiating this interface with insufficient attention to the underlying development efforts and approaches. Considerable investments were needed to assist communities in their negotiations with local authorities, as the cost of supporting learning and reflection within the Federation. Nationally, the weakness of savings and loan processes together with the dominant leadership style were acknowledged and several attempts were made to address them. For example, in 1999, there was the designation of 'special' savings schemes that could become centres of learning, increasing emphasis on daily savings activities, the reform of the regional Federation groups, the enlargement of national federation leadership and the potential introduction of smaller loans from

uTshani for incremental development. In 2000, the regional centres of the Federation were reviewed and redesigned with a new set of staffing agreements and support structures. But each time a new programme of learning activities was agreed, the dynamics of land development overtook the process and the work of People's Dialogue and the South African Homeless People's Federation shifted back to housing delivery and away from more empowering activities.⁷

Looking first at the material benefits in terms of asset accumulation, as has been discussed by Baumann and Mitlin (2003) the processes supported by People's Dialogue and the South African Homeless People's Federation have been successful in using the subsidy to build housing capital. The regional and national work of the South African Homeless People's Federation had opened the possibility to secure subsidies for self-build and the success of their first initiative had built up their political reputation and their loan fund respectively enabling the purchase of the land from the VukuZenzele development (with pre-subsidy finance from the Department of Land Affairs). The houses built by the Federation are worth considerably more (three to five times) than the value of the materials invested in them. VukuZenzele construction was no exception. Families added their own materials (as discussed above) and many rapidly began to improve their dwellings adding extensions, tiles, cornices and further investments. There were no significant systemic construction problems and any minor problems were addressed by the home-owners.

Whilst finance for the development was secured, social relations and technical standards are highly regulated and associated costs are high. High infrastructure costs have used up a considerable proportion of the subsidy and left little for the house. The formal nature of the process involves expensive professional inputs and the associated delays reduced the energy and enthusiasm of the community making it difficult for high levels of involvement to be maintained. Technical inspections force members onto the defensive and reinforce their role as beneficiaries rather than as partners in the process; even when the inspectors proved to be supportive there was considerable tension around this process. Requests for standards concessions to save money were refused. The development struggled to get beyond the housing investment. There is a remaining sense of disappointment that the prospective income-generation and employment prospects did not materialize. The land continues to be well-located in terms of access to other areas of the city and whilst the commercial area was not a success informal trading continues along the road suggesting that there are some future prospects. A nursery has now been built on one corner of the site and some small enterprises such as spaza shops have been established within the neighbourhood. Nevertheless for the first five years of the development the community believed that there would be significant income generational benefits within the short term; only in time did they realize that this was unlikely.

The experiences of rebuilding after the tornado in Manenberg provide comparative analysis. In this case, physical assets have been secured by Council tenants whose homes were destroyed. However, there is considerable frustration about the physical quality of the units and remaining problems about affordability in terms of the repayment of top up loans. Despite the fact that they are homeowners, a lack of involvement in the construction and the belief that the houses have been provided for them means that residents remain dependent on and are supplicants to the state (in this case requesting repairs), living in sub-standard accommodation. Those whose entitlement was not first accepted remain in very damp shacks and the costs of dependency are even more pronounced. Although this group has a strong sense of identity, they have not been able to negotiate improved accommodation. In both cases, the limited incapacity of the collective is evident, perhaps due to the individualization of the development process. This took place despite the initial intention of municipal staff to strengthen social capital within the neighbourhood.

The physical quality of the product is different between the two sites, with notably fewer problems in the case of VukuZenzele. This appears to reflect the advantages of a people's driven approach. The high level of home-owners' involvement combined with training in technical skills (for some community members) meant that reliable builders were used and emerging problems were rapidly resolved. The high level of community control ensured adequate quality safeguards. In Manenberg there have been considerable problems with housing quality. Interviews with local residents, observations on site and project committee minutes suggest the problems remain unresolved despite optimistic statements by the council officials. The formal inspection process did not seem to correct these problems as building work was progressing. The problems of quality may repeat the very cause of the tornado damage as some blame poor construction of the apartment blocks as a contributory factor to the destruction that resulted from the tornado.

Expanding on the analysis of social relationships, in both developments there are frustrated households that are supposed to have benefited from the development but who feel they have been victims of a more powerful agency that has controlled options and influenced outcomes. However, a critical difference has been the communities' response to the emerging process and, in particular, the capacity within VukuZenzele to develop a collective response to residents' frustrations. The nature of the social process within each development has been very different and has apparently produced different outcomes. VukuZenzele began with a savings scheme and from the beginning, self-organization of residents has been a critical feature. Difficulties have occurred at numerous points nevertheless residents have a demonstrated capacity to work together to engage the state (at various levels) and the NGO. For example, in efforts to ensure further releases of subsidy finance (made more difficult by changing rules within uTshani for national reasons unrelated to VukuZenzele), members have regularly visited and lobbied the offices of the NGO. Equally

leaders, at different points in time, have sought to build alliances with local politicians, other urban poor communities and other Federation groups. There is an inherently chaotic and often contentious development (within and beyond the community), but it has delivered significantly improved housing to residents. In contrast, the process in Manenberg has struggled to maintain a collective momentum. Whilst various groups came together immediately after the tornado, these groups never had a chance to work together in an autonomous space but were immediately drawn into addressing immediate need in a politicised context. When the Council responded to the conflict by preferring to develop relations and agreements with individual families, the community was unable to successfully challenge this situation. Whilst frustrated families have demonstrated against the poor quality of housing, these events appear to be single oppositional 'outbursts' rather than sustained strategizing to address their interests.

Within any low-income communities there are differences in income and in vulnerability. The inclusive approach of the Federation appears to have achieved some success. The ability of families to self-build enabled some to build very cheaply, reusing materials from their shack to maximize the value of their new home. The vulnerable group that has to resolve issues about previous subsidy allocations stolen by a corrupt developer has not been excluded but allowed to stay with an assumption being that this issue will be resolved in their favour. In the other development, the rule orientated and market approach of the Council housing solution in Manenberg with the Cape Town Community Housing Company has meant that all households, even the poorest, have an ongoing loan obligation (although interviews suggest that households are not being put under pressure to repay these loans) and that the most vulnerable group, the sub-tenants and shack-dwellers were excluded from the initial provision.

The New Deal set of social relationships characterized above for VukuZenzele elaborates the successes and failures of the attempt to transform relationships within the community and particularly those between members and leaders. The community has dealt with difficult issues particularly the concerns about financial mismanagement with transparency, achieving agreement about what to do with considerable consensus. In communities in which threats and actual violence are common, these benefits are not minor. The community has a strong sense of its collective interest and it continues to lobby the NGO and the provincial board for an improved package of material benefits. For example, the community is now arguing that delays in subsidy releases mean that they should receive the present value of the subsidy, not the value of the subsidy when the application was submitted (in 1998). However, their attitude to the state is 'claim-making' rather than pro-active in developing new solutions to the problems that they face. There is little specific emphasis on the needs of their lowest-income members, and their negotiating position reflects the interests of the majority, not those who have the greatest need. Savings practice has been restarted several times by the leadership but remains weak, particularly among the poorest.

Both developments involved ambitious professional design components that were not successful. In one case this was around higher density developments plus a commercial zone, and the second around safer more secure layouts. In VukuZenzele high density (double storey) housing was not accepted by many local residents. Early design faults did not assist in acceptability and further uncertainty was caused by the additional complexity of the building process with which local builders were not familiar. Double storey houses had the support of the wider Federation who could see the potential value but there were few members of the savings schemes that wanted to live in such units. In Manenberg, plans for a more secure layout were welcomed by residents. However, in practice and despite the use of such plans these benefits have been difficult to achieve and there are ongoing concerns about criminal activities. The interaction between professionals and local communities points to the complexities of working collaboratively with low-income communities to identify and refine new forms of urban development. The need for innovation is widely recognized but for its introduction (in any one of a diverse nature of possible improvements) to be successful in a community-driven process it needs to be supported by the community. For understandable reasons, notably the risk adverse nature of families for whom this will be their only chance to secure housing, there is a reluctance to innovate. This creates a dilemma for professionals wishing to work within a strongly participative process. This suggests that there is a much greater need for reflection on how innovation can be introduced and there may also be a need for greater flexibility with professional agencies being prepared to wait until a local community emerges with a commitment to the innovation, because it makes sense to them in their specific local circumstance.

Both projects have suffered considerably from delays in part due to issues related to the subsidy and the requirements that have to be met prior to the release of subsidies. These delays appear to have been detrimental to the communities' own process and capacity in both cases. In Manenberg, those who were not Council tenants have now been in shacks for more than five years. In VukuZenzele the project remains unfinished due to the delays in subsidy releases compounded more recently by a reluctance of the NGO to advance project subsidy finance (for reasons unrelated to the project). In retrospect, both professional agencies were overly ambitious about how long such projects take to complete. Both the Council and the NGO struggled to manage the bureaucracy involved in subsidy applications. The situation was particularly problematic in the case of the NGO because they took a particular subsidy route that ostensibly favoured the community process (the institutional route). The highly formalized application procedure with the checking and cross-checking of valid identities together with the planning and regulatory requirements resulted in a long and drawn out process. The delays had repercussions for the collective process increasing frustrations and meaning that the development process was unable to follow the community's own organizational dynamic and hence opportunities for local involvement were lost. In the case of the sub-tenants and shack dwellers from Manenberg, the most favourable subsidy option was not used (sweat equity) because of the complexities.

These experiences suggest that, no matter what effort is put into a development intervention that seeks to transfer physical assets to the poor, investments in community capacity and organization are worth making. In part they are worth making because the professionalized development process is so imperfect. If professionals reflect honestly on poverty reduction efforts in the South and North, we can see that there are many deficiencies that arise and that there are many reasons for such deficiencies. Some, as was the case with efforts to improve income generation, result from structural constraints. Others, as also shown here, result from conflicts within the community perhaps due to vulnerabilities and/or resource scarcity. In the absence of easy and obvious solutions to these problems, it is important for communities to strengthen their capacity to identify, prioritize and resolve issues collectively. There is no perfect approach in this respect. What has been illustrated here through the housing development of VukuZenzele is just one attempt by one organization. As has been suggested, the successes, in terms of social transformation, are more modest than those that were sought. However, it would be wrong to dismiss them for that reason. There remains a demonstrated collective capacity that will assist the community in meeting its development aspirations. Just as the community capacity building element provides an essential legacy in being a social asset that will help enable the community to address its future goals, so the development of physical assets provides essential assistance. In this case, the physical assets incorporate secure tenure, access to adequate services and improved living conditions. This enables families to have access to healthy living conditions and offers them the opportunity to accumulate resources. However, the development of physical assets is also important for another reason; it provides the arena within which collective skills and capacities can develop.

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¹ This first sub-section is drawn from Baumann, Bolnick and Mitlin, 2002.

² As is always the case, comparisons need to be carefully drawn. In this particular case, comparison is limited due to the different catalyst for improvements, considerable variation in the flexibility of the professional component, considerable political involvement in Manenberg and the historical experiences of both communities. In addition, VukuZenzele is part of a national movement whilst the groups at Manenberg were more isolated. Both projects are still in the process of completion, although arguably they are in their later stages in both cases..

³ See City of Cape Town Community Development Report on Urban Regeneration, 24 October 2000.

⁴ For example, the Council had no capacity to respond, either positively or negatively, to the shacks that were being commonly placed around the very small housing units built by commercial contractors within the housing subsidy programme.

⁵ Similar perceptions about technical and administrative competence were associated with the professional component. Note this comment made to a member of People's Dialogue staff during a period in which financial allegations were being made against a group of leaders: "You know," said the resident of VukuZenzele to the staff member, "I am not saying that you took any of the money but does uTshani not check. How can you release funds in these situations? uTshani should surely check."

There is an evident mismatch between role of uTshani as perceived by this member and that perceived by People's Dialogue and the Federation leadership. For the member, uTshani was a financial instrument to ensure that development finance was delivered to individual families. For People's Dialogue and the Federation the role of uTshani was to facilitate (not replace) community management and local control.

⁶ Discussion with one vice president of Standard Bank in 1999 about an planned programme to lend to micro-businesses.

⁷ By 2002, the balance between housing delivery, subsidy releases and the mechanistic cooperation with core Federation principles that is characterised above as the New Deal burnt itself out on the failure of the state to rapidly release the subsidies that loan members were entitled to and the position of uTshani as a bridger of funds with no effective mechanism to secure their release. As the number of loans increased and loan periods lengthened, members began to default in significant numbers. They simply could not understand why their subsidy funds had not arrived and they resented having to

pay interest charges for a housing subsidy that they saw as an entitlement. The Federation has been re-constructing itself with enthusiastic leaders and members learning from these experiences.