MAKING TOWNS AND CITIES
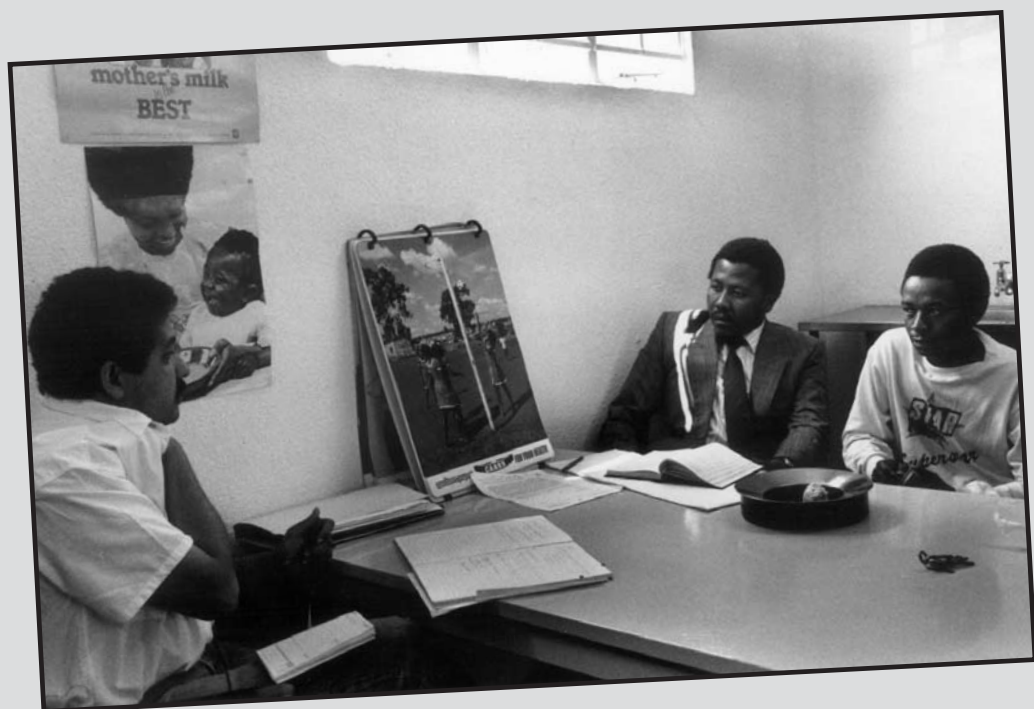
WORK FOR PEOPLE

PLANACT IN SOUTH AFRICA: 1985-2005

Re-rooting the paths to the city

by **Ahmedi Vawda**

In the reconfiguration of the recurrent themes around the struggles for 'freedom and liberation' in and about the spatial economy of the Johannesburg region, there is a personal thread for those who have marched its streets. In their search for hints of prosperity and enlightenment, the streets have provided the paths from where they come and how and why they have arrived. For them the act of leaving behind, and of not forgetting, is less significant than the spirit of arriving! These steps along the pathway and the triggering of the life-altering decisions through the moments of interaction between 'liberation and freedom' and 'prosperity and enlightenment' provided the basis for new ways to conduct the acts of everyday life. In effect, the culminating act of arrival from our diverse pasts produced a new spirit, alive to the possibilities of a more prosperous, just, creative and egalitarian future.

In the contorted frontiers of a new and rapidly compressed cosmopolitan construct, there emerged the possibilities that the appropriate configuring of the triggering moments could produce a more socially and economically just spatial living and working environment. This task of navigating the socio/economic/spatial complexities and the constructs to the alternatively equitably just and fair city was built over many decades. It was looped through repeated traversing of the paths in and out of the city – revisiting the possibilities at different moments to test the triggers for change in ways that confirmed the best routes for those yet to walk the streets, avenues and boulevards.

So the story is told of the 'City of Gold' – concealing and when explored, revealing the most exhilarating streets to navigate. In navigating the streets – the awkward juxtapositions of wealth and poverty, punctuated with moments of sheer despair, and filled with the possibility of all sorts of transformations on the edge of a city-space that holds immense propensity for violence and yet the possibility for shared prosperity – produced all manner of innovations and lurches. In the first Joburg, in its relentless pursuit of wealth, all consuming, rampaging

through space, annihilating any acts or attempts of reclamation, in its rage of accumulation – it met its collective alternatives. Initially the aggressive onslaught forced the isolated and alienated individual into the retreat of the known institutional means to navigate the present – the tribe, the clan, the family, the association. The limits, however, to these institutions universality produced an awareness that suggested that more is necessary and possible. Along their paths to Joburg, many of those that have shared this pathway and have thread it before, shared its sidewalks and the reasons for being there, relate not to their past – but to their arrival – and that in their solidarity about collective struggles for freedom liberation and beyond, they share(d) in the possibility of another Johannesburg. In this latter formulation of Johannesburg, Planact must be celebrated for its role in allowing the space to be made to hold one of those extended moments in which another Johannesburg, a second Joburg became possible.

For the few that were and are directly connected in the extended moment of Planact it has been always more significant to explore the possibilities of solidarity about the other Johannesburg. Planact became a secure place to share in an aggrievement of the detestable experiences of alienation, exploitation and isolation in the city. Within Planact also came the desire to create avenues to celebrate Johannesburg in its companionship, its reciprocity, its freedoms and its joys, its truth(s), and the possibility of a city's ability to provide in its abundance for all. In that sense to extend the generosity of its wealth and enlightenment back along the path to its roots.

This relationship about the nature of the city, the place of the individual and the struggles around freedom, liberation, enlightenment and prosperity can easily be contorted into grotesque permutations and spiral into alienating disconnections if there are not concerted efforts to reveal the understandings of the nature of its operations and its effects. It is important to point out that there have been a multitude of forces and players that have shaped and contested the nature of the space economy, its intentions and consequences and continue to do so. And in the contestation, collusion, collaboration and cooperation about those understandings, it is important to note the culminating moment in the formation of Planact and its flourishing as an organisation. Most importantly Planact allow(s)ed the space for different perspectives on the way in which the space-economy is interpreted and reproduced, the identification of the moments and the different combinations of the thematic thrusts of freedom and liberation to assert the transformatory agenda. It is truly an organisation of its time, progressive in the true sense of the term. It has always been open to other perspectives on the issues of a socially just future in the pursuit of egalitarian possibilities. It is this openness and desire to act in ways that acknowledge different roots into the struggle for equitable rights of the city that is Planact's most defining legacy.

Discovering and Celebrating our Identity … the Planact Way!

by **Rebecca Himlin** Executive Director, Planact

Planact is a Johannesburg-based non-profit development organisation with a special place in the history of community development and democratisation in South Africa. The organisation was established in 1985 as a voluntary association of professionals who came together to assist community organisations to propose and advocate for alternative development plans to those of the apartheid regime, and then to facilitate a civic and trade union voice in policy development processes during the transition to democracy. In the period after the first democratic elections in 1994, Planact was heavily involved in policy development as the new government became established, while remaining rooted in disadvantaged communities as it continued to support organisations of civil society, and also extended its work into capacity-building at the local government level.

Throughout its history, Planact has been both a resource for poor, marginalised communities – from Langa to Uitenhage, Lesotho to Duncan Village, Soweto to Wattville, Diepsloot to Vosloorus – all trying to collectively take charge of their own development; and a place for debate, experimentation, professional development, and the formation of life-long values for those who have worked for the organisation. Many former employees have moved into influential positions within government and the development sector. Planact has played host to development practitioners from all over the world, attracting those inspired by South Africa's quest for democracy. All who have been involved with this dynamic organisation have much to say about the impact of Planact's work and the evolution of Planact's identity through the many changes and challenges that have faced the country, and in particular the civil society sector, over the past two decades.

Through all of these changes – from the idealistic days of the struggle against apartheid, to the thrilling but tense transition to democracy, and the slow consolidation of a new state apparatus with drastically different priorities from the former regime — how has an organisation like Planact managed to survive, thrive, and remain relevant? And yet, what common values and practices have persisted throughout that turbulent history, defining the organisation and the people who have been a part of it? What have we learned from Planact's work over the years – the mistakes and the successes – and how can we capture those lessons to be ever more intentional and effective in our community development practice?

Planact is perhaps a small organisation, but like the proverbial ripples in a pond, its influence can be felt at many levels in South African society. Many national policies on housing, development planning and local government have had direct input from Planact staff, former staff and community leaders with whom Planact has worked, and many policies have also been indirectly influenced by Planact's practice. Planact has continued to be involved in putting those very policies into practice, and testing the conditions in which they can be made workable as well as stumbling upon the barriers that can make them unworkable.

At this point in history, it is more relevant than ever to take stock of this experience. Civil society organisations have faced an uncertain environment in the post-apartheid years – moving from attempts to provide alternatives to the repressive policies of apartheid and exposing the inequities and injustices that have resulted, to negotiating a new role with the democratic state as advocates, innovators, and implementers in (sometimes uneasy) partnership with the state, or to oppose policies or practices of government which continue to oppress the poor. In our view they have played a critical role in transformation, a role which continues to be significant and which should be more widely recognised.

This book project began through individual conversations, motivated by the need for some of us who have been involved with Planact to reflect on and share with others the real achievements of the organisation. For those still involved with Planact, there was a need to reach into our past in order to reinforce the key principles and values that have enabled Planact to survive and continue to make a contribution to the development of disadvantaged communities over its lifetime of more than 20 years. We also recognised that Planact's history is a slice of a bigger history – the history of relationships between the state and civil society over two decades of dramatic change. Exploring that dynamic, through the lens of Planact's experience, seemed like a worthwhile endeavour.

Planact's Board, led by Jackie Lamola as chairperson, then decided to embark upon a directed research project into the organisation's history, to unearth both personal and intellectual perspectives on Planact's philosophy of development, its actual practice and its influence. We called the project simply, the Planact Way, to encapsulate our intention to discover whether or not such a thing did exist, and if so, what it was.

In the process of looking backwards, we hoped to contribute to charting a future for the organisation and staking a claim for the permanent role of organisations of civil society – including community-based organisations (CBOs) and non-governmental organisations (NGOs) – in the development of the country. While the starting point was an exploration of Planact's history, the essence of the project was about generating a greater understanding of issues of development and democratisation through this exploration.

We began by reaching out to past staff members, Board members, funders, community partners, and other NGOs, most notably the affiliates of the former Urban Sector Network to which Planact belonged. We asked for written pieces that would shed light on Planact's practice and the issues that emerged from it. We asked for pieces from other organisations that would provide commentary on their experiences and on key issues of concern to the development sector. We then held a conference where the papers were presented and debated. It was an amazing gathering of past Planact staff, supporters, partners and development practitioners, and it revealed latent tensions, renewed old friendships, and offered new insights. We ended up with 17 papers, which we now share with you in this volume.

This has been no ordinary book project, and something about the multiplicity of objectives that the project was meant to carry, as well as the various perspectives it was meant to reflect, has made it a particularly difficult exercise. One of the major tensions was around how to celebrate achievements while trying to be critical and honest about the problems or flaws in any particular approach. And certainly, the selection of papers produced, while focusing on quite a breadth of issues, projects, and experiences, cannot fully do justice to the entirety of Planact's work. While not all aspirations may have been fulfilled in our final offering, we do hope that it makes for interesting insights into our history, thoughts, practice, and development as an NGO and as an urban development sector in South Africa.

Acknowledgements

There are so many people to thank for their contributions to this project I am in serious danger of overlooking someone, so please forgive any omissions. No one has done more to bring this project to fruition than Lauren Royston of Development Works, which was commissioned to produce the signal piece on Planact's history, and to manage the process of convincing potential authors to conceptualise and complete the articles included in this volume. Planact owes a great deal to Lauren's persistence and vision. Development Works was assisted by Colleen du Toit, another former Planact staff member brought in to help document the many interviews with those who could help bring Planact's story to life. The project also involved the convening of an advisory reference group, who, on a completely volunteer basis, met a number of times through the completion of the narrative – its most consistent and committed members were: Alan Mabin, Steven Friedman, Monty Narsoo and Marc Feldman. I cannot forget the lively discussions and challenges issued in those meetings, and the final product has undoubtedly benefited from their insights.

Planact's former executive director, Nellie Agingu, under whose stewardship the project was conceptualised, and the entire Planact Board, which provided unwavering support through a long and sometimes difficult process, need to take greatest part of the credit for their foresight and commitment. They are: Jackie Lamola, Mokhethi Moshoeshoe, Marie Huchzermeyer, Alan Mabin (resigned), Blake Mosley-Lefatola (resigned), Matome Gaffane, Mohamed Motala, Thomas Mogale, Colleen Robinson (resigned), Stephen Berrisford, and Dominique Erlank. And without resources from three key funders, we would have never gotten started – thanks to Misereor/KZE, Cordaid and Anglo-American for believing in the importance of making our experiences available to an external audience.

To the authors of each of these chapters, who offered them in the sincere spirit of cooperation and support, a warm and hearty thanks is deserved. To others who made additional presentations at the seminal conference in August 2006, our gratitude is also extended – Lechesa Tsenoli, Ahmedi Vawda, Alan Mabin, Simon Mogatle, and Klaus Teschner. To our former Urban Sector Network affiliates with whom we have walked for so many years, thanks for your hard work and dedication. I would like to acknowledge the editors from Of Course Media, Sean Fraser and Lynne Smit for editing the final document, and our layout gurus at Into the Limelight for jazzing up our presentation as usual.

To all current and past Planact staff, directors, Board members, community partners, those living and those no longer with us, our successes are yours, our challenges have been met with determination, our organisation continues to live on because of you.

Planact Conference Contributor Profiles

Ahmedi Vawda

Ahmedi Vawda is a development practitioner with experience in policy development and praxis inside of government-across all three spheres- in the last twelve years, and in collaborative partnership with development practitioners over the span of involvement in the development sphere. He was member of the Planact Collective between 1989 and 1994.

Lauren Royston

Lauren Royston is a principal at Development Works, a development consultancy based in Johannesburg. Her fields of specialization are land tenure, housing and development planning. She worked at Planact in the land and housing and Central Witwatersrand Programmes from 1991 to 1995.

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Monty Narsoo is an independent consultant on housing and urban development, and a visiting research fellow at the Graduate School of Public and Development Management. He has worked for ten years in provincial and national government housing departments. He has also worked for COPE, a social housing NGO, and interacted extensively with Planact through the Urban Sector Network.

Mark Swilling

Mark Swilling is Professor of Sustainable Development, School of Public Management and Planning, Stellenbosch University, and Academic Director of the Sustainability Institute. His research interests are sustainable development, sustainable urban infrastructure, community-based housing development, the developmental state and global transition. He helped co-found the Lynedoch EcoVillage development near Stellenbosch and is actively engaged in establishing ecologically designed socially mixed communities. He was a co-founder of PLANACT in 1985/86 and occupied several positions on the Executive Committee until being employed as a full-time project worker from September 1990 to September 1993. He served on the Board from 1997-2000.

Patrick Bond

Patrick Bond, a political economist, is research professor at the University of KwaZulu-Natal School of Development Studies in Durban where he directs the Centre for Civil Society (http://www.ukzn.ac.za/ccs). He is also visiting professor at York University Department of Political Science in Toronto and Gyeongsang National University Institute of Social Sciences in South Korea. He previously taught at the University of the Witwatersrand Graduate School of Public and Development Management, Yokohama National University Department of Economics and the Johns Hopkins University School of Public Health. He worked at two Johannesburg NGOs, Planact (1990-94) and the National Institute for Economic Policy (1995-97).

Patrick's most recent books are: *Looting Africa: The Economics of Exploitation* (published by Zed Books and UKZN Press, 2006), and *Talk Left, Walk Right: South Africa's Frustrated Global Reforms* (Africa World Press and UKZN Press, 2006). He was born in Belfast, Northern Ireland in 1961.

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Kumi Naidoo is the former Secretary General of CIVICUS: World Alliance for Citizen Participation, an international alliance of civil society organisations dedicated to strengthening citizen participation and civil society worldwide, and to develop a common advocacy agenda around the Millenium Development Goals. As a result of this work, Kumi is Co-Chair of the Global Call to Action Against Poverty, that is planning joint civil society mobilisations around trade, debt, aid and demands to national governments in 2006.

An activist from a young age, Kumi was previously the founding director of the South African NGO Coalition during which time he served on the task team to draft new NGO legislation. He has also worked extensively in adult education and social and economic justice work in South Africa. He has published several articles on NGOs, civil society and youth and resistance politics in South Africa. Kumi holds a doctorate in political science from Oxford University where he was a Rhodes Scholar. He also serves as the chairperson of the Partnership for Transparency Fund, which supports civil society efforts to eradicate corruption.

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Christa Kuljian is a development consultant and freelance writer in Johannesburg. She was the Director of the C. S. Mott Foundation's South Africa office from 1992-2003 and continues to work with a range of development organisations. In an effort to start writing about development instead of funding it, she completed a Masters in Creative Writing at Wits in 2007. Her writing has appeared in numerous publications and varies from development documentary to literary appreciation. She is currently working on a book about civil society during South Africa's transition. Christa was an undergraduate at Harvard (1984) and completed her Masters in Development and Public Policy at Princeton (1989).

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Rashid Seedat is the Director of the Central Strategy Unit in the City of Johannesburg. He is responsible for overall city strategy, integrated planning and performance management. He worked at Planact from 1991 to 1992 in the One City Programme and between 1994 and 1995 in the Local Government Programme.

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Pascal Moloi is the Managing Director of the Resolve Group. Pascal has held various senior management positions with the City of Johannesburg from 1996 to 2006, including City Manager from 2001 to 2006. His association with Planact started in 1990 when he was part of the Technical Committee of the Soweto Civic Association. He joined Planact formally in 1991 and was part of the Local Government Unit until 1994.

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Roland Hunter worked at Planact from 1989 to 1993 doing project work on local government finance, local government restructuring and the One City Programme as well as management work on planning, budgeting, reporting and fund-raising for Planact as an organisation. He has worked in the Gauteng Provincial Government and also the City of Johannesburg, in both cases in roles with administrative responsibility for finance and economic development. He is currently director of Hunter van Ryneveld (Pty) Ltd.

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Rebotile Tshetlha is a Managing Consultant at Akanani Consulting. She occupied various positions at two of the big four global accounting firms--Deloitte and Ernst & Young-- prior to joining Akanani Consulting. Her fields of specialisation are risk management, internal auditing, programme and project management, training, business process re-engineering and consulting. She worked at Planact in the Local Government Programme from 1994 to 2001.

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Oupa Nkoane is the Strategic Executive Director for City Planning, Development and Regional Services at Tshwane, primarily responsible for city/metropolitan planning as well managing the city's service delivery mandate through the regional implementation framework and strategies. He previously served as a policy researcher at the South African Local Government Association, then the Development Bank of Southern Africa in various capacities, then Department of Provincial and Local Government as Chief Director for the Urban Renewal Programme. Oupa Nkoane was Planact's Local Economic Development Project Officer from 1997 to 2001.

Seana Nkhahle

Seana Nkhahle is the National Programmes Manager at the South Africa Cities Network, a network of South Africa's nine largest cities that aims to facilitate information and knowledge exchange and provide strategic inputs to enhance City Development Strategies. Seana worked at Planact between 2000 and 2002 after graduating in Town and Regional Planning at Wits University and has recently been appointed to the Planact Board. His areas of expertise include: strategic planning, sustainable urban development, and local governance.

Ismail Davids

Ismail Davids is Executive Director at the Foundation for Contemporary Research (FCR), a Western Cape based NGO contributing towards poverty alleviation by facilitating good local governance and municipal-community partnership processes. His fields of specialisation are participatory local governance, participatory action research and civic education. He has worked with Planact through the programme activities of the former Urban Sector Network, and is currently working with Planact through the learning and sharing activities of the Good Governance Learning Network (GGLN) - a loose network of South African NGOs that seeks to learn about and promote good local governance.

Marc Feldman

Marc Feldman is a principal at Development Works, a development consultancy based in Johannesburg. His fields of specialization are local government and integrated development. He is a founding member of Planact and worked in Planact between 1985 and 1994. He served on the Executive Board throughout this period and was the Project Department's Manager between 1988 and 1992 where after he was appointed to manage the Central Witwatersrand Programme between 1992 and 1994.

Simon Ratcliffe
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Simon Ratcliffe is a strategic planner and management consultant currently specialising in energy related matters. He is also an innovative business and social entrepreneur. He also advocates new methods of business process management in support of efficient service delivery.   Simon was the first Planact Coordinator working with Planact from 1986-1988.

Colleen du Toit
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Colleen du Toit worked at Planact from 1988 to 1995 in various areas, including both union and community development projects. She was also Planact's Information Manager, and served on the executive management committee. Colleen then spent several years as Stats SA's director of strategy, and moved back into the NGO sector as executive director of SAGA, until 2005. She is currently the CEO of CAF Southern Africa, a non-profit organisation that works to increase effective social giving in Southern Africa

Paul Hendler
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Paul Hendler, Director, Bagale Strategic Consulting Services, has more than 10 years of direct and indirect tenant management/customer services experience in social housing including having been a director on the board of the Affordable Housing Company (Afhco) and a major landlord in the Johannesburg Inner City, from 1999 to 2004. Paul has extensive training and experience in research methods, analysis of research data and information as well as management of large scale employee survey projects in the mining field in South Africa. From this basis he was involved in managing several employee housing initiatives in corporates from the Fedics to the Murray and Roberts Groups and also managed policy research for Planact.

Julian Baskin
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Julian Baskin recently served as Director of the Alexandra Renewal Project, but at the time of publishing had joined Cities Alliance in Washington, D.C. His field of specialisation is managing complex urban projects. He has worked with both NGOs and local government. He spent three years with Planact from 1990 to 1993.

Marie Huchzermeyer
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Marie Huchzermeyer is an Associate Professor at the School of Architecture and Planning, University of the Witwatersrand. Her research focuses on the socio-political aspects of housing policy and informal settlement intervention, in particular comparisons between South Africa,

Brazil and, more recently, Nairobi. She has been a board member of Planact since 2004.

Nellie Agingu-Lester

Nellie Agingu-Lester served as Planact's Executive Director from 2002 to March 2006, and is currently a Deputy Director-General at the National Department of Provincial and Local Government. She holds a masters degree in Urban and Rural Planning from Dalhousie University in Canada. She has lectured at the University of Cape Town Architecture and Planning Department and has also worked for the City of Cape Town Planning Department. Nellie has worked as a researcher in the fields of housing development and local government and previously served as the Director of the Foundation for Contemporary Research in Cape Town.

Rebecca Himlin

Rebecca Himlin is the Executive Director for Planact since 2006, having served as programme manager since 2002. She has extensive experience in the field of housing and community development and a master's degree in Community Planning (M.C.P.), where she concentrated on participatory planning processes as well as local-level demographic and statistical analysis. She has served as Director of Research and Planning for a large non-profit organisation in New York, NY, and had held various research, policy and advocacy positions with other NGOs both in South Africa and the United States.

Susan Carey

Susan Carey is an independent urban development consultant based in Johannesburg. Susan has 14 years experience in the urban development sector working within the public, non-governmental and private sector. She was Programme Manager for the Urban Sector Network (USN), to which Planact was affiliated, between 2001 and 2004. She has played a critical role in co-coordinating and supporting the NGO sector in advocating for and developing a new Peoples Housing Process (PHP) policy and strategy. She graduated with a Bachelor of Science in Town of Regional Planning from Wits in 1995.

Acronyms

ACA	Alexander Civic Association
ACO	Alexandra Civic Organisation
ANC	African National Congress
APF	Anti-Privatisation Forum
ASGISA	Accelerated and Shared Growth Initiative for South Africa
AZAPO	Azanian People's Organisation
BESG	Built Environment Support Group
BLA	Black Local Authority
BNG	Breaking New Ground
CAJ	Civic Associations of Johannesburg
CALS	Centre for Applied Legal Studies
CBD	central business district
CBDO	community-based development organisations
CBO	community-based organistion
CCLS	Centre for Community and Labour Studies
CCTP	core councillor training programme
CDF	Community Development Forum
CDT	community development trust
CDW	community development worker
CEO	chief executive officer
CoJ	City of Johannesburg
COPE	Co-operative Planning and Education
COSAS	Congress of South African Students
COSATU	Congress of South African Trade Unions
CSIR	Council for Scientific and Industrial Research
CSO	civil society organisations
CWMC	Central Witwatersrand Metropolitan Chamber
CWRSC	Central Witwatersrand Regional Services Council
DA	Democratic Alliance
DAG	Development Action Group
DCDF	Diepsloot Community Development Forum
DFID	Department for International Development
DoH	Department of Housing
DPLG	Department of Provincial Affairs and Local Government
DSG	Development Support Group

EPWP	Expanded Public Works Programme
EC	European Commission
EU	European Union
Exco	Executive Committee
FAWO	Food and Allied Workers Union
FCR	Foundation for Contemporary Research
GATT	General Agreement on Trade and Tariffs
GEAR	Growth, Employment and Redistribution Strategy
GGLN	Good Governance Learning Network
GJMC	Greater Johannesburg Metropolitan Chamber
GJTMC	Greater Johannesburg Transitional Metropolitan Council
GNU	Government of National Unity
GTZ	German Technical Cooperation
HR	Human Resources
HSC	Housing Support Centre
ID	Independent Democrats
IDP	Integrated Development Plan
IDT	Independent Development Trust
IFP	Inkatha Freedom Party
IMF	International Monetary Fund
JHC	Johannesburg Housing Company
JORAC	Joint Rent Action Committee
KT	Kagiso Trust
LDF	Local Development Forum
LDO	Land Development Objective
LED	Local Economic Development
LERC	Labour and Economic Research Centre
LGTA	Local Government Transition Act
MDG	Millennium Development Goals
MFMA	Municipal Finance Management Act
MDTF	Muldersdrift Home Trust Foundation
MLC	Metropolitan Local Councils
MinMEC	National ministers and provincial MEC's
NALEDI	National Labour and Economic Development Institute
NDA	National Development Agency
NEDLAC	National Economic, Development and Labour Council
NEPAD	New Partnership for Africa's Development

NGO	Non-governmental organisation
NHBRC	National Home Builders Registration Council
NHF	National Housing Forum
NMLC	Northern Metropolitan Local Council
NPO	non-profit organisation
NUM	National Union of Mineworkers
NUMSA	National Union of Metalworkers of South Africa
NWR	Nasionale Woningraad
PAC	Pan Africanist Congress
PEBCO	Port Elizabeth Black Civic Organisation
PHP	Peoples' Housing Process
PHPT	Peoples Housing Partnership Trust
PIMMS	Provincial Information Management & Monitoring Services
POMA	Property Owners and Managers Association
PMS	Performance management system
PWG	Policy Working Group
PWV	Pretoria-Witwatersrand-Vereeniging
RDP	Reconstruction and Development Programme
RMC	Release Mandela Campaign
SAARC	South Asian Association for Regional Development
SACC	South African Council of Churches
SACN	South African Cities Network
SACP	South African Communist Party
SAHAC	South African Housing Advisory Council
SALGA	South African Local Government Association
SANCO	South African National Civics Organisation
SANGOCO	South African NGO coalition
SARS	South African Revenue Services
SC	Staff Collective
SCA	Soweto Civic Association
SDI	Spatial Development Initiative
SECC	Soweto Electricity Crisis Committee
SHI	social housing institutions
SHF	Social Housing Foundation
SMME	Small, Medium and Micro Enterprise
SPD	Soweto Peoples' Delegation
SPSH	Support Programme for Social Housing

SOHCO	Social Housing Company
TAC	Treatment Action Campaign
TIC	Transvaal Indian Congress
TNDT	Transitional National Development Trust
TPA	Transvaal Provincial Administration
TRC	Truth and Reconciliation Commission
UDF	United Democratic Front
UN	United Nations
UNDP	United Nations Development Programme
UNISA	University of South Africa
USAID	United States Agency for International Development
USG	Urban Services Group
USN	Urban Sector Network
WCRC	Wattville Concerned Residents' Committee
Wits	University of the Witwatersrand
WLA	White Local Authorities
WRAB	West Rand Administration Board
WSSD	World Summit on Sustainable Development
WTO	World Trade Organisation

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PART 1

Planact in context

A short history of Planact and its work

by **Lauren Royston** (Development Works)

Planact was established in 1985 by a group of urban development professionals committed to social and political change in South Africa. They wanted to use their professional expertise to support the growing consolidation of local organisations in support of a political change agenda. With local civic associations and trade unions, Planact established itself as a service organisation focusing on pragmatic built-environment issues such as housing and services. During the first decade (1985–1995), it rapidly adapted its services in response to the changing context, moving, along with the organisations it supported, from resistance to transition mode. Since 1994/5, Planact has continued to support organisations and local government in policy development and capacity-building.

Planact celebrated its 20th anniversary in 2005. To mark this occasion a research project into the history and practice of the organisation was launched. The intention was to unearth both personal and intellectual perspectives on Planact's development philosophy, its work and its influence. In the process of looking back, the hope is also to chart a future for Planact, and provide specific guidance and direction for similar South African civil society organisations involved in development.

The key objectives of the Planact Way project are to:

▶ generate interest in, and appreciation for, the role of independent civil society organisations (CSOs) in community-building and development; overcrowding;

▶ document a case of institution-building in the CSO sector within the context of historical change;

▶ contribute to a sense of shared history and identity among current and former Planact staff, and the communities in which Planact has worked;

▶ promote an understanding of participatory methods in the development of communities;

▶ share project-level knowledge and experiences with the wider development community in a field in which much is accomplished but too little is documented and shared;

▶ provide a reflection document for other CSOs in order to build a network of those advocating for the rights of the poor in South African cities, and to strengthen their capacity to defend this space.

The project was separated into three specific phases: a preparatory phase, a secondary research phase and an interviewing phase. In the first, a conceptual framework for the project was developed, and a reference group convened. This report presents the results of the secondary research and interviewing phases, organised according to the conceptual framework. The results are broken down into four chronological periods:

▶ **Phase 1:** Resistance (1985–1990)

▶ **Phase 2:** Transition (1990–1995)

▶ **Phase 3:** Democracy (1995–c2000)

▶ **Phase 4:** Consolidation (c2000–present)

Within each of these periods, three interrelating aspects of Planact's development are discussed:

▶ The context

▶ The work

▶ The organisation and the people

The method adopted built on one of Planact's perceived strengths – the people associated with Planact over the years, its alumni, diaspora or simply put a community of Planactors 'out there'. As such, this reflection of Planact is an 'insider's' perspective. This does not mean it is uncritical in places, but it makes no claims to being anything other than a synthesis and analysis of a set of personal and organisational reflections assembled about Planact's 20-year history from a group of people and a set of documents close to the organisation, past and current.

Much of the opinion expressed in this brief history was gleaned from personal interviews,

conducted between February and May 2006, with individuals directly involved with Planact and its work, including Cheryl Abrahams, Nellie Agingu, Billy Cobbett, Cas Coovadia, Marc Feldman, Saguna Gordhan, Rebecca Himlin, Christa Kuljian, Alan Mabin, Brian Moholo, Mike Makwela, Hassan Mohommed, Abie Nyalunga, Barry Pinsky, Simon Ratcliffe, Graeme Reid, Mark Swilling, Lechesa Tsenoli, Jill Wellbeloved and members of the Vosloorus and Diepsloot community-based organisations (CBOs). These and many others provided valuable insight into the story of Planact and what it has been able to achieve in 20 years.

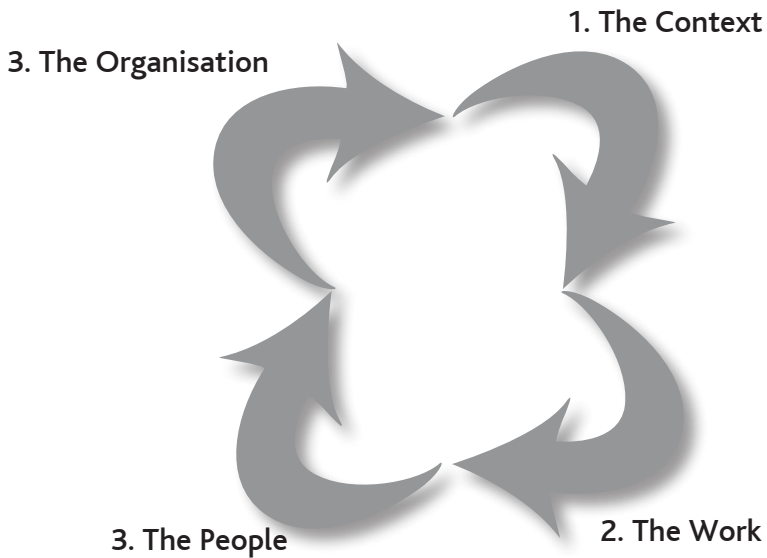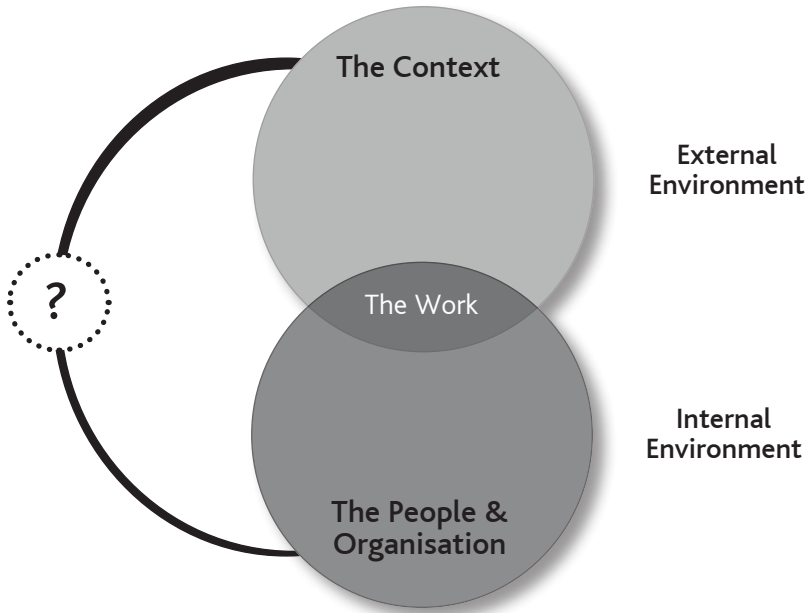# Phase 1: Resistance (1985–1990)

The context

This period begins in the aftermath of the introduction of the tricameral parliament and the 1984 uprisings. The 1980s was a period of great volatility in South Africa. A major part of the decade was marked by political turmoil in townships throughout the country, and thousands of people died because of escalating violence. In 1983 PW Botha had won a referendum that assured him leadership of the country, and there was increasing opposition activity in the townships. This coincided not only with launch of the tricameral parliament but also the new Koornhof Bills, which represented the state's new dispensation for urban African people. In addition, escalating rent and services charges had become an issue because it was state policy to make residents pay for the upgrading of their townships.

Historians agree that the period 1984/5 marked the highest level of resistance since

the National Party came to power in 1948. The first township to experience protests was in the Vaal Triangle, where residents participated in a stayaway and demonstrated against rent increases. Violence in the Vaal Triangle in 1984 was also due to dissatisfaction with educational policies and the performance of municipal councillors. Clashes between the police, residents and councillors resulted in the death of about 30 people in a single day, marking the beginning of the longest and most widespread period of sustained black protest against white rule.

Tom Lodge, in *All, Here, and for Now: Black politics in South Africa in the 1980s* (Ford Foundation New York 1991), describes the outbreak of the revolt: 'On the morning of Monday, 3 September, picket lines of young people stopped the buses from entering the township. By noon most of the shops and public buildings in Sharpeville had been reduced to ashes. The township's workers stayed away from work; many workers in neighbouring townships also remained at home. A week-long state of paralysis set in, affecting the Vaal's industries and the wider regional economy and claiming the lives of 31 people. Some of these people were killed by enraged crowds; others were shot by the police.'

In Soweto, stayaways were called for in September and in KwaThema the date was set for 14 October. Trade unions collaborated with student organisations to organise strikes. By November 1984 the revolt had shifted to the Eastern Cape. Towards the end of the year, over 150 people were reported dead in the Pretoria-Witwatersrand-Vereeniging (PWV) region alone, and protest actions soon spread to other areas, including the northern Orange Free State and parts of what was then the East-

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ern Transvaal, as well as metropolitan areas such as East London, Durban and Cape Town.

Lodge continues:

> *'The Vaal uprising, starting on 2 September, marked the beginning of a sustained revolt, but it had been preceded by a series of localised confrontations elsewhere: in Pietermaritzburg in 1982, Durban and Mdantsane outside East London in 1983, Crossroads outside Cape Town, and in parts of the Free State, the East Rand, Atteridgeville outside Pretoria, and Cradock in the Eastern Cape in early and mid-1984 … Protests were largely driven by discontent over local issues such as rent or bus fare increases or shack demolition. These issues represented material grievances and focused anger on the township councillors or Bantustan authorities deemed responsible.'*

In the period leading up to the 1984 'uprisings', a number of localised activities had already been undertaken by organisations such as Inkatha, the Azanian People's Organisation (AZAPO), the National Forum, the United Democratic Front (UDF), the Congress of South African Students (COSAS), and the Release Mandela Campaign (RMC). There was already clear opposition to the Koornhof Bills and the proposed new constitution, as well as opposition to black local authorities (BLAs) elections scheduled for the end of 1983. Increasingly, there were mobilisations in the extra-state local organisations, which included the old Evaton Ratepayers' Association, the new Soweto Civic Association, the Vaal Civic Association, the Krugersdorp Residents' Organisation, the Duduza Civic Association, and the East Rand People's Organisation. The most pressing concern for councils at the time was stringent budgets and that their revenues were derived from rent and service charges as well as state funding, which was largely reserved for housing construction set at economic rates. Accordingly, when the black local authorities decided to increase the rent and service charges, they were met with resistance from community members, who expressed their dissatisfaction by overcrowding existing homes, defaulting on their payments and setting up backyard shacks. This led to further conflict between residents and councils, with the housing issue becoming particularly acute in the PWV region: (1) there were protests in secondary schools over educational grievances, followed by boycotts first in Atteridgeville and then in Soweto, Tembisa, Alexandra and so on; (2) isolated and sporadic protests over rent increases in Tumahole and then in the Vaal Triangle, and what was seen as a lack of legitimacy of the BLAs; (3) the combination of the latter two issues led to widespread resistance in August 1984, followed by the Vaal Uprising in September, an uprising that later spread to other parts of the PWV.

Some activists felt that apartheid could be opposed effectively if all its structures, including the BLAs, were shunned. Accordingly, many councillors became victims of 'necklacing' and petrol-bomb attacks. The African National Congress (ANC), broadcasting via Radio Freedom from Addis Ababa, declared a war on the armed forces (the police and military) as part of what it termed the 'people's war'. By the late 1980s, the struggle was intensified in the homeland administrations and local authorities. Within a few months, various forms of 'destabilisation' had succeeded in homeland areas, where resistance – particularly in the Ciskei and Bophuthatswana – continued because of the hard stance taken by the Bantustan leaders.

The second half of 1985 saw the protests move towards consumer boycotts. According to J Seekings, in *The UDF: A history of the United Democratic Front in South Africa 1983–1991* (Rustica Press Cape Town 2000), 'The boycotts targeted white-owned shops, sometimes excluding shops owned by progressive whites and sometimes including shops owned by black collaborators with the state.' The boycott started in the Eastern Cape, Port Elizabeth specifically, and then spread to other urban areas, such as Johannesburg, East London, Pretoria, Cape Town, Pietermaritzburg and various smaller towns. There were increasing strategies aimed at polarising councillors, some of whom had been forced to flee their townships, while others defied protesters and sided with the apartheid state. At the same time, there was rising support for alternative civic organisations to replace of the councillors, and grassroots street committees were established.

In June 1986, President PW Botha declared a State of Emergency in order to forestall demonstrations and stayaways on 16 June, the tenth anniversary of the 1976 student uprising. Leaders of civic organisations, trade unions and extra-parliamentary organisations were detained under the new repressive strategy.

The State of Emergency was meant to crush the activities of the UDF, which was formed to rebel against the new tricameral constitution. Whereas the government sought to weaken the strength of the UDF by arresting its top leadership, its strength grew with mobilisation, which included coloured communities in the Cape as well as communities from small townships of the Orange Free State and apolitical Christian and Muslim groups.

By this point in South African history, most non-governmental organisations (NGOs) seemed to concentrate on radical and structural change in South African government and society. As a result, NGOs had begun to take on roles that could have been filled by the government. Where there was lack of service from government, NGOs were able to provide services to people in the townships.

Planact's contextual analysis in this period highlights the 'urban crisis' in terms of which towns and cities were the focus of resistance to apartheid and economic exploitation, and the articulation of grassroots demands by social movements. In 1987/8, the government's State of Emergency and its Draconian laws proved to be a serious obstacle in the path of the Planact and many other organisations. Significant at the time was the massive increase in the number of requests to Planact from different organisations. In 1988/9, Planact noted that the urban crisis had been an area of conflict between the state, business and the community. Housing was an issue that affected the daily existence of all South Africans and the struggle for decent housing became central in the fight against apartheid. The state, private sector and communities struggled over the nature of the post-apartheid urban order that intensified in 1989/90.

The work

Initially, Planact – as a voluntary organisation working on issues broadly related to housing and urban development – developed its activities in three broad areas. The following points were outlined in the 1987/8 Annual Report:

- ▶ Advice and technical support to community organisations on housing and related activities;

- ▶ Advice and technical support to trade unions on housing, land legislation, financing, employer social-responsibility programmes and possible worker cooperatives (for the National Union of Mineworkers, NUM)in Lesotho, and

- ▶ Technical assistance to the residents of informal settlements in the provision of basic services.

The 1988/9 Annual Report explained that Planact's vision of urban development and its key principles should be seen as a progressive response to the overarching economic and political context. Some of those principles, which served as guidelines for Planact's approach to housing, were:

- ▶ The state has a responsibility to facilitate the provision of decent, affordable housing for all South Africans;

- ▶ The benefits of urban living should be accessible to all sectors of society, and available in all areas. All citizens should be free to choose where they want to live;

- ▶ The provision of housing must be part of a planned, democratic, long-term urbanisation policy;

- ▶ An effective urban programme must be democratically controlled.

By 1989/90 Planact defined itself as a 'service organisation' and expanded its work around the following themes:

- ▶ Community empowerment through building capacity to advocate for delivery of land, housing and services;

- ▶ Privatisation of housing supply;

- ▶ Upgrading and conversion of hostel accommodation;

- ▶ Participative planning, for example of neighbourhood centres;

- ▶ Local government reorganisation; and

- ▶ Associated research and policy development.

Barry Pinsky, from Rooftops Canada, remembers his initial work with Planact:

'I was there in the real heyday of Planact. It was quite an extraordinary place to be. I felt incredibly privileged – the energy and dynamism was extraordinary. There was no other urban development organisation like it in South Africa.'

He describes how Planact leaped into everything, taking up all opportunities, becoming involved in major negotiations and the transition of local government. He remembers Planact's work as setting a pattern for everything that followed.

During this period, Planact's clients included:

- ▶ Civic associations and organised community groups such as those from Langa and Soweto; and

- ▶ Congress of South African Trade Unions (COSATU)-affiliated trade unions, including the NUM, the Food and Allied

Workers Union (FAWO), and the National Union of Metalworkers of South Africa (NUMSA).

Marc Feldman, a Planact founder, recalls that progressive professionals faced a dilemma about how to apply their formal skills, about how to respond professionally to the context.

'The search was for an appropriate institutional environment through which to practice in service of the progressive agenda – this was one of the key drivers …. We were using our professional skills to further a political agenda, we were responding professionally to a national struggle'.

Jill Wellbeloved, Planact's third coordinator, explains that Planact operated within the politics of protest. At that time there was a synergy between professionals (wanting to use their skills in the move towards change) and communities. She describes the opportunity for Planact as arising from a particular belief in the role of protest:

'We had a belief that protest is fine, but it has material and tangible consequences. Some leadership in communities believed that protest was becoming self-defeating – for example the Soweto Peoples' Delegation (SPD). Frank Chikane recognised that the breakdown of services through protest and cut-offs was having negative consequences for communities. If there was no water there was the possibility of health hazards such as cholera. So community leadership had to be more responsible and do something beyond protest for their people.'

Lechesa Tsenoli, at the time a leader in the South African National Civics Organisation (SANCO), remembers beginning to work with NGOs (although Planact did not call itself an NGO at this time):

'In the 1980s I was a founder member of civic structures in the Durban functional area. I came into contact with people who had interactions in the rest of the country to form civic structures that would cut across different municipal areas. We identified some NGOs that we thought were progressive to help us define some of the problems and to look for solutions. But we were obviously also very worried about working with NGOs because we knew that many of them would not have the same agenda as us. So we gravitated towards the more progressive NGOs – we wanted them to help us build our structures.'

During the first five years (Phase 1), Planact's work was located within major urban townships, particularly in the PWV region, in areas such as Soweto, the East Rand, the Vaal Triangle, the West Rand, and some townships in Pretoria. Other regions of activity included Matsulu and Barberton in the Eastern Transvaal, Langa in the Eastern Cape, and with NUM (representing retrenched members in Lesotho) and NUM and NUMSA (on a housing programme for Eskom workers).

In the early period Planact was quite specific about how it worked. From inception in 1985, there were clear principles governing Planact's involvement:

▶   Work accepted only on request from mass-based organisations;

▶ Direct accountability to user groups; and

▶ Building the organisation through participation and transfer of skills.

The 1988/9 Annual Report emphasises Planact's multidisciplinary approach, and the 1989/90 Annual Report explains further that requests came to Planact from organisations operating in a variety of circumstances, with organisational structures of varying solidity and depth, and with differing capacities and skills. The report is clear that the nature of Planact's service to 'a client' was shaped by these factors. It goes on to describe how projects usually went through several stages:

'The first stage is one of familiarisation and clarification of goals. When a project request has been received, the first step is an initial meeting between Planact and the prospective client. The issues facing the client are explored in a preliminary fashion, and discussions are undertaken on the nature of the role that Planact can play. This meeting provides the opportunity for Planact to assess its capacity to undertake work for the client, and for the client to decide whether Planact can provide the services it expects.

'Thereafter it is common for a workshop to be held on themes identified by the client … [This] enables a wider group of people from the community concerned to assess Planact and the role it can play while, on the other hand, it permits Planact to gain greater clarity on the needs of the client … [The] next stage [is] information gathering … [and the] next stage education and information-transfer … [All] workshops are run in a participatory manner. The flows are two-way … [Workshops] usually take

place over weekends in a room or hall located within the community …'

Some of Planact's key projects in 1987/8 were:

The development of Duduza

The Springs shop steward council of COSATU-affiliated unions requested Planact to evaluate a speculative property development proposal, and advise the unions on how to respond to the proposed development. Planact responded with an evaluation of the housing prototype and its implications for union members. The outcome of the evaluation was presented to the unions for decision. Planact's report included: the question of homeownership and the effect that this would have on the organisation of workers; the financial system and how it worked; various state subsidies for which workers potentially qualified; the question of insurance; how bond repayments were to be made in the event of dismissal or unemployment; proposed community facilities and how they were planned; service charges and affordability.

NUM members working at De Beers

NUM requested Planact to assist with preparation for negotiations with the De Beers management on issues affecting housing and living conditions. Planact drew up a programme in conjunction with NUM head-office staff. The initial activity was a workshop with the national negotiating team to familiarise them with housing concepts. The proceedings of this workshop became a model for union engagements on mine accommodation.

Lesotho Co-operative Project

Following the 1987 mineworkers' strike a large proportion of miners from Lesotho were dismissed and sent back home. NUM was concerned about the wellbeing of the retrenched miners and requested Planact to design a building to house a proposed co-operative. Two Planact architects, along with NUM officials, visited the site in Maseru and met representatives of the retrenched workers. A concept report was prepared and presented to the union. This idea was later developed into a comprehensive worker co-op project in South Africa.

Actonville Project

In May 1986, the Transvaal Indian Congress (TIC) approached Planact about the shortage of land facing the township of Actonville. The TIC requested Planact to help them understand the complex land-use policy in the region, and undertake a household income-and-expenditure survey.

Naledi Civic Association

The Naledi Extension 2 branch of the Soweto Civic Association approached Planact to help evaluate the costs of 'core houses'. Residents wanted to purchase council houses and requested Planact to help them conduct sociological, architectural, structural and market surveys to determine the value of the houses, related to affordability levels in the community. A sample valuation was undertaken by a valuator appointed by Planact. The memorandum prepared by Planact was used by residents to negotiate a fair price for the houses they occupied.

Thokoza

A squatter committee representing 150 shacks located on the outskirts of Thokoza approached Planact to provide technical expertise on how pit latrines are constructed. A number of workshops were held to discuss the construction process, but the implementation was halted when council decided to move the squatters to another site.

In 1988/9, Planact categorised its work into four areas: trade unions, community projects, cultural projects and general projects The following are examples of projects undertaken in each of the four categories.

Trade union projects

Planact was requested by NUMSA, together with the Labour and Economic Research Centre (LERC), to evaluate the attitudes of workers at ISCOR to its proposed home-ownership scheme. Research was undertaken by Planact and LERC and later included within a national housing policy project for NUMSA.

Community projects

Langa, the Uitenhage Residents' Civic Organisation, COSATU (Uitenhage) and other community organisations approached Planact with a request to prepare a proposal for upgrading Langa in response to the intention of the white council in Uitenhage to move Langa residents to KwaNobuhle and declare Langa a 'coloured' area. Planact worked with representative groups to formulate a response, including a plan to establish a free settlement in Langa, where all racial groups could reside. A Planact member gave expert testimony on behalf of the groups to the Group Areas Board hearing.

Cultural projects

Progressive musicians involved in the preservation and development of all forms of South African music approached Planact for help with the valuation of the legendary Dorkay House, and to assist with the redesign of the building as a musical cultural centre.

General projects

The South African Council of Churches (SACC) requested Planact to assist with design of a community resource and library centre to be located within Khotso House. Planact's efforts in this were halted by the bombing of Khotso House in 1988.

During 1989/90, Planact's most significant projects were:

Alexandra Civic Organisation

Planact worked with the Alexandra Civic Organisation (ACO) on issues such as rent and service charges, evictions, forced removals, overcrowding and squatting, disputes between landlords and tenants, upgrading and conversion of hostels, bond repayment problems, and a development plan for the area. An ACO Technical Committee worked with Planact continuously to acquire skills in housing and development.

KwaThema Extension 1 Committee

The KwaThema Extension 1 Committee requested Planact to investigate serious cracks that had appeared in new houses. With the help of expert consultants, Planact established that the cracks were of a structural nature. The Committee was briefed by Planact to engage in negotiations pending legal action, with the building society holding mortgages on the relevant properties.

Wattville Concerned Residents Committee

The Wattville Concerned Residents Committee (WCRC) requested Planact to assist with a number of housing and service delivery issues in the township. Overcrowding was one of the major issues in Wattville and, as a result, residents invaded a piece of council land adjacent to the township. Planact assisted the WCRC to negotiate with the Benoni Council for the right to retain and develop the land. The negotiations were successful and for the first time in apartheid South Africa a black community won the right to own and develop land previously reserved for whites.

All the projects listed here arose from requests to Planact from grassroots organisations. While they were all underpinned by social and political transformation, Planact's approach was to build organisation while focusing on practical built environment and service delivery issues. In the words of Abie Nyalunga, leader of the WCRC,

> 'We engaged with Planact from 1988/9 as the WCRC. We were actually engaged in politics, but we found that more of our time was spent on addressing technical and social issues in the community: overcrowding, family disputes, social and health issues. We needed assistance in engaging with the Wattville Town Council on the technical and social problems. We had initial discussions with Planact: we tried to articulate what the problems we were trying to deal with were. It was difficult for us to really substantiate what

the problems were, so Planact made a site visit to us on a Sunday and walked with us around Wattville. Then we organised a series of workshops where we tried to unpack and simplify the problems and develop a strategy.'

Founder member Mark Swilling remembers:

'There was a critical mass of us who believed that intellectuals could connect with the development and thinking of communities. I've tried to explain to my students how a Soweto Civic meeting on a Sunday was such a cleansing experience: people talked about their lives in very clear ways – as ordinary people becoming aware through dialogue. Development cannot be understood [by intellectuals] without [this sort of interaction] ... [We] were in a dialogical revolution – we talked apartheid out of existence.

'We used the power of relational processes ... [There was] no space for subjectivity, complexity in the analysis ... [We] had no language to understand this stuff we used to talk about (now it is called "transdisciplinary thinking"). We used to pay quite a lot of attention to it – painful discussions – we would very fastidiously make sure that there were a mix of people in the teams ...

'If the origin of Planact was about knowledge ... above all its significance was a way of constructing knowledge not defined by academia, capital, or the state.

'All knowledge is driven by a question – every question is from a context. [The] questions that drove us emanated from communities – this drove a small group of

people who are still in the urban context – this is very, very rare: [it was a] unique moment ... When we went into negotiations that was the beginning of the end – different questions.'

Another founder member, Alan Mabin, continues:

'We were arrogant enough at the beginning to think we had something to offer – however, it was rather more that communities taught us.

'Another thing ... was that Planact people were really good at identifying critical leadership figures in communities to work with ... [This] was ultimately very empowering for those people, and for Planact.'

Billy Cobbett, Planact's second coordinator (1988–1992) elaborates:

'The very significant point for this history is that while a lot of organisations were still moralising about apartheid, Planact went to the nub of identifying some of the key issues about how local government works. We got to understand how the tax base worked in South Africa and, in particular, how electricity was charged. That was the 'one city one tax base' era.

'Then we advised the civics on the first tentative negotiations with Eskom: the SPD met Eskom management in Albertina Sisulu's house: she was banned at the time and had to sit in the corridor during the meeting in case the police raided ... Eskom saw the writing on the wall – their whole revenue stream was under threat – we began to understand the different interests.

'There was so much going on and we understood it: for example, I remember negotiating in Tumahole when the council had turned off the water and electricity: I called [a senior Eskom manager] and we got the lights switched on and water running that day. All of this was transitional politics.'

The organisation and the people

During its 20 years of existence, Planact has changed its identity statements many times in response to the changing context. The first identity statement was inscribed in the preamble of Planact's original constitution, drawn up in 1985. Here Planact is described as a voluntary organisation of professionals who 'committed their skills to the homeless, the poorly housed and those that do not have access to sound professional services in relation to their living environment and the struggle for a free, united, non-racial and democratic South Africa in which all may participate at all levels of society'.

At this time Planact saw itself as an organisation providing services on request 'from communities involved in the struggle for the people's power' (1994/5 Annual Report). In the 1987/8 Annual Report, Planact described itself as a voluntary organisation. In subsequent years, as full-time staff were employed, Planact began to define itself as a 'service organisation' to organised communities and trade unions, dealing with issues related to housing and urban development. By the publication of the 1989/90 Annual Report, Planact saw itself as 'a funded non-profit organisation working in the field of housing and urban development. Its principal object is to provide technical, professional and organisational skills and assistance to communities adversely affected by state planning and apartheid policies … Planact's view is that development planning should be an interdisciplinary tool for social change. It should involve the participatory production of knowledge to be used for reconstruction by mass-based organisations.'

Abie Nyalunga, leader of the WCRC, remembers:

'The relationship with Planact was started by me. I took the initiative to introduce Planact into the community. At first I had to deal with the issue of breaking the trust. I never mentioned it at the time to you, but Wattville people were asking me, "Why should we bring this white NGO to deal with our struggle issues?" … You remember that some members of the WCRC were old – I had to break their racist stereotype thinking … But due to the sincere and committed manner in which Planact officials demonstrated their commitment and their passion to assist us, trust was established.

'The main factor was the fact that Planact was able to help us to simplify and clarify our issues. We had been operating in a very uncoordinated manner. Planact gave us insight into transformation issues, and helped us to understand the technical issues. Planact engaged in a lot of research on our behalf; we had never considered those things before.'

Among Planact's founding members were professionals, such as architects, urban planners and political scientists. Marc Feldman recalls the impact of this com-

bination of skills: 'We were extremely perceptive of our environment: Mark (Swilling) was a political scientist, a political creature and his area of passion was understanding political processes ... we architects believed the fulcrum was communities. We looked both upwards and downwards; to the practical and academic.'

Planact was run on a voluntary basis for the first year, acquiring increasing numbers of urban development practitioners eager to use their skills in a manner that challenged the existing apartheid status quo. Members met regularly on Tuesday evenings to deal with both strategic and operational issues. A voluntary Executive Committee (Exco) was responsible for governance and management. In 1986 Planact decided to take on a full-time, paid coordinator because the volume and complexity of requests was steadily increasing, and research and capacity-building activities now required full-time attention. By 1987 Planact had three full-time members of staff (1987/8 Annual Report), and by 1988/9, staff had increased to five. During this time the organisation was still governed by the voluntary Exco, which continued until 1988, when one member of the committee joined Planact's staff, and the Exco was replaced by an Advisory Board. Decision-making power was then transferred to the Planact Staff Collective (SC). During 1990 the staff grew to 14, and in the 1990/1 reporting period, the staff doubled to 29 people. The Advisory Board still consisted of five members.

The importance of collective governance and the multidisciplinary team approach was addressed in the 1990/1 Annual Report:

'Planact operates in a manner that is both collective and multidisciplinary. It is collectively run by the SC, while project work is carried out by multidisciplinary teams of specialist project workers and researchers ... [While] each project is managed by a project coordinator who is responsible for the direction of the project team, the practical accomplishment of the different aspects of the work is shared between various departments.'

Alan Mabin adds another perspective to the multidisciplinary approach:

'Quite a few of the ... Planact people developed the ability to admit: "Wow, we don't have a strategic analysis on this so let's wheel someone in from outside – that person has a different [or] better idea than I have."

'Respect is an important word for me here – respect for smart people who knew when they needed to learn from someone else with more technical ability/experience. Although no one would have used the term in Planact's early days, what we were seeing were the dynamics of the "learning organisation".'

Marc Feldman continues:

'Learning was a leadership method. Learning was the currency for your authority. We learnt from each other by developing a multidisciplinary approach to the issues, through team work, mutual support, creativity and debate. There was collectivism and collaboration. Because we saw our staff as a fundamental asset, we invested in people through a variety of measures at project and at organisational level. At a project level, for example, there were al-

ways at least two people per project team for mutual empowerment and learning, emphasising organisational ownership, which was coupled with individual recognition. There were at least two sets of ideas, perspectives, knowledge and debate. There was freedom and encouragement to learn by doing. As leaders we trusted in people to succeed with collective support, but they had professional autonomy. At an organisational level there were clear and simple principles, and ways of working that most people could significantly identify with. We created regular opportunities, and an atmosphere, for open debate on ideas, differences, opinions with the SC as the final decision-maker.'

A typical working day consisted of strategy sessions with client representatives (usually the leadership of civic associations and trade unions), skills transfer and organisation-building workshops at community level, advising clients on and attending negotiations with various authorities on both local government reorganisation and development projects, internal staff brainstorms on matters related to projects, and desk research.

The interviews with Planact's founders and leadership during this era show a range of opinions regarding Planact 'the organisation':

▶ The defining characteristic was trust. There was no need for formality other than transparency. There were no fears or threats – that is why we became friends. Many people developed lasting friendships with one another.

▶ What we did do in a very self-conscious way was strategic planning. This was time set aside for an organisationally inward-looking process that was closely linked to the context and interfacing with external demand. That is what we believed would help us survive the rapid change. It was the pause in the system to allow us to reconfigure ourselves. This process became quite self-conscious and quite contested.

▶ There was passion; the golden thread was passion, commitment – and bloody huge responsibility.

▶ There was also opportunity – everybody could become a project leader; it was up to their own energy/initiative.

▶ There was a resistance (to management authority of staff) from the people who set Planact up: they were idealistic and to some extent 'technicist';

▶ We took people who were good assets – although we didn't think about it like that. We invested in people with competence, drive, belief and values compatibility. The rest was up to the individuals to fill the space to the best of their ability.

▶ People were inspirational in terms of their intellects, but completely insensitive to the fact that as the organisation grew, there were different sensitivities, capacities and skill levels.

▶ There was a huge gender issue: there were very few women professionals. Women were not taken seriously. For example, a woman would say something in a meeting and it would not be heard. Then a man would say the same thing and be congratulated.

▶ Women would play support roles. The better this was done the more invisible

the role. Women were, therefore, never given credit when things were good, but hammered if there had been a mistake.

▶ *We were always learning from each other – in meetings, driving in cars to project meetings. We worked through a learning process; learning and work were synonymous.*

▶ *We also learned all the time from our clients: people in communities, workers and others.*

▶ *What gave the organisation steam was that a couple of people talked to each other and found enormous compatibility and common purpose.*

▶ *We discovered that our skills were relevant and founded an organisation that could house us while we made our contribution.*

▶ *We found relationships in issues: we had social and political interests, and planning and development interests in common.*

▶ *We committed to the application of skills – of our skills – for a political purpose.*

Phase 2: Transition (1990–1995)

The context

In 1990 FW de Klerk announced the release of political prisoners and the unbanning of political organisations. In the 1980s, the struggle had intensified, but by the 1990s, the violence had shifted slightly and was more pronounced, most notably in terms of IFP and ANC faction fighting in Natal and the PWV region.

By this time civic movements were beginning to establish a concrete link between fighting for new forms of non-racial, democratic local government, and new urban development policies that reflect the needs and demands of the urban poor, especially in the areas of land, housing and services. Civic movements were mostly involved in local-level negotiations on local government issues, such as rentals and service charges, often evolving into broader negotiations around development issues, such as land, houses and services. Civics – defined as local social movements accountable to local communities – were also contributing towards shaping future local government and urban development policies in a way that actively involved urban communities. The civic movement made the following short-term demands: the right to organise and to report back; no cut-offs of services; the writing off of arrears; the resignation of councillors; the appointment of administrators acceptable to all parties involved in the negotiations for a specific period; and that the white local authorities (WLAs) take on certain financial and administrative responsibilities during the interim period. Long-term demands included non-racial municipalities based on one tax base; the upgrading of services and conditions in the townships; the provision of more land; the provision of houses for low-income groups; the transfer of rented houses to the people; the upgrading and conversion of hostels; and affordable service charges.

Monty Narsoo, in *The Rhythms of Saints and Scoundrels: An Attempted Identikit of Service Organisations* (Mulberry Series Durban 1993), argues that NGOs are an important and desired part of development processes, and that they were traditionally referred to as service organisations. Service organisations started to help communities collect and present their de-

mands to the state and to block state efforts at development. Narsoo demonstrated that NGOs were playing a major role in housing delivery, and cited specific examples of NGOs, including Planact. He identified that it was generally recognised that non-state agencies were to play a vital role in development projects, given the limited resources of the state and the failures of state-led development projects in other countries. Reflecting on the future role of service organisations, he suggested that they may have to take to heart the uncertain and complex processes of development and the conditions of particular localities, historical evolutions, cultural specificities, social configurations, economic fluctuations, political developments, and ideological preferences. Project, programme, policy and institutional design would have to be extremely sensitive to these conditions to avoid mistakes.

Planact's own reporting in this period highlighted the urban transition in South Africa and significant changes happening at the time: (1) the 'one city one tax base' concept (which had first been articulated by the SPD in March 1989); (2) agreements that massive resources should be pumped into urban development; (3) recognition of civic organisations as community representatives in the development and local government negotiation process; and (4) the scrapping of the legislative foundations of apartheid such as the Group Areas Act, Land Acts and Separate Amenities Act. By 1991/2, local government negotiations were taking place, although they did not progress beyond issues interim service delivery, ending the rent boycott and to some extent, improving administrative systems. The constitutional impasse at national level impacted on towns and cities and Planact noted the economic crisis, the constitutional stalemate, drought, environmental collapse and rising unemployment and

declining levels of public expenditure relative to need as significant characteristics of the period. On the other hand, the civic movement at national, regional and local levels was growing stronger through the formation of SANCO. Civic organisations were moving from political resistance towards a vision for development. Two laws were enacted, namely the Interim Measures for Local Government Act (1991) and the Provincial and Local Affairs Amendment Act (1992). In Planact's Annual Report, reference was made to three visions for the future – the growth-centred vision, the spend-and-service vision, as well as the people-centred vision. These competing visions would have different implications for government policy, non-profit organisations, civil society and the global economy and its dominant institutions.

In 1992/3 Planact reported that it was operating in a very competitive environment, where delivery began to count for more than a progressive political perspective. A wide range of public- and private-sector agencies began to experiment with versions of community participation approaches. The period 1993/4 was one in which one major step in the struggle for democracy had been won in South Africa: the first democratic general elections in April 1994. Planact, however, emphasised that millions of South Africans continued to suffer as a result of the inequality and devastation of apartheid.

The work

At the beginning of the second period, the 1990/1 Annual Report divided Planact's work into five areas:

▶ Development and planning;

▶ Local government reorganisation ;

▶ Advice to civic associations and federations;

- Ad-hoc consultations; and

- Research and policy.

In the following year (1991/2) Planact focused on:

- Local government negotiations;

- Upgrading, township integration and physical development;

- Informal settlement upgrading;

- Post-occupancy support; and

- Finance and local economic development.

As outlined in the 1993/4 and 1994/5 Annual Reports programmes established in 1994 and 1995 were:

- Land, housing and community finance;

- Local government focusing on local government administration and finance, and institutional modelling;

- Local economic development;

- Social housing; and

- Organisational development.

During the second period Planact continued to work with civic organisations, including the umbrella SANCO and the trade unions' umbrella COSATU, and began to establish some contact with ANC structures outside the country. Towards the end of the second period, Planact was also working with newly established local governments, particularly in Gauteng and Mpumalanga. In this phase of transition Planact's working partners were mainly the members of the Urban Sector Network (USN): Afesis-Corplan, Built Environment Support Group (BESG), Co-operative Planning and Education

(COPE), Development Action Group (DAG), Foundation for Contemporary Research (FCR) and Urban Services Group (USG). Requests for Planact's support flooded in from many areas across South Africa and projects were undertaken in all four provinces.

Planact explained its approach in its 1990/1 Annual Report, emphasising its capacity-building orientation:

> *'Because Planact works from the premise that development is an inclusive process rather than the mere mechanistic delivery of a product to individual consumers, Planact has had to formulate a development approach that enables communities to increase their personal and institutional capacities, while at the same time acquiring the skills and experience necessary to procure and manage urban goods.*

> *'Noting the contextual shifts, Planact understands the increased involvement of civic associations in local-level negotiations as necessitating their transformation from activists involved in the politics of protest, to community representatives concerned with the process of urban development and reconstruction. Planact sees that, in order to perform this role effectively, civic associations, and the communities they represent, have identified the need for increased education and training programmes in all aspects of the development process.*

> *'It is in the formulation and application of these [education and training] programmes that Planact's work increasingly lies.'*

Cas Coovadia, chair of the Civic Associations of Johannesburg (CAJ) remembers it like this:

'Planact people understood the role of CAJ. Political leadership of the civic movement had to be at the fore and remain there and Planact was their support organisation. Planact took guidance from the political leadership on how to utilise the support … We needed a lot of support – how the city worked, the budget – to enable members in civics to understand in a simple way how these things worked. Planact helped the leadership understand critical aspects of city government and demystified this for workshops with broader membership.'

During this second phase the volume of Planact's work grew exponentially. A key focus became technical support to communities in their negotiations for housing and service delivery. Significant projects included:

The Phola Park Residents' Committee

Planact assisted the Phola Park Residents' Committee in its negotiation with the Transvaal Provincial Administration (TPA). The negotiations led to a commitment to upgrade Phola Park as a permanent settlement. However, there was no official funding and it became the responsibility of the community to obtain that funding, and plan and implement the upgrading process. Planact assisted the committee in a successful application to the Independent Development Trust (IDT) for funds to upgrade the settlement to produce 4 000 family units.

Jouberton Civic Association

Planact was requested by the Jouberton Civic Association to assist in the planning of housing and services to many homeless people. Funding was obtained from the IDT, the national Hous-

ing Commission, and some of the proceeds of the sale of strategic oil reserves. The Klerksdorp Community Development Trust was established to implement the project. Following participatory planning workshops, Planact and the civic association compiled a spatial layout, an engineering design, and a housing concept, which were all adopted by the Klerksdorp Community Development Trust.

Eastern Transvaal Region

Planact worked in three areas in what was then known as the Eastern Transvaal: Matsulu, Morgenzon and Barberton. In Matsulu, Planact equipped the civic association with the skills and knowledge necessary to engage in the struggle for water access. In Morgenzon, Planact provided agricultural skills to enable local people to return to the land. In Barberton, Planact assisted the civic associations to build an organisational infrastructure at grassroots and leadership levels to enable participation in negotiations with the National Party-led council of Barberton.

During 1991/2 Planact participated in ongoing local government negotiations in partnership with the CAJ. These negotiations dealt with local and metropolitan government reorganisation, service provision, physical planning and development, economic development and disaster management.

Bekkersdal Civic Association

The Bekkersdal Civic Association approached Planact for assistance with the upgrading of its informal settlement. As a result, Planact assisted in negotiations for emergency services to the settlement, upgrading of infrastructure and permanent tenure.

Seven Buildings Working Group

The Seven Buildings Working Group in Johannesburg was a project that required research into alternative tenure forms, financing and owner occupation in inner-city developments. This was facilitated through the establishment of tenant-owned housing co-operatives.

Mohlakeng Hostel Dwellers' Association

Planact and the Mohlakeng Hostel Dwellers' Association developed a community profile of the different interest groups affected by the upgrading of the hostel. Thereafter, a series of interviews were conducted to establish principles that would govern the upgrading process. A range of principles emerged, including that everyone, including migrants, was entitled to accommodation. The research findings set out the types of accommodation needed by hostel dwellers.

During 1992/3 Planact worked across the PWV/Gauteng region on local-level negotiations. The Metropolitan Chamber was charged with formulating a comprehensive and integrated physical, social, financial, economic, institutional and constitutional development strategy for the Central Rand Region, and it was within this Chamber, with its nine working groups and 19 task-specific subcommittees, that Planact supported the CAJ and its 12 affiliates. Planact provided extensive advice to civic representatives in all the groups as well as the technical task teams.

In 1993/4, Planact undertook regional programme work within the PWVE programme, which covered Pretoria, the West Rand and Eastern Transvaal.

Pretoria

In Pretoria, the majority of Planact's work focused on the transformation of local government in the greater Pretoria Metropolitan Negotiating Forum. While the main clients were SANCO Greater Pretoria and the Atteridgeville-Saulsville Residents' Organisation, Planact also worked on an ad hoc basis with the Zithobeni and Soshanguve residents' organisations. Once the new metropolitan council was established, Planact – together with The School of Public and Development Management – assisted SANCO in developing a framework for the change of management process of the metropolitan council and its substructures.

Eastern Transvaal

Planact assisted in the design and establishment of community development trusts whose objectives were to collect and distribute resources for local community-based development projects. These trusts were established in three areas within the Eastern Transvaal, Highveld north and south, and the Lowveld.

In 1994/5 Planact worked on several projects centred around its four strategic thrusts (land and housing, local government, local economic development and organisational development).

Land and housing

Planact assisted the Wattville Housing Association in developing social housing, through the participatory planning and implementation of 83 four-roomed houses in Tamboville 2.

Local government

Planact worked on local government transformation in several areas, most notably the Johannesburg Metropolitan Chamber, and in the East Rand, where Planact played a pivotal role in establishing a fairly balanced transitional authority for the Benoni area.

Local economic development

Planact assisted the Reconstruction and Development Policy (RDP) task team with a range of built-environment and local economic development issues.

Community development

Planact continued to facilitate capacity-building of CBOs and community-based development organisations (CBDOs) through its organisational development programme.

Lechesa Tsenoli of SANCO explains Planact's work during this period from SANCO's perspective:

'The reconstruction phase started just prior to 1994, after we had completed the phase we called "rendering the apartheid state ungovernable". Before 1994 we started thinking ahead – about why it is important to integrate the various racially divided residential areas. We tried to think about the post-apartheid city: we studied the experience from places like Brazil and India. We went to look at how municipalities worked with communities to carry out development programmes. We took the international experience and adapted it to local conditions.'

Mark Swilling explains his view of Planact's approach during the Johannesburg Metropolitan Chamber process:

'The significant thing about the Chamber, which we didn't consciously realise at the time, is that the fundamental problem in such processes is getting people to work together across different departments. We went into the Chamber to get people to do this because in Planact we did this naturally.

'The significance of this was never recognised – we had no idea how significant this process of dialogue was for people working inside the system. Senior managers who would not cooperate were now forced to work together. I remember it dawning on me very slowly that this ... was really revolutionary stuff.

'We did it like that because we were working with communities who do not split knowledge into sections ...'

Graeme Reid, general manager (1993–1995), remembers how the 'single issue' focus of client organisations at the time began to dissolve and how the homogenous definition of community was no longer appropriate, saying, 'Phola Park taught us that.'

The organisation and the people

As is apparent from the 1990/1 Annual Report, at the beginning of the second period Planact was for the first time seeing itself as an NGO. At this point Planact still perceived itself as part of the non-racial, democratic movement, and working on request only, but was identi-

fying the changing conditions of the time: the political process was freeing up; political parties were emerging; grassroots organisations were continuing – sometimes in 'opposition' to political parties; a shift was underway from anti-apartheid work to development work; and, according to the minutes of the Lumko Workshop, there were more openings for proactive work. Identifying itself differently was Planact's response to the implications of contextual changes. In particular, Planact was discussing being more interventionist in building organisation in unorganised and weakly organised areas, and was observing vocabulary (including the term 'NGO') in use in the 'international development world'.

Planact was also working from the premise that access to land, housing and essential services must be viewed as basic human rights. This provided Planact with identity in relation to the work of building the organisational capacity of its client groups.

The 1990/1 Annual Report also shows how Planact's identity is founded on the values underpinning its work: 'If development is both to meet basic needs of oppressed people and enable them to gain control of their existence, then communities must be empowered to articulate and then negotiate needs based in their own reality. Planact believes that all people have the potential to take an active part in the structuring of their lives. Programmes have therefore been designed which draw on collectively agreed needs and aspirations of communities. These programmes are then implemented by members of the community concerned, in consultation with Planact project workers and researchers.'

In this phase, Planact began to work on local government issues in as far as these related to the urban built environment. In 1992, Planact articulated a formal mission statement 'to promote integrated, community-driven development to ensure an equitable distribution of resources and a democratic and sustainable urban environment'.

This mission was to be achieved through:

▶ Providing and facilitating education, training and information, and access to technical services;

▶ Developing and advocating policy options;

▶ Building the capacity of grassroots organisations for development and reconstruction;

▶ Entering into structured partnerships and contractual relationships with clients;

▶ Maintaining close relationships with partners and clients;

▶ Working and networking with organisations committed to democratic principles and practices; and

▶ Generating income from services where possible and raising funds to assist organisations that cannot afford our services.

In regard to its own role and that of the NGO sector during the transition, Planact noted in the 1993/4 Annual Report that the role of NGOs had been hotly debated, both prior to and post the elections. Planact's position in this debate was clear: '(W)here the new government has no previous experience in the planning and implementation of authentic community driven development, the participation of NGOs in the process of reconstruction and development will be critical to its success.'
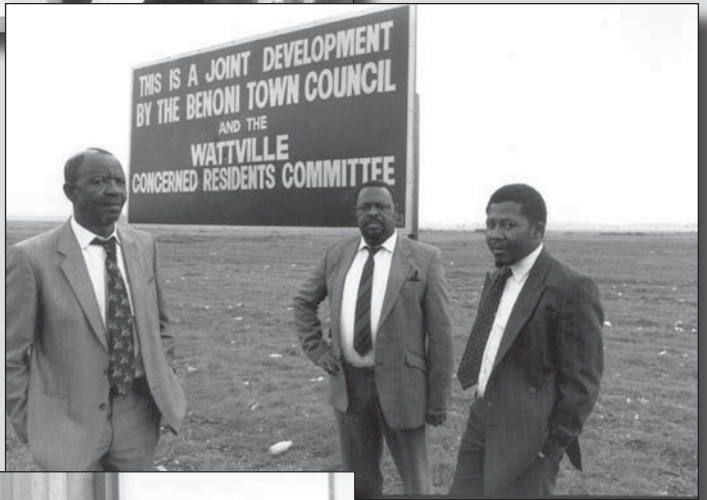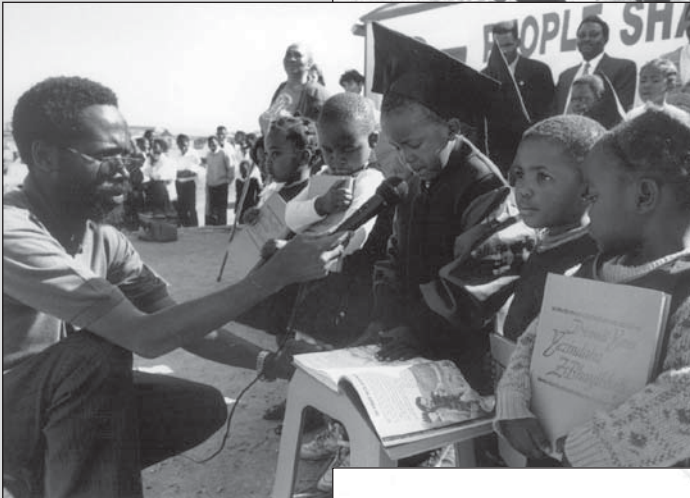
From 1991, Planact staff numbers grew to 39 people, and by 1993 staff membership reached an all-time high of 47, with additional visiting and contract staff of 10. Planact adopted a programmatic approach, organised by geographic region. Work was implemented through three departments: Projects, Research and Development, and Administration and Finance. A formal human-resource development policy, emphasising in-house development of black professionals and specialists, was also adopted. In order to respond effectively to the changing political context, Planact's work was further organised into two thematic streams: community development and local government.

The 1992/3 Annual Report records how, in 1992, an organisational restructuring process was undertaken with the purpose of increasing managerial efficiency to deal with the increasingly demanding and competitive environment. Programmes defined by goals, specified outputs and client accountability were established. However, because the increasingly unwieldy SC was retained as the ultimate locus of decision-making, it was not possible to fully implement the management and implementation systems to support the programmatic approach. This flawed restructuring left Planact vulnerable, as lines of responsibility and accountability became blurred. In recognition of this Planact engaged professional management consultants to do an organisational assessment, which resulted in a more thoroughgoing restructuring.

This assessment grew out of Planact's request to Nell and Shapiro, an organisational development and HR consultancy, to assist in the development of an appropriate salary policy. In the views of the consultants – outlined in Planact Structural Evaluation Report, prepared by Nell and Shapiro, July 1993 –

'Planact was not sufficiently clear about what structures would best support its programme work, that this lack of clarity related directly to a lack of clarity about issues of power, authority and responsibility and that, unless clarity was reached, a process that attempted to resolve salary-related issues would be, at best, of short term use, and, at worst, a complete waste of time.'

The period mid-1992 to the restructuring of 1993 appears to have been, according to the Nell and Shapiro report, a period of 'crisis and trauma in relation to management issues'. Some quotes from the assessment, in which all members of staff were interviewed at the time, demonstrate the views of individuals that underpinned this deduction:

▶ *'Planact is a very threatening place for those who are honest enough to admit it.'*

▶ *'The only authority that exists is if you can claim that it is what your client requires.'*

▶ *'There are times when I think Planact is not really an organisation. There is no centre; teams go out and do their work but don't bring this work back into the organisation.'*

▶ *'We are a soft-centred organisation. There is no one in this place who can tell anyone what to do.'*

▶ *'I find myself so often giving support to people who are not coping – they are either overworked or outraged by the way they are treated.'*

▶ *'I hate to hear that something I have just done has been done before, or that I've*

briefed a consultant to do something someone else has done, or that someone has developed a model we already had six months ago.'

▶ *'There is no reporting system – people talk in corridors.'*

▶ *'Planact can be so alienating because there are so many informal networks and relationships, based on gender and race.'*

On one hand, Exco – the structure to which decisions could be delegated – had very limited space in which to exercise a management role, being constantly and immediately accountable to the SC due to a 'right of recall' according to which 'anyone not on Exco could challenge and reverse anything and everything'. One interviewee described Exco as 'the most scrutinised part of the organisation'. Another said, 'Even though we are a collective, people still want to hate the boss and say "Stuff you!".' On the other hand, the SC – the decision-making authority and the vehicle for Planact's internal participative democracy – was showing signs of wear and tear by 1993, as the following quotes demonstrate:

▶ *'People are frustrated by the illusion of democracy.'*

▶ *'The discussions at the SC are way above my head. That does not make it a democratic thing.'*

▶ *'You need to be incredibly confident and have a lot of personal resources to raise stuff at the SC.'*

▶ *'The SC is a very intimidating structure.'*

▶ *'This is an organisation dominated by the articulate and the abstract.'*

▶ *'Who does the talking in an SC? Basically, five people ...'*

In that assessment, some went on to say:

▶ *'If people ran the organisation it would take a load off me.'*

▶ *'I'm prepared to give up freedom of decision making in my domain if I am assured of effective management.'*

▶ *'I would give up the collective structure altogether to get more order.'*

▶ *'We need a clear management structure – I would be happy to give up some of my rights for that.'*

As outlined in the 1992/3 Annual Report the outcome of this was a new mission statement, the dismantling of the voluntary association constitution, and incorporation of Planact in terms of Section 21 of the Companies Act. Planact's 1993 restructuring resulted in a hierarchy, with the Board of Directors as the first tier of authority in the new organogram and the administration and finance departments and the extended management team as the second tier. Graeme Reid was appointed as Planact's first general manager. The third and fourth tiers comprised regional and thematic programmes (local government, land and housing, and community finance) and the Information, Education and Training Department, which provided support to the programmes. In late 1994, Planact began developing a project management system (PMS).

In spite of these efforts to enhance Planact's work processes, the 1994/5 period was characterised by massive staff turnover, as the majority of the experienced leadership and policy professionals joined the new democratic gov-

ernment. This left Planact with 28 members of staff. The Board had nine members. During this period, Brian Moholo succeeded Graeme Reid as general manager of Planact.

Phase 3:Democratisation (1996–c2000)

The context

One of the key elements of the external environment in the 1990s was the process of globalisation in which market forces began to dominate local and global economies. South Africa, however, experienced not only the effects of globalisation, but democratisation as well and, as a result, there was considerable compromise between the state and the private sector. In exchange for business's acceptance of black economic empowerment and affirmative action, the new democratic government showed its support for what was generally referred to as 'neoliberal economic policies'.

Many South Africans saw the ANC's adoption of the Growth, Employment and Redistribution Strategy (GEAR), tabled in Parliament in June 1996, as the party's abandonment of the RDP, and a number of high-profile analysts lamented not only a deviation from what the RDP promised, but also warned that the voting public would take a similar view. This view was hotly contested by the ANC and the state. In the *Sunday Independent* on 20 August 2006, Finance Minister, Trevor Manuel, described the opinion that GEAR replaced the RDP and that they contradict each other as 'frenzied'. Instead, he said, 'GEAR called for a period of fiscal consolidation and the objective was always to ensure the sustainable delivery of the Reconstruction and Development Programme (RDP)'. Quoting the ANC's 1997 Mafikeng con-

ference resolution, he wrote: '[GEAR] is aimed at giving effect to the realisation of the RDP through the maintenance of macro-balances and elaborates a set of mutually reinforcing policy instruments.' The RDP was thus seen as a socioeconomic programme and GEAR its macroeconomic framework.

Planact's reflections at the time highlighted developments in the field of local government policy. According to the 1997/8 and 1998/9 Annual Reports, key events over the period were the Job Summit, the South African NGO coalition (SANGOCO) poverty hearing and the Truth and Reconciliation Commission (TRC) hearings. The local government system gained momentum at policy and legislative levels. Also, new bills and frameworks had been developed and some were transformed into law, including the Demarcation Act and the Municipal Structures Act. In the 1997/8 Annual Report, Planact stated that the newly promulgated White Paper on Local Government set out the main elements of a transformed and developmental local government system that would contribute towards social and economic development and deepen democracy.

Around this time, especially from 1994 onward, community development forums (CDFs) sprang up around the country in order to effect the shift from resistance to reconstruction at the local level. At the Gauteng RDP Township Summit in June 1994 – attended by almost 1 000 community representatives – Gauteng Premier Tokyo Sexwale, called on the people to organise themselves for the RDP. Initially conceptualised to narrow down the general priorities identified in the RDP to local socio-economic priorities, the CDFs were assembled representatives of different and often competing interest groups. Although they faced a number of obstacles and their precise role

was still being debated, it was more widely accepted both within and outside of government (in theory if not in practice) that CDFs should play a facilitative role for local government activities. They should be consulted on, but not responsible for, the implementation of development activities. As an interface between the community and local government, CDFs were not separate delivery agents, but mediators of competing interests.

Several commentators reflect on the bind that civics found themselves in after 1994. Although they experienced a sharp decline after 1994, Elke Zuern, as reported in 'Elusive Boundaries: SANCO, the ANC and the post-apartheid South African State' in *Voices of Protest: Social Movements in Post-apartheid South Africa* edited by Richard Ballard, Adam Habib and Imraan Valodia (University of KwaZulu-Natal Press Durban 2006), claims that civics did not disappear and that SANCO retains a weak, but significant presence even in the current context. In 'Civics, development and democracy in post-Apartheid South Africa' in '*Deomocratic selections: Civil Society and Development in South Africa's new democracy*', D Pillay describes the challenge for civics of both participating in the developmental decision-making process and simultaneously maintaining and developing their grassroots social movement character. In similar vein, Zuern points to the uncertain and difficult role that SANCO tried to play as an ally to the state and ruling political party, while at the same time asserting its independence. Pillay also describes civics as searching for a formula for getting this balance right.

SANCO lost many of its leaders to government (a trend also experienced by Planact, although on a smaller scale). Together with resource constraints (with direct material implications for local civics, which were not likely to receive very much in the way of finances by affiliating with the national body), this loss of leadership led to a crisis that peaked in 1997. In 1998 and 1999 there was a series of dramatic events or public crises in the Gauteng and Eastern Cape and a number of local-level civics were distancing themselves from SANCO. The issue of SANCO's 'two hats' policy (being both a SANCO leader and a local government councillor) got right to the heart of the debate about the relationship of social movements with the state.

In fact, one of the implications of political transition in South Africa for Planact was its relationship with the new democratic government. Given its history of support to civics and unions, this issue is, in turn, related to the changing role of the civic movement in the context of democratisation (and globalisation). In the euphoria of political transition, many felt that the need for adversarial social struggle with the state was over and it was this view that seemed to influence so much of the activity of civil society that it served largely to stifle social struggle after 1994. Although some struggles did take place, state-civil society (characterised by them mainly as unions and civics) relations were collaborative at this time. In fact, Steven Friedman and Maxine Reitzes (in '*Deomocratic selections: Civil Society and Development in South Africa's new democracy*') delve further into the concept of 'collaboration' by identifying that civil society needed to be 'incorporated' within the state to be assured a share in decision-making in order for democracy to be complete. They cite the participation of civil society in the National Economic, Development and Labour Council (NEDLAC) as an example of how civil society was incorporated into formal decision-making institutions when

the ANC entered government. They also argue that the social movements within COSATU saw the RDP as a means of binding a universal franchise government not only to the social programmes they favoured, but also to a role for civil society in the new order. The RDP base document contains plenty of references about the empowerment of civil society, including the use of sectoral forums, referenda and other consultation processes.

Other social and political analysts, however, felt quite strongly that civil society should maintain and protect their independence and autonomy from government, and remaining non-partisan whenever possible. Compromising the ability of civil society to promote sound governance by the state is identified by them as one of the dangers of close ties between civil society and government. In contrast, Zuern called for a less static understanding of 'political opportunity' and an alternative to the interpretation of civil society as necessarily oppositional to the state. In this respect, the notion of 'elusive boundaries' is advanced. Describing SANCO as an example of 'extraordinarily fuzzy boundaries between state and non-state actors', Zuern cautioned against characterising civil society and social movements in relation to the state as either critical or co-opted, in or out, and independent of or controlled by the state. Such simple dichotomies may hold for non-democratic contexts, but in a democratic South Africa greater institutionalised opportunities exist for making claims and voicing demands than did under apartheid.

The most important factor in creating a new political environment was, however, the state's willingness to partner with NGOs in policy development and service delivery. This opened up a whole new avenue of operations for NGOs

and fundamentally transformed their relations with the state. Writing in 'Putting the Voluntary Sector Back on the Map' (*Development Update* 1 1997), J Bouille on the other hand, argued that although the important role of NGOs and CBOs in a democratic state – specifically in relation to the government – was being acknowledged, government commitment had wavered. Its focus had shifted more to the private sector, in keeping with its shift from promoting development to developing policies for stimulating the economy. According to Bouille, blame should not only be laid at the door of government, but also at CBOs and NGOs for not being proactive in redefining their role and the agenda of the sector. Monty Narsoo reflects on the need, after the 1994 elections, to form an umbrella body to bring together NGOs across different areas of development. Noting the heterogeneous nature of the NGO family in South Africa, he cites the political paths they might have chosen in the past, their size, demographic make-up, fundraising strategies, and their relationship with the constituencies they seek to serve. The reasoning behind this coalition was a need to form one body in order to speak with one voice in working with government. Another reason was the need to source funding from donors, because prior the elections, a range of potential donors were withholding funding by adopting a wait-and-see attitude.

It was during this third phase that the USN was established as a network of affiliated NGOs active in urban development related to housing, urban planning and services, and municipal and local governance in South Africa. Planact was one of 10 NGO members of the network. Up until this point, affiliates were, to a large degree, operating independently, although they did interact through involvement in the vari-

ous mass democratic movements, as well as through discussions at the National Housing Forum. In 'The Urban Sector Network' article (see chapter 2), Monty Narsoo and Susan Carey states that it was at these discussions that the individual affiliates realised they had common ideals and goals that would benefit by joining together.

Monty Narsoo asserted that the path ahead for South African NGOs was to develop greater coherence and coordination among NGOs, rewrite the new role of NGOs, build small-scale investment capacity, improve the broader financial context of the sector and set up the Development Financing Institution. He saw the biggest challenge as maintaining human resources within the sector. Although it was during this time that the USN affiliates lost much of its skilled staff to high-level government positions, there was a strong sense of common purpose among friends and colleagues within the USN organisations and the state towards new policy and legislation in the era of democracy. For the way forward, Hein Marais, in 'The RDP: Is there life after GEAR' (*Development Update* 1 1997), saw NGOs and other popular organisations playing an active role of consolidating and developing effective strategies to challenge GEAR and its resulting policy framework. Cautioning that GEAR's aim of cutting budget deficit would somehow restrict reconstruction and development activities, he saw the challenge for NGOs (as the agents of development) as asserting a people-driven and democratic development agenda.

In 1998/9 Planact saw the way forward as responding to the main challenges of (1) identifying new spaces for constructive engagement between municipalities and communities; (2) retaining a solid core of activities capable of

contributing towards the linked objectives of local government transformation and meeting the development needs of the poor communities; and (3) sustaining a healthy funding base by attracting new donor partners, while simultaneously developing the capacity to secure fee-based income. At the end of this period, before the local government elections, Planact pointed out that there were indeed challenges related to ensuring that new municipalities were community- and consumer-friendly. The demarcation process was complete. Provincial and local governments were expected to establish new structures to ensure the smooth transition of the newly demarcated municipalities. An overarching issue for NGOs was their role, accountability and sustainability, and they still faced challenges in their quest for a vibrant civil society, which ultimately maximises community participation.

The work

At the beginning of the third phase, Planact's work concentrated on integrated local government and land and housing. The 1995/6 Annual Report explains that in June 1996 Planact formally committed itself to promoting integrated local development – a commitment reflected in the new mission statement. The underlying assumption was that integrated development could best occur at the local level:

'Given the enormity of local needs, we realised that it was impossible for a single NGO (or a single municipality or civic for that matter) to do everything. We therefore decided to focus on strategic interventions that would achieve a ripple effect on other development needs.'

In 1997/8, five strategic programmes were established:

▶ Local economic development;

▶ Municipal finance;

▶ Integrated development planning;

▶ Institutional development and service delivery; and

▶ Housing.

By 1999/2000, programmes had been rationalised in the Annual Report as follows:

▶ Housing and community development;

▶ Local government transformation;

▶ Local government finance; and

▶ Integrated development planning.

The beginning of the third phase was characterised by work with newly established local governments and, to some extent, with provincial and national structures. Cheryl Abrahams, staff member at the time and subsequently Planact director, remembers the euphoria working with local government at the time:

> '[The] enabling legislation was finally in place and the space in which to move had been created. There was no "us and them" in the beginning. It was all "us" – local government and development workers. There was a single issue and a shared agenda. There was goodwill and trust.'

Work was also undertaken with the Housing Boards in Mpumalanga and Gauteng, while work with CBOs continued, often in regard to their interface with local government. By

1999/2000, Planact was working mainly with local governments and community development forums. During this period, Planact's geographical spread remained wide. Reviewing commentary on the work at this time, it is clear that Planact reflected positively on its achievements, especially in the light of the organisational crisis. The 1995/6 Annual Report identified its major achievements as being (1) a focused and integrated urban development programme; (2) playing an integral part in the local government transition; (3) hands-on involvement in housing delivery; (4) practical involvement in local government councillor training, strategic facilitation and change management process; (5) calls for assistance from individual municipalities and departments, though without government funding; and (6) maintaining a team that is able to deliver for both community development and municipalities.

Planact's work process at the beginning of the democracy period was structured around the integrated development vision, as outlined in the 1995/6 Annual Report:

'Our broad vision for integrated development … can be summarised into four key components:

▶ Integrated development planning;

▶ Producing a development framework;

▶ Organisational development; and

▶ Identifying strategic interventions.

Integrated development planning has spatial, economic, social, environmental, financial and institutional facets. It maps out how to meet needs once they and the required resources are

identified. Its aim is to produce an action plan that forms part of the overall development framework.'

Planact was therefore involved in a number of activities that contributed to strengthening new local government structures. Significantly these activities included primarily contracted work.

Planact was contracted by the new Bloemfontein City Council to facilitate a change management process. Planact assisted in strategic planning, advising on recruitment, and management transformation.

In 1997/8 significant projects included social housing and integrated development planning in Mamelodi; training council authorities in integrated development planning; training of over 820 trainers from the Namibian government in local government; and producing the Integrated Development Manual.

In the late 1990s, Planact's community development programme continued to provide support to CDFs and other CBOs.

CDFs and CBOs

Planact's involvement in Diepsloot began in 1997 to facilitate the development of the settlement by promoting spatial, economic and social integration within the broader Northern Metropolitan Local Council (NMLC) area. The first priority was to ensure that Diepsloot was recognised by the NMLC as a permanent settlement so that its development could be incorporated into government planning processes.

Planact was committed to ensuring the community had a voice. It helped to identify all community organisations in the area and brought them together to form the Diepsloot Community Development Forum (DCDF). Planact played a major role in the capacity-building of the DCDF and by 1999 it was able to effectively engage with council and demonstrated its level of competency and legitimacy to all role-players. Planact provided capacity-building services to CDF office bearers and assisted in the formulation of internal programmes. Specifically, Planact investigated the potential for financial and technical support for a day-care centre in Diepsloot, and submitted a proposal to the NMLC for a strategic development framework for the geographical area known as the Northern Sector.

Again, with Planact's assistance, the DCDF was able to introduce a shack numbering system and registration and housing application and allocation process accepted by the entire community. Planact assisted the community in monitoring the development process and ensuring residents were satisfied with the housing delivered through the subsidy scheme. As the housing programme progressed, Planact shifted its focus from housing to local economic development.

Planact's involvement in Bekkersdal began in 1998 in response to a request by the community. An Integrated Development Planning (IDP) housing workshop was facilitated and this led to the Westonaria Municipality committing itself to include the participation of community members in its development projects. Planact developed a participation strategy that would further strengthen council-community relations.

Planact's involvement in Muldersdrift began the same year with a referral from the Social Housing Foundation (SHF). The Muldersdrift Home Trust Foundation (MHTF) had approached the SHF for assistance. Planact initially focused on organisational capacity-building and then shifted to an advocacy campaign and, later, to developing a project plan. Planact assisted the MHTF to set up an organisational mechanism to deliver housing according to the principles of integrated development planning; to secure affordable finance; to obtain appropriate input from professionals regarding suitable and affordable housing structure and infrastructure design; and to elicit support and cooperation from relevant external role-players. Planact's assistance enabled the MHTF to play an active role in the broader development of the area and become an influential actor in the local development forum.

Planact also worked with Mohlakeng residents in establishing the Local Hostel Negotiating Forum in accordance with national and provincial hostel transformation and redevelopment policy. Assistance was provided to SANCO-Mohlakeng in coordinating a stakeholder definition and identification process, in the formulation of project concepts, in compiling top-up subsidy applications and in the formulation of a housing support-centre programme.

The organisation and the people

In 1995 Planact developed a new mission statement based on its 'commitment to local development for the poor within an integrated planning framework'.

This was to be achieved by strategic intervention in the fields of local government, progressive land development, and housing. The broader vision that accompanied the mission statement stresses the following:

► Integrated development planning;

► Producing development frameworks;

► Organisational development; and

► Identifying strategic interventions

The decline in staff membership that had begun in 1995 continued in 1996, when a funding crisis forced Planact to restructure and retrench all but 14 people. Some accepted that they needed to be laid off to keep the organisation afloat, and, according to the 1995/6 Annual Report, those who stayed worked without pay for 10 weeks. Hassan Mohommed, a staff member at the time and a subsequent Planact director, remembers the challenges for Planact:

'Within a few months, Planact hit the funding crisis, Brian Moholo took over leadership but the organisation was technically bankrupt. A lot of time went into repositioning the organisation. The context of donor aid and their relationship with NGOs was shifting. There was much greater emphasis on issues of performance and accountability. At the same time, NGOs were haemorrhaging staff as many moved to key positions in the new government. This meant that key skills and capacity were missing from NGOs. We had to think very hard about how to reposition ourselves in a post-apartheid situation.'

Brian Moholo's own memories of this period focus on the fortuitous coincidence of the survival imperative and local government's demand for services:

'Planact had been at the forefront of transformation and its services were required even more. There was not enough funding, but because of its client base, it kept alive. New councillors sought for and paid for Planact's services. There was a massive demand for Planact's services. This kept Planact afloat, although we had to reorganise and retrench staff ... The two main things were to ensure resources and capacitate local government at that time. Local government was the sector that needed service the most.'

During this time many staff members made personal financial sacrifices by continuing to work without pay. At Planact's strategic planning conference in June 2006, Jackie Lamola (current Planact Board chair and staff member at the time) commented:

'Planact's heyday was actually the time when there was no money left, and people stayed on and worked for nothing. That was commitment! For me this was Planact's heyday. We knew that this organisation could not be allowed to die ...'

An extremely candid 'survival plan' pinpointed poor financial planning and inadequate financial management, including poor reporting on and control of project expenditure. It had this to say about problems related to the systems in place:

'Planact started ... to develop a project information management system that was intended to improve resource allocation

in the organisation, to provide information on strategic projects and to provide financial information in order to be able to make informed cost-benefit analyses. Implementation, however, took too long as it was not given the needed priority. Other internal organisation systems to ensure performance appraisal and organisation effectiveness have been lacking. For example, there has never been an external evaluation done of Planact.'

During the 1997/8 period, Planact continued to function through the efforts of 14 people. The number of Board members grew to 10. Hassan Mohommed succeeded Brian Moholo as general manager. In 1998/9, the staff increased to15, but this growth was short-lived, and by 1999/2000 – when Cheryl Abrahams took over as general manager – staff totalled only 12. (Planact's staff compliment was more or less consistent until the time of writing.)

Christa Kuljian of the Mott Foundation comments on Planact's struggles to re-establish its identity during this period:

'I had felt for some time that Planact was really struggling to get a handle on its sense of identity – and there was ongoing turnover of staff and leadership. Planact had such a strong history, but then there was this period in which there was no strong rootedness – like the tectonic plates were not really settling despite the fact that they had a really critical and interesting role to play. It was not as if there was not a niche for them. I am not sure what the problem was; it might have fallen in with the broader uncertainty about the role of the NGO sector. That confusion about identity held them

back because there was not crystal clarity coming from the leadership. At Mott we were also looking at how to be supportive of the new leadership.'

In 1995 Planact developed a new mission statement, and in 1996/7 Planact's work was restructured to focus on local economic development, municipal finance, integrated development planning, institutional development and service delivery, and housing. In the following year, according to its 1998/9 Annual Report, Planact developed and implemented a performance management system designed to support a new organisational culture characterised by a strong work ethic, and individual growth and development through shared learning.

Hassan Mohommed describes Planact's approach to organisational systems when he was director:

'We made an effort to balance programme work with making sure that we had good systems within the organisation itself — we were very effective in this way and improved accountability in a number of ways. For example, the EU commented on reports related to their funding — we could give the reports immediately. The Board was getting full disclosure — we were aware we were stewards of public money — we had a responsibility to show how resources were used.'

In 1998/9 Planact reported on three major achievements: (1) the development and implementation of a performance management system to 'operationalise' a new organisational culture dedicated to a work ethic and individual growth and development through shared

learning; (2) taking advantage of a number of opportunities to secure fee-based income to overcome budgetary shortfalls; and (3) stable operations and flexible approaches that enabled Planact to adapt to changing circumstances and provide good services to local government and communities in the form of training and capacity-building, technical assistance, community-empowerment programmes and policy and research activities.

Phase 4: Consolidation (c2000–2006)

The context

In the period from 2000 to 2006, globalisation continued to feature as a key trend in the external environment, but the anti-globalisation movement also gained momentum and in South Africa, the anti-privatisation forum and other formations of the so-called New Left began to take root. It was clear, however, that the effects of economic globalisation and the transition to democracy in the country had added to unemployment, poverty and inequality. Commenting on current socioeconomic dynamics in South Africa in the *Sunday Independent* on 20 August 2006, John Pilger observed a failed system where market forces and a co-opted political elite had conspired to impoverish the majority. On the other hand, the period 2000–2006 saw the 10-year anniversary of freedom accompanied by many reflective exercises in taking stock. The delivery of one million housing opportunities was also lauded.

The Millennium Development Goals (MDG) were introduced in 2000 with the intention to commit the governments of the world to

systematically improve living conditions of the world's poorest by 2015. In 2005, as a means of meeting its MDG mandate, the South African government put in place a two-phase national shared growth initiative called ASGI-SA, a microeconomic reform within a GEAR macroeconomic framework. ASGI-SA recognised persistent inequality in South Africa; although the country has experienced economic growth as a whole, inequality among the country's citizens still remains. To balance these inequalities, ASGI-SA aimed to bridge the gap with the Second Economy and ultimately eliminate it.

Local government remained increasingly under pressure to deliver in this period and protest action again emerged. Examples include the launch of anti-privatisation forum (APF) in 2000, protests against Johannesburg's Igoli 2002 plan in 2002 and the COSATU anti-privatisation strikes in 2001 and 2002.

Planact's own reflections in this period highlight the significant developments relating to local government during 2000 and 2001. The Municipal Demarcation Board completed the task of reconfiguring the local government landscape and the Municipal Systems Act was promulgated, redefining the concept of 'municipality' to include the residents of the area along with the formal council and municipal administration. The Municipal Structures Act specified the importance of public participation through ward committees. In the second local government elections voter turnout was low, raising concerns for civil society – including NGOs and CBOs – about the level of community morale and the possible impact on community participation in local government as a whole. From 2001/2, there were growing pains in the system of local government transformation, with the new municipalities

striving to boost their management capacity. At this time Planact noted that poverty alleviation strategies had failed to reach the targeted population due to poor administration and governance practices by implementing agencies. The legislative imperative to involve communities in their own affairs meant that communities were bombarded with consultation measures. In 2002/3, Planact reflected on the scourge of HIV/AIDS affecting every single person, whether infected or affected, and that a 'rights' agenda was beginning to surface in South Africa. The Grootboom case, in which the Constitutional Court found that the government was failing to meet its responsibilities in realising the right to housing, brought the rights-based agenda to the fore. In 2003/4 South Africa celebrated 10 years of democracy and Planact questioned whether communities felt that their participation in carving out their development was being listened to and reflected in government priorities. The following year, in 2004/5, Planact noted that NGOs had faced an uncertain environment in the post-apartheid years. Moving from attempts to provide alternatives to the repressive policies of apartheid and exposing the inequities and injustices to negotiate a new role with the democratic state, NGOs were attempting to be advocators, innovators and implementers in partnership with the state. A number of changes in the policy context affected Planact's work during 2004/5. Significant among these, following the national elections and the ensuing shifts in Cabinet positions, was the appointment of Dr Lindiwe Sisulu as Minister of Housing, and the release of 'Breaking New Ground' – the Department's comprehensive new plan for sustainable human settlement development and removing the blockages slowing down the pace of housing delivery.

By 1999, SANCO's leadership was tabling options for the future of the organisation, including SANCO as a social movement or a political party. (The first was ruled out due to SANCO's poor performance in the 2000 local government election polls.) SANCO supported the growing anti-privatisation movement, evidenced in its participation in the protest against Johannesburg's Igoli 2002 plan in 2002 and COSATU's 2001 strike. As a result, SANCO needed to choose a side in the increasingly polarised COSATU/ANC debate. In direct contrast to the new social movements such as the APF, the Soweto Electricity Crisis Committee (SECC) and the AEC, SANCO supported the ANC. In 2003 SANCO received formal credit for the write-off of R1.39 billion in Johannesburg arrears to Eskom by being included in the negotiations as a public representative, despite the role that the SECC played in mobilisation and pressuring, without which Elke Zuern asserts the write-off would never have happened. Zuern claims that SANCO's success lay not in representing masses of communities across the country, but in its ability to exploit its relationship with the ANC and in so doing maintain its presence in South African political debates. Presenting itself to communities as a problem-solver that could employ its relationship with government to address residents' concerns, SANCO was able to employ the local contradictions of democratic rule under a dominant political party. Zuern is clear, however, that this in no way implies that SANCO empowers the poor and marginalised and its overall impact on redistribution and democratisation is mixed. Its local support rests on its representation of community needs, while its national support derives from its ability to effectively contain community demands.

In the first decade of democracy, many local civics ceased to exist or became dormant. Following the formal transition of government the context became characterised by a dearth of local political representation and increasing material deprivation. This gave local SANCO branches space to continue to operate, as well as an opportunity for a new breed of social movement. At the same time, however, new social struggles began to emerge – even though the elation of having overthrown apartheid had not yet dissipated. What followed was a post-apartheid period of heightened social struggle, in which social struggles against local government about perceived failures in service delivery continued to mushroom, although the movements that emerged operated beyond the civil society organisations of the struggle era and represented new constituencies facing new issues.

NGOs in this period were affected by what Planact refers to as a bombardment by consultative measures by government. During 2000/1, the challenge fro Planact was to identify exactly what the organisation's intervention should be in the light of the final phase of local government transformation. Planact phrased this challenge as the enhancement of voices of communities in critical policy debates and the translation of policy into real development that improves the quality of the life of the poor. In the context of officially institutionalised consultation measures, the year 2002/3 was very challenging for Planact, especially in its efforts to make sure communities participated in their own destiny. At this time, Planact pointed out that it was more critical than ever to understand where the organisation needed to go in working with communities and making their voices heard. In 2003/4, Planact again phrased the challenge as being

whether the work it does enhances community voices. By 2004/5 it noted that municipalities were gradually coming to terms with the constitutional requirement for citizen participation as part of the democratic development agenda.

Susan Carey identified that NGOs during this period – USN affiliates in particular – now had some experience in implementing government policy and were becoming critical of government again. In response, government was defensive and dismissive of the work NGOs were doing, labelling it as destructive for democracy. Carey noted that this was the beginning of a more distant relationship between government and the NGO sector in the democratic era.

In 2004/5 Planact noted the turmoil – financial and otherwise – experienced in the sector. In 2004 the USN, of which Planact was an affiliate, closed down following some uncertainty among the affiliates about the value it was adding and the discovery that it was running a deficit. One of the affiliates, Umzamo, had closed down in 1999 for financial reasons and another, COPE, met with the same fate in 2005. Shortly thereafter the BESG decided to close its Durban office and consolidate its activities in Msunduzi. Planact was not immune to this turmoil. In 2004/5 its EU contract came to an end after six years and several delays were experienced with some international donors. The organisation was finding it difficult to continue to provide services to CBOs with very limited funds.

The financial constraints were not limited to NGOs, however. CBOs themselves were not gaining access to capacity-building financial support, although municipalities were, and Planact was finding national support for CBOs

wanting. However, in 2004/5 Planact was hopeful that efficient systems might be put in place (via the National Development Agency) for the administration of resources to support CBOs.

Although internal, or organisational, constraints faced by NGOs in this period feature strongly in Planact's analysis of its context in this period, the organisation also notes that common community concerns at the time were evictions, relocations and access to basic services. In addition, there was community conflict around access to development opportunities and delays in implementation.

The work

Planact's work in supporting community participation in municipal affairs, which had commenced in the previous period, continued in this fourth phase. According to the 2000/1 Annual Report, the main areas of work that year were:

▶ Local government transformation;

▶ Local government finance;

▶ Integrated development planning; and

▶ Local economic development.

▶ Training, technical assistance and community development

In order to strategically reposition itself at this point, Planact decided to limit its activities to Gauteng, except where it needed to complete its existing projects. In 2001/2 the organisation was active in training and capacity-building in order to assist CBOs constitute their own community development forums to improve

communication channels with local councils and help in subsidy applications to give low-income population access to housing. Planact played a role in capacitating community leaders to mobilise their communities and explain to them how government works.

This strategic repositioning saw Planact concentrate its work in two programmatic areas, which would remain the framework for the remainder of the period, namely community development and empowerment and capacity-building for participatory local governance. It was also active in research and evaluation and policy analysis and advocacy. Planact's activities focused mainly on facilitating CBOs' participation in the local development agenda in order to reinforce the link between informal communities and their local municipalities. Support to municipalities continued, with contracted work in Mpumalanga and Limpopo on training ward committees and local government officials.

There were some long-standing community development projects that extended from the previous period, especially in Diepsloot, Bekkersdal, Muldersdrift, Zevenfontein and Zandspruit. In Bekkersdal, Planact worked to strengthen the capacity of the CDF through training workshops to support participation in democratic processes, particularly within the Westonaria Local Council.

In 2002/3, Zevenfontein residents requested assistance from Planact and its work focused on increasing the capacity of the community to participate in planning a proposed relocation. In Zandspruit in 2003/4, Planact provided capacity-building skills to the CDF, and assisted the community in pressuring the Johannesburg Metro to provide services to the community.

Planact also ventured into new territory through its work with a community in the East Rand, Vosloorus Ext. 28. The project was to upgrade this informal site-and-service settlement through the Peoples' Housing Process (PHP), as the community was not interested in typical developer-driven housing. Planact's initial participation was through an invitation from the Boksburg Local Council (later becoming part of Ekurhuleni Metro). The Vosloorus project demonstrates Planact's good practice in the PHP. By pioneering innovative and integrated approaches to development, Planact de-emphasises the numbers debate in favour of the quality of the resultant environment. In Vosloorus, Planact's activities have been in facilitating access to adequate shelter and secure tenure. Its work has been in building the capacity of the steering committee to enable effective engagement with the municipality and provincial representative, managing various stakeholders in the project, facilitating building-skills training and house construction, and introducing more ecologically sustainable principles via the construction of a pilot house, including grey-water recycling for food production and better positioning to maximise energy efficiency. Planact's work in Vosloorus over the years has also included ward committee training on matters such as how local government works and an understanding of IDPs.

In an interview in April 2006, the leader of the Vosloorus Residents' Committee explains how Planact worked with the community:

> *'When we engaged first with Planact, it was 1997 and we were alone. The residents' committee was formed in 1997 because we wanted to hit straight to the head with the Gauteng Department of Housing and the Council. We had the*

support of the province but trouble in our interactions with the Council. We formally engaged Planact in 1999. Things were taking a long time and we were so eager to see the project going. The province facilitated our relationship with Planact. We were so happy. At that stage we did not even have a business plan. Then we had to engage – through Planact's help – with the local authority, which was still Boksburg in those days. We realised that we would have to follow procedure: there were such a lot of meetings and Planact helped with those. Planact played a very important role to enlighten us – they showed us how to work on development of Vosloorus. We had a lot of workshops to understand the process ... the Council wanted to dictate to us but the province and Planact said, "This is a people-driven process." It was a very frustrating process – we did not understand why things were taking so long ... all the documents were in place before implementation could start ... We built the first 40 houses in 2003. Then the community said, "A child is born".'

In most of these projects, Planact worked with the CDFs. In all these areas Planact focused on building organisations of civil society to defend existing gains and to advance the collective interests of the socially excluded. Commenting on the fate of CDFs in this period, Planact recorded in its 2002/3 Annual Report that the absence of a clear framework to guide the operation of CDFs meant uneven effectiveness as well as varied perceptions by municipalities regarding recognition of CDFs. Among Planact's concerns in 2002/3 was the introduction of ward committees and the perception that they replaced all other forms of communication with the municipality, including CDFs. Plan-

act's position was that ward committees drew their strength in their representivity, meaning that ward committees must have strong links with as many other community-based structures as possible. Informed by its experience with the Diepsloot CDF and ward committee, Planact reflected on both the potential and problems with 'this most recent prescription for participation':

> *'Planact has worked to capacitate ward committees in a number of communities ... Ward committees are generally seen as a vehicle to promote popular participation in local government issues. Yet there are real concerns that are emerging in this framework. One concern is the level of accountability of ward committee members to the wider community ... In addition, there are indications that the social capital developed in the community over time is not necessarily incorporated in the ward committee framework and may, in fact, be isolated by it ... Finally, what power does a ward committee actually have to influence decision-making on behalf of a community at local level?'*

Planact's local government initiatives were to support local communities in their interaction with local municipalities, and to support local municipality transformation and engagement with local communities. The 2003/4 Annual Report notes that government delays in implementing relocation threatened local organisation as leaders were spending much of their time managing local conflicts as communities turned on each other in the struggle for access to limited basic services. Planact's work with communities in Diepsloot and Zandspruit were affected by internal conflict due to the impact it had on local organisation. Planact saw its ongoing capacity-building work with CBOs in the

targeted communities as supporting participatory local governance. In addition, its activities in the local government arena included professional contract work supporting municipalities in a variety of different ways in this period. In the 2002/3 Annual Report Planact had noted that short-term contract work could contribute to the organisation's financial sustainability.

Examples of Planact's local government work in this period include a training module on Change Management, which was presented to the Bronkhorspruit Municipality; a three-day capacity-building module for councillors and ward committees for Mangaung Local Municipality (accreditation was obtained with UNISA); the Core Councillor Training Programme in collaboration with the South African Local Government Association (SALGA), which was implemented after the local government elections in 2000; a seven-module enhancement programme – a training series focusing on key skills area needed by local government structures as designated in the Municipal Structures Act (1998) piloted in the Mangaung Municipality (formerly Bloemfontein) and offered to community leaders and members of civil society organisations; assisting communities to articulate their needs and make inputs to their IDPs; training on the enhancement of ward committee participation; training trainers on local governance and local leaders on roles and responsibilities in relation to IDPs and budgeting; and adaptation and revisions of Planact's six-module enhancement programme.

Nellie Agingu, a former director, describes the challenges of working in both local government (where income-generation opportunities reside) and in community development (where there are significant limitations in donor funding), which she poses as a dilemma:

'Our community work has suffered. Communities are seeking new ways to engage. CDFs were almost taken away. For example, in Bekkersdal, Planact was caught in [the complexities of] the CDF versus the ward committee … This happened in Diepsloot, Zevenfontein as well. Planact has worked to build organisations. They were then not there. So this is a conflict for Planact … [Are] you with communities to strengthen their voice while you have contracts to support the ward committee system?'

In this period, under Nellie Agingu's leadership, Planact's community consultative conferences commenced with the purpose of bringing together community representatives from the areas in which Planact was working to share experiences and learn more about policies impacting on their developmental concerns. Examples of topics are 'Beyond Empowerment: Opportunities and Challenges to Development' and 'Housing the Nation: Community Participation in the New Housing Policy Breaking New Ground'.

A former leader of the Diepsloot CDF:

'Planact helped us to combine different communities and structures. They organised a workshop of many CDFs to learn from each other. In uniting structures they helped us see our common goals.'

The organisation and the people

In 2000 Planact developed a new identity statement that positioned it as a non-governmental development organisation, working mainly in the urban areas of Gauteng with people who lack access to habitable environments. Accord-

ing to the 2000/1 Annual Report this was to be achieved by networking with like-minded organisations, training, technical advice and assistance, research and policy advocacy.

The new vision states that 'people who lack access to habitable environments will be able to defend existing gains and advance the collective interests of the poor and marginalised'. An accompanying mission statement was also developed, stating that 'Planact supports and mobilises community processes that enhance good governance at the local level to improve people's habitable environment in ways which alleviate poverty.'

In its identity statement, Planact committed itself to local development for the poor within an integrated framework, stating that it aimed for strategic interventions in the areas of local government transformation and community development that could result in social upliftment. The identity statement, vision and mission were still guiding Planact's work at the time of writing. In 2000/1, Planact again restructured to support research and evaluation, policy advocacy, and strategic projects. From this time on, work focused on the Gauteng region, and concentrated on local government to enhance municipal delivery, and community development.

In addition, Planact brought greater focus to HIV/AIDS. During this period, staffing averaged about 12 persons. A new executive director, Nellie Agingu, replaced Cheryl Abrahams. The Board of Directors now had seven members. In 2006 Rebecca Himlin succeeded Nellie Agingu.

Commenting on the 'people factor' in Planact over the years, Nellie Agingu pinpoints the absence of a clear institutional approach in this period, arising from high staff turnover and overreliance on individuals. She gives insight into her vision of the Planact Way:

'In our governance work, Planact was seeking to advance pro-poor projects. When we interacted with local government it was to influence a pro-poor agenda. But there are lessons we have learnt. Planact could not be all things to all people. When we went to PHP we went as an NGO. Let us do a PHP project, then we have lessons that are based on something that we have done. Then we would have a policy position. In our local government (work) it is the same. This is not to say that Planact becomes a service provider. We hope that we have a particular value base. But how? We need to define much more specifically our approaches – [we] need to define the Planact Way – did we document this? I think there wasn't clarity. There was too much reliance on personalities. When these individuals departed, this left the organisation impoverished. We need an organisational identity that remains.'

Agingu also described some of the organisational challenges:

'Within the context of NGOs, governance has been a main issue. I don't think the NGO sector is any worse. Accountability has been called into question in all sectors. The transitions of staff and Board have been an issue. (For example) the USN directors changed so often … There were three directors in three years.'

In this period, the NGO sector faced many challenges, particularly of a financial nature, but also in (and related to) its relationship to the state. Most notable here was the funding

constraints for community-development work, in an environment of opportunities for contract work in the local government area. Another example is the meaning of training in the context of the time in which government was instituting a process of accreditation of materials and training providers, which required considerable resources. Another was the institutionalisation of community participation via ward committees and the limited space this left for representative organisations such as CDFs, with which Planact had been working.

Conclusion

The context

The history of Planact documented here recounts the context in four phases. One of the most pressing issues to emerge in the current period is whether or not Planact needs to be independent of the state to be more effective. Must Planact work with communities or contract to the state? Should Planact be supporting popular organisations to challenge the state? Or should it be working on the inside, offering technical expertise in support of democratisation? Are these even the right questions? Is the polarity appropriate?

In some of the interviews conducted for the purposes of this review one issue comes up again and again: whether or not Planact can do both – work with both the community and the state. The push for Planact to decide on one or the other often arises from the perception that Planact should go back to ground and work with communities. This view is compounded by the rise of the new social movements and increasing local-level protests against service delivery, as well as a sense that Planact should return to being a support to resistance – an appealing full circle at this anniversary period.

Compelling as the unambiguous position of either 'for' or 'against' may be, reality is quite clearly not that simple. For one thing, Planact in the current period is struggling to raise funds for community work. Its local governance work, on the other hand, can be financed by consulting work. This work is not without its constraints, they just differ – what skills are needed and how to be competitive? However, in the light of funding constraints, rather than asking whether Planact should be doing both, the question may be more aptly phrased as, can it afford not to?

This polarity may well be inappropriate in the current context of democratic state and donor-funding constraints for community development work. However, donor-funding constraints, while an operational imperative, tend to render invisible (or at least less of a priority) the opportunities pervasive in the current environment. Shifting the terms of this dilemma even further, a more appropriate set of questions may be: What are the political opportunities and constraints for popular organisations? And, following on from that, what are the opportunities and constraints for NGOs working in support of popular organisations? While funding is certainly a constraint, the answers to this question are unlikely to be a one-dimensional strategy of either working for the state or opposing it.

Notwithstanding the centrality of the funding question, income generation is not the only opportunity in directing a strategy in which working for the state features prominently, especially in local governance. If greater institutionalised opportunities are to be found in a democratic South Africa for making claims and voicing demands than did under apartheid, then Planact's definition of its relationship to those opportunities becomes critical. Currently,

constraints tend to be foremost in the minds of NGOs, with affiliated organisations downsizing or closing down altogether. However, Planact has always defined itself in relation to popular actors – civics and trade unions in the struggle years, civics as they entered negotiations in the transition years, CDFs in the RDP years, ward committees (and, more complexly, the representative base on which they unevenly draw) more recently in this era of institutionalised participation. How does Planact position itself in relation to the new social movements? How does Planact position itself in relation to ward committees? How does Planact position itself in relation to community organisations? In its current lexicon, where do the voices of communities reside? Who organises them? How are they articulated? Does the expression of their demand require support?

In looking back, it becomes clearer that, going forward, the question remains the same: What is Planact's view about the nature of political opportunities and constraints for popular actors in South Africa? This question was phrased in one way or another under apartheid as well as during the democratic transition. It's still relevant in the country's new democracy. However, what's clear from the past 20 years is that the answer is different, simply because the context is dynamic. Part of the Planact Way must surely lie in Planact understanding the complex interactions between state and civil society in an ongoing manner in a changing context, characterised by dynamic political opportunities and constraints.

Is Planact caught between its support of democracy under a dominant political party (a movement that it supported) and the challenge it increasingly sees at a local level to participative democracy? Looking back, it becomes

clear that Planact-now (as opposed to Planact in any of the other periods) operates in a space where the perceptions of current reality are contested 'on the left'. At its inception, there was no such ambiguity. This is the terrain with which it must come to terms, not necessarily by resolving a position, but by noting the ambiguity in which it resides less as constraint and increasingly as opportunity. The current executive director's concern about membership offers an opportunity in this respect. What role will membership play? Can it offer networking to regain some of Planact's influence by association. What opportunities do association offer? And association with whom? Association was always strong – initially with a mass movement – but the context is different. Association now means different things. What, and with whom, does Planact associate itself? This question is not merely visionary, it has strong strategic and practical dimensions. Can Planact re-member itself and employ its reconnections with senior officials, intellectuals and consultants to advocate a pro-poor agenda, to make the voices of communities heard, in ways that successfully contribute to empowering the poor and marginalised?

The work

The history documented here outlined Planact's work in the four phases of its existence. It did so by unpacking different dimensions of Planact's work: what work, with whom, where, how it worked. Planact's work is certainly definitional, and to some extent consistent. A community perspective is the golden thread in Planact's approach to its work over 20 years. In the early days, reference is made to 'mass-based organisations', while in the current phase Planact talks of 'the voices of communities'.

Variety exists in the rationale for this golden thread. In the struggle era it was about protest, more particularly phrased as a developmental space within the politics of protest. In this era, 'developmental' meant access to basic services. In the transition era, Planact's 'governance' focus grows as its client base enters negotiations. In the democratic era, participation is everybody's game, and Planact becomes one voice of many. This is both an achievement and a drawback, an achievement because it has been 'mission accomplished', and a drawback because Planact is no longer the only player in town. This affects the demand for Planact's services – there is a much wider supply and Planact makes reference to a burgeoning urban-development consultancy market and an increasingly competitive environment. Planact's rationale for participation is less clear in early democracy, but it expresses itself via support for CDFs. With increasing institutionalisation Planact becomes uneasy with participation via ward committees. It works with CDFs in its community-development work and trains ward committees in local governance. It becomes clear that the relationship between community organisations and the state at local level is where it seeks impact, in both community development and local governance, albeit in different ways.

Over a 20-year period Planact has worked in the fields of governance and community development more or less consistently. Examples of its governance work in the second and third phases are the technical support it offered to civics in local level negotiations, its various change management assignments at democracy, its ongoing municipal training work. These examples are less plentiful in the first period, where the governance strategy found a place within the political objective of ungovernability and liberation. Examples of its community development work are the variety of housing projects throughout its history (from Langa in the first phase through to Wattville and Phola Park in the second, and Diepsloot and Vosloorus in the third and fourth phases respectively), although, arguably, this was least evident at the start of the democratisation period when support to the emergent state machinery was dominant. It's in the tracking of the ups and downs and the relations between the two areas of work that complexity is to be found. Early on, attention to governance emerged because of the 'one city one tax base' imperative, although demands for basic services – especially housing – were dominant. Later, local government work came to dominate as the dual imperatives of survival through contract-based income-generation activities and institutionalisation of democracy coalesce. More recently, Planact repositioned itself to work once more in community development, especially informal settlements in Gauteng, but increasingly struggled to raise funds for this programme. Local government consultancies continue of necessity, but also with an intention to influence the manner in which the relationship between community organisations and the local state are played out. At times – in the third phase especially – community development work was the stepchild in the organisation, at least in the eyes of the local government programme workers who argue that it is a programme of field workers unable to sustain itself in relation to the 'professionalised' and income-generating local governance programme. At other times, the community development work – the work at the coalface – was the prestige work, especially in the first and second phases. Related to this community development and local governance work dynamic is an associated thread of activist ethic and professional ethic, although the logic is neither as neat nor as simple, with a strong case being made for the presence of a

professional ethic when Planact was its most activist – in the first and early second phases of its existence.

The organisation and the people

To understand and appreciate the history outlined here has meant unpacking the changing identity statements, structures and organisational dynamics over 20 years. Looking back, organic, informal internal 'governance' (a word that would never have been used at the time) gave way to increasing systematisation (project-management systems, human-resource policy, affirmative action policy, performance management etc.), followed by ever-increasing concerns about internal governance in a seemingly ongoing trend of financial difficulty faced by NGOs. Another observation is the changing approaches to structuring the work – limited structuring in the early years, programmes defined geographically in the early 1990s, but mainly programmes as themes throughout Planact's history. While there is indeed consistency, the shifts may be what counts, especially the introduction of 'local government' at the end of the first phase, the expansion of local government from negotiations to training of councillors and then the clarity that councillor training will only occur under certain circumstances at the start of the fourth phase. The local government area seems most vexing to define on reflection, while the community development area seems more consistent, if increasingly difficult to resource with decreasing clarity about with whom to engage (in client/partner terms).

Although Planact was short on formal vision and mission statements in the early years (the professionally facilitated organisational review

led to the first), it has always been self consciously reflective.

The dynamism in the environment of its operations covered here is obvious, and its ability to understand implications and respond critical. Visioning and (re)vision are evident, the impetus each time being challenges arising from the context and central, although not exclusive, to this is the scale of demand – large and growing relative to human capacity in the first and second phases, but not enough in the fourth. The resultant fluctuations in size are prime factors in both internal organisation (organic, simple versus structured, complex) and morale (high or low). Planact's growth in the first 10 years is exponential and unprecedented, with a sudden and significant decline in 1996. It has been more or less consistent in size since 1995 – between 12 and 14 people.

Another observation on the organisational narrative is the importance of 'naming': voluntary association, service organisation, not an NGO by name until 1990/1, non-profit. Defining a Planact Way by searching for something consistent in the identity reveals some of the more obvious conclusions that bear repetition. Planact has always been non-profit, always urban, always housing (which becomes community development), from relatively early on in its history 'local government' and consistently 'local governance' since then.

In reviewing the story – and history – of Planact, its people emerge as significant. The notions of 'diaspora', 'alumni' or simply 'Planactors' feature prominently in the interviews. These refer to the people and ideas that have moved through Planact into policy and government. Barry Pinsky of Rooftops Canada remembers:

'Planact's impact went way beyond Planact itself – that is obvious in all the people who left Planact and went on to play significant roles in policy and government. Planact was their grounding – collective ideas have continued to move out into the world through them. Planact certainly also had an impact on Rooftops as well, for example the idea of "compact cities" ...Planact attracted the best and the brightest in its heyday – people wanted to work there – it was a centre of excellence in a lot of ways. The other significant issue is that Planact was a multiracial place from very early on. And once black people were part of the organisation there was a conscious effort to support them to move up.'

Alan Mabin, one of Planact's founders, also identifies the importance of the people in Planact, identifying 'individual impact' and 'intellectual impact' as critical:

'Intellectual impact – [this] is a lot, substantial. For example, much of what happened not only in Planact but the other USN organisations emanated from the intellectual agenda of Rockey Street in [Johannesburg]. No one who works in the urban environment would be able to say they hadn't been influenced by Planact at some point. This influence was due to the particular assemblage of people for a particular time.

'Individual impact – [this] is the longest-running, more sustained area of impact. It is true to say that many of Planact's people have gone on to be very successful. There was an amazing cast of characteristics – interesting to think about the extent to which the assemblage of characters

was accidental? ... If you think about a meeting peopled by those characters: Mark Swilling would launch/do the opening remarks, [Marc] Feldman would be the middle, bringing in ideas to complement, and Andrew [Boraine] would have the extraordinary ability to synthesise it all ... '

Saguna Gordhan, speaking from the perspective of Interfund, one of Planact's funders, contributes further to the view that the impact of Planact's people – of Planactors – has been considerable:

'Planact's impact was tremendous – and since then the impact that people from Planact have had on South Africa is considerable. It would be worthwhile to trace some of the leadership people [to see] what they have done since then – I know that they have had huge impact.'

Lechesa Tsenoli of SANCO agrees, showing that the Planact contribution, continued into the new democratic period:

'During our early period in Parliament, some of the input and policy thinking, including the White Paper on Local Government, came from cooperation with Planact and others associated with the USN ... [The] relationship continued into our new era: I was on the political and technical structures [of the new government] and people from Planact advised us.'

Another observation is the changing role of the Board. At first the influence of Planact's Board was marginal. Its representivity becomes important in the third phase and governance concerns arise in the fourth, by which time the presence of the Board in decision-making is stark in contrast with the beginning.

Staff relationship to decision-making is another thread that emerges from the organisational narrative. Initially, Planact decisions vested in an Exco and membership; then this shifted to staff via the legendary and contentious SC. Debate about whether Planact existed to further democracy or nurture its internal democracy presaged the introduction of a management committee and the collapse of the SC. Significant here are perspectives that the shared identity and common language of Planact's origin fragmented as Planact's staff compliment becomes diversified in demographic terms. More latterly the terminology, and substance, associated with management changes too – progressively less and less of a management team approach and then with increasing reliance on an individual and not a team, the general manager becomes executive director. Along with an apparent concentration of management authority in an individual staff member, it becomes clearer that the team remains but that the team is located increasingly at the Board and less at staff level, as the Board is progressively more the locus of accountability and decision-making.

A Planact Way Any lessons for other CSOs?

Perhaps the importance of the Planact Way initiative lies most in the recognition of the importance of identity, rather than in the exact nature of that identity. Pinning down a Planact Way proved to be elusive by the end of the project. Looking back over 20 years, there is no such thing as a Planact way of doing things. The record is too varied, the context too dynamic. What might this reflection offer other CSOs? What guidance and direction for similar South African civil society organisations involved in development?

Periodisation offered a perspective on the changing context within which Planact, and similar CSOs involved in development, have and continue to operate. A changing context throughout the four periods has required a different response and posed a different set of dilemmas and opportunities. Like any organisation, the context has called for responsiveness from Planact, and for adaptation. What might be more particular for those organisations in civil society working in development is what a short history of Planact offers about three interrelated factors that have a bearing on identity:

▶ Being consistent in areas of work ('the service') and the purpose underpinning them;

▶ Generating knowledge from a particular, and relative, perspective; and

▶ Influencing by association ('the people factor').

Although a dynamic context requires shifts and balances, a more-or-less consistent focus on key areas of work and a consciousness about the relationship between them arises from this reflection as a critical factor in identity. For Planact, this consistency – referred to earlier as its golden thread – lies in the changing nature of services it has offered in the two more-or-less consistently present areas of community development and local governance. These, in turn, have been – and continue to be – tied to an overarching commitment to democratisation. With hindsight, this commitment has been configured differently in the era of resistance, CDFs, ward committees and institutionalised participation, and the current period of new resistance where a response may still be under construction. Quite consistently,

Planact's commitment has played itself out in 'building organisation' – outside and in resistance to the state, in negotiating towards democracy, inside the state in transition, inside and outside the state in consolidation. Going forward, there is no apparent reason why a commitment to the democratisation project, articulated and adapted through the nature of a particular service (community development and local governance in this case), should change for Planact and other organisations similar to Planact operating in the development field.

Because of the work that CSOs involved in development do at a community level, their intellectual influence has the potential to contribute a particular perspective most obviously labelled as 'community', as opposed to, say, an academic perspective or a perspective of capital. Even in their work with the state and in their contract work, organisations such as Planact can offer a community perspective, what Planact-now refers to as 'community voices' because they are positioned, unlike academic institutions and business or donor-funded think tanks, for example, in proximity to communities ('the ground' or the 'grassroots') and the local sphere of government. Their unique positioning means that the potential exists to generate a body of knowledge from the context in which CSOs operate, from communities. The record varies on generating, packaging and disseminating this knowledge. The potential resides in the work that CSOs do. This reflection on Planact shows that the people factor is critical to unleashing it. Planact's influence on the development discourse can be tied to several themes, and these themes can in turn be tied to individuals. To name a few:

▶ How we understand 'community' (Phola Park, Mohlakeng, Diepsloot, Zandpsruit);

▶ Multidisciplinary methods of working;

▶ Integrated development and IDPs;

▶ 'One city, one tax base';

▶ Social housing; and

▶ Developmental local government.

This selective list is demonstrative of Planact's imprint on the development discourse in the country. It leads to the third and final concluding point – that organisations such as Planact influence via their people precisely because of the learning opportunities that reside in the knowledge-generating potential of CSOs' work. CSOs are a community of people, much larger than the current staff compliment of a single organisation. The influence by association being suggested here is multifaceted, as dynamic as the context and requiring adaptation and interpretation. In one sense, it refers to an association with a particular, albeit broadly defined, 'community' and 'local' perspective. In another, it refers to association with the mass democratic movement, with a social movement, with new local government formations (with new social movements?) at various points in time. In yet another sense it refers to association with itself – with the more specific community of people associated with CSOs in the past, an alumni, membership or network of some sort. At the current conjuncture, this particular version of influence may be most important.
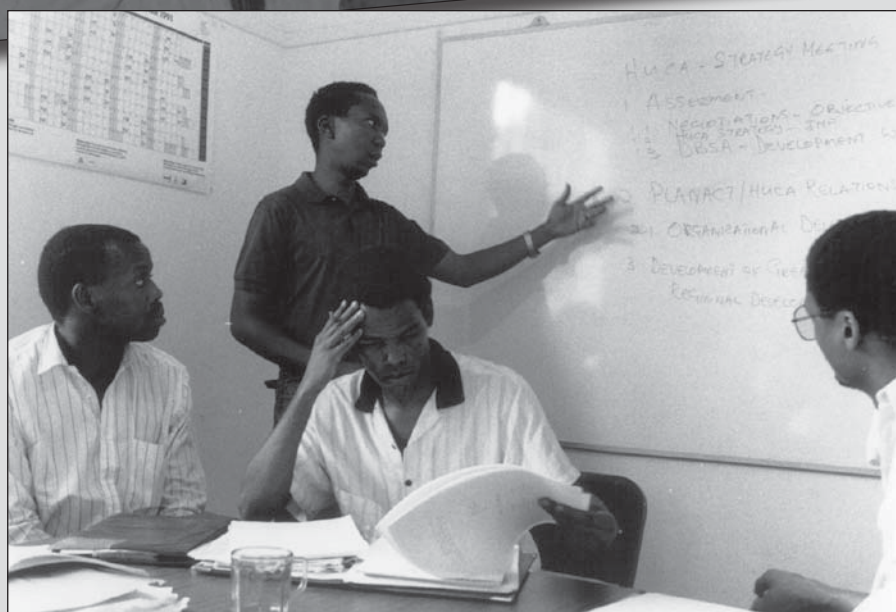
CHAPTER 2 | The Urban Sector Network

The issues and debates

by **Monty Narsoo** with **Susan Carey**

There have been many takes and understandings of how the path to democracy evolved in South Africa over the last two decades. The different periods and their importance have been and will continue to be debated. What also has and will be debated is which spheres of struggle and resistance had the most telling effect on the successful journey to democracy and also importantly which agents played a major role. These debates are embedded in the many approaches advocated to reach liberation, and beyond that to achieving a just, caring and prosperous society. These debates and approaches changed as conditions and contexts changed.

History is written in various ways and will be revisited later. What were the levers that changed our society? Firstly, consider the debates of how change could be achieved. Earlier notions of revolutionary change through armed struggle and rebellion were seen as the key drivers in the 1960s through to the 1980s. The idea of ungovernability comes into play in the 1980s with armed struggle playing an important support role. The aim of the former is a two-phased approach that will lead from the national democratic revolution into a socialist one. For the latter the building of peoples' organs of power that will eventually lead to a peoples' state, 'bursting fully clothed like Diana from the head of Zeus'as described by C Simkins in *The prisoners of tradition and the politics of nation building* (SAIRR 1987). Given the stalemate that emerged between resistance and repression, negotiations became the means to break it. The important actors in this evolution of strategic options then change; from military commanders and soldiers, to community activists, to negotiators. It then means that professional support and expertise became a vital resource. The interpretations of these issues gave rise to particular political, economic, social, mobilisation, and organisational policies, strategies and tactics in the resistance era.

By the end of this period a major role opened up for those who not only had professional expertise but also an empathy for the overall goals of the liberation struggle. The Urban Sector Network (USN) and its organisations were formed and operated within this cauldron.

The USN was a network of affiliated non-governmental organisations (NGOs) active in urban development work related to housing, urban planning and services and municipal and local governance in South Africa. The USN addressed issues of democracy and local organisation, poverty, gender, special needs, social exclusion, resource allocation, livelihoods and social policy.

The USN affiliates were situated in the major urban areas in South Africa namely Johannesburg, eThekwini, Msunduzi, Buffalo City, Nelson Mandela Metropole and Cape Town. They were supported in their work by a Network Office and were governed by both their own Boards as well as the USN Board. At the time of the closure of the Network Office in late 2004 the following organisations were affiliated: Planact, Built Environment Support Group (BESG), Afesis-Corplan, the Urban Services Group (USG), the Development Action Group (DAG), Cope Housing Association (COPE), the Kuyasa Fund and the Foundation for Contemporary Research (FCR). The USN lost its first affiliate Umzamo in the late 1990s and the Centre for Community and Labour Studies (CCLS) by 2001 (in both cases through closure of those organisations). Reflecting the increasingly difficult environment for NGOs and to some degree the fall-out from the closure of the Network Office, COPE closed by 2005, BESG closed one of its offices in 2006, and USG closed in 2008. Reflecting on the emergence of these urban sector organisations, how they interpreted and responded to change over the period from the mid 1980s to the mid-2000s, and their common project as affiliates of the USN, reveals a rich and complex story of a particular sector within a country coping with profound change. The nature of debates was profoundly influenced by conditions and contexts of the debates. The USN and its affiliates operated primarily in the urban townships and settlements where the issues of urbanisation, governance, resistance, and the economy impacted deeply

on the debates and organisational form within these organisations. The debates and the organisational forms were also impacted on by international events such as the demise of the communist bloc.

The reaching of a democratic solution for the country through negotiations meant that the nation-building project had to place within the context of transforming the state within the restrictions of the constraints of the negotiated parameters. It also meant the dealing with the huge apartheid backlogs resulted in infrastructure delivery becoming important at the expense of people-centred and democratic development practices. In addition the huge debts incurred by the apartheid regime and the international economic climate meant a more conservative approach transforming the economy and society. The need was for good bureaucrats, private sector delivery capability, and fiscal financial managers. The change in the state is reflected onto the non-governmental institutions.

The Periods

The period that will be viewed spans roughly the two decades between 1985 and 2005. This is because that is about the age of many of the affiliates. However there are a number of different 'eras' within these 20 years.[1] The many debates that emerged over this period on the nature of struggle, the spheres and terrains of struggle, and what the policies, strategies, and tactics concerning various development issues were an integral part of the genesis and evolution of the USN and its affiliates.

It was both a participant in development of policy, programme, project and organisational trajectories chosen and pursued and a recipient of the impacts of these choices. In some instances the developments and impacts were positive, in others negative.

Clive Felix of the Urban Services Group[2] suggests the following in looking at the establishment of the USN:

▶ The initial period in which the USN and its affiliates plays both a support role and policy-making role;

▶ Middle period where the USN and its affiliates go into delivery mode; and

▶ The final period where tension around the role emerges and the dichotomy between being a delivery/fund manager versus activism roles.

He further suggests in looking at this periodisation that the following issues be taken into account: the evolution of the organisation/s, the achievements and crises of the organisation/s, and the lessons learnt.

The period, therefore, covers a span from resistance, to democracy, to delivery.

The Built Environment Support Group in its 2003/4 Annual Report, has a slightly different take on this as it looks at the period in terms of its own evolution:

▶ The Resistance Years in the period from 1982 to 1987 where BESG is primarily

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[1] Although there will be references to prior periods to contextualise the emergence of resistance and organisations related to them.

[2] All Interviews cited in this article were conducted as primary research for this article, between June 2005-July 2005.

involved in giving advice to communities facing forced removals and technical assistance on the provision of community facilities;

▶ Groundwork for Change Years from 1988 to 1993 where emphasis shifts to piloting new approaches in housing projects and contributing to national and local government policy;

▶ The Reconstruction and Development Years of 1994 to 1998, where in a democratic state, opportunities for delivery and policy involvement are greater. It is also the period for the formalisation of the USN which provides a greater scope for NGO involvement in national urban development initiatives.

▶ The Reflection and Growth Years from 1999 to 2004 there is a reflection on its work in the light of the ascendancy of rights-based approaches to development. BESG expands its work into areas such as AIDS, poverty reduction, sustainable livelihoods, municipal services, and good governance.

There may be differences in emphasis from the different USN affiliates, but by and large the original brief and the BESG categorisation reflect evolution through the time of these organisations and the work they do.

For the urban sector organisations, each of the periods is characterised by particular concerns depending on what is happening in the larger context. There is the debate on independence and allying with particular political formations, debate that occurred in the unions a decade earlier, the need for a national voice for urban sector organisations in negotiations as opposed

to servicing the Tripartite Alliance 'plus one', being the delivery arm of the state in contrast to being constructively critical, and trouble-shooting to save the USN and its affiliates or to avoid closing down altogether.

What these periods also reflect is how the different events and people raise and impact on the debates within and outside the USN, but particularly to acknowledge that in looking at the history of the USN and its affiliates we are doing so in hindsight and, although not deliberately, with selective memories.

The Debates

What may not be realised is the importance of the 20-year period in terms of the various development debates.

It was a period of extraordinary change both locally and internationally. By the mid-1980s the introduction of glasnost (openness) and perestroika (restructuring) in the Soviet Union meant not only a sea change in international relations but also influenced the many debates on future developments in South Africa. The decline of a bipolar superpower world and a multitude of transitions in various societies politically began to influence, not only at the macro-level, but also the relations to other parts of the world by various NGOs, in particular the USN organisations. Of particular interest is, in addition to the political/economy discourse that dominated South African debates3

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[3]   Swilling described the political debate as revolving around the 'people-power bloc relation' with black masses against the white state and the economic debate as capital-labour relation. In *Blank: Architecture, Apartheid and After*, edited by Judin and Vladislavic (NAi Publishers, Rotterdam 1999)

and was very much a result of people schooled in the Marxist tradition, was the renewed interest in notions of civil society. Though there were many debates, in which the urban sector organisations and personnel participated in, about the dimensions of civil society, the claimed practice of the USN organisations was to work with grassroots and membership based organisations which was the bulk of 'civil society'. This was not apolitical because the debate was deeply political in which some argued the peoples' organisations were civil society and others sought broader definitions in the fight for political hegemony around definitions. It also harks back to the ideas of the ideas of the liberation struggle and also becomes a handy weapon in politics negotiation of who has greater legitimacy.

There are also fundamental economic shifts as the term globalisation became part of the economic vernacular. Some of its language arises from the General Agreement on Trade and Tariffs (GATT) negotiations. The GATT negotiations had impact on the economic policies of South Africa but also the way the state intervened in the economy. The shift from 1994's Reconstruction and Development Programme (RDP) to the Growth, Employment, and Reconstruction programme (GEAR) is evidence of this. The role of the state in the economy and development becomes a prime issue because it shifts the outlook of USN organisations in relation to greater state intervention. Although the RDP was generally welcomed by the USN and its affiliates, in fact its former staff played a major role in the RDP office, it boiled down to a set of targets to overcome a variety of, particularly, infrastructure backlogs. Most of them could only be addressed by large organisations. As a double whammy for NGOs the swift transition to GEAR, whose main aim was fiscal

prudence, meant a lesser role for the state in development, to the dismay of the USN organisations whose political leanings by now were more social democratic.

The genesis of USN organisations in the mid to late 1980s is found in the greater variety and sophistication of resistance techniques requiring greater professional expertise. What followed was the era of negotiations, and then the period of delivery. What seems to emerge is two major periods; the decade before democracy and the decade after democracy. The two decades offered different opportunities in terms of how the new democracy was fashioned and the second in terms of how it delivered. This meant major decisions in the way NGOs operated in these two very differing decades. The tracking of the fortunes of the USN organisations over this period of time points to the important question of the identity and role of service organisations/NGOs in relation to the state, civil society, and other sectors, in this instance the USN and its organisations.

The roles and identities change quite fundamentally between the first and second decades, and the nature of this role has always been a contested area. Were they free-floating agents or subject to the mandates received from recipients of their services or their patrons/funders? The South African National Civics Organisation (SANCO) in particular questioned the role and funding of these organisations and argued that representative organisations should direct the activities and funding of these organisations. The relationships were complex and the claim that it serviced its grassroots constituencies were tampered by two factors: the intellectual and technical capacity of these organisations meant that relationships were not equal and the close relationship it had with political lead-

ers where guidance was given and received. This provided the basis for activism among the progressive professional, to an unparalleled access to policy making and eventually (by individuals associated with the USN) access to power and the levers of state. These seismic shifts led to these organisations having fundamentally to change their modus operandi to cope with these changes.

As the evaluation documents suggest there were still impressive achievements. There is a need to value the fact that in a history of a country there are very few generations that have the opportunity to play an important role in such a fundamental transformation of society. This does not detract from some of the major mistakes made, the influence of the allure of power, and the inability to take the historical lessons into the organisations of the USN. There, nevertheless, was a glue that held together the organisations of the USN: common histories, similar theoretical and ideological backgrounds and shared experiences.

As stated, the roles change fundamentally between the first and second decades. The second decade, which arguably is the more difficult, is about delivery and therefore a greater reliance on survival and a greater accountability to the patron or funder. The second decade led to formalisation of the USN as funding moved from solidarity donors to development donors. The latter had a preference for bilateral relationships and government programmes and were more comfortable with a single organisation rather than a myriad of them. Although not consciously, there was movement from a common purpose to a common money pot. The onus on affiliates to set up their own development initiatives and funding sources receded and there was a greater homogeneity.

However as the environment for (relatively) independent NGOs became increasingly hostile, those who retained greater independence in their geographical areas survived better. Governance of the organisations also played a bigger role in the second decade and organisations that folded, including the USN office, were administratively dysfunctional. The relationship to the state threw up mixed feelings within the organisations as there was a general feeling that there was increasingly narrower avenues for advocacy and debate and a greater concentration on fundraising.

Given that the USN and its organisations operate in the urban terrain the issue of urban theory debates become quite crucial in terms of past, present and future practices. It is argued that the primary impulse is an anti-apartheid response to segregated and dysfunctional urban environments with poor quality of lives associated with it. It had more nuances as the role changed from resistance to policy-making. A wide variety of issues came to the fore that related to urban governance and urban form. These issues became more diffuse as many of the policy issues were contested and delivery imperatives had to conform to the new policy and programme constraints.

The two decades also provide a sea change in the demographics of the urban terrain in within which the USN organisations operate. Urbanisation has been fuelled by a variety of factors, some related to natural movements of people to perceived areas of economic opportunities and others by state intervention. The economic boom in the 1960s and the decline of the rural economy led to rapid urbanisation and the creation of informal settlements, which have been a feature of the South African urban landscape in the last two decades.

The understanding of the urban context is also vital in trying to define a future role of the urban sector organisations. Of particular interest to the USN organisations, whose main mission was to serve the poor, is that urban areas hold some of the greatest concentrations of poverty in the country:

▸ 1.2 million households continued to live in informal dwellings in 2001 (Stats SA Census) which is 33.8% of all informal dwellings in South Africa;

▸ 989 882 households did not have water on-site in 2001, which is 22.8% of households without this level of service across South Africa; and

▸ Of the 7.8 million people of working age in the cities, 3 million were unemployed, which is 44.2% of South Africa's total unemployed.

The lessons learnt of the genesis of urban sector organisations and the individuals within these organisations, may point to a broader understanding of the role that service organisations and their personnel have played in the evolution of the resistance period and the 10 years of democracy of South Africa. It also may reflect international trends on societies going through the transition from undemocratic to democratic societies. It also reflects on the movement to globalisation.

The key issues related to the above show that an understanding of local practices may have global implications.

The writing of history

The shift from being part of a solidarity movement to delivering goods and services means the way to report these achievements changes. So reports to funders and/or patrons change.

There have been a number of evaluations that had been done of the USN and its affiliates of varying quality. However, there have been two excellent reports conducted based on the financing agreement between the European Union (EU) and the USN in 1999[4] and 2003[5]. The understanding of the context and organisational imperatives reflected in these documents was by and large close to what the organisations say they have faced. But did these evaluations capture the texture of the experiences of the organisations?

A number of organisations have undertaken histories of their organisations. The DAG have completed their 10-year review. Planact has commissioned its history. This comes from a perception that the reports which evaluated the USN and its affiliates mainly focused on the technical and to some extent the internal issues, but addressed the milieu in which the organisations operated without sufficient context.

Earlier in this introduction an emphasis was placed on the political and ideological aspects. With few exceptions most of the recent documented work of the USN and its affiliates has been on the technical aspects of policy, programmes, projects, capacity-building and information publications. This statement does

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[4] *Evaluation*, Fransen J et al (1999)

[5] *Evaluation*, Napier et all (2003)

not detract from the importance of these documents. A further aspect, which to greater or lesser extent has been addressed by the USN and its affiliates has been on the overall demographic, economic and social trends in our ever changing society. But it has not been done consistently or uniformly.

There is a need to try to capture the texture of what Swilling[6] calls the 'conversational revolution'. A revolution based on conversation means also very different understandings of conversations and their interpretations and some of the individuals involved are emphasised by different actors. But what is also clear is that there seemed to be a reluctance to document and disseminate these documents for a broader audience both locally and internationally. There is a story that occurs circa 1989 when the organisations who eventually become the affiliates of the USN decided to meet in Grahamstown. They decide on Grahamstown because it was equi-distant from the major centres! At one of the hotels in the town the only meeting place was the Clubfoot nightclub. As a result of the proceedings the 'Clubfoot Charter' was produced. This document cannot be found. In another case, an interviewee in a conversation with an international development worker was told that some of the work done by USN organisations was at the cutting edge of development internationally.[7] There may be many reasons for this reluctance: in the earlier years, perhaps because of the attentions of the apartheid security establishment, later from almost not valuing their own work enough or in deference to representative organisations or more crudely the tendency to downplay the role of white urban professionals in the struggle. The

need to redress this issue is important.[8] However more recently the USN has had greater success in relating its experiences internationally. The work done at the World Summit for Sustainable Development in Johannesburg and the Dubai Award are examples of greater communication internationally of the 'USN ingredient'.

As implied from above, the lessons learnt of the genesis and development of urban sector organisations and the individuals within these organisations over the past two decades, may point to a broader understanding of the role that service organisations have played in the evolution of the resistance period and the 10 years of democracy of South Africa. It also may reflect international trends on societies going through the transition from undemocratic to democratic societies. It also reflects on the movement to globalisation and its impact on government fiscal policies and the impact on NGOs.

Conversations

So let's start with the conversations. There are a number of debates that emerge from the conversations with involved individuals and the documentation available about what the organisations were and what they did and where they fitted in. There are various views expressed by these individuals, which differ from each other and are from different angles. But this contributes to understanding the texture of these organisations.

Paul Hendler argues that there was no theoretical or ideological consensus within urban

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6   Swilling ibid
7   Interview with Gill Wellbeloved

8   Interview with Clive Felix.

sector NGOs. Rather when these organisations emerged there were a variety of reasons why individuals got involved. There were people who were committed to grassroots democracy in housing and township administration processes. Some acted consciously as a technical bridge between the political centre African National Congress/United Democratic Front (ANC/UDF) and township struggles by providing support for self governance. And then there was a more apolitical group who wanted to make a contribution to development. But as Hendler puts it, 'At the inception of these organisations there was probably a common desire to place professional and technical skills at the service of disadvantaged/oppressed communities, but little else in common.'[9] After the un-banning of the ANC in 1990 there was a discernible shift on the part of some of the USN organisations from being providers of technical advice to grassroots organisations to providing increasing support to policy and negotiation processes led by the ANC. Although it should be acknowledged that a process had started before the un-banning, where some of the personnel from the urban sector organisations visited Lusaka and elsewhere to get regular policy briefs from the ANC.[10] [11] So there was a dominant view from the outset that they should service the ANC/UDF/COSATU (Congress of South African Trade Union) groupings in the arena of urban policy and housing. This was probably most apparent at the 1993 National Housing Forum, where the NGOs played a support role to the Tripartite Alliance (including SANCO) in getting their issues onto the agenda of a national housing policy. There

were some organisations that took a more critical stance in that they tried to understand both strengths and weaknesses of the organisations with which they worked.[12]

In terms of the urban theory there were perhaps three views: Hendler suggests that dominant urban theory was the view that the apartheid state had created – and continued to reproduce – segregated and degraded living environments and that to change these circumstances it was necessary to first change the political state. By de-racialising and democratising the state it was argued, the preconditions would be laid for the development of better housing and facilities for urban workers. A second view – or set of assumptions informing activists' practices – was that there would be a tendency for post-apartheid bureaucracy to ignore the mostly grassroots urban needs and concentrate on consolidating their own interests. A third view was that within a capitalist regime there were going to be significant social tensions and conflict over the questions of who would pay for the housing and urban services and where they would be located. The point is that these conflicts would play themselves out within the limitations of given cost structures and profit ratios within the housing and construction industries. This is a useful framework within which to explain current urban protests. Interestingly, it is precisely the influence of the ANC in incorporating previously community-based leaders in its structures that has left an organisational vacuum on the ground and allowed space for the semi-spontaneous protest action that has burst out around the country recently.

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[9]   Interview with Paul Hendler

[10] Interview with former director of BESG and DAG, Norah Walker

[11] In some instances they were deployed by the ANC and its military wing Unkhonto we Sizwe

[12] Interview with Edgar Pieterse

The personalities

There is also a view which Swilling[13] and a donor articulated (this was also reflected in most interviews done for the report) that service organisations were a more effective platform for white professionals to contribute to the struggle. It provided an institutional base to relate to social movements. This is reflected in who started these organisations. Later more and more black personnel were hired and trained, who came from diverse backgrounds including graduates, union organisers and shop stewards, civic organisations, and religious organisations. For many, being in USN organisations was secondary to their political work and in some instances they were simply paid to do political work. However, the dominance of white intellectuals continued and some argued that it was also male-dominated at least until 1994. Nevertheless in all the interviews done, although asked explicitly, there was no mention of racist conflict. Although in one conversation, a former employee said that he was accused of setting up a black caucus. He had not. So he thought 'what the hell, I might as well.'

A question that emerges is to what extent were some individuals conscious of future career prospects? This remains a moot point but the reality is many did pursue career paths in government in the post-1994 period. In tracking their careers, a large number of people associated with the USN entered government in very influential positions particularly in areas where the USN organisations were traditionally involved: housing and local governance. These included senior positions or advisors in housing departments at provincial and national levels,in what was later the Department of Provincial and Local Government, in various parastatal organisations at national and local levels, and later a large number into senior positions within local government. Many entered into the private sector mainly as consultants and some into academia. Two issues arose from this:

▶ The impact of this exodus on organisations of the USN; and

▶ The relationships between the new technocrats and their former colleagues in the USN.

The Organisations

To understand the impact one needs to understand the way these organisations operated. Until early 1990s the organisations acted either as staff collectives, voluntary associations, networks of left academics, and sometimes loose associations of members.[14] This was the age of social entrepreneurs who were involved in a wide range of activities; from being activists, programme designers, policy advisors, operating as MK cadres, project managers and making intellectual contributions to the various debates on development. There were a number of organisational issues that emerged. Where the mandates came from was unclear but, as mentioned earlier, because the diverse nature of the individuals some operated either solo or from organisations based outside their primary institutions.[15] Given the loose and unstructured

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[13] Swilling ibid

[14] Interviews with Clive Foster, Graeme Reid and Brian Moholo

[15] Some were close to the ANC/UDF axis, others close to SANCO, and others who were committed to grassroots democracy and therefore got their mandate from organisations they were advising.

nature of the organisations this gave almost carte blanche to the individuals.

There were intense debates. An example of this is provided in the Swilling article[16] where a proposal on restructuring metropolitan Johannesburg meant the north would subsidise the south. This threw up a conflict between those working in Soweto (south) and those working in Alexandra (north). While in organisational terms, the impact of the loss of these individuals may not have been large, the major gap that was left was in terms of institutional memory in relation to policy and projects. Also, the skills in these areas were lost including the social and intellectual capital.

The New Generation

However important this may have been at the time, a new set of imperatives faced the next generation and remnants of the older generation, that of formalising the organisations and providing greater coherence in the era of the new democratic government and the necessity expressed by donors of dealing with more formal organisations and a more formal network. There were a different set of imperatives for donors; the donor funding moved from solidarity funding[17] to development funding. The former provided greater flexibility in reporting terms, while development funding drew these organisations into international frameworks of measuring outputs.[18] This meant the introduction to the dreaded LOGFRAME.[19]

For the donors there were changing arrangements: USAID now had a tendering process, the European Union, similar to other state donor organisations, were engaged more and more in bilateral relations with the South African government and had decided to no longer fund NGOs directly and most of the other donors had relatively small budgets. This led to greater reliance on bidding for government work.

What of the relationships with former colleagues? It was a mixed bag. Some former colleagues whose mandates came from their new principals said that emphasis was on working with representative organisations, whilst others continued to work with their former colleagues.[20] However as the demands of the new jobs took over there was growing distance from the USN organisations. In fact some of the most biting critiques of the sector came from the former colleagues who were now in government. To gain access to government became even harder work.

These developments and other issues had a substantial effect on the organisations of the USN. The USN formalised as an organisation in 1995 because donors, particularly the EU, felt it was easier to deal with one organisation.[21] As Susan Carey, programme coordinator in the

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[16]   Swilling ibid

[17]   There are two interesting examples of solidarity funding: One of the first donations received by Planact was from Beyers Naudé with no strings attached. One of the first donations to FCR was from a businessman also with no strings attached. The difference was that it was much later revealed in the Truth and Reconciliation Commission that the latter was a security policeman.

[18]   Interviews with Saguna Gordhan, formerly of Interfund and the USN, and Barry Smith, also formerly of Interfund.

[19]   Interview with Alan Roberts, formerly of FCR ,

[20]   Swilling ibid

[21]   Interviews with Brian Moholo, Susan Carey and Barry Smith

USN Network Office, describes the starting up and implementation phase: 'Through a process of engagement affiliates reached agreement about common values, goals and objectives. Eight affiliates then sat down with funders and worked out an USN programme, which covered all aspects of affiliates work and which donors would fund.'[22] This USN programme consisted of habitable environments, local governance, sustainable livelihoods and a Network Office programme, which was reported on quarterly. The donors' affinity to government programmes seemed, then, to define the work of the USN. With the new democratic government in place donors were keen to support the 'Reconstruction and Development' of South Africa and as such donor money was readily available to those organised enough to access it.[23] The reason to associate in the late 1980s had been an attempt to test and learn in terms of 'radical' urban development paradigms and share practices.[24] As the negotiations swung into gear, these organisations realised they could achieve more in collaboration than separately.[25] There was also a division of labour between housing and governance issues.[26] However as funding was centralised, although the emphasis was still on local government and housing,[27] the focus for the USN network office shifted to fundraiser and fund manager. This took place within the perennial debate about whether the organisations were change agents or implementers.

Carey again reflects, 'Because the NGOs lost many of their staff to government, relations with government were initially good as there was a familiarity and a direct relationship between friends and colleagues and once again there was a common purpose — to write new policy and legislation which reflected the Constitution and democratic ideals. However, later on with the focus on delivery for a lot of people in government the NGO sector had lost its "voice" and "power".'[28] This debate was overshadowed now by the need to survive and the key issue was how government and donors saw these organisations. Increasingly, these organisations needed the USN office not as reflecting common values, but rather as a means of getting funds, particularly operational funding, which the EU fund, for example, provided. This is also reflected in a further generation of managers in the USN whose backgrounds were more aligned to administration and financial management who then struggled in a development environment that became more and more adverse to NGOs in general.[29] Simultaneously a series of governance and financial problems emerged and the USN increasingly also got involved in trouble-shooting. Despite this it managed to achieve many of its programme goals, albeit the impact of these achievements may have had local resonance but at other levels seemed to be less influential.

This also impacted on relations with civil society in general and social movements in particular. The initial impulse of these organisations was to work with grassroots organisations on a request basis; this changes to providing support to social movements, and then explicitly

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[22] Carey Susan, The Rise and Fall of the USN. Unpublished paper, 2006

[23] Carey ibid

[24] Interview with Clive Foster

[25] Interview with Barry Smith

[26] Interview with Norah Walker

[27] Interview with Brian Moholo

[28] Carey ibid

[29] Interviews with Susan Carey, Brian Moholo, and a conversation with Hassan Lorgat

to organisations aligned with the ANC. But then, the emphasis changed to cost recovery and the comrades in the struggle became, to some degree, client groups.

The evolution of DAG[30] captures some of the dilemmas faced by USN organisations. There is an acknowledgment that in the post-1994 period the profile of the urban sector organisations declined. There has been a shift to delivery. There have also been deep changes in communities, including more of an individualist approach. In reflecting on the ideological fragmentation in the USN organisations, the same process was happening in communities where solidarity was more difficult to achieve in the absence of a common enemy and complexity was introduced in relationships with a democratic government. This meant that relationships changed. It was further compounded by changing communities. The communities were more prepared to work with organisations when the services were free. Now they took what they wanted and increasingly dealt with the private sector for delivery. In organisational terms there were initially ideological debates in regard to the direction that was taken. The debate at this point was dominated by efficiency issues. This left the issues of advocacy, research and capacity-building as secondary issues. It also resulted in trainers and researchers leaving, which was sometimes half of the staff. It also meant a 'massive' loss of institutional memory. DAG's assessment was that it was 'terrible' at delivery.[31] DAG argues that it has now moved towards examining transformation, understanding the ways the urban areas are developed and therefore, heading towards

advocacy, research, and training. In fact, many of the USN affiliates had developed expertise in running training programmes in a number of provinces.[32] In the March 2005 meeting held to deal with crisis of the USN as a formal organisation the major response from the affiliates was that it should become a less formal organisation with the emphasis on advocacy and shared learning. If one views this trajectory, from advocacy to negotiation, to delivery, and back to advocacy – one is tempted to ask: has the full wheel turned?

Carey also reflects on a shift away from the urban sector NGOs relating to government as delivery partners, stemming from the late 1990s: '… affiliates had been implementing government policy for a couple of years and were becoming critical of government again and government was not taking criticism well, becoming defensive and dismissing the work of the NGOs as destructive for democracy. The effect was the beginning of the distancing of the relationship between government and the NGO sector. Affiliates also became aware that the silo approach both to the USN programme and government was a large part of the problem, when projects more and more required an integrated approach.'[33]

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[30] Interviews with Anthea Houston and Warren Smith of DAG

[31] DAG ibid

[32] Interview with Clive Felix

[33] Carey ibid

Important USN Initiatives in a Period of Change[34]

By April 2001, the executive director for the Network Office left the USN, and a new executive director was appointed in August 2001. Despite the transition of directors and some staff as well, the USN managed to start pulling together again in the implementation of a major tender project that the USN undertook for the Department of Provincial Affairs and Local Government (DPLG). This involved training all new councillors and local government officials across the country in Integrated Development Planning.

It was a very productive time for the USN, with new donor contracts being entered into, USN programmes being expanded (such as the development of the Community-Based Maintenance Programme), tender contracts applied for, received and implemented, and research conducted. Some of the important research conducted during this period was the 'Evaluation of the Housing Subsidy Scheme' for the Office of the Public Service Commission, a study of urban land tenure issues for the British Department for International Development (DFID) and a research project on urban poverty. This type of work generated a lot of money for the Network Office and the affiliates involved. The urban poverty research was important as it was the basis for the building of a business case for donor funding, where it was beginning to be felt that South Africa no longer needed assistance as it is regarded as a medium-in-come country. The research was intended to demonstrate that urban poverty was in fact growing, despite all the laudable attempts by government to try and eradicate poverty, and as such NGOs working in urban development were still very much needed. This urban poverty campaign was taken to the World Summit on Sustainable Development (WSSD) by the USN. The executive director at the time was viewed as very articulate with a good understanding of what the USN was about, and as a good relationship-builder amongst affiliates, presenting a very good image for the USN.

Picking up on the need that a more nuanced methodology was needed in implementing USN projects to eradicate poverty, the USN Network Office entered into a contract with Care-SA to train USN project staff on sustainable livelihoods methodology. There was opposition to this from some affiliates as it was seen as an attempt to make the USN a more homogenous entity. This was also the time when the commitment to the EU 'Making Human Settlements Work' programme was questioned and the question came up time and again: What was it that was keeping the USN together? At this point it could be argued that it was largely the money. This is reflected in the fact that quarterly meetings of the affiliates became more about administrative and funding issues rather than urban development issues. Good governance in terms of the various boards was also becoming more of an issue and so the Care-SA contract included a programme for undertaking board training for all of the affiliate boards and the USN Board in the King Code and how this could be applied to the NGO sector. An attempt was made to find independent Board members for the USN Board and two independent Board members were appointed.

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[34] The remainder of this article is excerpted directly from Susan Carey's 2006 unpublished paper 'The Rise and fall of the USN', written explicitly to add an 'insider' perspective to this article documenting the USN's history.

Tough Management and Funding Issues Lead to the Closure of the USN

Through all of this work the Network Office was operating with less programme staff and no dedicated fundraiser. Organisational development issues within the affiliates became more apparent and the executive director became more involved in the needs of affiliates themselves. It was during this period that the USN was forced to close down one of the affiliates, CCLS, and had to deal with the implications of this mess. This time the closure of an affiliate could not just be absorbed and the USN was plagued by the implications of the CCLS's bad management for an extended period.

The USN's traditional donors were also beginning to change the way they worked and money was getting more difficult to access. USAID were putting projects out to tender rather than funding projects directly, the EU had indicated that it would no longer fund NGOs directly and the Royal Netherlands Embassy (who had committed funding for a USN project) indicated that South Africa was no longer a priority country for them. This meant that the USN had to build a case for approaching local or different funders. This was done through the urban poverty work by the Network Office. In addition, through the tendering work the USN had rebuilt a strong research team and was able to obtain work based on its research reputation. However, in trying to fundraise, manage donor contracts, produce donor reports, do research, coordinate tenders, hold USN National Steering Committee, Board and Purpose Group meetings, organise and host USN conferences, workshops and meetings, market the USN through the *Urban Bokamoso* (a newslet-

ter started to promote affiliate work and USN programmes), and deal with affiliate organisational development issues, the USN Network Office was trying to do too much and began to lose its focus. For these reasons and because the USN needed to think about becoming sustainable with less donor support, the USN decided that it needed to become more involved in knowledge management and start selling and marketing the USN information. It required taking the USN experiences, interpreting and assessing them and then packaging this information appropriately so that the USN became more than just 'a sum of its parts'.

Within the affiliates, staff attrition to government and the private sector continued as staff left the NGO sector for better opportunities, more stability and better pay. Many affiliates were thrown into crisis over the lack of leadership and bad management within their organisations and another stream of resignations at director level followed. At the same time the USN finance manager resigned and USN executive director resigned shortly afterwards. A newly-appointed finance manager served as the acting director for the USN while a new executive director was being sought, and a project officer was appointed to assist the programme coordinator.

The appointment of a new executive director was based on the thinking that the USN needed to move towards greater knowledge management and the new appointment had relevant theoretical experience in this area. He joined the USN in November 2003, but was soon criticised for not having any real management or development experience and not understanding the NGO sector. Some affiliates also had appointed new executive directors; although it should be noted that some affiliates

did struggle to attract strong executive directors as the NGO sector could not necessarily pay the big salaries experienced managers expected and the NGO sector was no longer in a romanticised position – it was recognised that it was a tough job.

The executive director, with the approval of the USN Board, hired three additional staff members for the Network Office. A knowledge management officer, a community-based maintenance manager and a personal assistant for the executive director. At this point the Network Office had nine staff members all of whom reported to the executive director and the finance manager. Attempts were made to get buy-in to a new vision for the USN by the affiliates, but the message was poorly articulated and affiliates were left with a feeling of 'what now?' Everyone was looking to everyone else for guidance and the new executive director was trying to impose a new programme, which did not resonate or relate to affiliates. Affiliate relations really deteriorated and the frustration was palpable. The USN programme coordinator resigned in March 2004 and was not replaced. The USN Network Office moved into bigger premises and with the additional salaries suddenly moved the USN Network Office from an operating budget of about R2-3-million to one closer to R5-million – this despite the imminent closure of the very significant EU grant programme. The USN Network Office found itself with lots of staff with no one really sure what they should be doing. In addition the rand strengthened significantly and this meant that where the USN was paid in foreign currencies, the USN lost a great deal of money. The exchange rate and amounts received were not relayed to project staff and affiliates so that project work could have been amended to accommodate the smaller budgets and as such many affiliates undertook work at risk.

It was at this point that the accountants for the USN discovered that the USN Network Office had a deficit. In the context of affiliates feeling that the Network Office had become self serving, with no confidence in the new staff and faced with a deficit, the USN Board and Executive took the decision not to incur any additional expenses and therefore to close the USN Network Office. Umhlaba Development Services were contracted in October 2004 to investigate whether there was any misappropriation of funds and explain how the USN had landed in such a financial mess. It was established that no misappropriation had happened, but that the funds had been badly managed. The USN affiliates were forced to become very involved in the closure process, and asked the previous programme coordinator to assist the Board in the closure process by writing up all the outstanding programme narrative reports. However, protracted negotiations with donors over financial issues related to the close out of USN-managed grant programmes ensued. Turn-over of donor staff and inaction by some of the donors, as well as limited attention by the USN Board meant that years passed before the affairs of the organisation could be wrapped up.

Lessons for the NGO Sector

There are lessons at many levels. For affiliates themselves, those that were less dependent on USN funding, and more focused on 'doing good work' have absorbed the closure of the USN Network Office better. Those that remained relevant within their contexts have retained a strong presence in their cities.

However, all USN affiliates have been negatively impacted upon by government policies and bureaucratic procedures as well as by the diminishing pool of donor funding. All do continue to benefit from the relationships built with each other in the network, whether it be for advice or for a combined lobbying position. In an environment where there is a high turnover of staff, succession planning is essential and maintaining the institutional memory is crucial. All affiliates have recognised the need for better record-keeping.

As a network, maintaining a position of trust and honesty amongst affiliates is essential so that affiliates can respond to issues before they become an absolute crisis. The value that networks add must be evident to everyone but it must also be noted that it requires commitment to work. This is related to committing time and resources to agreed-upon decisions. A network is only as strong as its weakest link – partners therefore have to be carefully chosen.

The USN and its affiliates were not immune to the immense pressures created by shifting ideologies, policies, strategies and relationships in the broader context (affecting all societal actors including government) and the funding challenges facing the NGO sector as a whole. That should not detract from the very real achievements of the hundreds of committed staff and Board members who have shared a part of this history. In key areas of policy and practice, the USN has helped shape South Africa's democracy.
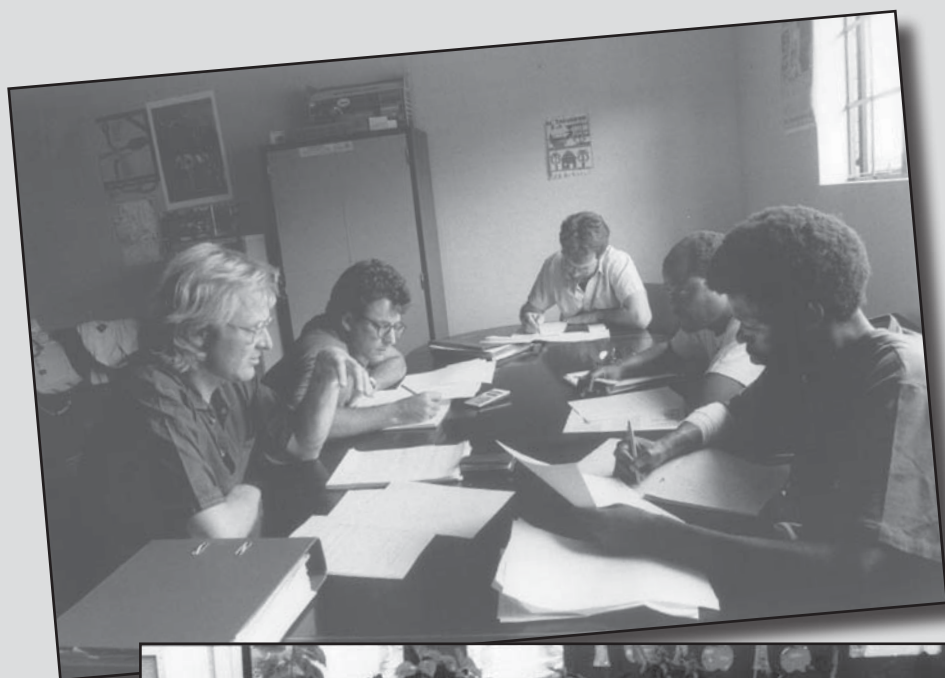
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CHAPTER 3 | Knowledge for Empowerment

Reflections on Planact's urban transformation strategy

by **Mark Swilling**

It's late afternoon and the usual frantic buzz in the inner-city offices of a service organisation have only just begun to subside. The administrative staff is starting to pack up, field workers are trickling back in, and those who have spent the day in committee meetings have started drifting back to the office to start the work they would have done if there had been no meetings. But this day was not going to end like other days – not that there were, in those days, usual endings.

Word quickly spreads through the corridors that some comrades have arrived and something is up. Some close their doors in the hope that they can avoid being assigned another task, while others gravitate towards the centre of excitement, where a rising babble confirms that something major has happened. Still others are too exhausted to do either. Eventually, a room is found, a meeting is convened, and silence falls over an expectant group as everyone waits for the usual drawn-out formalities to pass – greetings, introductions, self-selection of a spokesperson, the afterthought of who will take the minutes, and then going through it all again to cater for the latecomer (who was really the most important of all, but was on the phone – getting access to one in those days before cellphones was often the main reason to journey to the offices of a service organisation).

The minutes of that meeting read: 'The comrades from Invasionville report that a land invasion took place during the course of last night. About 100 shacks have been erected, and more are being built. The police are all around, but negotiations have begun with the Council. If bulldozing starts, there could be violence. Many youths are getting ready to defend the community. They have requested that we attend the negotiations with the Council that are taking place tomorrow morning at 9am. Tomorrow night they must report back to a community meeting on how Invasionville is going to be upgraded.'

Invariably, the minutes do not record whether an official decision was made, this was assumed. Also, no questions were asked about whether the service organisation had the know-how to assist, this was also assumed. And no one dared suggest that there may be other meetings the next morning that could be more important than what was happening at Invasionville. What was important was just assumed.

The comrades leave because the 'transport was waiting' – a euphemistic reference to some poor guy commandeered into taking the comrades to town (on condition, of course, that it would not take too long!). Staff members stay on to assign tasks. The request has come from comrades known to the staff, so bona fides are not seen as a problem. The politics, however, is. 'How can we just go to the negotiations when we don't know what the real needs are on the ground? We have never worked with that community!' 'What happens if we are forced into negotiating on behalf of the community around technical issues the leaders may not understand?' 'What happens if the leadership reach agreements with the Council based on our advice and the agreements are then rejected by the community?' These are the first of many paradoxes. But gone are the days when the group can stay up all night to discuss the finer points of correct political and professional conduct. 'There's no choice – we'll have to go and report back so that we can check how things go as the process unfolds.'

Invasionville is in an area that already has a project manager, so obviously that person has to be at the 'negotiations'. And, of course, a technical person should go to deal with the technical issues that come up. Whatever information (maps, aerial photos, planning documents) that exists in the office is dug up and dumped on the project manager's desk who already knows that 'home time' that night is a long way off.

The 'negotiations' the next day take the classic format. On one hand, community leaders are caught in the paradox of needing concessions capable of meeting the basic requirements for survival of the newly constructed Invasionville community, but also be part of a movement that envisages the detonation of the collapse of the state by the coalescence of local struggles. And the stony-faced officials, who have rules to follow and political dictates to which to adhere, need to reach some kind of agreement to diminish the levels of conflict in their areas that is the cause of much embarrassing international attention. Not surprisingly, the role of the service organisation around the negotiations table is, to say the least, ambiguous. By simply being here, its representatives are able to articulate a technical language that allows a discussion about compromises to take place that leave intact the political language of conflict. Eventually, the existence of these two languages allow the negotiations process to branch off into a forum where political positions are stated for purposes largely unrelated to the local context and a 'technical committee' where local solutions are hammered out in an emerging techno-developmental language. While the short-term consequences of this cocktail of multiple paradoxes are vaguely apparent, no one anticipates the long-term consequences for the way urban dynamics are to be defined and contested in the future.

Over the next two years, the 'negotiations' become the focal point for making all the decisions directly affecting the fate of Invasionville: agreeing that it would not be bulldozed, installing emergency services, agreeing on the need for it to be 'upgraded', the long and complicated participatory planning process, the start of the construction process, and all along the way the habitual crisis involving, inevitably, some

form of direct or threatened violence by one or other of the parties. In other similar contexts, any notion of progress is destroyed by a combination of violence, bad faith, and the sheer determination of those who depend on hidden abodes for their survival to keep things that way – Phola Park is a name that symbolises this regressive progression. But no matter, because the 'negotiations' have become a euphemism for a type of interim local governance that no one wants to recognise, no theory can contain, and everyone is part of. But this is not just history, it is with us in the present.

On telling untold stories

Although crude, the story of Invasionville captures a fairly typical experience for many 'service organisations', as they were called before they were renamed non-governmental organisations (NGOs) – during and after South Africa's reincorporation into the mainstream development world. Most of these organisations made up the constituent parts of a national coordinating body called the Urban Sector Network (USN). The history of this body began with the founding of a set of organisations that started out as small collections of largely professionally trained people who decided to use their knowledge and skills to support community-based organisations (CBOs) engaged in 'urban struggles'. By the time the democratic elections took place in 1994, these organisations had evolved into large and complex organisations that were articulating significant post-apartheid conceptions of urban change. These conceptions were rooted in ongoing development projects driven largely by CBOs, the local-level negotiations processes that revolved around local government transformation and development initiatives, and applied policy formulation aimed at supporting the positions

of the various components of the democratic movement during the transition period. After the elections they provided the newly elected government with some its most capable technical staff and officials at national, provincial and local level.

Six organisations were founded during the body's first 10 years of existence: Built Environment Support Group (BESG) in Durban, Planact in Johannesburg, Development Action Group (DAG) in Cape Town, Foundation for Contemporary Research (FCR) in Cape Town, CORPLAN in East London, and Urban Services Group (DSG) in Port Elizabeth.

Why were these organisations established? What did they do during the decade that led up to the founding of the democratic state? What were their visions of the future of the South African city? Why were these visions only partially realised? What roles can they play in the future?

By answering these questions I hope to tell a story that has not been told. But by telling it, I openly admit that I am telling it with the present in mind and as a direct participant in the formation and subsequent development of these institutions. My fear is that by not telling this story we have allowed ourselves to forget about practices aimed exclusively at empowering oppressed and exploited urban communities to understand their conditions, formulate alternatives, and engage in collective struggles to achieve their demands. This, therefore, is not purely an exercise in historic reconstruction, it is an exercise aimed at restoring our memory about a way of doing things that is becoming increasingly necessary in the new South Africa if we are seriously committed to both development and democracy.

The founding intentions

Most of the urban service organisations that emerged between 1984 and 1986 were initiated mainly (but not exclusively) by white professionals who were already politically engaged in some way, but who wanted to use their knowledge and skills outside the conventional private consulting, public sector or even university-based academic environments. The founding group in each case was usually some combination of university academics, professionals in private practice, activists involved in various kinds of support organisations linked to the democratic movement, employees of businesses or business-linked organisations and, in the case of Cape Town, professionals employed by local government. Invariably, the founding group initially constituted a voluntary association with themselves as the Executive Committee. After initially doing the work on a voluntary basis, they were soon forced to access funds to employ people and so began the long journey down the road of institution building.

The members of the founding groups had mixed motives. Those with a technical training in disciplines such as architecture, planning and engineering wanted to find an alternative form of professional practice in the same way that human-rights lawyers had found over the years, resulting in the establishment of bodies such as the Legal Resource Centres. There were people with backgrounds in general social or human science who, like their colleagues from the professions, were motivated by a political commitment to empowering CBOs and social movements with the knowledge they needed to engage in urban struggles more effectively. In both cases, there was quite a strong theoretical inspiration drawn from a varying mix

of ideas drawn from Marxist urban sociology, 'welfarist' community development, technocratic participatory planning (in other words, 'if people are involved, resources are used far more efficiently), and left-wing South African anti-apartheid discourse. There was also a minority group inspired by a liberal 'do-good' discourse that focused on the need for participation to ensure more effective outcomes – although radical societal transformation was not seen as a prerequisite for this to happen.

At the time of the founding of these organisations, the 1985/6 State of Emergency was in place, and except for a brief interlude during the second quarter of 1986, severe Emergency rule remained in place until 1989. Social movements were a familiar feature of everyday community and political life across the country. Numerous local struggles had already generated martyrs, leaders and organisational models: housing battles in 1979 resulted in the Port Elizabeth Black Civic Organisation (PEBCO) and the Soweto Committee of 10 (later the Soweto Civic Association); the 1980 Cape Town Schools Boycott produced the first neighbourhood-level civic associations; rent struggles in the region of Durban in 1982 were associated with the Joint Rent Action Committee (JORAC); the East London Bus Boycott in 1983; the Vaal uprising in 1984; and the Port Elizabeth-Uitenhage stayaways and the associated Langa massacre in March 1985. At national level, formations such as the United Democratic Front (UDF) and National Forum articulated general political demands common to most local struggles, and in the workplace national trade union federations were articulating economic and certain political demands.

In virtually all the local-level struggles, CBOs of various kinds managed to mobilise local communities around demands for better services, land and housing, plus opposition to the racially exclusive local government structures that were created in 1982 as part of the state's 'Total Strategy'. The emergence of these local struggles challenged two strategic approaches. The first was the state's reform policies aimed at creating a category of 'urban insiders' that were supposed to be strictly segmented from the 'rural outsiders'. The second was a concerted effort by organised business to invest in urban development projects for the middle class and upwardly mobile urban wage earners, and in strategies to change urban policy with a view to deracialising the urban system according to the principles of economic liberalism. The Urban Foundation was responsible for managing the implementation of this latter strategy, which was later adopted by the apartheid state during its 'repressive reform' period in the late 1980s.

Inspired by the left-wing critique of these strategies as both preservation of white rule and maintenance of racial capitalism, local community leaders and progressive professionals started to connect with each other in workshops and discussions aimed at formulating an alternative approach. They shared the assumption that the 'struggle for the city' was the locus of the struggle to define the nature of a post-apartheid future. Not surprisingly, the core issue in the strategic debate during 1985/6 was whether to engage the state around immediate, realisable demands. For some this confounded the general principle of non-participation in state structures. They argued that the issue is state power and that local struggles are only important to the extent that they build up a national democratic movement that will at some point in the future detonate the collapse of the state. Others,

however, took their cue from the by then relatively mature trade union movement that had successfully married bargaining with employers around economic demands and mobilising against the state around political demands. The analogy in the community context, it was argued, was negotiating around 'collective consumption' or 'social wage' demands at the local level, but contributing to mass mobilisation at the national level via participation in bodies such as the UDF.

Although this debate remained unresolved (and, to some extent, largely undebated by those who preferred to suppress it), the proponents of the second position faced a theoretical problem the solution to which contributed significantly to the development of what is now a robust South African urban sociological tradition. The theoretical problem was that the democratic movement had a theory and strategy that applied to the relationship between the 'white state' and 'oppressed people' (in other words, the 'people-power bloc relation', as it was called then) and to the relationship between employers and workers (or the 'capital-labour relation'), but there was no framework for making sense of the phenomenon and specificity of urban communities. All this changed with the publication of Doug Hindson's work, *Pass Controls and the Urban African Proletariat* (Ravan Press Johannesburg 1987), because for the first time there was an empirically substantiated theory that made it possible to go beyond the 'cheap labour power thesis' in order to see for the first time both the formation of townships and, therefore, the nature of the apartheid city. The Hindson thesis, together with the large output of case studies from the social historians associated with the University of the Witwatersrand's History Workshop and the new planning framework associated with the writings of Jeff McCarthy and Dan Smit

from the University of Natal, contributed to the eventual acceptance that urban struggles were a distinctive site of struggle from national political and workplace struggles – a position that made South Africa unique in the context of African anti-colonial theory and strategy. In the language of the time, the struggle was not only for political citizenship via democracy and industrial citizenship via a democratic labour relations framework, but also for urban citizenship via the democratisation of our cities through the establishment of 'non-racial municipalities' and 'one city, one tax base' (which captured the redistributionist sentiment). As I wrote at the time, 'city politics came of age'.

Although the specificity of the city and its associated struggles was never fully accepted by all levels of leadership in the democratic movement, it did create the strategic space for a specific group of local community leaders who faced a problem that was never anticipated by the internal national leadership of the UDF or the leadership of the African National Congress (ANC) in exile. As the levels of popular mobilisation escalated during the 1985/6 period, many local leaders found that they had, for the first time, established a mass base organised into numerous communitywide, neighbourhood and street-level structures. Once this had been achieved, they came under severe grassroots pressure to resolve immediate problems related to inter alia urban services and infrastructure. This, in turn, was only possible if they engaged the relevant authorities responsible for providing these services. This, of course, placed these local leaders on the horns of a dilemma: either they sustain their mass base by engaging the state in order to win concessions and in the process compromise the national political principle of non-participation or they remain loyal to the national political line, but risk losing their mass base by failing

to resolve day-to-day problems through engagement. Many chose the former option, but it is probably also true that as many chose the latter. However, there is no doubt that those local leaders who had been most successful in organising their communities were also those who faced the greatest pressure to opt for the former option despite the counterintuitive implications of this logic from the point of view of the national democratic movement. (Of course, the latter option would have been favoured if all areas across the country had been equally well organised and there was a viable vehicle at national level to coalesce them into one single mass action to bring down the regime – but this, of course, would have been the revolution that many talked about, but few really believed was possible.)

The combination of an emerging urban sociology and the dynamics of engagement with the state in the more organised communities established the strategic space for the establishment and growth of the urban service organisations. This, however, is not to imply that all the founding members understood this context. It is probably more accurate to say that most of those involved in the founding of the first urban service organisations did so in order to respond to demands from community leaders who needed very practical, immediate advice as to how to handle the new conditions of struggle that had emerged at different times in different places. It was only later that this reactive struggle-driven technical advice generated a knowledge base for more complex project implementation and policy work.

It is worth noting that all the first service organisations sought funding of one kind or another from international donors. Planact was started with a R10 000 cheque written out by Beyers Naudé in 1986 in the name of this au-

thor after a five-minute briefing about plans to support the anti-removal struggle of the Langa community in Uitenhage. He never asked for the money to be accounted for, nor did anyone dare break his trust in our intentions by misusing the money.

Going with the flow

It was only towards the end of the 1980s that urban service organisations experienced rapid growth in the size of their budgets and staff numbers – a trend that continued well into the early 1990s, peaking in 1993/4 before many left for government positions. Most had substantial office infrastructures, organised policy statements and structures, relatively stable funding bases and secure strategic positions in their respective operational environments. But 1989 was the real turning point – a year that has received remarkably little attention by journalistic and academic accounts of the transition.

At the political level, PW Botha's incapacity due to his stroke meant that FW de Klerk, rather than Die Groot Krokodil himself, made the key decisions to release the hunger strikers, allow most of the defiance campaign to take place, ease the State of Emergency, reign in the worst of securocratic terror, and eventually prepare for the unbanning of political organisations and release of political prisoners a year later.

Organised business tried to set the developmental agenda by convincing the government to allocate R2 billion to what became the Independent Development Trust (IDT) to finance large numbers of urban upgrading projects around the country on terms defined by the logic of economic liberalism, legitimated by a

politically correct Board of eminent establishment and extra-establishment individuals, and justified by a conservative 'basic-needs' development approach.

The largest one-off land redistribution action in the history of South African cities took place in mid-1989, when communities around the country took up the UDF's call to invade land. Although never systematically analysed, there is enough anecdotal evidence that these invasions broke crucial barriers to urban land that were keeping the urban poor on the margins of the urban space economies.

The rent boycotts escalated on a countrywide basis, forcing the local government system into a terminal crisis. By 1989, arrears owing to local governments countrywide exceeded R1 billion. It was this fiscal crisis that drove the state into accepting the need to negotiate across the country (but mainly in what was then the Transvaal) with civics and related structures at local level.

The civic movement reached its greatest and most glorious moment as a loosely associated network of locally constituted organisations with strong support bases and capable leaders – a phenomenon that was destroyed the moment the South African National Civics Organisation (SANCO) was constituted as a unitary body in 1990 that betrayed the local accountability and creative responsiveness of local civic leaders. This betrayal was exacerbated when former civic leaders who had become local government councillors reneged in 1997 on their previous undertakings to resign from their positions of leadership in local civic associations once they had been elected as councillors – a principled position that was adopted in the name of an 'independent civil society'.

And, finally, there were the Velvet Revolutions in Eastern Europe that brought an end to the Cold War and established a new balance of global power that no longer worked in favour of South Africa's regime incumbents. Ironically, the rise of a global order dominated by the United States and structured according to a multiplicity of economic nodes massively strengthened the hand of 'negotiators' on both sides of the South African conflict.

As far as the urban service organisations were concerned, they found themselves having to respond to large numbers of communities involved in one or more of the following:

▶ Urban service and housing projects that emerged out of either land invasions or projects initiated by the IDT – or, in some cases, where land invasions had become IDT projects – or projects initiated by local/provincial government, NGOs or private sector developers;

▶ Local government negotiations arising out of the establishment of local forums that brought together local governments, civics, service utilities such as Eskom, business, and whoever else was deemed relevant for each context – these negotiations processes were eventually formalised via legally sanctioned local forums in every town and city that was established in terms of the Local Government Transition Act of 1993; and

▶ Educational and awareness programmes aimed at informing people about the changes and building capacity to handle the new conditions.

In addition, and continuing a trend that started during the hard core years of the State of

Emergency, the trade unions had become major players in the urban development field at both the policy level and the in-company project level. National formations such as the UDF and the Congress of South African Trade Unions (COSATU) also needed policy assistance – as did the ANC after it was unbanned.

As urban service organisations grew in response to these conditions, they inevitably went through significant internal reorganisation processes that replaced the generalist activist approach that characterised the early years, in which small, tightly networked groups worked closely together on a non-hierarchical non-specialised basis on all aspects of the work. Even administrative matters, such as financial control and office administration, was the responsibility of people whose main function was project or policy work. With the help of consultants, in most cases, the urban service organisations (now increasingly called 'urban sector NGOs') were restructured along the following lines:

▶ A full-time administrative staff of financial controllers, office administrators, receptionists and even secretaries was established.

▶ Separate departments/units/programmes were created with specialist focus areas. For example, there was invariably a group that focused on and managed what were referred to as 'implementation projects' (usually the upgrading of informal settlements), another group responsible for coordinating support for local government negotiations, and then increasingly there emerged a group that managed a range of capacity-building programmes aimed at both skill

development and general awareness of key policy issues. In some of the larger urban service organisations, dedicated research units were established to coordinate an increasingly large number of incoming information and produce succinct briefings on emerging issues and, later on, policy proposals to feed directly into local and national negotiation processes.

▶ An increasing number of black staff were employed, some with university education and others who were skilled community or union organisers who wanted to develop their technical abilities and build long-term professionally-oriented careers – a generation that eventually took over the leadership of the service organisations in the 1990s.

The most remarkable feature of the urban service organisations during the 24-month period starting in early 1989 was the massive concentration of knowledge that resulted from what was being learnt about towns and cities across the country. As exhausted project workers returned from local government negotiations and project meetings of urban upgrading projects, they brought with them stories, experiences and information that massively escalated the collective knowledge base of the organisations. Working under extremely pressurised and stressful conditions, they had no choice but to depend on one another as they rapidly learnt new things as they were catapulted from one meeting to the next. What emerged was a remarkably capable and talented group of people who found ways of developing skilful negotiating tactics, enough technical knowledge to understand what was going on most of the time, and a reasonably shrewd political judgement.

The main problem, however, was that the external demands were so great that there was insufficient time to invest in the building up of sustainable and supportive internal organisational environments. Internal change, instead, was driven by crises of various kinds.

The mistake was to rely too heavily on private sector consultants to resolve these crises because they were quick to introduce control hierarchies and neatly structured visions and missions into organisations whose energy flowed from raw intuition and the dynamics of the relationships between the people involved rather than from a clear-sighted understanding of strategic positioning or mutually exclusive rationally conceived 'objectives'. But it was the international donors who must be held responsible for arresting the great flow of creativity with the dead hand of high rationalism by introducing the Logical Framework Analysis, known as 'LOGFRAME', into the South African transition. This instrument has probably done more to defuse the undiluted high energy of the early 1990s than any other single process or mechanism – except, possibly, the formation of SANCO.

The making of a Conversational Revolution

Traditional revolutionary theory from the about the 18th century through to Lenin and Guevara in the 20th century was based on the assumption that regime incumbents do not voluntarily give up political power. From this flowed the need for armed and unarmed action to 'seize power'. For Lenin, the road from 'barbarism to civilisation' could only be via armed revolution. However, it was during the last quarter of the 20th century that a new

form of 'regime transition' began to emerge in southern Europe in the 1970s, Latin America in the 1970s and 1980s, Eastern Europe in the late 1980s, and Africa in the 1990s that defied the logic of traditional revolutionary theory. As outlined in *Transitions from Authoritarian Rule* by G O'Donnel, P Schmitter and D Whitehead (Johns Hopkins University 1986), these 'non-revolutionary regime transitions' occurred when powerful economic elites realised that they could countenance the democratisation of political power without having to put the basic structure of economic power at risk, and regime opponents concluded that they had more to gain from negotiating than risking complete failure by holding out for revolution.

What few have paid attention to, however, is that this qualitative shift in the nature of regime transition took place in societies characterised by relatively high levels of urbanisation and multi-nodal rather than uni-nodal urban hierarchies. Whereas 'seizing power' by storming the Bastille or the Winter Palace made it possible to take a country by taking a city (often from a rural base), taking the key city in more complex societies at the end of the 20th century was no longer synonymous with the seizure of power. The creation of a dispersed urban terrain for power contestation was reflected in the fact that many regime opponents entered the negotiated transitions with urban-based social movements as their primary constituencies.

South Africa's so-called 'negotiated revolution' cannot be defined as a traditional revolution. Nor was it a traditional decolonisation, or even a 'non-revolutionary regime transition' as defined by Schmitter et al. As Johannes Rantete argued in *The African National Congress and the Negotiated Settlement in South Africa* (Van Schaik 1998), it was probably a bit of all of

these. It was both a decolonisation of a 'special type', and a 'non-revolutionary regime transition' that did not come about as a result of one of the four primary causes of social change in the 20th century, namely state implosion, armed insurrection, external invasion, war or classical decolonisation. Rather, like in so many similar transitions over the past 25 years, it came about largely because the societies – and the cities in particular – became increasingly ungovernable for the regime incumbents, and provided the power bases for the regime opponents. But how was this achieved in practice on a daily basis? What were the 100 000-or-so hard-core activists who built the union, student and community movements doing on a daily basis during the 1980s and early 1990s? What was their primary means for achieving high levels of organisational cohesiveness in opposition to the regime? To put it bluntly, they talked. They had no guns, few media resources, no access to institutional power, and few friends in the establishment. All they could do was get people talking and singing, so that when the call came to strike, to march or to boycott, a critical mass at the grassroots level knew what it was all about. And this was not achieved in the main via mass meetings, but via countless meetings of smaller groups who met in homes, churches, fields, factory floors, mines, school yards, cemeteries and the street. All the studies of local struggles show that social movements were built via countless conversations that took place deep in poor (largely urban) communities that gradually produced an oppositional consensus that the mass media could not counter. In short, apartheid was talked out of existence, while most of the rest of the world watched, opposed or supported these processes, but they did not – and could not – do it on our behalves (as many would like us to believe).

When it comes to what the urban service organisations actually did to support the process of conversational organising within the communities to subvert the power of the regime to govern, it is clear that they broke away from the primary duty of most professionals in most societies, which is to provide organised information and specialist analysis to those who have the resources to finance 'knowledge production' to answer questions posed by those who must either govern society or manage economic institutions. Instead, they were motivated by questions posed by largely organised formations rooted in community or workplace struggles around the social wage and the spatial distribution of resources – or, to use the language of the times, 'we must use our skills to empower communities, not help the state or business'. Urban service organisations provided organised information and specialist analysis for use in three ways.

▶ Firstly, to support organisers who needed information to counter problem definitions and solutions posed by the regime or business – in other words, to be credible within their own constituencies they could not afford to simply reject the dominant knowledge simply because of where it came from; they also needed to demonstrate why it must be rejected on terms not too dissimilar to those used by 'the enemy'. A good example is the document entitled the 'Soweto Rent Boycott' commissioned by Frank Chikane on behalf of the Soweto Peoples' Delegation (SPD) and compiled by Planact. The document was used to redefine the problem from one of 'agitators intimidating people not to pay' (the state's definition, which business broadly accepted) to 'deep structural problems that make it more expensive to live in Soweto than in Houghton because

the latter is subsidised by rates levied on business and the former is not'. This report triggered the nationwide slogan of 'one city, one tax base', which escalated the rent boycotts and reconstituted the national policy discussion about urban reform and non-racial local governance. There are countless examples of such connections between knowledge and collective action in the 1980s and 1990s, where the knowledge embedded in collective action is extracted via a participatory research process that makes explicit what was previously implicit and therefore sharpens the contradictions and reinforces the articulation of solutions that challenge dominant positions. The problem, of course, was that the unorganised were left out of this loop.

▶ Secondly, to support the negotiations processes. Even in the earliest local-level negotiations in Port Elizabeth, where Mkhuseli Jack led the negotiations with the Port Elizabeth Chamber of Commerce in 1985/6 to end the consumer boycotts, he turned to UDF-aligned academics and NGOs to create a knowledge and information base to support his negotiating positions so that he would not have to rely on the 'other side'. Later in the 1980s, when social movements organised themselves around the cost of housing (by way of rent boycotts) and access to land (the land invasions), local organisers quite explicitly demanded and put energy into making sure that the emerging urban service organisations were properly funded to provide free support services during often long and complex negotiations to resolve local problems. Put another way, if the negotiations processes

were the institutionalisation of the conversations that changed the nature of local governance in South Africa, they may not have occurred if local leaders did not have access to independent sources of information and knowledge. This demonstrates the intimate link between knowledge and the kinds of transformational conversations that were embodied in the negotiations forums across the country.

▶ Thirdly, urban service organisations provided organised information and analysis to support the policy formulation process from the late 1980s onwards. The sudden and massive shift from opposition to 'preparing to govern' placed enormous demands on urban service organisations to write up policy documents on a wide range of issues, and to second personnel into various structures. In many ways, however, formulating policy to support the national transition process was not all that different to what urban service organisations had already done for some time at the local level during the local negotiations. The main difference was that policy formulation required a particular language and format, derived largely from an intriguing mix of strategic planning methodologies inherited from the private sector and the North American policy analysis tradition mediated through international agencies.

It would be a serious mistake to assume that these three roles coexisted without problems within each of the urban service organisations. While all the urban service organisations eventually got involved in all three activities in one way or another, they all felt the consequences of trying to hold together three kinds of activities that were motivated by divergent strategic

objectives and motives. Packaging information that will be used at the grassroots level to build a movement and sustain collective action is radically different from what was required in negotiation forums or policy formulation processes. Also, detailed practical problem-solving required in local negotiation forums was vastly different from the more abstract exercise of writing policy – while the former was rooted in tangible realities, the latter was often about linguistic inventions to create generalised policy languages that were needed to ease through the nationally negotiated agreements. The style and general acceptance of the original Reconstruction and Development Programme (RDP) is the best example of this.

More importantly, however, the shift from supporting mass action to supporting negotiations and policy formulation quite fundamentally altered the nature of urban service organisations without them being fully aware of what was happening. In essence, questions that emerged out of grassroots struggles were no longer the primary drivers of analysis. This was replaced by the need to answer questions regarding multistakeholder agreements around general policy positions rather than distinct positions for particular stakeholders. Even when mass action was directly linked to negotiation – as was the case with the rent boycott negotiations – urban service organisations were still furthering their founding purpose of providing organised information and analysis for one particular set of movements and interests. However, once mass action was uncoupled from negotiating local solutions, the skills and extensive knowledge base of the urban service organisations were redeployed to support policy changes that were more about high-level national agreements than the outcome of specific local struggles. Once they were disconnected in this way from these local struggles, a new methodological validation

was required to establish the credibility of their policy arguments. Prior to this, validation was derived from daily experience in local struggles and whether or not the knowledge produced served to enhance grassroots organisation as communities gained increasing understanding of injustice. Policy analysis, on the other hand, depended on an abstract positivist methodological validation derived from traditional epistemology, including the 'objectivity' of the analyst. This, coupled with the need to derive all policy from founding principles (such as the Constitution and the RDP, for example), made it impossible to return to the guerrilla sociology of the 1980s and early 1990s that was so exuberantly subversive of established power. Unsurprisingly, the policy discussions in the numerous national and regional forums on virtually every major policy issue became a discussion between experts drawn respectively from three main stakeholders: government, business and the democratic movement, with the service organisations supplying the expertise for the latter.

Where 'leaders' were brought into these processes, they were either denied access to independent sources of information and analysis or – like so many of the 'experts' the democratic movement put into these processes – willingly but often unwittingly participated in policy conversations that were structured in ways that suppressed demands for radical urban change. Some slowly realised that the knowledge tiger they had once tried to ride with some success before the transition began had escaped and imprisoned its former masters in the name of a new generalised consensus that required, by definition, the suppression of discourses that reflected unmet needs and demands. What better way to do this than with the depoliticised language of policy analysis or strategic planning drafted often by the very same people who had in the past been required to use

knowledge to expose these needs and demands. This, however, is not to imply bad faith. They often did their best to win progressive positions, but within a framework where the technocratic language used to build the consensus was formulated by an army of experts drawn from local business, the public service or international aid agencies. These parties, however, shared the unimaginative assumptions of mainstream development theory that were often far more Utopian than the seemingly more 'radical' arguments of those who had come out of the urban service organisations and social movements. It was often simply easier to go along with the 'respectable middle road' than hold out for what came to be branded as the 'impractical radical' positions, especially when the making of new careers depended on being 'mainstreamed' rather than 'marginalised'.

Visionary alternatives or alternative visions?

It is impossible to understand the full complexity of current policy debates about urban policy without some insight into the debates that took place within the urban service organisations in the late 1980s and early 1990s. In particular, the division between local government policy managed by the Department of Provincial and Local Government and housing policy managed by the Department of Housing reflects a division that goes back to the way many urban service organisations split their support and policy work along the same lines in the 1980s and early 1990s: invariably, there was a team of planners and engineers who dealt with housing projects, and another of people with social science and legal skills who supported the local government negotiations processes. The result then — and still today — is the absence of a coherent and

authentic postcolonial sense of the city that should be reflected in an integrated urban development policy. As exemplified by the White Paper on Urban Development Strategy, what masquerades as urban development policy today is largely an extension into the present of the technocratic anti-ecological market-driven developmentalism originally articulated by the Urban Foundation in the 1980s to legitimise a largely European and North American notion of urban modernity as the norm. But the notion of the 'compact city' — preventing urban sprawl by 'densifying' the city within a set of fixed boundaries — that was so central to this ideology is fundamentally contradicted by current urban development processes driven by policies such as housing subsidies that are granted for housing projects on cheap land on the urban periphery, the resistance of the new multiracial middle class to densification and multiclass suburbanisation, the retention of modernist urban design forms that replicate the stand-alone household in fragmented communities, and the bizarre commitment to conventional standardised engineering services (including purified water to flush toilets, long-distance waterborne sewerage, non-solar energy) when even in richer developed countries cheaper and more ecological systems are being installed.

The only really effective countervisions to the contrived urban modernity embedded in current urban development policy that exist at the moment are implicitly expressed in present-day land-invasion movements, most of which remain disconnected from the kinds of support that they once enjoyed from urban service organisations. Not surprisingly, this makes them vulnerable to leadership by populist elements in opposition parties and self-aggrandising patronage movements that are more interested in these new local struggles as cannon fodder

for other gains than in their potential as bearers of postcolonial urban forms and functions. But what were the debates in the urban service organisations that partly explain where we are now?

Starting in the mid-1980s, urban service organisations found themselves supporting CBOs and trade unions on a wide range of housing-related issues, including the upgrading of informal settlements, planning and development of new housing projects, the cost of services and infrastructure, the quality and cost of newly constructed privately owned housing (many of which were believed by residents to be cracking), the transfer of rented housing stock, opposition to removals, hostel upgrading, in-company housing strategies for employees, and so on. As already argued, supporting these struggles posed no problem because the progressive outcome was seen as a function of enhanced empowerment of organised formations of the exploited and oppressed majority. In other words, the relationship between immediate action and ultimate goals was resolved via a faith in the inevitability of the demise of apartheid via the collective actions of the oppressed and exploited majority. However, when the emphasis shifted from supporting local struggles to supporting the policy formulation process, this ontological connection was broken. The solution to this historic relationship in any change process could no longer rely on a historic subject, and now required the assumed methodological rigour of objective analysis. The context was set for an unresolved debate between two main positions.

The first focused on the formulation of pragmatic national policies for determining what the state could deliver, taking into account what were referred to as the existing 'resource constraints'. The focus, therefore, was on spec-

ifying in detail what the state should do, how much it should spend, and how it should be organised to ensure housing delivery. This position was, of course, split between those who accepted the extremely conservative neoliberal definition of the constraints agreed upon in the National Housing Forum and those who were branded as 'radicals', who called for much higher expenditure on housing to meet all the needs (in other words, not just a starter unit in the form of a serviced site with a bit of top structure).

The second position was more interested in how communities could continue to be empowered to take delivery of resources that would meet their own needs. This position was sceptical of state delivery options, no matter how much was allocated for this purpose. The constraints here were not how much the state could 'afford', but what capacity there was 'on the ground' in both communities and local governments to manage increased financial flows into housing and infrastructure. The devastating consequences of intra-communal violent conflict over the distribution of development resources highlighted these capacity and cultural problems in particularly brutal ways.

The second position was clearly the minority view, with proponents who could be found in only some of the urban service organisations, certain sectors of SANCO, some trade unions, and most prominently in an independent formation called Peoples' Dialogue. As the national policy dialogue in the National Housing Forum and subsequently in the Department of Housing reached its final stages in 1994/5, it was the conservative wing of the first position that won out. The key person in this process was Billy Cobbett, one-time director of Planact and then subsequently seconded by Planact into the ANC's Housing Department, after

which he was appointed the first director-general of the Department of Housing of the Government of National Unity after 1994.

It was largely up to Cobbett as to who from the democratic movement participated in the policy process. When questioned as to why he largely kept the urban service organisations out of the national housing policy formulation process, he stated that there was an emphasis from his political bosses on direct representation of political and civic leaders rather than involvement of 'experts' from the urban service organisations. This contrasted markedly from the strategy of organised business – in particular the banking institutions – which seconded large numbers of experts into the process and, in so doing, directly influenced the policy agenda in a way that would be impossible today or even during the apartheid era. The democratic movement's overcommitted political and civic leaders were not equipped to deal with this army of technical expertise trusted with broad negotiating mandates by their principals. The consequences of this strategic (mis)calculation will be felt for many years.

That said, however, this latter analysis differs considerably from the more teleological explanations that ascribe the conservative policy orientation of housing policy in terms of the overall dominance of business in the policy process from the outset. In my view, more effective strategies could have countered the relatively strong position of business and other vested interests as happened in other sectors, such as land, Water Affairs and Health.

Local government policy, however, had a different history. Although there was a brief moment in 1991/2, when the ANC was advocating an integrated National Forum for all development policy, including housing and lo-cal government, this soon gave way to a twin process as housing-related vested interests in business managed to secure multi-stakeholder agreements to formulate housing and infrastructure policies as a separate activity. In the meantime, the deepening local government crisis forced the National Party government and the ANC into negotiations that eventually resulted in the 1993 Local Government Transition Act (LGTA). The LGTA had a purely institutional focus, and provided the framework for a three-stage transition to democratic non-racial local government – the non-elected 'pre-interim' phase that would emerge out of locally constituted negotiation forums, an elected interim phase, and then a final elected phase that would follow the adoption of a new constitution and related legislation for local government. Andrew Boraine, another leading Planact figure, was the key person in these negotiations, and subsequently managed the implementation of the new framework as deputy director-general for Local Government in the Department of Constitutional Development. Boraine, however, was a little more open to bringing people from the urban service organisations into these processes than Cobbett was with respect to housing policy.

Planact published in 1992 the first formal policy document on local government to come out of the democratic movement. Entitled 'Towards Democratic Non-Racial Local Government in South Africa', this document provided a framework for thinking about redistributive and democratic processes that drew quite heavily on the proposals emanating at the time from the Central Witwatersrand Metropolitan Chamber (CWMC). In particular, it envisaged a two-tier system of government for metropolitan areas, with a strong metropolitan level to effect redistribution and a large number of small locally accountable primary-level coun-

cils to facilitate democratic accountability. This notion directly suited the Soweto Civic Association (SCA) and the Johannesburg City Council at the time: both believed that a larger metropolitan tax base was needed to cross-subsidise the development of the poorer areas. This position, however, was not shared by the Alexander Civic Association (ACA) and the Randburg Town Council, both of which feared the mass redistribution of resources away from the northern part of the metropolitan area in favour of Soweto. The ACA correctly believed this would not favour Alex residents, who represented a small pocket of need compared to the needs to the south of Johannesburg, and Randburg's representatives wanted to prevent largely white middle-class areas from footing the bill for post-apartheid redress.

The problem for Planact was that the SCA and the ACA were both Planact clients – Billy Cobbett and I were the project managers for the services provided to the former, and Andrew Boraine managed the services for the latter. Not surprisingly, the internal Planact debates about the different governance models for metropolitan areas, including the associated tax base and planning systems, were the subject of heated and ultimately unresolved debates. The legacy of these debates is still felt today, with Johannesburg and Cape Town taking diametrically opposite positions on the matter of metropolitan governance.

Finally, it needs to be reiterated that whatever direction housing and local government policy went for reasons that were specific to the dynamics of each arena of conflict, neither were really rooted in a coherent shared conception of the post-apartheid city, including new forms and functions. Although isolated attempts were made by certain people in the urban service organisations to develop this metasynthe-

sis, time and the sheer pressure of the times did not allow it. This is a pity, because much of today's failure to manage cities as dynamic, organic systems of complex conversations is due to the absence of an authentic sense of the postcolonial nature of a viable African city. It was only in the CWMC that the initial outlines of such a conception began to emerge. However, the ANC's Gauteng leadership closed the Chamber down before it could bring this conception to fruition.

The building and destruction of the Conversational City

The CWMC was established in 1990 as a result of the Soweto Accord of 1989, was a tripartite agreement between the three Soweto councils, the Transvaal Provincial Administration and the Soweto Peoples' Delegation (led by Cyril Ramaphosa, with technical support from Planact). It brought an end to a three-year rent boycott by meeting the four core demands of the boycott: scrapping of all arrears owed by the residents, transfer of state-owned houses to the residents, upgrading of services, and the establishment of a single non-racial tax base for Greater Johannesburg (inclusive of Randburg, Sandton, Alexandra, Johannesburg, Roodepoort and Soweto).

Over this three-year period, the CWMC evolved into a widely representative forum that included 53 member organisations (local authorities, civic associations, ratepayer and residents' associations and political parties) and 32 official observer organisations (trade unions, parastatals and organised business, for example), with working groups covering constitutional, institutional, financial, economic,

social and physical development. The Chamber functioned as both a crisis-management and conflict-resolution mechanism, and a forum for urban policy development that attempted to grapple with a complex multifaceted problem in an integrated and participatory manner.

Between 1990 and 1994, the CWMC conducted and completed the most comprehensive and integrated urban policy review ever undertaken before or since in a major South African city. Each of the six working groups had an average of six committees working on one or other policy issue. These committees tabled their reports at working group level where they were integrated into work-in-progress reports on Constitutional, Institutional, Financial, Economic, Social, and Physical Development. These reports were tabled at the monthly plenary session of the CWMC. By 1993/4, an inter-working group process was just starting to integrate these sectoral reports into what would have been South Africa's first integrated development plan. (In other words, what was made compulsory in the Municipal Systems Act – namely Integrated Development Plans – the CWMC had begun to formulate as far back as 1993!) The spatial foundation of this integrated development plan was completed in 1993 and was called the Interim Strategic Framework. The internationally renowned urban sociologist, Peter Marcuse, reviewed the post-apartheid urban plans of most South African cities in 1995 and found that the Interim Strategic Framework was the only one that took poverty and class as its point of departure, rather than race and group area boundaries.

Planact staff members were involved in all the working groups and most of the 50-or-so committees. They were there in their capacity as technical support to civic associations, in par-

ticular the SCA and the umbrella body called the Civic Associations of Johannesburg (CAJ).

Although the intellectual and policy achievement of the CWMC was impressive, this work was immediately suppressed by the ANC leadership that came to power during the pre-interim and interim phases of local government transition. No reasoned rationale has ever been provided for this. However, it is clear that the CWMC recommendations for a strong metropolitan government with a larger number of weaker primary councils than was eventually implemented contradicted the electoral analysis of the new ANC leaders at local and provincial level. Despite several warnings to the contrary from all the major actors in the CWMC, the ANC leadership opted for four very strong 'metropolitan substructures' grouped under a weak metropolitan government. Now that this has been recognised as the disaster that was predicted, the work of the CWMC was dusted off and brought back into discussions about a more democratic and developmental alternative.

The real significance of the CWMC, however, was not its impressive policy output, but the participatory processes it pioneered and consolidated. As already mentioned, a large number of governmental, business and civil society bodies participated in the CWMC. The monthly plenary of the CWMC was a grand affair, with the Council Chamber packed from inner horseshoe to the benches at the back of the gallery. The atmosphere buzzed, the debating format was simply structured so that all could have their say, and the administration of the documentation was impressively detailed. The working groups were similar: all members could send representatives to the working groups and their committees. This ef-

fectively meant that the policy-making process was completely open to any stakeholder who wanted to insert an issue into the discussion at any point in the process, whether this was at a plenary meeting of the CWMC or working group or committee level. Most significantly, the entire structure operated outside any legal or regulatory framework. The CWMC set its own mission and goals, defined its own procedures, decided on its own membership, and constantly adjusted the way it operated to suit prevailing conditions. So why did it work?

It worked because it was a well-administered and simply designed structure that provided a supportive environment for wide-ranging conversations to take place about immensely complex crosscutting issues. And, just as important, it did this by creating an open system that made it possible for anyone to participate at any level. In short, both the scope of the conversations and the participants in the conversations were left largely unconstrained by any desire for closure. At first glance, this looks like a recipe for radical disorder, but in reality it was remarkably stable despite being extremely far from equilibrium. The results were not predictable, nor were they controllable. Instead, the real creativity of the results was due to the fact that they were what is referred to in complexity science as 'emergence' – in other words, the qualitative outcome of a multiplicity of seemingly random transactions that gradually coalesce into a self-organised pattern that generates results that could not have been preplanned at the outset. This, however, rested on a growing level of trust between the core group of participating stakeholders, namely the civic associations (minus the ACA), Johannesburg City Council and the Transvaal Provincial Association. Without the gradual formation of networks that cut across formal positioning, emergence would have been impossible.

In short, the CWMC was a participatory governance experiment that demonstrated in practice the enormously creative power of a conversational approach that is based on a deep belief in and trust of process. It was only when a leadership came in that feared what could not be predicted, distrusted what could not be controlled, and ignored the immense creativity of continuous conversation with everyone that it was possible for this process to break down as the great false promises of certainty rose their ugly heads at the dawn of the new democracy. It is only recently that certainty is being recognised for the folly that it is. But whether an authentic reincarnation of that old conversational culture can emerge from the now-dead and fearful hallways of conventional governance is a moot point. Maybe, just maybe, we missed a golden moment that may never return.

Future roles: Doing by learning?

At a Planact Board meeting that took place in early 1998, as Chairperson of the Board, I requested an analysis of the initiators of current projects. To my surprise, I was told that only a small percentage emanated from requests from organised community-based formations. Most were from various levels of government, development agencies or self-initiated with funder support. This contrasts markedly with, say, 1989/90, when the vast majority of projects undertaken by Planact – and, in fact, all the urban service organisations – were initiated by requests from either community organisations or trade unions.

It is probably true to say that today's urban service organisations are involved in the following kinds of activities

▶ Facilitation of project implementation on behalf of a mixture of stakeholders;

▶ Policy development, mainly for government;

▶ Research to support general awareness and education;

▶ Strategic-planning consulting;

▶ Capacity-building and training; and

▶ Event organising to facilitate discussion, education and networking.

Current debates about roles are complex and passionate, tempered by the pragmatic realities of financial survival. Possible roles include a mixture of policy researchers, project managers, process facilitators, capacity builders, and, of course, the traditional role of supporting the organisational empowerment of the urban poor, as both residents in their communities and workers in their workplaces. I would like to argue that no matter what else they do, a concentrated focus on the traditional role is becoming increasingly necessary. However, this begs the question as to whether the 'urban sector NGOs', as they are now called, can in fact return to their traditional role given that the two conditions that made this role possible are now virtually absent, namely the existence of urban social movements, and the ready availability of large-scale generalised funder support for empowerment work in civil society is not straightjacketed into the creativity-suppressant mechanistic LOGFRAME approach.

This question has a major bearing on the future of the South African city. There is ample

evidence from across the world that it is increasingly difficult to govern cities in the traditional way. It is universally accepted that old-style bureaucratic administration of uniformly designed and delivered urban services is no longer possible – it is simply too expensive and unresponsive. The last two decades have seen the rise and gradual demise of the neo-liberal experiment to replace the bureaucratic model with a public-choice model that brings the market, contract and individual choice directly into the service delivery process, with the private sector replacing government as the central actor. It is now accepted, however, that this approach may deliver better services to those who can afford them (at best), but it also deepens problems associated with urban poverty, crime and environment. There is now an international search for a 'governance model' based on multi-stakeholder rather than just public-private partnerships, authentic empowerment of civil society rather just the maximisation of individual choice, antipoverty interventions rather than mere access to the market, sustainable ecological resource use and not only environmental conservation, and increased democratic accountability and transparency of all decisions that affect city futures (in other words, not just those of government, but also banks, developers, and NGOs as well). Wherever this governance approach has been implemented, the key success factor has turned out to be the quality and depth of the conversations that take place throughout the city about its vision, forms and functions. Conversations release the creative energies that make complex democratic governance processes possible.

South Africa is ideally suited to a governance model because of its recent history of an organised and mobilised civil society, multi-stakeholder negotiations, participatory deci-

sion-making processes, and a relational culture of networks and complex conversational processes. The rapid disintegration of a great city like Johannesburg is largely due to the failure of a bizarre mix of authoritarian bureaucratic political styles and an adherence to neoliberal management strategies. There is no doubt that it can only be salvaged by a return to the kind of conversational democracy that the CWMC made possible in the early 1990s. This, however, will be impossible without the re-emergence of independent urban social movements. Without these movements, business and government will be allowed to establish comfort zones of technocratic consensus that tend to deny the complex uncertainties and creatively subversive values and demands that can only be articulated by movements that emanate from the inner enclaves of civil society with all its weird and wonderfully diverse eccentricities. Diversity is the lifeblood of creativity, and creativity is the energy of dynamic development and a robust and lively democracy.

So this brings us to the essential question that all South African cities must face: How can the urban social movements be revived? If we look to the 1980s and early 1990s for lessons in this regard, then we must take into account two conditions that made it possible to build locally accountable social movements during that period. Firstly, the most effective organisers came from three sources, namely localised self-help bodies, such as burial societies and stokvels, the student movement, and the trade union movement. It was, in particular, the organisational disciplines of the union-trained shop stewards who had the greatest influence on the way the social movements operated. Secondly, as I have already described, these movements had access to the urban service organisations that provided them with independent sources

of information and analysis that allowed them to deconstruct what they were opposed to and formulate alternatives. Without this capacity to posit coherent and informed alternatives, the professionalised expert-based knowledge systems that exist in government and business will simply ignore oppositional voices saying things about the city that systematised knowledge has not yet codified.

In short, the strategic conclusion that flows from this analysis of the past is twofold. Firstly, the trade union movement must encourage shop stewards to do what they did in the early 1980s, namely to go out into the communities to organise independent broad-based social movements committed to representing marginalised interests. Trade unions have an interest in this because a narrow base in the workplace will weaken their capacity to influence macroeconomic policy and urban-development strategies. Secondly, the urban sector NGOs should support this effort by building up a funding and skills base that will enable them to provide the kind of knowledge and information services that will enhance this organisational drive. However, there are two new aspects specific to the current context that could assist in this regard.

Firstly, we now have thousands of democratically elected councillors looking for a role in their respective local governments. Unfortunately, there has been a tendency for these councillors to model themselves as political managers of the administration along lines similar to Cabinet ministers and MECs. In the process they have missed what is distinctive about a local government politician, namely that they act as organiser and representative of civil society. If shop stewards, councillors and urban sector NGOs found a way of cooperat-

ing so that communities could be reorganised in ways that resulted in non-partisan forms of empowerment around local demands and projects, then we may well find a way of rebuilding the urban social movements. But this will only happen if we return to an authentic conversational approach in which organisers listen more than they talk, build trust across divisions rather than competition and conflict, and where the focus is on fostering strong relations of trust and reciprocity within communities so that they can find their own inner resources to counter the violence, crime and poverty that is rapidly destroying communities that make up more than half the population of the cities.

Secondly, the demise of SANCO as a major political force at national level and organisational force at local level clears the way for a return to loosely connected networks of local associations rather than a hierarchically integrated, centrally controlled structure. This is a significant opportunity that the urban sector NGOs, trade unions and democratically inclined councillors should seize with zeal. The fact that some NGOs have already taken policy decisions not to work for SANCO is a sign that this is already happening. The rise of independent formations such as the Peoples' Dialogue, the non-aligned squatter movements, the anti-crime movements, and community-based environmental movements are also signs of the re-emergence of a new and diverse civil society. These can, however, be quickly snuffed out by authoritarian leadership practices, political cooption, or denial of access to decision-making and knowledge.

In conclusion, there is both defeat and hope in the stories and discussions outlined here. The challenge we face is to complete the incom-

plete task of building an authentic postcolonial sense of the future of South Africa's cities. I say 'sense', because we don't need another codified vision that is frozen in another unread policy document. We need a sense of place that emerges from continuous practice as we re-engage our cities in a new set of conversations about their identities, structures, forms, functions, conflicts, poverties and potentialities. For this we will have to replace the certainties of policy and strategy with the uncertainties of dialogue and interaction. We will need a new kind of leadership that derives security not from intensifying controls, but maximising ever-greater openness to participation in decision-making and policy formulation. It means, in short, accepting that our cities are ungovernable by conventional means, but they can find ways of governing themselves through a conversational democracy that builds the relations of trust and reciprocity that have a greater capacity to hold things together than a cold legal system or imposed political regime. The challenge that urban sector NGOs face is how to support the re-emergence of urban social movements so that they can help to make this happen because without these movements, the future of our cities will be a future for a new deracialised minority and not the future of an increasingly empowered majority. The role of the NGOs should not be to fill the vacuum left by the unorganised and voiceless, but to find creative ways of redirecting knowledge in ways that contribute to the rebuilding of organised formations that will be able to participate effectively in the new city conversations that are bound to re-emerge as the crisis deepens in all our cities. But to do this, they may need to do a bit more by learning from past lessons instead of just doing as if we had no memories.

Caption:

CHAPTER 4 | Neoliberal Urban Policy

Are those Planact fingerprints?

by **Patrick Bond**

According to a report by B Madlala, 'Frustration boils over in protests' in *The Mercury* on 14 October 2005, Safety and Security Minister Charles Nqakula stated that, over a 12-month period in 2004/5, roughly 5 800 protests were held in South Africa's cities and towns. Of those, 13% were deemed 'illegal'. No one has a clear sense of exactly what drives South Africans in various settings to protest 16 times each day every day on average, but grievances over miserable lives due to municipal and national state failure are presumably a large part of the story.

For its first decade or so, Planact was a hub of information, strategising, networking, analysis and sometimes even coordination of such protests. When civic association activists across what was then the Pretoria-Witwatersrand-Vereeniging (PWV), Eastern Transvaal, Northern Transvaal and Western Transvaal needed a safe space to plot, it was to Rockey Street that they typically moved. When they needed assistance in negotiations, teams led by Mark Swilling, Andrew Boraine and others would run workshops, carefully prepare the issues, consider organic demands, draw in lessons from other civics, and sit in the background while township leaders gained experience – if very, very rarely material concessions – in local government. To be sure, late-apartheid bureaucrats held onto every ounce of power until the 1995 local government elections, and indeed well beyond via their uncanny *verkrampte-verligte*[35] conversions, as securocrats morphed into econocrats.

Because even the great civics of Soweto, Alexandra and many other sites were not strong enough and because Planact's technical support was generally not decisive, South Africa suffered a truncated struggle for urban liberation, one result of which was not the disruption but instead the cementing of the apartheid physical and geographical form. The post-apartheid state implemented World Bank and Urban Foundation advice that included greater reliance upon banks and commercial developers, instead of state and community-driven development strategies to build houses half as large and constructed with flimsier materials than during apartheid, located even further from jobs and community amenities, characterised by disconnections of water and electricity, with lower-grade state services including rare rubbish collection, inhumane sanitation, dirt roads and inadequate storm-water drainage.

Looking back, there are many positive lessons to be excavated from the late apartheid years, particularly about the way comradely technical assistance was provided through 'service organisations' (defined as such in contrast to the self-negating phrase non-governmental organisations). But there are also some crucial questions to be asked about why South African cities became more unequal and, in class terms, more segregated than during apartheid. Do the successes of Planact in assisting in the deconstruction of apartheid local governments veil what Swilling once warned us of in a Planact brainstorm: 'I don't want to play a role in lubricating neoliberalism'?

To introduce this question, let us first reconsider voices from 10 years ago, which articulate the pain of an immediate post-liberation hangover, when we all awoke to find that not only was South Africa becoming more socio-economically unequal and prone to economic crisis, but that our former comrades, friends and allies – including some ex-Planact staff – would borrow World Bank logic to formulate urban policy and then use state power ranging from White Papers to the South African Police Services to maintain law, order and property relations in the city.

Second, I have tried to briefly summarise here the ways that key national-scale urban policies and Johannesburg state practices can be characterised as 'neoliberal'. Third, I have tried to map the present political conjuncture with the hope that organisations like Planact might reposition themselves based on a reformulated sense of alliances.

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[35]   Afrikaans for: 'ultra-conservative-liberal'

Planact and the transition to democracy

By way of preface, I think the period I spent at Planact – April 1990 through October 1994 – was among my happiest and most productive. Late at night we would emerge from a consultation or long work session, tumbling down the steps onto Rockey Street. It was Johannesburg's sole non-racial zone, with a Greenwich Village atmosphere hosting a dozen different pubs and nightclubs.

Politically, this was a formative period for so many of us, combining anti-racism, the critique of state power in its vicious late-apartheid administrative and security mode, and an awareness of – and often direct combat against – looming neoliberalism. We weren't sufficiently strong on gender, and we sometimes faced difficulties distinguishing the needs of our nominal civil society constituents from orders increasingly barked down from Shell House. (Working for Planact but assigned to the South African National Civic Organisation (SANCO) desk for much of 1992–94, I witnessed this conflict more than most.) There were inevitable problems and, hence, if we flash back a decade, two kinds of voices might be worth listening to.

> 'I was fortunate to take a break from my studies in New York and spend nearly a year at the Johannesburg urban service organisation Planact, from November 1993 until September 1994. This was, personally, an opportunity to get more experience working in a professional non-governmental organisation (NGO), one at the cutting edge of township development yet also immersed in the friendly, non-racial atmosphere of trendy Rockey Street in Yeoville. It also allowed me to maintain my links to Alexandra ...

> 'However, I often found myself at odds with professionalism, which I felt was usually oriented toward the deradicalisation of the grassroots. This was especially true when our strategies became more negotiations-centred than people-centred, and when our time and energy were wasted on arcane details of technical agreements rather than popular mobilisation for the planning and implementation of development.

> 'For NGOs, which were often guided by white, middle-class staff (mainly with very strong student anti-apartheid credentials), the technical details were important, and I don't mean to downplay the progressive input made by NGOs. But there were many disagreements about strategy between the NGOs and civics that flowed from professional arrogance and community vulnerability. I had hoped to serve as a kind of bridge between the two, and in some cases – such as with SANCO head office and a few civic groups working on development finance – I think I helped to reconcile styles. Relations improved, but overall it was a difficult hybrid role for me to play.

> 'My position is that people in communities generally know what they want. As professionals we should be in a position to establish development plans in a way that is as community-driven as possible. In part, this means taking already-existing popular campaigns and turning them into broader policy frameworks, and only at that stage allowing the technical experts to fill in details the community may have missed.'

This quote comes from Mzwanele Mayekiso's Township Politics: Civic Struggles for a New South Africa (Monthly Review Press, New York 1996). At roughly the same time, a new collective of Left intellectuals at the University of the Witwatersrand (Wits) developed debate (the journal and later a magazine) and the listserve discussion group. Their concerns in 1996 included the political turn taken by their older brothers: 'Here we refer to an extraordinary social phenomenon, based on what seems to be ceaseless individual meanderings – nearly all by white males in their forties and fifties – from mid-1980s grassroots to early 1990s "class roots" politics: the lead Marxist critic of the Anglo American Corporation turned to advertising his consulting services (as a trade union insider) to Anglo and other firms; the two leading Marxist critics of the Urban Foundation (Anglo American's social policy think-tank) became two of its key strategists; numerous academic Marxists did top-secret consulting work for the Urban Foundation, such as regarding land invasions (contemporary and historical) at precisely the time the Urban Foundation's land speculation strategy was most threatened by the invasion tactic; the two leading Marxist critics of orthodox pension fund management became important exponents and practitioners of orthodox financial packaging through the big institutional investment firms; an energetic Marxist-workerist educator led a high-profile post-apartheid labour commission that rejected a national minimum wage; the lead Marxist critic of export-led growth strategy debuted in the Financial Mail by endorsing Taiwan as a model for post-apartheid South Africa and subsequently co-authored the Growth, Employment and Redistribution (GEAR) macroeconomic strategy; the most influential Marxist economist within the trade unions turned from advocating social democracy in the pages of the South African Communist Party's (SACP) African Communist to fiscal discipline and free trade within the Finance and Trade/Industry Ministries; and last and possibly least, South Africa's lead Marxist peasant scholar – who was jailed for his SACP ties during the 1960s and later (at the Sussex Institute for Development Studies during the 1970s), supervised the doctoral theses of leading South African neo-Poulantzians – eventually became the strategist of "homegrown" African structural adjustment at the World Bank (and presently serves as the Bank's London representative).'

Could this critique also be applied to Planact's cadre after 1994? Like the earlier crew, most of the central actors were white upper-middle-class males in their late thirties, and personal positionality is therefore part of the problem. The mid- to late-1990s' jobs taken by ex-Planact staff – and comparable staff of a couple of closely related Urban Sector Network (USN) organisations – were formidable: two national directors-general of housing, two national deputy directors-general of local government (at the Department of Constitutional Development), the main advisor to the Minister of Water Affairs, two key national Reconstruction and Development staff members and other national officials centrally responsible for land redistribution and community water supply, the treasurer of Gauteng (the country's largest province) and three of Gauteng's leading housing officials, the top planner in what was then the Northern Province (now Limpopo), the lead echelon of Johannesburg Metropolitan Council technical staff and several executive managers of Joburg and other Gauteng metro substructures, the three most pivotal officials of Cape Town urban management and the Durban housing director – just to mention the highest profile of the group.

Some certainly did the best they could under conditions not of their own choosing, and I honour them. Too many others – here the class, race and gender consistency was striking – shamelessly made a U-turn from the moral commitments and articulations of social problems and solutions we had worked so hard to generate at Planact. And Planact, meanwhile, faced near bankruptcy in 1996 (apparently failing to win any patronage whatsoever from ex-staff), surviving only by becoming a local government consultancy, with little room to critique the urban neoliberal processes swirling around and about. From where, then, did those processes emerge?

The origins of urban neoliberalism

A return to 'primitive accumulation'

Karl Polanyi's *Great Transformation: The Political and Economic Origins of Our Time* (Beacon Boston 1957) described historical cycles in which a 'double movement' meant 'the extension of the market organisation in respect to genuine commodities was accompanied by its restriction', as society periodically resisted excessive 'commodification'. More recently, drawing upon Rosa Luxemburg's insights into the nature of imperialism, David Harvey, in his article, 'The "New" Imperialism' (*Socialist Register* 2004, edited by L Panitch and C Leys, Monthly Review Press New York 2003) has shown that an extreme form of 'accumulation by dispossession' characterises market penetration of the Third World, including urban South Africa. For Rosa Luxemburg, as outlined in *The Accumulation of Capital* (Monthly Review Press New York 1923 and 1968) – as for Polanyi and

Harvey in subsequent years – a principle concern was 'the deep and fundamental antagonism between the capacity to consume and the capacity to produce in a capitalist society, a conflict resulting from the very accumulation of capital that periodically bursts out in crises and spurs capital on to a continual extension of the market.' Simply put, 'Capital cannot accumulate without the aid of non-capitalist organisations, nor ... can it tolerate their continued existence side by side with itself. Only the continuous and progressive disintegration of non-capitalist organisations makes accumulation of capital possible.'

Crisis tendencies lead capital to activate its (permanent but now more vigorously renewed) reliance upon what has been termed 'primitive accumulation'. According to David Harvey, the concept 'reveals a wide range of processes. These include the commodification and privatisation of land and the forceful expulsion of peasant populations; conversion of various forms of property rights (common, collective, state, etc.) into exclusive private property rights; suppression of rights to the commons; commodification of labour power and the suppression of alternative (indigenous) forms of production and consumption; colonial, neocolonial and imperial processes of appropriation of assets (including natural resources); monetisation of exchange and taxation (particularly of land); slave trade; and usury, the national debt and ultimately the credit system as radical means of primitive accumulation.'

There are, too, increasingly universal urban processes associated with rampant market penetration, which in South Africa took the extreme form described by Harold Wolpe in his article 'Capitalism and Cheap Labour Power'

(*Economy and Society* 1972), as 'articulations of modes of production', perhaps most apparent in the superexploitative migrant labour system. These have returned on a global scale, in the sphere of 'reproduction' of the broader social system, and have extremely biased gendered outcomes detrimental to women. Isabella Bakker and Stephen Gill, in *Power, Production and Social Reproduction* (Palgrave Macmillan 2003), have shown how, in rich and poor countries alike:

Reprivatisation of social reproduction involves at least four shifts that relate to the household, the state and social institutions, and finally the basic mechanisms of livelihood, particularly in poorer countries:

▶ Household and caring activities are increasingly provided through the market and are thus exposed to the movement of money;

▶ Societies seem to become redefined as collections of individuals (or at best collections of families), particularly when the state retreats from universal social protection;

▶ Accumulation patterns premised on connected control over wider areas of social life and thus the provisions for social reproduction; and

▶ Survival and livelihood (for example, a large proportion of the world's population has no effective health insurance or even basic care).'

These processes have impinged upon cities for many years, orienting their managers and lead capitalists towards urban entrepreneurial competition. Since the 1986 launch of the World Bank's New Urban Management Programme, a neoliberal global policy consensus solidified, which – according to the article 'The Future Lies in a Global System of Competitive Cities' by S Angel (*Countdown to Istanbul* 1995) – led a key official of the United Nations Conference on Human Settlements to insist that the 1996 Habitat conference in Istanbul should be about 'creating a level playing field for competition among cities, particularly across national borders; on understanding how cities get ahead in this competition; on global capital transfers, the new economic order and the weakening of the nation-state ... The city is not a community, but a conglomerate of firms, institutions, organisations and individuals with contractual agreements among them.'

The World Bank's 1991 policy paper on urban management and the UN's Development Programme and Habitat housing division adopted similar strategies, alongside the United States Agency for International Development (USAID), British Department for International Development (DFID), Canadian CIDA, the Japanese and other official donor agencies. The overall orientation was nearly identical to the austerity policies at the macroeconomic scale, with USAID consultants from the Urban Institute spelling out – in its report, 'Urban Economies and National Development' – to South African policy-makers in 1991: '[The] important change in policy thinking in the developing world closely linked to the acceptance of market-oriented economies: the growing acceptance of rapid urbanisation ... An emphasis on national economic growth and export-led development will usually mean that new investment resources must be directed to already successful regions and cities ... Governments have considerable control over the entire cost structure of urban

areas. Public policy should be directed to lowering these costs.'

'Lowering these costs' – especially by lowering the social wage (including subsidies for vital basic needs like water) – has been crucial for the more direct insertion of competitive cities into the world economy. The focus here is not merely on limiting public financing of social services to those deemed to add value (though this is one of the more obvious effects of structural adjustment, and the catalyst for many an International Monetary Fund (IMF) Riot). Just as importantly, the New Urban Management Programme also highlights the productivity of urban capital as it flows through urban land markets (now enhanced by titles and registration), through housing finance systems (featuring solely private-sector delivery and an end to state subsidies), through the much-celebrated (but extremely exploitative) informal economy, and through (often newly privatised) urban services such as transport, sewage, water, electricity, schooling and even primary health-care services (via intensified cost-recovery). How were these pressures reflected in post-apartheid South Africa?

The South African case

The forces of globalisation and commodification, and the countervailing forces of deglobalisation (of capital) and decommodification (of basic needs), are together locked in combat in urban South Africa, in a manner as polarised as anywhere in the world. Taking two periods – the 1990s and 2000/5 – in South Africa's transition to democracy, can we compress the processes of urban policy-making and practical implementation, and identify a coherent trajectory associated with the roll-out and roll-back of neoliberalism? And how do we interpret the

sometimes explosive political mobilisations in South African cities since the early 1990s, and what might they imply in terms of future social development and public policy?

South Africa is a good example of neoliberal urban policy drift in the early 1980s.[36] At that stage, influential actors with strong connections to the late-apartheid government – the Urban Foundation, the Development Bank of Southern Africa, the South African Housing Trust and commercial banks – embarked upon surprisingly effective advocacy and implementation strategies on behalf of deracialised and liberalised cities. Pass Laws restricting black South Africans' in-migration were dropped; permanent township housing tenure was formalised; housing credit began to flow (ultimately providing 200 000 township bonds during the late 1980s); and the privatisation of the housing stock (the 'Great Sale') began. At that stage, the World Bank's neoliberal policy argumentation fed directly into the Urban Foundation's influential 'Urban Futures' reports series, and then into the apartheid regime's relaxation of racial controls over urban form, including the erosion of economic decentralisation subsidies associated with two dozen smaller cities near Bantustan borders.

The basic problem for the South African capitalists who funded the Urban Foundation was overaccumulation and stagnation borne of constipated internal markets. This meant combining the drive to globalise production with the opening of new accumulation possibilities – such as private-sector township housing construction – for both economic and political reasons. As liberal-capitalist political strategist

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[36] See details in Bond, 2000, 2002, 2004a-b, 2005a-c (references section)

Zach de Beer put it in 'Finance: The Pathway to Housing' (his address to the CSIR conference in Pretoria on 2 June 1988), 'When people are housed – more especially when they are home-owners – they are not only less likely to be troublesome, they are also likely to feel they have a stake in the society and an interest in its stability.'

Hence the 'elite transition' married a highly circumscribed political democratisation to commercial deregulation, to trade and financial liberalisation, and to the demobilisation of mass democratic movements. The African National Congress (ANC) government of Nelson Mandela (1994–1999) articulated the combined sensibility of globalisation and commodification in the Ministry of Reconstruction and Development's Urban Development Strategy (published in Pretoria in 1995) 'Seen through the prism of the global economy, our urban areas are single economic units that either rise, or stagnate and fall together … South Africa's cities are more than ever strategic sites in a transnationalised production system.' Even in a relatively wealthy country with enormous state capacity, the shift in priorities towards global competitiveness justified a diminished commitment to meeting basic needs. As a result, there were soon dramatic cutbacks in national-local operating budgets (85% in real terms during the early 1990s) and intense interurban entrepreneurial competition – in other words, a 'race-to-the-bottom' mentality aimed at attracting investment at all costs, including at the expense of service delivery to low-income residents.

Discussing why cross-subsidisation of electricity prices to benefit the poor was not being seriously considered during the mid-1990s, for example, the government's leading infra-structure official, Chippy Oliver, confessed to the *Mail & Guardian* on 22 November 1996, 'If we increase the price of electricity to users like Alusaf [a major aluminium exporter], their products will become uncompetitive and that will affect our balance of payments'. Alusaf pays approximately one tenth the price retail consumers do. Moreover, the ecological price of cheap power – both at the site of production and in the coal-gathering and -burning process – is not factored in, which in turn contributes to South Africa's extreme culpability for global warming and for local pollution damage to the citizenry and economy.

Hence the overall thrust of both late-apartheid and post-apartheid urban development policies and programmes – in fields such as governance, housing, infrastructure, local economic development, planning and public works – was to accept and mediate the underlying dynamics of market systems in land, housing, commerce and production. As a result, 'class apartheid' may be the best single phrase to explain the nature of the emerging urban experience. This is true not just in South Africa. Negative characteristics of urban development driven by globalisation and commodification pressures are becoming widespread across the Third World. In his keynote address to the Johannesburg Metropolitan Urban Futures Conference on 10 July 2000, Manuel Castells evoked the dilemmas of apartheid-like geographical forms: 'The segregated city is different than the segmented city. When the elites quit the city, the pattern of communication breaks down. It leads to ecological devastation such as deterioration of agricultural land and increases in epidemics. The problem is not overpopulation but intense concentration of poor people in megacities.' Castells warned of a new 'concentration of the urban but without mechanisms of social inte-

gration', which in turn means that municipal officials 'adapt to global forces by playing a game of competitiveness rather than heeding concerns of citizens'.

Dating to their 19th-century origins, South African cities reflected apartheid-capitalist residential, commercial, industrial, and environmental processes based not only upon racial prejudice but also upon labour-reproduction, capital-accumulation and social-control motives.[37] Women were especially victimised, because urban capitalist managers designed a subsidy from the rural areas so as to lower the cost of workers in the mines and factories. Economic development was, according to the Chamber of Mines, dependent upon this system. As a leading mine official testified to a government commission in 1944, 'The ability of the mines to maintain their native labour force by means of tribal natives from the reserves at rates of pay which are adequate for this migratory class of native, but inadequate in practice for the detribalised urban native, is a fundamental factor of the economy of the gold mining industry.' The migrant 'tribal natives' did not, when they were young, require companies to pay their parents enough to cover school fees or pay taxes for government schools to teach workers' children. When sick or disabled, those workers were often shipped back to their rural homes until ready to work again. When the worker was ready to retire, the employer typically left him a pittance, such as a cheap watch, not a pension that allowed the elderly to survive in dignity. From youth through to illness to old age, capitalists were let off the hook. The subsidy covering child rearing, recuperation and old age was

provided by rural African women. The central lesson from this crucial aspect of apartheid was that capitalism systematically looted the Bantustans, and especially their women, in the supply of such a large proportion of cheap labour power.[38]

Given that these motives continue, practically unchanged (notwithstanding formal, legal deracialisation), and that the migrant labour system still thrives in South Africa, it is no surprise that class, gender and generational biases have persisted since 1994, and that racial discrimination also continues in various forms. What has become additionally worrisome is that while residential desegregation of middle- and upper-class neighbourhoods has occurred relatively smoothly, most other features of urban life today embody even more severe inequality and uneven development than occurred under apartheid. The outcome was, however, not an accident, but a logical result of 1990s neoliberal urban policy, especially the 1994 Housing White Paper, which Billy Cobbett wrote, and the 1998 Local Government White Paper, which had the input of many other ex-Planact staffers. It is also worth noting the extreme contrasts between these policies and the ANC's 1994 campaign platform, the Reconstruction and Development Programme (RDP), which was generated largely by civil society activists allied to the ANC. In between, the new government came under intense pressure from local and global neoliberal forces, including persistent 'reconnaissance missions' and advisory teams from the World Bank. (Cobbett himself moved from Planact to the ANC headquarters to national government to Cape Town government to the World Bank.)

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[37] See Hendler, 1987; McCarthy 1987; McCarthy and Smit, 1987, Lupton 1992, Robinson 1996

[38] See Wolpe, 1972; Legassick 1974; O'Meara 1996

As a result, the Housing White Paper was grounded upon 'the fundamental precondition for attracting [private] investment, which is that housing must be provided within a normalised market'. The document was approved by Cabinet in December 1994 at the behest of the Minister of Housing, Joe Slovo, also chair of the SACP. An anticipated kick start in housing bond financing as a result of the October 1994 Record of Understanding with the commercial banks – also Cobbett's work – never materialised, but many of the core problems of housing in the post-apartheid era were rooted in the housing policymakers' faith in credit. Indeed, the market-centred approach to low-income housing delivery had several unfortunate consequences, including:

- ▶ An inequitable allocation of funding between different low-income groups (favouring those with higher incomes because they have the capacity to gain access to credit and hence are the target of private-sector developers' projects);

- ▶ A low rate of delivery, witnessed by the growth in the housing backlog (in part because at of an estimated million subsidies granted between 1994 and 1999, only 60% had actually been taken up, and of these only 16% had received credit due to bank reticence to lend);

- ▶ The destruction of existing housing construction capacity due to the failure to recognise contradictions within the market and to provide a state-driven counter-cyclical construction boost;

- ▶ Communities being disempowered in project planning as well as in their more general needs for capacity (given that many local leaders moved into

government), which led to unwanted products as well as an increasing gap between developers' promises and community expectations, often resulting in intense conflict;

- ▶ A reluctance on the part of the private-sector developers to be involved in conflict-ridden areas where the need for housing was often the greatest;

- ▶ Abuse of the scheme by local authorities and developers, leading to a reduction in value of the subsidy by 50% in some cases;

- ▶ The failure of the two main credit lubrication strategies, the Mortgage Indemnity Scheme (which indirectly acted as a red-lining instrument) and Servcon (as there were very few low-cost properties for households to 'rightsize' to after defaulting on bonds);

- ▶ A lack of success by the National Housing Finance Corporation in reducing interest rates or increasing access to credit for low-income households (and indeed in keeping afloat targeted intermediary lenders, such as the defunct Community Bank); and

- ▶ The inevitability of reproducing apartheid-style ghettoes, although these were not segregated along racial lines but in class terms, specifically whether the new slum settlements included – as a matter of public policy – sewage systems, electricity lines, storm-water drains, and tarred roads.

Just as importantly, the implications of a market-centred approach to housing entailed the withering of state capacity in fields as diverse

as construction, building-materials management, public works delivery, retail financing, and management. The ability of provincial and local governments to take up the additional responsibilities they were subsequently given by the 1996 Ministerial Task Team on Short-term Delivery appears severely limited.

Similarly, the Housing White Paper's insistence on cost-recovery on tariffs for basic services (water, electricity and rubbish removal, for example) ignored the huge subsidy that black township dwellers historically provided to white municipalities (by virtue of having no township tax base), as well as the failure to bill residents at local level and many other manifestations of systemic breakdown. In contrast, the RDP recognised such problems and hence advocated redistributive ('lifeline') tariffs established at national level for services such as water and electricity. The Housing White Paper implicitly rejected the RDP's commitment to more equitable, efficient national tariff structures based on cross-subsidisation.

Many other deviations from the RDP mandate could be recorded. The RDP demanded progressive policy provisions in relation to savings, bond guarantees, construction regulation, building-materials prices, emerging builders, tenure bias, legislation protecting tenants' rights, squatters' rights, and the rights of people living in informal settlements, none of which were considered, much less endorsed, in the Housing White Paper. The RDP also suggested the need for further legislation regarding evictions, exploitation in rentals, and many other housing-related problems, as well as interventions in the land market. The RDP noted that 'All legislative obstacles and constraints to housing and credit for women must be re-moved.' Elsewhere in the RDP, the rights and needs of disabled people were also cited. All of these were profoundly distorted or missing from the Housing White Paper.

In March 1998, the Local Government White Paper was sent by the Ministry of Constitutional Development to Cabinet. It cited the following urban problems, largely of a residual technical nature: 'skewed settlement patterns and extreme concentrations of taxable economic resources ... huge backlogs in service infrastructure ... great spatial separations and disparities betweens towns and townships and urban sprawl ... new municipal institutions which recognise linkages between urban and rural settlements ... entrenched modes of decision-making, administration and delivery ... inability to leverage private-sector resources for development ... substantial variations in capacity ... need to rebuild relations between municipalities and communities.'

To address these problems, redistribution should have been a central strategy. The Local Government White Paper offered three specific (if relatively minor and localised) techniques: 'service subsidies ... support to community organisations in the form of finances, technical skills or training ... linkage policies to directly link profitable growth or investment with redistribution and community development.' Yet there was no recognition that under an export-oriented logic of orthodox municipal economic development, competition between cities for new investors would trump redistribution, particularly the widespread cross-subsidies required to finance township services.

With geographical class segregation intensifying since 1994 due to the distant location of new settlements on inexpensive (if dysfunc-

tional) land, the Local Government White Paper acknowledged that income differences threatened to generate a neo-apartheid urban form, for 'inadequate service levels may perpetuate stark spatial divisions between low-, middle- or high-income users (particularly in urban areas) and jeopardise the socioeconomic objectives of the Council.' Yet there was no official recognition that the low levels of service delivery associated with the Municipal Infrastructure Investment Framework – especially pit latrines, which cannot be incrementally upgraded to waterborne sanitation – for low-income households would permanently relegate the poor to faraway ghettoes. Upwardly mobile residents desiring higher infrastructure levels would have to emigrate from these ghettoes instead of investing in their residences, because it is impossible to incrementally install the connector piping for sewerage to individual households.

Additionally, the various options for 'approaches to service delivery' were highly biased in favour of privatisation. None of the arguments for municipal transformation offered by the South African Municipal Workers' Union, for example, was considered, nor were more visionary community trusts advocated by civic associations. The Local Government White Paper at least acknowledged that privatisation carried risks of 'cherry-picking' (refusal to provide services to low-income areas), poor-quality services, and unfair labour practices. Notably, though, no warnings were made about excessive levels of profit, such as the 30+% in US$ terms demanded by most foreign investors in municipal infrastructure, including the World Bank's International Finance Corporation.

The Local Government White Paper chapter on Municipal Finance failed to divulge the condi-

tions under which roughly half of all municipalities were found to be financially insolvent. After failing to mention, much less resolve, these obvious problems, the chapter proceeded to take the most extreme, conservative interpretation of tariffs (price) policy for water, electricity, and other municipal services. The Local Government White Paper provisions that (1) there must be 'payment in proportion to the amount consumed', (2) there must be 'full payment of service costs', and (3) tariffs must 'ensure local economies are competitive' by insulating businesses from cross-subsidies, prevented municipalities from adopting (1) progressive block tariffs, (2) a universal lifeline service to all consumers, and (3) local-level redistribution from often wasteful business users to low-income consumers. All these provisions directly violated the mandate given in the RDP, which explicitly called for block tariffs, lifeline services, and redistribution from businesses to consumers. Finally, the Local Government White Paper's last chapter, on the Transformation Process, nearly negated the roles of communities and municipal workers. Hence the document ended by appealing to citizens to trust a largely technocratic process.

The case of Johannesburg

The same philosophy prevails in municipal agencies responsible for urban services, where – again – ex-Planact personnel were thick on the ground during the crucial 1994–2004 period of policy formulation and positioning. To illustrate the problem, a class-biased bureaucratic sabotage of the ANC's 'free basic water' promise was evident in revised July 2001 water tariffs following the December 2000 municipal elections. In most municipalities, officials set those tariffs at a small, free lifeline of 6 000 litres per household per month (no matter how

many people relied on the water), followed by a very steep, convex tariff curve. Generally, the next consumption block became unaffordable, leading to even higher rates of water disconnections in many settings. The 6 000 litres represent just two toilet flushes a day for a household of eight – for those lucky enough to have flush toilets. It leaves no additional water to drink, wash with, or clean clothes or the house. Optimally, a different strategy would provide a larger free lifeline tariff, ideally on a per-person, not per-household basis, and then rise in a concave manner to penalise luxury consumption.

Johannesburg's tariff was set by the Council with help from Suez, and began in July 2001 with a high price increase for the second block of consumption. Two years later, the price of that second block was raised 32%, with a 10% overall increase, putting an enormous burden on poor households – especially those characterised by multiple family members with HIV/ AIDS – which used more than 6 000 litres each month. The rich got off with relatively small increases and a flat marginal tariff rate, which did nothing to encourage water conservation.

To fully comprehend the water 'apartheid' problem requires us to move beyond Johannesburg's local circumstances to the global scale to consider neoliberal capitalism's basic processes, and then back to local struggles. In general, the obvious reason for limiting water supply to poor people is to keep prices for rich people and big business as low as possible. In this sense, the logic of neoliberalism was superimposed upon the ANC's free water policy. Official documents reflect the debate: 'The World Bank has worked

Figure 1: Divergent water-pricing strategies
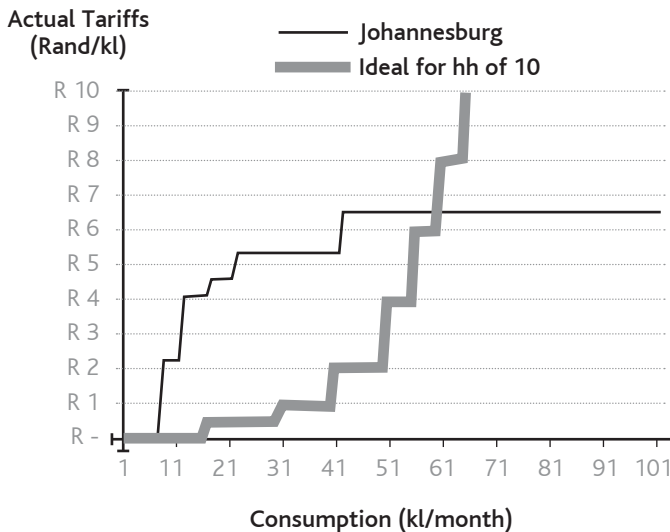
Source: *Johannesburg Water (thin line) and own projection (thick line)*

with the City [of Johannesburg] (CoJ) in recent years to support its efforts in local economic development and improving service delivery,' according to Bank staff and consultants. Early interventions included a 1993 study of services backlogs and the 1994 Municipal Infrastructure Investment Framework. More recently, according to the World Bank report, 'South Africa: Monitoring Service Delivery in Johannesburg' (Washington 2002), Johannesburg's vision strategy document for 2030 'draws largely on the empirical findings of a series of World Bank reports on local economic development produced in partnership with the CoJ during 1999–2002, and places greater emphasis on economic development. It calls for Johannesburg to become a world-class business location.' In turn, the Bank insists, businesses, not low-income consumers, should be allowed benefits that might later trickle down: 'The ability of the city to provide services is related to its tax revenue base or growth. The CoJ does not consider service delivery to be its greatest challenge to becoming a better city... The city finds further support for its Vision in a survey that suggests that the citizens are more concerned about joblessness than socioeconomic backlogs.'

This is debatable, because Johannesburg residents listed electricity (48%), water (42%) and toilets (33%) as three of the five worst problems in a 2001 survey. The other two were the city's failure to create jobs and maintain health clinics. For black 'African' Johannesburg residents, the figures – according to the Johannesburg Metropolitan Council Attitude Survey of 2001 – were, respectively, 58%, 53% and 45%, ranking as the first, second and fourth worst problems. Of crucial importance is the impact of degraded urban services on AIDS. With both waterborne and respiratory diseases acting as vectors from HIV to full-blown AIDS, there are obvious merits of large volumes of free lifeline water and electricity (so as to prevent internal particulates within households associated with paraffin, coal and wood smoke).

In contrast to improved residential services, staff of the World Bank cited the Bank's 'local economic development methodology developed for the CoJ in 1999', which 'sought to conceptualise an optimal role for a fiscally decentralised CoJ in the form of a regulator that would seek to alleviate poverty ... through job creation by creating an enabling business environment for private-sector investment and economic growth in Johannesburg'. This short-term commitment to urban entrepreneurialism negates poor people's needs for effective municipal services, paid for through cross-subsidies from business. Johannesburg would become less competitive as an export-oriented platform within global capitalism if higher tariffs on services were imposed. Advocates of a neoliberal approach to water provision and pricing, ranging from World Bank advisors to Johannesburg Water's management, have introduced several unsound features. Johannesburg Water's pricing strategies fail to incorporate ecosocial factors, including public health, gender equity, the environment or economic benefits such as employment generation or stimulation of small-scale enterprises. Johannesburg's narrow financial-rate-of-return policy fragments city services, disengaging civil servants in the water or electricity or waste-removal sectors from those in the health sector, for instance.

Because disconnected water pipes were increasingly (and unlawfully) reconnected by the Anti-Privatisation Forum (APF) and informal township plumbers, thousands of prepaid

meters were installed by Johannesburg Water to foil defaulters. The R342-million, five-year operation, termed 'Gcin'amanzi', Zulu for 'conserve water', was aimed at 'self-disconnection' as the solution to durable non-payment problems in Soweto, Orange Farm, Ivory Park and Alexandra. Identified as a key Mayoral Strategic Priority, the operation aimed to lower the 'unaccounted for water' rate in Soweto from 62% to the standard 21% water loss for the city's non-township neighbourhoods. Soweto is responsible for a R158-million annual loss, with 68 billion litres of water each year unaccounted for, compared to a total Johannesburg metropolitan area flow-through of 230 billion litres a year (E. Harvey, 2004). The fight against prepaid meters began in Orange Farm in 2002 and by 2003 created havoc in the Phiri section of Soweto, where repeated arrests did not succeed in normalising the strategy of Johannesburg Water.

The APF's advocacy solution – the thick line in the graph on page 107 – was not considered by Johannesburg Water because it was not optimally profitable for the Paris partner firm, Suez. The distortion of market prices by cross-subsidy is a substantial deterrent to water privatisation, according to World Bank water official John Roome in his 1995 World Bank presentation ('Water Pricing and Management') to then Water Minister Kader Asmal. Roome's power-point slideshow, which he later claimed, in *Country Assistance Strategy: South Africa* (World Bank Washington DC 1999), was 'instrumental' in a 'radical revision' of Asmal's water pricing policy, argued that municipal privatisation contracts 'would be much harder to establish' if poor consumers had the expectation of getting something for nothing. If consumers didn't pay, Roome continued, Asmal needed a 'credible threat

of cutting service'. The logic played out over the subsequent years. The post-2000 move to further commodify Johannesburg's water through outsourcing to an international water corporation brought with it several new profitable techniques: revised tariffs that appeared to provide free water, but didn't; pre-paid meters aimed at self-disconnections; and no-flush sanitation of an appallingly low, gender-biased standard.

The neo-apartheid city

Added to neoliberal macroeconomic policy, what were the results of these urban policies and practices in sites such as Johannesburg, in terms of race/class/gender equity and the functioning of basic urban services? A government agency, Statistics South Africa, released a report, 'Earning and Spending in South Africa', in October 2002 confirming that in real terms, average black 'African' household income declined 19% in the period from 1995 to 2000, while white household income was up 15%. Households with less than R670 per month income – mainly those of black African, coloured or Asian descent – increased from 20% of the population in 1995 to 28% in 2000. The poorest half of all South Africans claimed a mere 9.7% of national income, down from 11.4% in 1995, while the richest fifth grabbed 65%.

According to Statistics South Africa's Labour Force Survey: September 2002, the official measure of unemployment rose from 16% in 1995 to 31.5% in 2002. Add to that figure the number of frustrated job-seekers and the percentage of unemployed people rises to 43%. Moreover, at least 10 million people – according to Statistics South Africa's report, 'Database on Expenditure and Income' (2002), had their water disconnected for non-payment,

and a similar number experienced the same for not paying electricity bills, as rising water and electricity prices together accounted for 30% of the income of those earning less than R500 per month. Thus, according to the government's leading water bureaucrat, Michael Muller, as outlined in his article 'Turning on the Taps' (*Mail & Guardian* 25 June 2004), '275 000 of all households attributed interruptions to cut-offs for non-payment' in 2003 alone, affecting at least 1.5 million in a year. The Water Minister had threatened to 'name and shame' municipalities that cut off customers leaving no other recourse. Even more low-income people had their telephone services terminated. And, says David McDonald in *Environmental Justice in South Africa* (University of Cape Town Press 2002), millions have been evicted from their homes or land since 1994.

Residents of cities were miserable, in part because rural areas were also suffering enormously from neoliberal public policy. Results included rising unemployment due to agricultural mechanisation (to meet foreign competition) and the transformation of farmland to game ranches. The Landless People's Movement observed in a press statement released in Johannesburg on 8 January 2004 that in nearly a decade since liberation, Pretoria failed to deliver on its promise to 'redistribute 30% of the country's agricultural land from 60 000 white farmers to more than 19 million poor and landless rural black people and more than 7 million poor and landless urban black people within five years … Studies show that just over 2.3% of the country's land has changed hands through land reform.' The land reform strategy was based upon the World Bank's 'willing seller, willing buyer' policy advice, by the same officials who were active in Zimbabwe's similarly failed reforms from 1980 to 2000.

One of the most obvious ways in which apartheid was constructed was in residential terms: who could live where. Such segregation did not end in 1994, but took on a class-based character. In an article in the *Saturday Star* on 7 June 2003, Gauteng's Housing Minister Paul Mashatile admitted that the resulting landscape had become an embarrassment: 'If we are to integrate communities both economically and racially, then there is a real need to depart from the present concept of housing delivery that is determined by stands, completed houses and budget spent.' His spokesperson, Dumisani Zulu, added, 'The view has always been that when we build low-cost houses, they should be built away from existing areas because it impacts on the price of property'. In the same article Lew Geffen, the chief executive of a large real estate corporation, insisted instead that 'low-cost houses should be developed in outlying areas where the property is cheaper and more quality houses [can] be built'. Given the power relations in the housing industry, it is reasonable to anticipate continuity, not change in Johannesburg's geography.

There remain additional sources of urban ecological strife. South Africa has scarce water resources, yet the ANC government permits extreme inequality in its distribution, with respect to natural surface and groundwater (since apartheid land dispossession) and in water consumption norms, with wealthy urban families enjoying swimming pools and English gardens, and rural women queuing at communal taps in the parched ex-Bantustan areas for hours. South Africa also contributes more to global warming than nearly any economy in the world if carbon dioxide emissions are corrected for both income and population. Greenhouse gas emissions are 20 times higher than even the United States by that measure,

and emissions have been worsening over the last decade. Notwithstanding good solar, wind and tide potential, renewable energy is desperately underfunded. Instead, vast resources are devoted to nuclear energy research and development (including huge investments in pebble-bed nuclear reactors) and construction of Africa's largest hydropower facilities. The government's failure to prevent toxic dumping and incineration has led to a nascent but portentous group of mass class-action lawsuits that may graduate from asbestos victims to residents who suffer persistent pollution in several extremely toxic pockets, such as South Durban, Sasolburg and Steel Valley, for example.[39]

The next question, in the context of the degeneration of socioeconomic and ecological conditions for so many low-income urban residents, is whether the upsurge of protest that began in the late 1990s across South Africa's cities and towns represents the lever Karl Polanyi cited as responsible for the double movement: systematic social resistance to the market. And again, the question would arise, what role for Planact?

From urban protest to post-neoliberal policy?

For two decades, urban South Africa has been subject to extremely high levels of social protest, which numerous intellectuals and commentators identified as worthy of sustained analysis, especially during the early 1990s. Subsequent publications dealt explicitly with governance debates as a result of the changed political landscape, while more detailed studies

reflected upon the ANC's systemic disrespect for – and even explicit desire to demobilise – the community groups that had played such an important role in the dissolution of apartheid during the upsurge in urban protest between 1984 and 1994.[40]

Given the much less politicised environment prevailing after apartheid was defeated, the main quantitative survey of civil society, *The Size and Scope of the Non-Profit Sector in South Africa* – part of a Johns Hopkins Institute for Policy Studies international study (University of the Witwatersrand Graduate School of Public and Development Management Johannesburg 2002)– specified its subject with such a large lens as to lose the distinction between status quo and social-change organisations. While other reviews of the urban movements' post-apartheid influence were more respectful, they retained enormous scepticism that the intense counterhegemonic role achieved earlier in the decade could (or indeed even should) be restored under conditions of state legitimacy, democracy and development.

As noted, however, by the late 1990s, Pretoria's neoliberal policies had extremely harmful effects on urban South Africa, leading to an upsurge of both resistance and published research.[41] A few analysts even identified a partial revival of some SANCO branches, for example. But because of their simultaneous political break from the ANC, the most substantial community groups that formed the Johannesburg APF and similar networked urban movements in the large cities were distinct from the

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[39] See Bond 2002; Clarke 2002; McDonald 2002.

[40] See White, 1995; Lanegran 1996; Seekings 1996; Pieterse 1997; Meer 1999; Zuern 2000.

[41] See Anti-privatisation Forum et al, 2004; Barchiesi 2004; Desai 2004; Desai and Pithouse 2004; Dwyer 2004

organisational forms of the prior decade, even if many of their leaders had been forged in the earlier round of urban struggles. The composition of the urban working class was, likewise, changing. According to Franco Barchiesi in 'After the March on the Left' (*Khanya Journal 2002*), as new social subjectivities emerged, new movements focused on self-management by communities, construction of grassroots discourse and action that was clearly at odds with the hierarchical organisational practices of the traditional Left. Such an alleged rupture with socialist traditions, however, is hotly contested, as key activists insist that the leading Left social forces have simply reconstituted themselves via community activism into urban movements, while the traditional goals of socialism via state power remain intact, as argued in Ngwane's 'Sparks in Soweto,' (*New Left Review*, 2003).

In terms of thinking globally and acting globally, more recent studies, such as Munnik and Wilson in *The World Comes to One Country* (Heinrich Boell Stiftung Berlin and Johannesburg 2003) describe the resurgence of urban movements' global vision in part through Johannesburg protests against the United Nations World Summit on Sustainable Development in August 2002, and in the construction of the Africa Social Forum and World Social Forum.42 By the early 2000s, the key characteristic of the most active urban movements was profound hostility to both the world-class city agenda adopted by most of the large municipalities, and the national government's neoliberal response to economic globalisation. As a result, a new generation of book-length critical publications on (mainly urban) independent Left movements emerged.

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42 See also Cock 2002 and 2003 and Bond 2004a.

Behind this interest in urban movements lay renewed 'IMF Riots' against urban neoliberalism, which probably began in early 1997 in Eldorado Park, a low-income coloured township of Johannesburg. During a day-long protest, four people were killed over resident demands for lower municipal rates. In August 1997, several protests over service payments shook Johannesburg and Pretoria townships, the Mpumalanga town of Secunda, and even Butterworth in the distant Eastern Cape region of what was once Transkei (where, after three straight days of protest against municipal officials, a resident was shot dead before crowds dispersed). In KwaThema, east of Johannesburg, the houses of three ANC councillors were burned down by angry residents.

Thousands of residents of Tembisa township, east of Johannesburg, demonstrated one winter afternoon in August 1997, leaving R13-million worth of electricity meters destroyed. Their anger was directed against the installation of a prepayment system that, according to Tebogo Phadu, in his article 'An Inside View of the Tembisa Struggles' (*debate* 1998), was 'being pushed by transnational corporations – Siemens and Sony in particular … [and that] would have a profound impact on our tradition of community organisation/mobilisation as it promotes 'everyone for him/herself" (i.e. individualising payment), further marginalising the working class, particularly the unwaged'. Tembisa witnessed more strife over evictions from houses where commercial banks declared foreclosure. In 1999, the urban political transition – from disorganised, often violent IMF Riot to the construction of a sustained social movement – began with the Soweto Electricity Crisis Committee (SECC), the forerunner of the APF. Each step of the way, the process entailed mixing rights discourses regarding decommodified basic needs with grievances against national

policy and transnational corporate or financial agency sponsors, and adding collective self-reconnection tactics. The most frequent targets were municipal delivery agencies, Eskom, the World Bank, DFID, USAID, and multinational water corporations (especially Suez, Vivendi, Saur and Biwater).

Recognising the problems with neoliberal policy and the intense resistance it was generating during the late 1990s, several government departments began to criticise aspects of their own post-apartheid policies. These included the inadequate size, quality and location of urban housing; worsening segregation associated with urban infrastructure provision; growing public health (especially AIDS-related issues); problems associated with urban poverty; insufficient access to water, electricity and other municipal services due to household affordability constraints; and urban 'maldevelopment' in the form of 'smokestack chasing' instead of holistic Local Economic Development. Even the so-called GEAR macroeconomic strategy – a structural adjustment programme co-authored by the World Bank and imposed on the society in 1996 without consultation – was criticised within government for failing to generate positive microeconomic, developmental and employment outcomes.

Indeed, once the market-oriented policies failed and a social backlash emerged, some policies were mitigated slightly. For example, in 2000 the ANC reacted to the cholera outbreak and rising social protest by dramatically shifting policy on water, agreeing to reinstate a 'lifeline' services promise made in the RDP. As the December 2000 municipal elections approached, this commitment was made: 'The ANC-led local government will provide all residents with a free basic amount of water, electricity and other municipal services so as to help the poor.

Those who use more than the basic amounts, will pay for the extra they use.' A few weeks later, on 14 January 2001, Michael Muller – in a television interview on SABC's Newsmakers – conceded the link between cholera and water disconnections: 'Perhaps we were being a little too market-oriented [in supplying water/sanitation services].'

Does this sort of concession mean that a 'double movement' is now operating? After several hints about a new policy orientation that reflected both neoliberal failures and left-wing political pressure, Peter Bruce, editor of the influential *Business Day* newspaper, in his piece 'Mbeki Shifts to the Left' on 25 June 2004, remarked: 'Has President Thabo Mbeki lost his mind? Has he lost his temper? His patience? Or has he just lost his faith?' Just a year earlier, on 4 July 2003, Bruce – in his 'SA Needs a Market Economy that Works for All People' – was more confident: 'The government is utterly seduced by big business, and cannot see beyond its immediate interests.'

The reality, however, has been persistence in neoliberal policies, with two very minor exceptions: privatisation only slowed (mainly due to popular resistance and adverse market conditions) but was not halted or reversed; and the tight post-apartheid fiscal straightjacket was loosened very slightly (providing a fractional increase in social spending as a percentage of GDP). But overall, the ANC continued to implement neoliberal macroeconomic and microdevelopment policies, as orthodox monetary policy was maintained, liberalisation of trade and finance proceeded apace, corporatisation of state enterprises sped up, and the ongoing attack by state service providers against low-income people continued. To illustrate, in June 2004, the Congress of South African Trade Unions (COSATU) expressed confidence in the

Minister of Public Enterprises Alec Erwin: 'We welcome the fact that the minister has, like the president, placed the issue of employment creation at the centre of the restructuring of the State-Owned Enterprises.' As cited by M Faniso in 'Unions Plan Major Strike if Spoornet Continues Axing Jobs' (*Business Report* 3 September 2004), by the end of August, Erwin had changed position, 'saying state-owned companies were not employment agencies and that managers had to do everything possible to make businesses profitable, including cutting jobs'.

The state's *gatvol*[43] attitude to its Alliance partners is obvious, and the direct continuities between GEAR and the Accelerated and Shared Growth Initiative for South Africa (AS-GISA) hardly need reminding. There are no fundamental changes, only the ratcheting up of repression when people protest. This has been quite extreme in Durban, where city manager Mike Sutcliffe regularly bans marches, although on one occasion – on 26 February 2006 – the courts finally came to the rescue of the Constitution and the Abahlali baseMjondolo movement.

More typically, the South African state regularly used force and bannings to prevent protests. In Johannesburg, for example, on 21 March 2004 (Human Rights Day) the APF was prevented from having a peaceful protest at, ironically, the opening of the Constitutional Court's Hillbrow headquarters; on election day 2004 the Landless People's Movement faced mass arrest and torture; and on many other occasions, excessive use of police force was used to break up protests against genuine grievances. At the end of 2004, a hopeful signal was a finding by

the Police Service's Independent Complaints Directorate: the fatal shooting of Harrismith protester Tebogo Mkhonza during an initially peaceful march against the municipal council in August should result in prosecution of those responsible. But the Harrismith police were recently found to be innocent of excessive force.

The point on which to conclude is that these struggles do not reflect a successful double movement yet, through which the neoliberal drive has been conclusively reversed. Independent left movements still campaign to turn basic needs into human rights: antiretroviral medicines to fight AIDS; free water (50 litres per person per day); free electricity (1 kiloWatt per hour per person per day); thorough-going land reform; prohibition on services disconnections and evictions; free education; and even a 'Basic Income Grant', as advocated by churches and trade unions. The idea is that all such services should be provided to all as a human right and, to the degree that it is feasible, financed through imposition of much higher prices for luxury consumption. If universal (not means-tested) benefits are provided and if, in the process, a relatively greater degree of labour decommodification is achieved alongside more sympathetic urban-rural and gender relations, these advances might also provide the basis for solving some of the problems flagged by Rosa Luxemburg, Harold Wolpe and David Harvey cited earlier. The rearticulation of capitalist and non-capitalist processes might, in this social policy scenario, provide the cross-subsidisation required to mitigate or even reverse the surplus flows that now result in the underdevelopment of so many rural and women-headed households.

However, because the commodification of everything is still underway in South Africa, there are only hints of success, such as the

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43   Afrikaans for 'frustrated and dismissive' or 'fed-up.'

ANC commitment to free basic services and the gradual provision of free medicines to people with HIV/AIDS. Nevertheless, the linkage of these movements at some point could provide the basis for a unifying agenda, resulting in a widescale political movement for fundamental social change. This will be especially true if linked to the demand to 'rescale' many political-economic responsibilities that are now handled by embryonic world-state institutions under the influence of neoliberal United States administrations. The decommodification principle could become an enormous threat to global and local capitalist interests alike, in such forms as militant opposition to privatised services (reflected in the regular expulsion of French and British water companies from the Third World); the denial of private intellectual property (based on the HIV/AIDS medicines precedent); indigenous people's and environmentalist resistance to biopiracy; the exclusion of genetically modified seeds from agricultural systems (as Zimbabwe, Zambia and Angola have done); the nationalisation of industries and utilities; the imposition of exchange controls and import/export regulations alongside inward-oriented industrial policies; and the simultaneous empowerment of labour and consumer/community movements.

To make any progress, delinking from the most destructive circuits of global capital will also be necessary, combining local decommodification strategies and tactics with the call to defund and close the World Bank, the IMF and the World Trade Organisation (WTO) as outlined on the website www.worldbankboycott.org. The July 2006 collapse of the WTO's Doha Round, for example, should be cause for celebration. Beyond that, the challenge for South Africa's progressive forces, as ever, is to establish the difference between 'reformist reforms' on one hand and reforms that advance

a 'non-reformist' agenda on the other, allowing democratic control of social reproduction, of financial markets and ultimately of production itself. These sorts of reforms would strengthen democratic movements, directly empower the producers, and, over time, open the door to the contestation of capitalism itself. As has often been demonstrated in the establishment of social welfare policies, winning these more decisively can be accomplished only by strategies based upon strong alliances between labour and other social movements, and will probably also ultimately rely on a class-conscious political party taking national state power. In the meantime, the issues are being struggled over and progressive strategies are being adopted in South African and in other African settings. Thus, while urban South Africa does not yet represent a liberated zone in which public policy serves the majority, that fight has been joined.

The final question, in scanning the contemporary ideological balance of power and array of forces, is whether Planact can and will rejoin the struggle. The South African domestic political scene has witnessed not simply the caricatured infighting that typically besets petit bourgeois nationalist parties, but also more substantial denials of civil and political rights when the ANC's opponents organise protests and marches. In the former category, spats between leaders peaked in April 2001 when Mbeki and some of his Cabinet colleagues announced that in light of rumours that the president had been involved in the murder of Chris Hani, general secretary of the SACP, eight years earlier, an investigation would be done about a coup plot. The investigation was aimed at three black business leaders who had moved from full-time political work within the ANC when their political advance was blocked: Cyril Ramaphosa (head of the 1995/6 Constitution-

al Assembly), Tokyo Sexwale (first premier of Gauteng) and Mathews Phosa (first premier of Mpumalanga). Similar ridiculous episodes associated with the persecution of the deeply flawed ANC deputy president (and subsequently ANC president), Jacob Zuma, reflect a politics centred on ego, personality confrontations and manipulations over second-tier positions. These also led to the break-up of the two main parties of white privilege, the Democratic Party and New National Party, with the latter group of former apartheid leaders apparently comfortable within the ambit of the ANC's mild-mannered nationalism. The Inkatha Freedom Party (IFP), United Democratic Movement (UDM), Independent Democrats (ID) and Pan Africanist Congress (PAC) all suffer declining support.

Matters were different when it came to the independent Left movements, however, and that is where Planact should consider a re-engagement. While the government had often clamped down on unrest, beginning with wildcat labour strikes and building invasions in the weeks following the May 1994 inauguration of Nelson Mandela, the systematically repressive side of ANC rule was unveiled to the world during the August 2002 protests against the United Nations's World Summit on Sustainable Development. Over a period of several weeks, security forces engaged in the pre-emptive arrest of hundreds of activists from three different movements, the banning of peaceful demonstrations, and the use of stun grenades at a candlelight march of 800 people who had emerged from a conference at Wits University. After independent Left groups insisted they would march, more than 20 000 people from the impoverished Alexandra township to the site of the Summit in Sandton on 31 August, Pretoria reluctantly unbanned the route. A parallel march by the ANC Alliance in support of

the Summit covered the same route two hours later, but with fewer than a tenth as many marchers. A similar show of independent Left street strength had occurred exactly a year earlier at the World Conference Against Racism, and then a year later during anti-war protests, including against the state-owned firm, Denel, which was selling armaments worth at least $250-million to the Bush and Blair regimes.

Is there a coherent way to link the global pressures offered by Washington and Pretoria's own repressive inclinations under the predictable 'talk Left, act Right' formula of exhausted nationalism? See Table 1 for this author's attempt to map an array of international ideological currents.

If we translate the array of international ideological currents to local circumstances, we might begin by identifying the South African versions of the global justice movements. Organisations repeatedly challenging the ANC and capital from the Left include social movement and community activist coalitions such as the Johannesburg APF, the network of Durban urban residents stretching from the Abahlali baseMjondolo shacks to South Durban working-class communities and beyond, and the Western Cape Anti-Evictions Committee, as well as a variety of sectorally specific groups: the Education Rights Project, Environmental Justice Networking Forum, Jubilee SA, Keep-Left, Landless People's Movement, Palestine Solidarity Committee, SECC, Treatment Action Campaign (TAC), Youth for Work, and sometimes the inconsistent South African Non-Governmental Organisations Coalition. Other Left infrastructure includes think-tanks and training institutes, such as the Alternative Information and Development Centre, the Centre for Economic Justice, groundWork, the International Labour Research and Information

Group, Khanya College, Research, Education and Development, and the University of Kwa-Zulu-Natal Centre for Civil Society, most of which have useful websites. There are, as well, some militant sections of COSATU, especially municipal workers.

However, divisive conflicts have emerged within South Africa's independent Left movements, especially over how to relate to the SACP and COSATU, with some groups entering selective alliances, particularly in the wake of much stronger criticism of the ANC from the SACP ('Bonapartist') and COSATU ('dictatorial'). How far to attack the ANC carries into debates over whether (and when) to form a Left political party. In addition, there remain traditional South African problems with sectarianism among small political parties and factions. Another major dividing line emerged over how to articulate South African reactions to the Zimbabwe land issue and to the imperialist-aligned section of the Zimbabwe opposition.

In the category of 'Third World nationalism', the leading local forces are the ANC and SACP. There are other political parties (the PAC, Azanian People's Organisation (AZAPO), and even former apartheid allies Inkatha) that sometimes qualify as nationalist, as well. The most vociferous activists tend to be from the ANC Youth League, while – under the leadership of Winnie Madikizela-Mandela – the ANC Women's League was also visible. In the field of foreign relations, the more moderate proponents of this ideology include the government's Ministry of Foreign Affairs, its allied think-tank the Africa Institute, and the black entrepreneurs' African Renaissance Institute. There are also dominant currents within the COSATU head office and some member unions (such as health/education, metalworkers and mineworkers) that line up strongly in the ANC

camp, as witnessed by the mid-2003 expulsion of the APF from their office space in COSATU headquarters. Government positions are loyally supported by major black-oriented media – *CityPress, Enterprise* and *The Sowetan* – and by much coverage from the SABC. Not only are black business empowerment organisations important bulwarks, there are occasionally some civil society movements and NGOs that take explicitly Third World nationalist positions – such as on Robert Mugabe's land politics (the Landless People's Movement, for example) – but also pro-government positions on many contentious issues, such as the South African Council of Churches, SANCO and the South African Non-Governmental Organisations Coalition. The majority of campaigning groups took government's side in the Iraq war, through a Stop the War Campaign that did not address charges of hypocrisy or the ANC's willingness to back Bush if only he had more UN support.

There are also internal disagreements within this category, such as the extent of hatred of what ANC leaders term the 'ultraleft' (such as the global justice movements). Depending upon the current of nationalism, there remains either fear of or desire for a split in ANC-SACP-COSATU Alliance (some strident black business ideologists within the ANC, once led by the late Peter Mokaba, call for a union and communist purge). There are controversies over race, especially the role of whites and Indians within the ANC. But most internecine fighting in the party appears related to personality disputes, which at one point threatened to split the ANC into two camps based not on ideology but on who lined up with or against the deputy president during his corruption affair.

Moving further right, fairly powerful reformist impulses can be found in both a liberal frac-

tion of the South African ruling class and some civil society groups, which together can be described as a 'Post-Washington Consensus'. They both line up to Mbeki's left on economic policy, and generally promote classic liberal-democratic positions. The liberal media (such as the *Sunday Independent* and the *Mail & Guardian*) have influence disproportionate to their small – some 50 000 – readerships. There are some reformist think-tanks ranging from the liberal Centre for Policy Studies to more critical (if cautious) voices such as the SANew Economics network, COSATU's National Labour and Economic Development Institute (NALEDI) and the Institute for Global Dialogue. Some parastatal agencies oriented to social problems (such as the Human Sciences Research Council and Human Rights Commissions), while pro-government at the end of the day, sometimes take reform positions. There are also vocal social-service and development NGOs that typically request more funds for grassroots projects and occasionally criticise neoliberal policies (the Black Sash, Planact and Mvula, for example). Most mainstream environment groups (Environmental Wildlife Trust, International Fund for Animal Welfare and the World Wildlife Federation) and most of the social-sector funders active in South Africa (Friedrich Ebert Stiftung, Ford, Mott, Open Society SA, Oxfam, etc.) are 'Post-Washington' in orientation. A corporatist bargaining forum of big business, big labour and big government, called the National Economic, Development and Labour Council (NEDLAC), is often a site of centrist reform proposals.

South Africa's orthodox 'Washington Consensus' position is currently represented by predictable business associations and their think-tanks, plus – crucially – allied media (such as *Business Day*, *Business Report, Financial Mail*, *Finance Week* and the *South African Journal of Economics*). In government, there is still full commitment to the Washington Consensus in the Treasury, the Department of Trade and Industry, the Ministry of Public Enterprises, the Department of Environmental Affairs and Tourism, the Reserve Bank and the Development Bank of Southern Africa. The white-dominated Democratic Alliance (DA) is a neoliberal stalwart, as are all the high-profile bank research units and university economics departments. A few important think-tanks promote the Washington Consensus, including BusinessMap, the Centre for Development and Enterprise and the South African Institute of International Affairs. Financial support comes from the largest aid agencies, from the European Union, United Kingdom, Germany and the US. An increasingly important site of neoliberal wisdom for Africa is the Secretariat office of the New Partnership for Africa's Development (NEPAD). Debates within this camp usually occur over the extent to which corporate cooperation with the ruling party meets broader capitalist interests, and whether the DA is too shrill as an opposition.

Finally, the last, now-pathetic ideological current, the 'Resurgent Right Wing', is represented by only one high-profile force, the Boeremag militarist group, although a few Afrikaner political parties remain nominally active, attracting less than 5% of white support. The main internal 'debate' is over the optimal strategy required to gain an Afrikaner homeland (an impossibility in any scenario) and to secure Afrikaner language and other cultural rights.

If this is an accurate reflection of the line-up in class-apartheid South Africa at present, the dynamics associated with change will have to be considered in a sober and humble way. What is true for the global-scale struggle for social justice is also true in South Africa: the movements aiming for class, gender, racial and

environmental justice will all be challenged in coming months and years to retain their principles. The Third World nationalist camps will continue talking Left while acting Right, and Post-Washington reformers will dangle sweet-sounding (but ultimately contentless) corporatist relationships, such as those that tempted COSATU's Zwelinzima Vavi to endorse an International Labour Organisation commission document in March 2004 calling for deepening 'social' globalisation.

If the ladder linking COSATU to the ANC is finally pushed away by Mbeki[44] or his successor prior to the 2009 national elections, or if the rising independent left community movements have success in the 2010 municipal elections, the balance of forces could change dramatically. Only when the capacity to negotiate from a position of strength emerges on the Left, will corporatist relationships or 'deals' to replace ANC neoliberalism with a more serious social democratic project become feasible. In the meantime, the constant guerrilla struggles in single-issue campaigns will continue. The difficulty, as noted in the unclear relationship of the TAC to the community movements, will be linking the 'militant particularisms' of so many anti-neoliberal battles that do, undoubtedly, give the South African justice movements their coherence and potency.

Hence, in the coming five to 10 years, my sense is that a regrouping of the Left under some sort of anti-neoliberal party umbrella, perhaps in the multi-tendency spirit of the Brazilian Workers' Party (without, however, their 2002 alliance with the Brazilian bourgeoisie) is inevitable. Ultimately, notwithstanding trendy argumentation by autonomists celebrating the self-activity of the 'multitudes', it is only through challenging state power in sites like South Africa – and many others simultaneously – that the Left will gather the strength in coming decades to seriously tackle the local and then regional and global bourgeoisies, including the imperialist combination of Washington Consensus and Resurgent Right Wing proto-fascists. The apparent power embodied in merging global neoliberal-capitalist and US-based petromilitary-state configuration is terribly intimidating, but so too are contradictions and vulnerabilities increasingly manifesting themselves, and so too will the ANC's Left successor necessarily seek serious opportunities to defeat (not legitimise) class apartheid, both global and local.

So then we might ask, from here on, where will Planact locate itself?

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[44] Article was written in 2006, before recent dramatic changes of September 2008 when President Mbeki was deposed through being 'recalled' by the ANC.

Table 1: Five international and South African ideological currents

Political current:	Global justice movements	Third World Nationalism	Post-Wash. Consensus	Washington Consensus	Resurgent Rightwing
Political tradition	Socialism, anarchism	national capitalism	(lite) social democracy	neoliberal capitalism	Neoconservatism
Main agenda	'deglobalisation' of capital (not people); 'globalisation-from-below'; anti-war; anti-racism; indigenous rights; women's liberation; ecology; 'decommod-ified' state services; radical participatory democracy	increased (but fairer) global integration via reform of inter-state system, based on debt relief and expanded market access; democratised global governance; regionalism; rhetorical anti-imperialism; and Third World unity	fix 'imperfect markets'; add 'sustainable development' to existing capitalist framework via UN and similar global state-building; promote global Keynesianism (maybe); oppose US unilateralism and militarism	rename and expand neoliberalism (PRSPs, HIPC and PPPs) but with provisions for 'transparency' and self-regulation; more effective bail-out mechanisms; (hypocritical) financial support for US-led Empire	unilateral petro-military imperialism; crony deals, corporate subsidies, protectionism and tariffs; reverse globalisation of people via racism and xenophobia; religious extremism; patriarchy an social control
Leading institutions	social movements; environmental justice activists; indigenous people; autonomist groups; radical activist networks; leftist labour movements; radical think-tanks (e.g. Focus on the Global South, FoodFirst, GX, IBASE, IFG, IPS, Nader centres, TNI); left media (Indymedia, NewStandard, Pacifica, zmag.org); semi-liberated zones (Porto Alegre, Kerala); and sector-based or local coalitions allied to the World Social Forum	Non-Aligned Movement, G77 and South Centre; self-selecting regimes (often authoritarian): Argentina, China, Egypt, Haiti, India, Kenya, Libya, Malaysia, Nigeria, Pakistan, Palestine, Russia, South Africa, Turkey, Zimbabwe with a few – Brazil, Cuba and Venezuela – that lean left (but others pro-Empire, e.g. East Timor, Ecuador and Eritrea); and supportive NGOs (e.g. Third World Network, Seatini)	some UN agencies (e.g., Unctad, Unicef, Unifem, Unrisd); some int'l NGOs' (e.g., Care, Civicus, IUCN, Oxfam, TI); large enviro. groups (e.g., Sierra and WWF); big labour (e.g., ICFTU and AFL-CIO); liberal foundations (Carnegie, Ford, MacArthur, Mott, Open Society, Rockefeller); Columbia U. economics department; the Socialist International; and some Scandinavian governments	US state (Fed, Treasury, US-Aid); corporate media and big business; World Bank, IMF, WTO; elite clubs (Bilder-burger, Trilateral Commission, World Economic Forum); some UN agencies (UNDP, Global Compact); universities and think-tanks (U. of Chicago economics, Cato, Council on Foreign Relations, Adam Smith Inst., Inst. of International Economics, Brookings); and most G8 governments	Republican Party populist and libertarian wings; Project for New American Century; right wing think-tanks (AEI, CSIS, Heritage, Manhattan); the Christian Right; petro-military complex; Pentagon; rightwing media (Fox, National Interest, Weekly Standard, Washington Times); and proto-fascist European parties - but also Israel's Likud and perhaps Islamic extremism

Political current	Global justice movements	Third World nationalism	Post-Wash. Consensus	Wash. Consensus	Resurgent Rightwing
Internal disputes	role of state; party politics; fix-it vs nix-it for int'l agencies; gender and racial power relations; divergent interests (e.g. Northern labour and environment vs South sovereignty); and tactics (merits of symbolic property destruction)	degree of militancy against North; divergent regional interests; religion; large vs small countries; egos and internecine rivalries	some look left (for alliances) while others look right to the Wash. Consensus (in search of resources, legitimacy and deals); and which reforms are optimal	differing reactions to US empire due to divergent national-capitalist interests and domestic political dynamics	disputes over US imperial reach, religious influence, and how to best protect culture, patriarchy and state sovereignty
South African institutions	'anti-neoliberal' social movements (e.g., SMI, APF, Abahlali baseMjondolo and other Durban groups, Education Rights Project, Environ. Justice Networking Forum, Jubilee, Khulumani, Limpopo Movement for Delivery, Palestine Solidarity C'te, SECC, TAC, WC Anti-Eviction Campaign, Youth for Work, sometimes Lamosa, LPM and Sangoco); media (debate, Indymedia, Khanya); think-tanks/training institutes (AIDC, CEJ-SA, Khanya, ground-Work, Ilrig, U. Natal Centre for Civil Society); some unions; campaigns for ARV drugs, free water and electricity, land, housing, reparations, security from sexual violence; Anti-War Coalition	African National Congress, SA Communist Party and some other political parties (PAC, Azapo, Inkatha); ANC Youth League and ANC Women's League; SA Ministry of Foreign Affairs; Africa Institute and African Renais-sance Institute; some currents within Cosatu head office and member unions (e.g. NE-HAWU, NUMSA and NUM); some media (CityPress, Enterprise, New Agenda and Sowetan and most SABC); Black Economic Empowerment Commission; some civil society mvt's and NGOs (e.g. SA Council of Churches, SA National Civic Org., SA Non-Governmental Organisations Coalition); Stop the War Campaign	Nedlac; liberal media (e.g. Mail & Guardian, Sunday Independent); some think-tanks (CPS, IGD, Naledi); some parastatals (HSRC, Human Rights Comm); develop-ment NGOs (e.g., Black Sash, IDT, Mvula, Planact); mainstream enviro groups (EWT, IFAW, IUCN, WWF); SANew Economics network; some funders (FES, Ford, Mott, Open Society, etc.)	business associations (Business Unity SA, Chamber of Commerce and Industry SA, Banking Council); some media (e.g., Business Day, Leadership, Business Report, Financial Mail, SA Jn'l of Econ); SA Treasury; dti; Min. of Public Enterprises; DEAT; Reserve Bank; DBSA; DA and NNP; bank and university economics dep'ts; think-tanks (Free Market Foundation, Business-Map, CDE, SAIIA); int'l funders (DFID, GTZ, USAid); NEPAD secretariat	Boere-mag
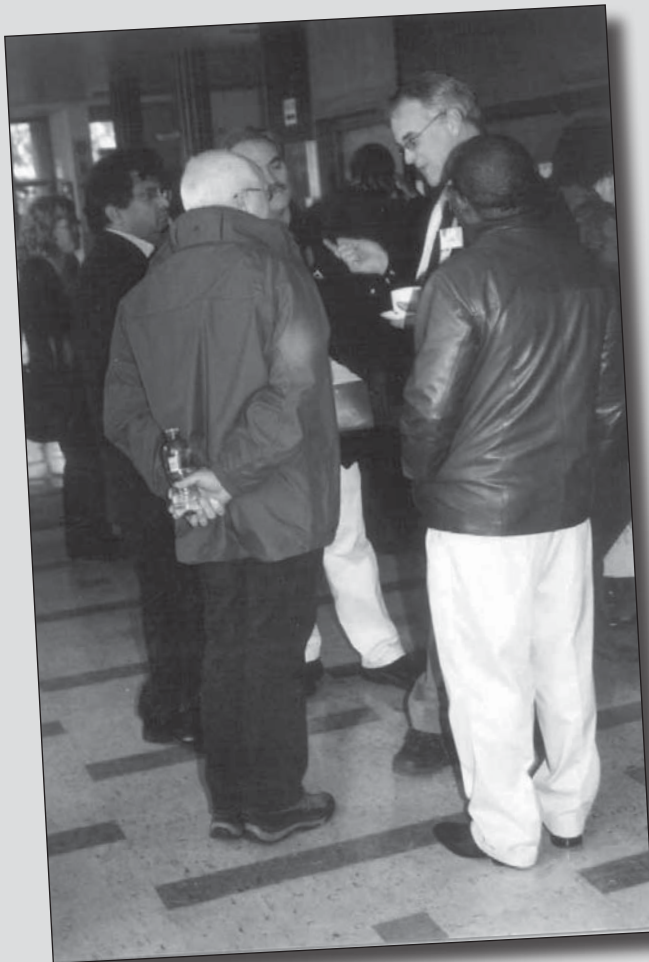
CHAPTER 5 | Riding the Waves

Planact and the funding environment

by **Christa Kuljian**

Anyone who has ever worked in a non-governmental organisation (NGO) has experienced interrupting 'real' work in order to take a donor on a site visit. Having worked for the CS Mott Foundation for 14 years, I've interrupted many an NGO staff member. I will never forget the time, in 1993, when I drove down Rockey Street in Yeoville with the president of the Mott Foundation, Bill White, in the passenger seat. We picked up Mzwanele Mayekiso from the Planact offices to take us to visit Alexandra and spend time with the Alexandra Civic Organisation. The Mott Foundation was not funding Planact at the time, but the visit had a profound impact on Bill White and resulted in his ongoing support for a Mott Foundation South Africa Office and its programmes. Three years later, in 1996, Mott began funding Planact and has continued to do so ever since.

When I was asked to write about the funding environment for this Planact history, I agreed, with the caveat that these reflections are cursory and do not cover all of the many issues related to the funding environment in South Africa over a 20-year period. Nor does this summary try to engage with the many dynamics within Planact that resulted from the funding environment in general or Planact's funding history in particular. Instead, this piece is an overview of some of the major trends in the funding environment for non-profit organisations (NPOs) in South Africa with certain references to Planact's experience.

The struggle years

In the 1980s, European governments and other international donors looked for credible local, South African agencies through which to channel their funds. The three largest conduits at the time were Kagiso Trust, the South African Council of Churches, and the South African Catholic Bishops Conference, which, according to David Bonbright's 'An Overview of the Sources of Giving in South Africa' (Development Resources Centre 1992), together channelled R436-million from foreign sources in 1991 alone. This approach was unique to South Africa as bilateral aid around the world usually flowed to government.

Planact did not struggle financially during these years. As Mark Swilling put it in a Development Works interview in February 2006: 'I went to see Beyers Naudé in 1985. He gave me five minutes. I told him that we wanted to work in Langa. He put his hand in his jacket, pulled out a chequebook and gave me a cheque for R10 000. Because Beyers did that we had this special place in Kagiso Trust from then on. We

were really on the inside track. Every year we got this incredible money.'

Of course, Planact's need to raise funds increased as it grew in size. Initially, Planact was a group of professionals working together as a voluntary association. In 1986, it hired a full-time paid coordinator and by 1988/89, there was a staff of five. The staff size grew to 14 in 1990, 29 in 1990/91 and an all-time high of 47 full-time staff with 10 additional contract staff in 1993.

In the decade leading up to the fall of apartheid, international donors supported 'struggle' NPOs and deliberately required very little follow-up and accountability in order to avoid close examination by the apartheid state. Planact's first Annual Report in 1987/8 does not include any financial information, a practice that continued through to 1992/3. Submerging financial information was not unusual among NPOs at the time, as it was not safe to reveal one's sources of funding, nor exactly where the funds were going, for fear of state reprisal.

Yet there was significant funding available to organisations such as Planact during those years. In a Development Works interview in April 2006, Billy Cobbett remembered the funding context before 1994:

'There were ongoing ideological debates within Planact on funders. For example, we wouldn't even talk to USAID, but the truth was we didn't need their money. We had no funding problems and we increased our budget every year. The point is that in those days we had money so we could commission Nigel Mandy, Herbert Mabuza and other experts when we needed them. We used the money very smartly.'

A shift in bilateral donor funds

The pattern of funds flowing directly to NPOs and conduits such as Kagiso Trust changed after the first democratic elections in 1994. Bilateral aid began to flow to the new government and began to resemble bilateral aid to other developing countries. The special status afforded South African NPOs fell away.

In the 1980s and early 1990s, funding had gone to organisations working against the apartheid government or filling particular gaps in delivery to the black population who had been ignored by the state. In the post-1994 period, donors began to be more selective and started to develop additional criteria for funding. International funding priorities began to focus more on developmental goals and to have greater programmatic coherence.

As Gerald Kraak, a long-time commentator on the funding environment for NPOs, describes in his article 'Tracking Trends in Donor Funding' (*OD Debate* 7(5) December 2000), 'The shift in donor funding patterns paralleled the changing roles of NPOs from anti-apartheid organisations which no longer had a mobilisational role to agents of development.' Planact believed that it was adjusting to the changing circumstances and the greater emphasis on development. The 1993/4 Annual Report reads: 'We have development practitioners with expert knowledge and skills in all aspects of urban development from town planners and engineers to local government and community development specialists … Planact's role is to contribute substantially to the implementation of development projects.'

The NPO funding crisis

In 1995, a survey conducted by the Independent Development Trust (IDT) received significant coverage in the media. The survey findings suggested that many of the 128 organisations surveyed faced serious financial difficulty. As outlined in *The Star* in August 1995, 'Some organisations are now in such serious financial difficulties that they face closure in the next few months. Many others will be forced to retrench staff or curtail their operations.' Many commentators within the NPO sector pointed to the trend in foreign donor funding that redirected funds towards the new government.

Reduced government subsidies to welfare organisations were also part of the changing financial situation for a set of NPOs in the IDT survey. Those subsidies, which had been established under apartheid, became unsustainable. Welfare organisations that focused on food distribution, nutrition, literacy and social services found it very difficult to raise the levels of funds they had received in the past. Of course, the NPO sector in South Africa was never (and still is not) homogeneous. These various shifts in financial support did not affect all NPOs uniformly. Welfare organisations were harder hit by the South African government subsidy reductions and NPOs, such as Planact, which had a stronger anti-apartheid history were more directly affected by the shift in international bilateral funding. As Brian Moholo describes in a Development Works interview in 2006, this shift had a significant impact on Planact:

'Funding and donor relationships changed dramatically post-1994 when I stepped in. Kagiso Trust [KT] was the conduit at the time. Funding applications for the European Community went via KT. There

was an abrupt change. The funds dried up. There was a sudden realisation that there was not enough funding. No one had thought about post-elections change.'

In 1995, Planact staff shrunk to 28 staff as many left to take up positions in the new democratic government. The organisation's income was cut in half and the remaining staff had to survive the low tide of reduced funding. An internal document called the Planact Survival Plan from 1996 reads:

'The external funding environment has changed drastically in the past 15 months. Whereas in the past, foreign funding supported the core costs of the organisations opposed to apartheid, they are now primarily supporting projects. This is a worldwide reality and South African NGOs are now having to adapt to this change.'

While 1995/6 was a period of uncertainty and change for the organisation, Jackie Lamola, Planact's Board Chair, remembers in a Development Works interview in June 2006 that it was a time of strength as well:

'Planact's heyday was actually the time when there was no money left and people stayed on and worked for nothing. That was commitment! We knew that this organisation could not be allowed to die.'

Another source of panic for the NPO sector at the time was the inaction of Minister Jay Naidoo of the Reconstruction and Development Programme (RDP). Coverage in the Financial Mail in August 1995 stated that the Minister 'reneged on promises, made pledges that were not true and generally delayed and dithered over a major developmental pro-

gramme, the National Development Agency (NDA), with NGOs that would have finally got the RDP up and running. This in turn has threatened the existence of around 100 NGOs [and] millions of rands in foreign funding.'

The Brain Drain and the push to build capacity

During this period of great change, from about 1994 to 1996, many NPO leaders left the sector to take up positions that became available for the first time in government and the private sector. As the annual review of the voluntary sector in Development Update stated in 1997, 'The so-called "brain drain" is a customary lament of the voluntary sector. Doubtless, the exodus of voluntary sector workers to Parliament, state structures and private business has ranked with funding shortages as a major disruptive feature of the post-1994 period.'

At the same time that the sector was losing leadership, there were increasing demands on the sector to adjust to its new role. In the new era of development, NPOs had to become savvier in their fundraising skills and sharper in their financial management. They were required to develop programme plans and clear objectives, and to meet more rigorous donor reporting requirements. As a result, calls for capacity-building came thick and fast from both donors and the sector itself.

Quoting from the 1997 Development Update, 'the buzzword "capacity-building" is thrown about by voluntary sector organisations with much relish and little elaboration. The term begs a set of more precise meanings ... It entails improving an organisation or group's abil-

ity to analyse problems and its environment, to conceptualise objectives, to design and implement activities in line with those objectives, [and] to locate the activities within a wider social, economic and political context.' As Rams Ramashia, the chairman of the newly established South African National NGO Coalition put it in Reconstruct (*Sunday Independent*) in March 1996, under apartheid 'there was more money than could be spent. Now the reverse it true. NGOs have to adapt. It may not be a case of survival of the fittest, but it will be one of survival of the most efficient.'

The identity crisis

Many NPOs struggled to meet these new demands, not only because of the turnover in staff and challenges in management, but also because many were facing questions regarding their role and identity. As many of their former comrades joined government, many NPO leaders saw their primary role as partnering with government to address the demands of building a new society. Other NPOs saw themselves as needing to maintain a watchdog role to keep government accountable. Caroline Kihato and Thabo Rapoo of the Centre for Policy Studies, in their February 1999 article 'An Independent Voice?' found that many NPOs in the post 1994 period continued to be wary of government. Of the 233 NPOs they surveyed in 1998, most claimed not to have links with government in terms of funding or partnerships. The NPOs that were most likely to have linkages with government were the health and social welfare organisations, followed by those NPOs involved with education and training. Unsurprisingly, those NPOs that had democratic and political objectives were less likely to have such links with government.

While older, traditionally welfare-focused NPOs yearned for continuing government support, other newer organisations with roots in the era of political protest stayed away from government funding. There were concerns that – as reported in *Development Update* (1997) – 'financial and other pressures that encourage the voluntary sector to undertake government contracts carry the risk of compromising their ability to carry out vigorous advocacy and lobbying work – and vice versa … the much valued autonomy and integrity of the voluntary sector may be sacrificed for the sake of financial survival as a "delivery arm" of the state.'

Brian Moholo, who was Planact's general manager from 1995 to 1997 became the national director of the Urban Sector Network (USN) in 1997. From that post, he argued that NPOs could selectively work with revenue generated from government contracts. In an August 1997 interview, published in *Development Update*, he said:

> '*Offer consultancy services to government … and provide services to communities which can be funded by both donors and by your revenue from the services provided to government.*'

Achieving this balance would prove to be an ongoing challenge for the sector and for Planact. Planact's Annual Reports throughout the 1990s did not include a breakdown of total income so it is difficult to assess to what extent Planact was able to draw on government contracts for funding. However, it is clear that Planact began to gather client fees as a way to supplement donor funds. Reflecting on the difficult financial period in the mid-1990s, Brian Moholo said in a Development Works

interview in 2006 that 'Planact had been in the forefront of transformation and its services were required even more. There was not enough funding but its client base kept it alive. New councillors sought and paid for Planact's services.'

Another related development was the extensive process of negotiating new government policies. NPOs advocated that government should make additional funding available to the NPO sector via a new set of mechanisms and funding agencies. While these did not have an enormous impact on Planact, it is important to review them in brief.

Changes in the legal and funding environment

The Non-Profit Organisations Act of 1997 came into operation in September 1998 and provided a facility for voluntary registration. The Act repealed much of the old Fundraising Act that had been used by the apartheid state to constrain the activities of NPOs that opposed it.

The assumption was that over time, benefits would accrue to those who registered in terms of tax exemption from the South African Revenue Services (SARS) and potential funding from other sources such as the National Lottery, the NDA and other government departments. By 2003, the NPO Directorate in the Department of Social Development had registered close to 23 000 NPOs. However, the bulk of these were small, community-based organisations as opposed to larger organisations, such as Planact, with greater networks and resources.

The National Lotteries Act of 1997 made provision for the operation of a countrywide lottery, 30% of which would go to 'good causes'. The Lotto and scratch cards were launched in 2000. A research report entitled 'Smoke and Mirrors: the National Lottery and the Non-Profit Sector' (2002) stated that it took over a year to establish three of the four distribution agencies 'and then only in the face of severe criticism from the general public and Parliament … It is clear that the attention given to the profit-making side of the gaming industry has not been matched by an equal commitment to maximise the quite enormous benefits that this industry offers to the arts, sports and charities-welfare sectors.'

Recent media coverage revealed that the distribution agencies of the National Lottery continue to be dysfunctional. All the contracts entered into for 2006 have at the time of writing not yet been paid and many NPOs are threatened with closure. Fortunately, Planact never turned to the lottery as a source of funding.

Soon after the 1994 elections, Minister Jay Naidoo (responsible for the RDP) put forward the idea of a NDA that would fund NGOs and community-based organisations (CBOs). As mentioned above, this offer got off to a rocky start. Early discussions around the establishment of the NDA focused around the merger of the IDT and KT. These talks stalled which resulted in a temporary solution in the form of the Transitional National Development Trust (TNDT) in 1996.

The timing was good for Planact. Although the figures are not clear, the 1997/8 Planact Annual Report lists the TNDT as a donor, a pattern that continued until the NDA began disbursing funds in 2000. The NDA funded Planact in

2000/1 and 2001/2, but has not been a funding partner since.

To give a sense of the scale of the money involved, according to the NDA's 2002/3 Annual Report, the NDA received R96-million that year from government and R46-million from the European Union (EU). Unfortunately, from the time it opened its doors, the NDA has been plagued with internal leadership, management and capacity problems. The process has been slow and often contentious.

The last major piece of legislation to affect funding for the NPO sector was the Taxation Laws Amendment Act of 2000. A 2003 Umhlaba Development Services study found that 'Organisations defined as NGOs, based in the urban areas, operating at the provincial and national levels, registered as Section 21 companies and members of networks or coalitions, are more likely to be aware of the new tax regulations, more likely to be registered with SARS, more likely to have received benefits from their registration – and if they have received benefits, more likely to have received large ones – and more likely to receive increased funding.'

In general, while the effort to create a more enabling environment for NPOs was relevant, it did not have a great impact on Planact's resources. Planact has never relied heavily on the National Lottery, the NDA or tax exemption, and it did not need NPO registration in order to raise funds. By 2000, Planact relied more heavily on international donors such as Cordaid and Misereor, bilaterals such as the European Commission and USAID, and international private foundations such as the Mott Foundation.

Bilaterals back in the NPO game

Fortunately for the South African NPO sector, another global trend in international development aid was underway. In the 1960s, '70s and '80s, multilateral and bilateral development aid focused predominantly on support to the state. However, in the 1990s, international agencies began to focus more and more on the role of NPOs. The concept of 'civil society' began to re-emerge as a component of development rhetoric. Therefore, bilateral agencies such as the EU, British Department for International Development (DFID), USAID, and Swedish SIDA began to explore direct partnerships with and funding of southern NPOs. This global trend to fund NPOs and civil society likely helped the South African NPO sector keep a foothold on bilateral aid funding. During the late 1990s, despite the early shifts and reduction in funding from bilaterals, Planact continued to benefit from funding from the EU and USAID. However, with a more recent change in strategy, the EU no longer funds NGOs or CBOs directly, and the EU funds for Planact, through an Urban Sector Network (USN) programme, were halted by 2005.

This bouncing back of bilateral donors to fund NPOs was captured by a study, commissioned by the South African government, of international government aid to South Africa between 1994 and 1999. The International Development Organisation Synthesis Report of 2000 – as quoted in Terence Smith's 'Questioning the Crisis: International Donors and the Reconfiguration of the South African NGO Sector' (Olive's Avocado Series 2001) – 'found that the amount of funding to NGOs from official

sources (i.e. foreign governments and multilateral institutions) declined sharply from 1994 to 1995, but subsequently normalised and even increased in the last few years. This data does not include funding to NGOs from private aid agencies, such as international NGOs and foundations.'

A growing emphasis on sustainability

During the mid- to late-1990s and into the new millennium, international donors were looking more and more at issues of sustainability for the sector. Diversifying funding sources had become a critical component of financial sustainability. As some commentators pointed out in *Development Update* 1(3) 1997, however, the complexity of 'sustainability' was 'not just about fundraising or self-financing, but touches on virtually every level of organisational life, from governance to leadership, strategy, identity, systems, membership and public support, marketing, networking and alliance building, skills development and the enabling environment and more.'

Despite these multiple dynamics of sustainability, there were several attempts to address new sources of funding for NPOs. Another 1996 publication by Interfund, called *Tango in the Dark: Government and Voluntary Sector Partnership in the New South Africa*, explored the challenges for NPOs that were interested in pursuing government tenders. Kagiso Trust, previously a major conduit for EU funds to the NPO sector, decided to develop an investment arm that entered the private sector in an effort to feed a portion of its profits back to the NPO sector through the Trust. Other initiatives

explored the potential to encourage the development of more locally controlled community foundations and for other NPOs to consider fundraising for endowments. The campaign to increase tax incentives for giving was accompanied by efforts to encourage local giving and especially greater individual giving. Those NPOs that could, explored the possibility for fees for services and trading in products that could bring in an income.

As early as 1993/4, Planact realised the need to diversify its funding base. The directors' report in that year's Annual Report reads: 'We need to find ways to maximize cost recovery and income generating opportunities, so that, in a climate where donor funding is under pressure, our long-term financial sustainability can be assured.'

Government contracts and fees for service

Despite the early attention to diversify funding sources, information on these efforts was not reflected in Planact's Annual Reports throughout the 1990s. According to information from 2000 onward, donor sources continued to be the most significant source of income for all but one of the years reported. Project income has been an important contributor to Planact's sustainability. This ratio between grant income and other income has continued to fluctuate as shown in Figure 2 below.

Figure 2: Fluctuation in grant income 2000–2005

Year	Total income	Grant income as % of total income
2000/1	R2 958 253	83%
2001/2	R3 116 610	79%
2002/3	R2 360 647	72%
2003/4	R3 505 334	78%
2004/5	R3 366 537	52%
2005/6	R3 698 156	36%
2006/7	R3 914 754	54%

Nellie Agingu, Planact's executive director from 2002 to 2006, reflects on her experience with donor funding during her tenure at Planact in a Development Works interview in 2006: 'The trend among bigger donors is that project funding can be accessed but nothing is available for core expenses. Specific defined outcomes are required. They are not flexible for the capacity-building of CBOs. So Planact's question is how do we raise money to work with CBOs?

International Donors and Larger NPOs

In 2002, major new research by Mark Swilling and Bev Russell was published by the University of the Witwatersrand. It was titled 'The Size and Scope of the Non-profit Sector in South Africa' (hereinafter referred to as the Non-Profit Study) and, with data from 1998 and 1999, the study concludes that the bulk of financial resources for the NPO sector in that period came from domestic sources, mainly from government (42% or R5.8-billion) and the South African corporate sector (21% or nearly R3-billion). Another 34% of total revenue for the sector came from self-generated income.

It turns out that the funding everyone was worried about from international sources did not provide a high percentage of overall funding for the NPO sector as a whole. While The Non-Profit Study suggests that international funding (both from bilaterals and private foundations) is comparatively insignificant for the NPO sector, it depends on where you sit within the sector. International funding is more important for a set of larger, more urban-based NPOs such as Planact. Research conducted by Trialogue, which publishes the *CSI Handbook,* seems to confirm this. They conclude, from a 2003 survey of 100 leading NPOs with budgets ranging from under R500 000 to over R50-million, that these NPOs receive 20% of their income from foreign donors (both bilateral and private).

For this same sample, corporate contributions account for about 25% of the funding and government for 20%, with the remainder coming from private donations, fees for services and other sources. It is significant to note that for this sample, the National Lottery accounted for less than 3% of the funding and the NDA for about 1%.

All of these findings point to the fact that larger, urban-based NPOs like Planact had a greater reliance on foreign donors than did smaller CBOs.

Corporate Social Investment

Given the Non-Profit Study finding that 21% of the funding for NPOs is coming from the South African private sector, it is important to find out what portion of the NPO sector is benefiting most. According to the *CSI Handbook* of 2004, close to 50% of CSI expenditure in 2003 was allocated to education and training. The *Handbook* also points out that 'the most striking shift in CSI spending over the past several years has been the steady increase in funding for the health sector, primarily as a result of corporate allocations towards HIV/AIDS projects'.

In its early years in the 1980s, Planact did work with unions in their efforts to secure improved housing from certain corporations such as De-Beers. However, corporates have not historically become major partners with Planact.

Winners and losers

The Non-Profit Study pointed out back in 2002 that there are winners and losers in the effort to secure an enabling legislative and funding environment for NPOs. 'The winners will be those with the capacity to engage and to access the resources. If these continue to be the large, formalised NPOs in the social services and health sectors, and if the terms of the funding do not force them to service the poorer segments of society, then state funds may not end up eliminating poverty … The losers will be the many NPOs in poorer communities who simply lack the capacity and knowledge to access funding.'

Research findings from the Centre for Policy Studies suggest a similar conclusion. Their August 2001 paper, 'Shifting Sands', authored by Caroline Kihato, argues that the shifts in donor funding in South Africa since 1994 has resulted in a narrower range of NPOs receiving funding support. Her research shows that 'visible, urban-based, formal NGOs with reasonable administrative, research and delivery capacity are more likely to receive donor aid. By contrast, informal, less visible, grassroots organisations located primarily in rural and peri-urban areas are less likely to do so.' In 'The South African Voluntary Sector in 2001' (*Development Update: The Learning Curve* 3(4)), Gerald Kraak points to a similar trend that donors have shown a preference to fund larger organisations or networks that can serve as conduits for funding to smaller organisations in an effort to reduce administrative expenses. He concludes that this trend has 'favoured larger, urban, more sophisticated NGOs to the detriment of smaller (quite often, innovative) projects'.

Conclusion

As a relatively well-resourced, urban-based NPO, Planact falls within the category that has benefited from funding patterns over the past decade. As donors have been shy to fund small, CBOs and prefer to fund larger NGOs, Planact has been well positioned.

Further research is needed regarding funding trends and their impact on NPOs such as Planact. Despite the absence of empirical data, there are some conclusions we can draw from the review above.

▶ Overall, larger NPOs such as Planact receive the bulk of their funding from international sources, namely bilateral agencies, and private NGOs and foundations;

▶ Planact has built its ability to compete for government contracts and charge fees for services;

▶ Planact has not received extensive support from the private sector, as corporate social investment budgets do not favour organisations working in advocacy and have limited resources in land and housing; and

▶ The National Lottery and the NDA have not become reliable, creative sources of funds for the NPO sector.

With additional research, it is possible to learn more from the Planact experience in terms of government funding patterns. Are models being developed that set a high standard for government departments in their partnering with NPOs? The Non-Profit Study suggests looking at the development and housing sector (as opposed to the health or social services sectors) as a model for government funding of the NPO sector. They point out that the development and housing sector attracts substantial government funding and many NPOs in that sector are active in poor communities. Therefore, there is a greater likelihood that government funding in this arena has had a greater impact on the poor.

Planact continues to grapple with the challenge of funding for capacity-building for local government and ward committees and relatively little funding exists to support community development. Regardless of the range of funding sources available, the need will continue for Planact to clarify its role in advocacy and policy work as well as maintain a grounding with work in local communities. These challenges will remain as the funding environment continues to fluctuate and Planact continues in its effort to make an impact in South Africa today.
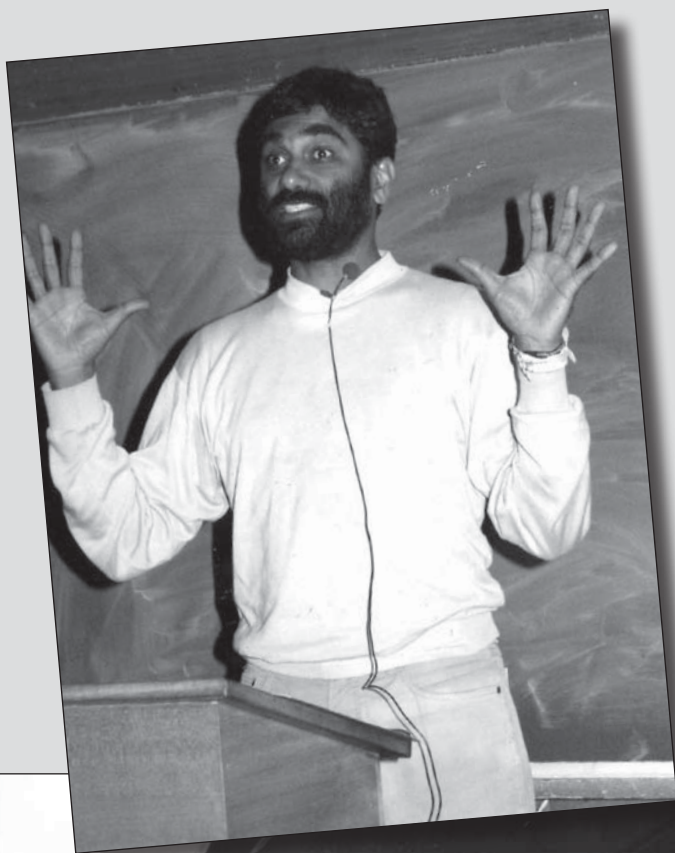
NGOs and the broader civil society

by **Kumi Naidoo**

(Transcribed from an address at Planact's 2006 Conference, 'NGOs as Innovators and Agents of Change')

To begin with some nostalgia, I look back to a national development forum in East London in 1991. It dealt with urban and rural development and focused on sectoral issues such as health and education. Bearing in mind this was a period of transition, the challenges then included those around definition, identity and language. For example, service organisations or democratic organisations – the language at the time was not the language of non-governmental organisations (NGOs). NGOs today describe themselves in the negative, saying what they are not (not government, for example), rather than what they are, which is public benefit organisations. There was also a huge debate as to how to manage an urban/rural focus with disagreement about what exactly was 'rural', with one delegate declaring that 'trying to define rural was like trying to define pornography. You might not know the technical definition of pornography, but when you see it you certainly recognise it'.

The uncertainties brought on as a result of the impending transition raised many questions for NGOs and civil society more broadly, particularly with regard to how should civil society relate to an emerging democratic government. What was clear though was that the transition would certainly bring with it a new and challenging environment for NGOs where many questions about role and purpose, resourcing and much more would need to be addressed.

Moving and learning

One of the greatest innovations of the NGO community, then and now, is that it is one of the best human resource-development agencies, in the sense that work in an NGO fosters growth, learning, personal development, and both staff and volunteers are quickly faced with positions of leadership as well as difficult challenges. I think the NGO community, not only in South Africa but globally, offers unique learning experiences and, in a sense, contributed to the staffing of the new democratic state. Of course, some of us were a little embarrassed by our colleagues when they moved on to government, but I think in broad terms the important thing is that if you look at any ministry you will see that some of the most innovative, creative and committed people within the state machinery comes from within our community.

In many parts of the world today the term 'civil society' is erroneously used interchangeably with NGOs. I think it is important to recognise that civil society is a much broader rubric that includes, of course, NGOs, trade unions, community-based organisations (CBOs), faith-based institutions and so on. Part of the challenge of the moment of history in which we

are currently living, compared to people active 10 or 20 years ago is that in the past we had a much stronger intellectual culture. I think there was a space for engaging, discussing, looking at different models and so on. Part of the global transition since the collapse of the Berlin Wall and the kind of changes that came with it was a sort-of death of ideology, even a death of intellectual culture among progressives. There was a closing up of some of those spaces. I remember that at university one of the most progressive usages of the term 'civil society' was by Antonio Gramsci and one of the things Gramsci spoke about was the notion of the 'organic intellectual' — someone who was engaged in struggle and who did not accept that intellectual work was meant to be confined to a university.

Facing challenges

The first challenge that requires some investigation is that of globalisation and what it means for local activism. In the 1980s there was a slogan that said 'think globally, act locally'. The theory behind the slogan was that irrespective of the endeavours in which we were engaged at local or national level, you needed to better understand how global processes, global institutions, global discourses had an impact on what you can or can't achieve at the local or national level.

However, one of the ironies of this moment of history is precisely that when many countries, including our own, were given democracy for the first time, real power actually shifted from the national to the supranational level. To put it simply, today — even if you have a good national government in place — the amount of economic sovereignty it has is fairly limited. They cannot really make trade policies on their own, for example, or implement them effec-

tively, without taking those struggles to the World Trade Organisation negotiations. So there is a struggle to democratise the unjust trading system that currently exists. We cannot address climate change or any other environmental issues as solely national issues. There are serious issues of debt, management of debt and currency management, for example, which are way beyond the control of national governments. So today, for NGOs and citizens' movements generally, if you take the option of 'think globally' and just simply 'act locally' when real power is shifting from the local to the global level, that means you are excluding yourself from where real power actually lies. So one of the current challenges for activism and for struggle is, 'What do we struggle for at the local and national levels and how much energy do we actually invest at the global level?'

One of the contradictions of globalisation today is that even though global institutions, such as the United Nations (UN), the International Monetary Fund (IMF) and the World Bank, have real – and increasing – influence on the lives of ordinary people across the world, those institutions are stuck in the geo-politics of 1945, when those institutions were established. Consider the contradiction: the World Bank tries to promote good governance, but it remains one of the most undemocratically governed institutions in the world. Firstly, its Board is governed on a 'one dollar, one vote' basis so richer countries have a disproportionate influence over the decision-making, yet the decisions that are taken affect largely the citizens of poor countries. One example of the undemocratic nature of the World Bank is that its president has to be a citizen of the United States of America. The point is that these institutions are increasingly making decisions that have implications for citizens at all levels, and certainly at the local level, and the challenge for an organisation like Planact working

at a grassroots level is, 'How do you actually make those connections globally in a context of scarce resources?'

Another challenge for NGOs is how to engage with government at local, provincial, national level and beyond, given that many comrades have gone into government. I remember when people joked that, with so many people moving from NGOs to government, 'NGO' no longer stood for non-governmental organisation but 'next government official'. As a result, there was a period of about three years in which we locked ourselves into a voicelessness to a large extent because of that reality, and slowly people started to talk about critical solidarity. Critical solidarity with the first democratic government with all the apartheid-generated backlogs that needed to be addressed was necessary, but this would not be on an uncritical basis.

Playing a role

Throughout the world today there are three very distinct roles NGOs are inclined to play. One is at the macro-level, and by that I mean governance, at the meso level, by which I mean policy, and at the micro-level, by which I mean delivery. Today, in our country and abroad, about 80% of the outputs of NGOs are still at the delivery level in terms of providing programmes, activities and services to communities in need. In broad terms, in most places around the world, including our own country, most governments are comfortable with this role. In fact, cynically, in some parts of the world, governments actually say, 'That's okay, because that actually achieves our goal and outputs.' In reality, some governments see NGOs as a form of cheap labour.

But let's be real – if a Fairy Godmother came to Planact and said, 'I'm going to multiply your budget 10 000 times for the next 10 years for

the direct delivery of services', of course that would be good. However, investing in delivery alone it will not address or eradicate the social problems we are trying to address because of the scale of the need. It is, therefore, important that we in the NGO community recognise that part of our mission has to be to capture the knowledge that our delivery work at the micro-level gives us. Quite often, that experience is unique; it's not the same learning experience as our comrades in government. While there are some brilliant people in various state de-partments, and we continue to see a fine crop of civil servants coming through the ranks – including some really sharp, bright university-trained civil servants – some may have little or no experiential knowledge. Increasingly, you see a lot of people in powerful positions carry-ing the burden of having to make serious policy decisions, but not often from a largely experi-ential background.

So what we need to say to governments, our own and others, is 'Why do you deprive your-self of a reservoir of free policy intelligence found in organisations like Planact and oth-ers?' Too seldom do NGOs step up and say, based on 10 years of delivery, these are the 10 key policy lessons we have learnt through our work. And when they do, anxiety levels of gov-ernments across the globe rise dramatically. It does not mean, in the end, that government has to agree with everything we say; we as a community don't always agree with everything our various organisations say. But of course, in the end, government has to decide and make an informed judgement.

We need to take what we have learnt and engage with government on local, provincial and national levels to actually bring those in government to embrace policy-making with NGOs. But let's also take stock here of the value of work at a policy level, at the meso

level. If we put all our eggs into policy work without constantly asking questions about the governance arrangements that set the param-eters within which the policy is made, whether those arrangements are appropriate, enabling and democratic, and often they are not, then we are not making a very good investment. To put it simply, if we were trying to influence a housing or education policy during the anti-apartheid struggle, we only did it as an avenue for political mobilisation. We didn't really do it because we wanted to get the City Council of Durban to change anything fundamental, because we knew that governance was actu-ally broken. But on the question of governance, we should not begin to blindly accept that the current arrangements are necessarily the only or the right ones. I think the COSATU inter-vention to open up the discussion around pro-portional representation and direct constituent elections opens up one of the kinds of debates that we need to be having.

We need to reflect deeply on what roles we have as citizens. One of the benefits globali-sation is supposed to have brought us is un-restricted movement of technology, capital, ideas and so on, but one of the contradictions in fundamental terms is that we live now in a moment in history in which the movement of people from poor countries to rich countries has never been so restricted. From an African perspective, I think it is worth just stopping to think for a moment about the challenges our brothers and sisters from Africa face when they have come to our country. I find it quite pain-ful that the citizens of those countries who supported us in the liberation struggle, gave us refuge, protected us and so on, face much tougher visa restrictions, whereas those citi-zens from countries that actively collaborated with the apartheid regime (because of the eco-nomic wealth of their countries) can waltz in here with few or no restrictions whatsoever.

This, of course, is just part of a much bigger issue, but I think we need to be saying that these issues are not ones on which we in the NGO community should be silent.

NGOs today

Synergy

As much as we can be critical of government for being constrained due to line department territoriality, in which the level of synergy between different ministries and departments could be much improved, I think that if we are honest with ourselves we will realise that very often we mimic that style of working in other parts of the world. Partly, the situation is determined by funding streams, partly people just don't know how to do it, partly its because people just don't have the resources and time, but I think right now the question of coordination is an essential one. When I look at my work in adult literacy, I realise how stupid I was not to make the connection between adult literacy and health NGOs, for example, because just by making the connection we could have received support from the health NGOs by spreading various health messages around HIV/AIDS and so on. And if we had worked with them our curriculum would have been more relevant – simply by getting them to provide us with the content (and without any money being exchanged or any new resources being needed) we could have had more impact in our work.

Accountability

Right now the message from government is that it has been in office for more than 10 years and, because it was elected, it is from the electorate that they derive their mandate. In a sense, what they are asking is, 'You folks in the NGO community are self-appointed, where do you derive your legitimacy from?' While this is not yet quite as obvious in South Africa, there are indeed shades of it. I was quite disappointed when the government actually tried to prevent certain HIV/AIDS organisations and the Treatment Action Campaign (TAC) from being invited to the UN General Assembly on HIV/AIDS. But overall I think we are not in as bad a shape as some other countries. In the United States, for example, the American Enterprise Institute, a think-tank quite close to the Bush/Cheney administration, held a conference on 'Holding the unelected few accountable' and they attacked NGOs' undermining of national sovereignty.

The question of accountability is one we have to address because there is an ethical imperative as well as the smart thing to do. Amongst more and more civil society organisations, notwithstanding several attacks, there is a growing realisation that with increasing influence and an increasing level of resources being raised directly from the public and from public institutions, there also comes the burden of greater public accountability.

Politics of engagement

There are those who take a principled approach and who say we will not have any engagement with international institutions such as the World Bank, the IMF or the UN; but on the other extreme you have those who have a comprehensive engagement and who do not necessarily agree with the Bank or any others, but work with them because they reason that this is the reality, these institutions may be flawed but they will advance our particular issues and we have to develop ways of engaging with them. NGOs worldwide are struggling with the huge amount of resources that engagement actually takes. In the first few years after the 1994 elections in South Africa, many

of us suffered from what was called 'consultation fatigue'. Every second ministry would invite us for consultations, to open up dialogue with good intentions and these were things we never had before. But whereas government had huge amounts of staffing, resources, infrastructure and so forth to engage in these processes, for every consultation attended there was something else that needed to be done, including trying to apply for sustainable funding we did not have. So, I think one of the challenges not only for Planact but for the NGO community as a whole, is: Do we actually think about the specifics of engagement?

Resourcing

It is fantastic that Planact is still here today. Just the fact that it still exists is an achievement in itself because, sadly, many good NGOs who still had good things to do in society collapsed. I think, however, that we have to become much smarter about resourcing our work. In the old days, poor people would put their hands in their pockets and take out their last few rands to hire a bus for a rally or to print posters, for example. All that culture of service, of commitment, of sacrifice, while not lost, has been set back and I think part of the contribution of NGOs such as Planact is to help rebuild that culture and part of rebuilding that culture requires capturing memory.

Capturing memory

A close comrade, Lenny Naidu, was killed by Eugene de Kock. I recall the last conversation I had with Lenny before we both went into exile in early 1987. He was very philosophical and asked me: 'Kumi, what is the biggest contribution one can make to justice and democracy?' and I said: 'Well, that's an easy question – giving your life, such as going to a demonstration and being shot and becoming a martyr.' 'No,' he said, 'it is giving the *rest* of your life.' I was 22 years old at the time and did not know what he was talking about, but three years later when I was in exile and received a call telling me that Lenny had been murdered, I thought about that last conversation again. What he was saying was simply, the struggle for justice, democracy, for the sustainability of our planet is a marathon, it is not a sprint. And those of us who have been privileged and touched and been given an opportunity to participate in those struggles have to recognise that our calling is a lifetime calling because these issues are going to be with us for time to come. Part of how we can keep our morale and energy up, when so many things are against us, is to keep a long-term vision. We need to keep a sense of optimism. The process of capturing memory is a political exercise; it is an important exercise – and, hopefully, it will inform the next 20 years of Planact and many other NGOs working in South Africa.

Caption:

PART 2

Democratisation and
Local Government

CHAPTER 7 | The 'One City' Approach

Planact and the Johannesburg experience

by **Roland Hunter, Pascal Moloi** and **Rashid Seedat**

The flyer for the 2006 Planact Conference at the University of the Witwatersrand suggested that the Conference sought '… personal and intellectual perspectives on Planact's philosophy of development, its actual practice and its influence …'. We wish to present just such a perspective, one that asserts the progress made in improving local governance and local living conditions, and the role and influence of Planacters in this achievement. Specifically we aim to highlight the influence of the 'Planact Way' in the transformation of local government in Johannesburg.

We believe we need to present such a perspective because, generally, we either take such progress for granted (unclear that it did involve real struggle, real setbacks, and real achievement) or we deny that there has even been any progress. The reality is that progress was not easy to achieve, and while obviously 'the struggle continues', we could very easily have made much less progress than we did, and could so easily be facing challenges far greater than those facing us now, had the progress not been made.

It is essential to point to four difficulties in this endeavour at the outset.

First, no less than 12 years have elapsed since the beginning of non-racial, democratic local government in Johannesburg. The passage of time has dimmed the ideas and practices that were developed during Planact's earlier years, when we – Pascal Moloi, Rashid Seedat and Roland Hunter – were involved in the organisation. Indeed, the very idea of a 'Planact Way' is a recent construct and was never codified as such. For our purposes, we are interpreting the 'Planact Way' to mean the dominant ideas, values and practices that emerged from Planact's establishment until roughly the mid-1990s, when Planact was arguably at the height of its influence on questions of urban development and local government.

Second, Planact itself has changed from a 'service organisation' rooted in and supportive of the urban anti-apartheid struggle into a civil society organisation in the milieu of a non-racial democracy. The 'old' Planact was necessarily oppositional in its stance to the government of the day, while the Planact of today remains both vigilant of government and contributes constructively to the governance and development process.

Third, the City of Johannesburg itself is not an uncomplicated, homogeneous entity. Over the past 12 years it started off as a collection of fragmented apartheid entities, entered a transitional phase as a two-tier metropolitan structure and, finally, in December 2000, it became a unitary metropolitan municipality ('unicity') with decentralised and also corporatised service-delivery entities. The specific path that it followed was based on the convergence between a rapidly evolving local government environment, the specificities of the city's internal issues and concerns and the perspective of the governing party.

Fourth, the 'Planact Way' may suggest a kind of instrumentalism – that former Planacters were taking forth into local government an immutable transformation agenda. Simply put, there was no such thing. In fact, the Planacters who have worked in Johannesburg often worked separately, and brought diverse, perhaps even contradictory, approaches and perspectives.

Having made these qualifications, we nevertheless have a real sense that the Planacters involved directly and indirectly with Johannesburg played a distinctive role and made a distinctive contribution to the progress that has been achieved. We will try to distil the essence of that distinctive role and show the ways in which they contributed to development and transformation.

We look first at our broad understanding of what is meant by a 'Planact Way' in the transformation of local government in Johannesburg, and critically assess the contribution this 'Planact Way' actually made to transformation and development by means of a more detailed account of how the ideal of 'one city, one tax base' was progressively realised through various phases of the transition in Johannesburg. In

this 'case study' we mainly use Soweto as our lens on how much progress has been achieved. We then consider the future of local governance in Johannesburg, and briefly speculate whether the recent notion of a Gauteng Global City Region will see some old Planact policy ideas taken forward into a new terrain.

Our understanding of The 'Planact Way'

To deepen our understanding of a 'Planact Way' in the transformation of Johannesburg we consider three elements: the Planact people in Johannesburg's transformation processes; the impact of skills and values forged in the urban anti-apartheid and community-support work conducted by Planact in the 1980s and early 1990s; and the influence of key policy ideas developed through early Planact work in shaping the course of the local government transformation process.

Planact people in Johannesburg

At the risk of being perceived as self-serving or self-congratulatory, we maintain that it is important to jump ahead and highlight the role of former Planact staffers in local government structures in Johannesburg. This will provide a flavour of the roles that have been played and a sense of the contributions that have been made.

In the early days of the local government transition, new political representatives quickly realised that the incumbent senior municipal officials needed to be replaced (or at least supplemented) not only for reasons of employment equity, but also to drive the process of transformation. The amalgamation of the Jo-

hannesburg, Roodepoort, Randburg, Sandton, Alexandra, Soweto, Dobsonville, Diepmeadow, Lenasia South East and Ennerdale municipalities along with the coloured and Indian management committees brought together thousands of employees and hundreds of managers into a single organisation. The senior managers were not only male and pale bureaucrats; there were also many black managers drawn from the former black local authorities who were schooled in the old traditions of public administration.

Planacters were a natural choice as senior managers for the new politicians. One reason was that many, though not necessarily all, of the Planacters shared the political perspectives of the governing party. But the more compelling reason was that Planact was perceived as employing a bunch of very committed, skilled and energetic people. So having Planact on your CV was a very strong recommendation for a position in local government.

In this context, Planacters began occupying a number of senior, usually strategic, positions across the then Greater Johannesburg Transitional Metropolitan Council (GJTMC) and its Metropolitan Local Councils (MLCs). In these roles, they sought to counterbalance the conservative tendencies of the former bureaucrats and provided valuable support to the new politicians.

These are some of the personalities:

▶ Pascal Moloi started off as chief executive officer (CEO) of the Northern MLC, became transformation manager during the iGoli 2002 process, and was city manager from 2001 to 2006.

- Roland Hunter was the first Head of Department for Finance and Economic Development for Gauteng; he was then drafted into the transformation team responsible for driving the iGoli 2002 programme and then became the City's executive director of Finance and Economic Development; and before his recent departure he was responsible for the revenue and customer relationship function.

- Rashid Seedat has been involved in a number of senior management positions and over the last six years has been the head of the Corporate Planning Unit (now the Central Strategy Unit in the Office of the executive mayor).

- Graeme Reid started off in the Inner City Office and then served as CEO of the Johannesburg Development Agency.

- Leila McKenna became the Strategic Executive for Planning in the Western Metropolitan Council and later the CEO of the Joburg Property Company. She, together with Graeme Reid, worked in a new property development company called Urban Skywalkers.

- Blake Mosley was the Head of Department for Local Government in the North West and headed Johannesburg's Region 7, covering Alexandra, before becoming the city manager of Tshwane.

- The late Tshepiso Mashinini became a director in the Department of Constitutional Development and Provincial Affairs, where he was widely recognised for his critical contribution to the Local Government White Paper, subsequently became the Strategic Executive for Development Planning in the Metropolitan Council.

- Julian Baskin is the head of the Alexandra Renewal Programme.

- Wendy Ovens and John Spiropoulos both worked for the City of Johannesburg some years ago.

Anumber of Planact staffers have also made a contribution to the transformation of Johannesburg through their work in other parts of the local government system, or by contributing expertise as researchers and consultants in various projects and processes. It is worth mentioning that Andrew Boraine became director-general of the Department of Local Government and Provincial Affairs after being the head technocrat in the national Local Government Negotiations Forum. He went on to become the city manager of Cape Town, Chair of the Cities Network and Advisor to the Minister of Provincial and Local Government. He is now the director of the Cape Town version of the Central Johannesburg Partnership.

Musa Soni, before his tragic passing, was a key collaborator during his tenure with the South African Local Government Association (SALGA) and the City of Tshwane. A number of other Planact staff have worked with Johannesburg as consultants, including Lauren Royston, Marc Feldman and Lynelle John. At the same time, however, we are also certain that many people have been left off this brief list, mainly because we are unaware of the multiple and often connected ways that former Planact staff have engaged with the city over these last years.

The number of Planacters in Johannesburg transformation was significant, especially since the relationships built up during their days in Planact meant that they were able to informally share information and lobby and gain support for particular positions. However, we want

to emphasise that Planacters in Johannesburg did not arrive in local government with 'the line'. Neither were they structured into a cabal that would manipulate the institution to pursue a particular direction. Indeed, in the early years of the newly elected local government structures, Planact staff scattered. They chose different roles and positions, and – as a generalisation – they did not, for the most part, stay in contact. There was certainly never a caucus of any kind.

While in the early days Planacters were scattered across different parts of the organisation, the initiation of iGoli 2002 did give Planacters an opportunity to work more closely together on a major transformation process. Although there were many people involved, Planacters played a key role in the initiation, conceptualisation and implementation of the plan. For example, there was a famous 'conversation in the Pajero' when a number of politicians and officials – Planacters among them – were on their way back from a legkotla at Shangrila in Limpopo province, where the idea of the five councils together appointing a metro-wide political authority and a single city manager to manage an overall recovery plan was conceived. As the pressured and hotly contested process of iGoli 2002 unfolded, it helped that many key officials were from a previous 'network' that shared common skills, values and ways of working.

Skills, values and ways of working

Prior to the local government transition process, municipal governance across the country – and also in Johannesburg – was dominated by older schools of managers and professionals with skills, values and ways of working typical of traditional bureaucracies. Municipal governance depended on a rigid organisational culture of static hierarchies, wide spans of control, top-down command-and-control reporting lines, and rule-driven procedures and practices. While this culture may have been suitable in a previous era, it was certainly not so in the period of local government transition. 'Old-school' managers and professionals were not equipped to drive the rapid and fundamental restructuring processes required, or to creatively figure out how to promote development, expand delivery and undertake entirely new 'functions' (such as improved customer relations).

In the crowded environment that characterised Johannesburg's transformation process, Planacters often came to the fore because of their unique skills, values and ways of working. The role that former Planacters played was that of development activists inside the organisation, not managers or bureaucrats.

The conceptual and analytical skills of former Planacters were very sound (whiteboards in their offices were not uncommon). This enabled them to play key roles in major transformation and development initiatives in the city. The skills included change management, strategic planning, financial sustainability, human resource development, inner-city regeneration and development planning.

The values that Planacters held and promoted were about democracy, equity, good governance, development and transformation. Furthermore, Planacters eschewed rule-bound, top-down bureaucratic formality that was about ensuring procedure, stability and control. They opted instead for open, relaxed but intensive styles of management that sought to achieve developmental outcomes. Planacters'

field experience in creatively supporting dynamic community struggles meant that they were natural initiators and drivers of change projects. Such projects required a temperament and commitment that traditional repetitive bureaucratic practices do not generally instil in managers. They are frequently open-ended and extended processes, in which a significant part of the challenge is to steer people with competing interests and new untried methods towards alternative outcomes that cannot always be clearly defined in advance. They require managers prepared to battle through, regardless of the difficulty, not managers who seek refuge in prior bureaucratic know-how whenever there is uncertainty. Planacters were able to provide this new way of working at key moments in the transition.

Key policy ideas

Planact's early work blended policy research and analysis with policy support to organisations engaged in local urban anti-apartheid struggles. This work – which included most notably the One City Project, the Logopop Project (Local Government Policy Research Project), and policy support work to civic struggles in Soweto, Alex, the Vaal, Pretoria and Wattville – made an important contribution to subsequent processes of transforming South African local government. If anything, it demonstrated that moving beyond slogans was essential to enhancing the understanding of a multifarious area of activity. Moreover, Planact was able to synthesise the experiences and views of a wide range of progressive individuals and organisations to begin to articulate a new a vision for local government.

When Planacters took part in these processes what finally emerged was not always as we wanted, would have preferred, or even what objectively (but abstractly) would have been the best. But it was usually the best under the circumstances, taking into account the various competing interests and priorities, and the fact that, correctly, the key strategic and even tactical decisions in these processes were taken by our clients or political principals (we called ourselves a 'service organisation' in those days). In the case of the Soweto project, working with a powerful client in the form of the Soweto Civic Association (SCA) produced dramatic results in the form of the Soweto Accord and the Metropolitan Chamber.

Given that local government is a distinct sphere of government, a form of representative democracy, a key element of local governance, a major player in urban management and the deliverer of a very wide range of services, Planact's early policy work had to cope with inherent complexity and strategic importance. Planact played an important role (though not exclusively) in analysing, and defining the terms for change, in the following areas:

▶ The regulatory system for local government;

▶ The tension, in building future local government in metropolitan areas, between 'closeness' to the citizenry and a larger jurisdiction that would enable metro-wide planning and a single tax base;

▶ Following the insight that representative democracy was a necessary but not sufficient condition for local governance, the role of civil society and grassroots communities in facilitating accountability and transparency; and

▶ Fragmentation of electricity distribution, and therefore in turn challenges with economies of scale, tariffs and access and quality of services (in some ways this work anticipated the formation of regional electricity distributors).

The influence of this thinking was carried through into the formulation of White Paper on Local Government and was encapsulated in the notion of 'developmental local government'. Legislation that followed, such as the Municipal Structures Act and the Municipal Systems Act, also used some of the ideas that were generated earlier.

Within the broad range of Planact's contribution to policy development for a new local government system, three key contributions stand out:

Defining the local government transition process: It is well known that key figures in Planact provided the backbone of technical support for the national local government negotiations that proceeded in parallel with the Codesa/Kempton Park Negotiations of the early 1990s. In particular, the local government provisions of the Interim Constitution and the Local Government Transition Act of 1993 were negotiated at these talks. The division of the local government transition into a 'pre-pre-interim' period, 'pre-interim' period and 'interim' period was in no small measure attributable to Planact. The pre-pre-interim period of local-level negotiations sought to provide continuity to the processes widely promoted by Planact in the Central Witwatersrand Metropolitan Chamber (CWMC) and other local level negotiations. It needs to be said that the local-level negotiations between 'statutory' and 'non-statutory' forces in the pre-pre-interim period

to set the stage for appointed councils of the pre-interim period proved to be highly contentious. The assumption of relatively smooth negotiations leading to mutual agreement on the composition of transitional (appointed) councils, determination of boundaries and forms of metropolitan governance proved not to be the case. On the whole, the roadmap for the transition process proved to be extremely long and complicated.

Defining the architecture of the new state and the need for strong local government within this: Captured in Planact's report of the One City Project, among other places, was the notion that the country should adopt a 'strong-weak-strong' constitutional model on government powers and functions: strong national government, a weak second tier, and strong local governments. Clearly, the country did not take this direction at first (we remember being told that 'strong-strong-strong' was preferable, which of course simply sidestepped the argument), but we would hazard a guess that a review on this issue is not impossible in due course.

Towards 'one city, one tax base' – defining the need for metropolitan local government: Perhaps the single most important contribution that Planact made to policy thinking on a transformed system of local government, and in turn the transition of local government in Johannesburg, was to lay a foundation for metropolitan municipalities with the notion of 'one city, one tax base'.

Think back on the history of local government in the Central Witwatersrand. In our lifetime, white areas had fully developed local governments, while black areas were governed by Administration Boards. Possibly the most infa-

mous of these was the West Rand Administration Board (WRAB), which was responsible for Soweto, among others. Needless to say, residents had no say in who was managing their urban areas. Furthermore WRAB relied on profits from beerhalls to finance the services they were supposed to supply.

The 1976 uprising led to a review of the Administration Board system by the apartheid government, and the Black Local Authorities Act was passed in 1982. This was the height of 'the apartheid city', featuring separate, but supposedly equal, fully fledged local governments in black areas as well as white areas. All councils, black and white, were supposed to be financially self-sufficient. But the townships were dormitory areas housing the poorest residents of the city, while white areas had within them the commercial and industrial areas that supplied most of the assessment rates income. No one was asking the white suburbs to be financially self-sufficient, even though the average income of these areas was, of course, far higher than in black areas.

This insight, so obvious now, led to the concept of 'one city, one tax base'. It is worth debating further whether this term itself is attributable to Planact. Some argue that the notion has an older lineage dating back to community struggles in the late 1970s and early 1980s. Others remember that the phrase was actually coined by Planacters in a Planact meeting room. Either way, it is indisputable that Planact was responsible for helping to translate this concept into organising platforms for civic struggles, and for using this concept to clarify a future vision for democratic and developmental local government in core urban areas. Through the concept, Planact helped shape the understanding that since black areas, white areas, commercial and

industrial and all other parts of the 'the city' operated as an organic urban whole, it would be essential for city governance to operate on a citywide scale, and for city government to deploy the resources of the entire city to deal with priorities of the entire city. In other words, only metropolitan local government could unwind the legacy of the apartheid city.

This remains a radical idea. There are many metropolitan areas of the world that operate without 'one-city' governance. In some cases such governance may not even be appropriate. But we would suggest that this is generally the correct model, and certainly so in South Africa.

This is not to suggest that the idea of 'one city, one tax base', once recognised, was immediately understood with all its implications. For example, once we understood the basic concept, we really had to teach ourselves more about the technicalities of local government finance, especially in transitional situations. We imported the former City Treasurer of Salisbury, who had stayed on long into the transition in Zimbabwe. He gave the entire organisation a three-day seminar on financing municipal services, with many insights.

Moreover, the idea was not conceived and elaborated in some process of abstract thinking. It emerged very powerfully from the actual problems faced by township residents, as articulated and mobilised around by mass organisations. Only by engaging with clients in intense local processes, by strategising, planning, and intervening in how projects played out, by sharing our experiences and debating the tactics of real struggles, were Planacters able to conceive the future, and help to shape how it would unfold.

The transformation of Johannesburg

Now let's explore in more detail the contribution that Planacters – armed with unique skills, values and working styles, and with the core concept of 'one city, one tax base' in particular – made to the transformation of local government in Johannesburg. To do this, we need to trace in particular the support for civic struggles in Soweto, which evolved into support to the local government negotiation process locally and nationally, and in turn the long and often troubled process of building new metropolitan municipal government in the city.

A view of Johannesburg from Soweto

Soweto is the largest township in the City of Johannesburg. Some 40% of Johannesburg resides in the area today. It draws its name from its location as what was designed as a dormitory township for black labour in the south west of Johannesburg's central business district – hence the South Western Township. The first of the conglomeration of townships making up Soweto, Klipsruit and Pimville was established just over a century ago in 1904. Most of the history and development of the other townships is a mirror of successive policies of white regimes relating to urban management. The history of such urban management was closely associated with social engineering attempts that sought to keep and advance white privileges at the maximum expense of cheap black labour. Victims of forced removals from Sophiatown and Alexandra swelled areas such as Meadowlands, Moroka and Diepkloof. Further engineering attempted not only to divide black people from white people but went as far as dividing black people along ethnic lines: Chiawelo for the Shangaan/Tsonga and Venda, Emdeni, Zola and Jabulani for the Nguni (Zulu and Xhosa). In some instances, you would find sections within a single township divided along these ethnic lines. These ethnic divisions included all primary schooling. Soweto students were taught to be divided and only got to interact on school grounds with other ethnic students when they reached high school.

The township also saw many forms of municipal administrations. The WRAB ran the townships for most of the time since the ascendance into power by the Nationalist Party in 1948. Until then the township had been run as extensions of the Johannesburg City Council with appointed leaders drawn from parties such as the Sofasonke Party. It was only in the 1980s, through the establishment of the Black Local Authorities Act, that black people were expected to vote for councillors directly. It was this Act that sought to allocate original powers to township authorities. The Act was also hoped to entrench townships such as Soweto as separate from the cities to which its residents were economically tied. Before 1983, townships were run and administered in such a way that the Johannesburg City Council, the Roodepoort Town Council and/or the Transvaal Provincial Administration (TPA) still owned the assets of the township. The management rested with the WRAB. These assets included the houses in which people lived and the land on which they were built. One of the few exceptions was where freehold rights were allocated albeit on long-term (99-year) leases. Residential properties were rented and households were expected to pay for the services they consumed. A township bill would include waste, sanitation, refuse, rent and what was known as 'administration fees'. There were obviously no rates and taxes levied.

There was strong resistance to all of this, as well as attempts to segregate urban management and social engineering. Soweto was not just a terrain for national politics. Literature on national struggles and struggle heroes underlines the centrality of Soweto. The most notable was the adoption of the Freedom Charter in 1955 in Kliptown, just across from Pimville. Also significant was the number of leaders who emerged from Soweto. In Orlando West, within a radius of less than 10 kilometres, lived Nelson Mandela, Walter Sisulu, Andrew Mlangeni and Elias Motsoaledi (all Rivonia Trialists). Zeph Mothopeng and (in later years) Desmond Tutu also lived in the area. It is in this area that Orlando West Junior is situated. This secondary school produced the most resistance to the introduction of Afrikaans as a medium of instruction in 1974 and was the site of many class boycotts and disruptions, leading the events of 16 June 1976. It was near this school that Hector Peterson was shot and carried down the road to the clinic just behind Walter Sisulu's house, where he died.

The highest points of resistance included the 1952 Defiance Campaign, the 1976 Uprisings and the rent boycotts of the 1980s. It was in the 1980s that the apartheid urban management approach was dealt its harshest blow. Resistance heightened with the passing of the Black Local Authorities Act. There was almost total boycott of the elections. The elected councillors were completely illegitimate and were incapable of implementing the objectives of the Act. It was also at this time that a broad national front against apartheid was formed: the United Democratic Front (UDF). By then the SCA had been established and became an affiliate of the UDF.

Planact support to the SCA

The SCA was founded as an organisation to combat the effect of apartheid on the everyday lives of the people of Soweto. The 'Civic', as it was called, had 53 branches covering almost all the townships of Soweto. The Executive Committee under the leadership on Ntate Mogase established a Technical Committee. The intention was to build capacity within the Civic to provide technical support and advise the leadership on a number of fronts on which the organisation found itself engaging: housing (dealing with claims of high rentals and arrears), education, public transportation and women and youth matters. The fundamental objective was to undermine the system of municipal management imposed from the 1940s and had by 1983 taken the form of the Black Local Authority (BLA). In the 1980s Soweto was divided into three local authority areas: Diepmeadow, Soweto and Dobsonville. By the late 1980s, resistance to the BLAs had seen very successful, and rent boycotts were waged across the country. The effects of the boycott were beginning to bite and were forcing the provincial administrations, which were responsible for supporting the running of the BLAs, to seek ways of ending the boycotts. The BLAs had no solid revenue bases, and relied heavily on rentals collected for housing. None of the 60 000 houses were owned by the households that occupied them for decades. Other sources included service charges, but there was little in the form of non-domestic revenue. Soweto – being largely a dormitory township – had no significant commercial activities. The largest revenue source until 1976 was beerhalls, and these were burnt during the 1976 student uprisings. The rent and service charges boycotts hurt and forced the TPA and the Central Witwatersrand Regional Services Council (CWRSC) to seek engagement with the SCA.

The leadership of the Civic refused to engage the black councillors and continued to regard them as illegitimate, recognising the need to appoint a team of eminent Sowetans to augment the leadership in engaging the authorities. The Soweto People's Delegation (SPD) was established for this purpose, and included individuals such as the late Ellen Khuzwayo, Albetina Sisulu, Desmond Tutu, Cyril Ramaphosa, Tom Manthata, the late Eric Molobi and Vusi Khanyile.

The SPD and SCA gathered a list of demands from the people of Soweto that went beyond just calling for the abolishment of the BLAs. They tabulated specific issues, such as the transfer of houses to the people of Soweto and the writing off of arrears. The most profound direction that the Civic and the SPD introduced in the dialogue was to make a correlation between the economy of Soweto and Greater Johannesburg. Slogans like 'The resolution of the problems of Soweto lies outside the township', or 'Soweto cannot resolve its problems without the participation of the rest of the region' were developed to embed the ideas in popular imagination. These slogans were strongly influenced by research work done by Planact, which demonstrated that without a revenue base the township would not have a chance of subsisting by itself. This research focused, inter alia, on the relative price of services being charged in Soweto and other parts of the city. It demonstrated clearly that the payment for services in Soweto effectively subsidised tariffs in Johannesburg's whites-only suburbs. The Planact research also showed how Sowetans, through their labour and spending power, had been the key investors in growing the economies of Johannesburg, Roodepoort, Sandton and Randburg. It was in this research that the concept and slogan 'one city, one tax base' gained currency.

Planact's role in supporting the SCA extended beyond research at key moments. Planact staff also helped the Civic to frame campaigns and strategies and, in the context of these, to formulate demands from Soweto's residents who were subsequently presented in the negotiating processes.

The Civic and the SPD rallied around the facts established through the Planact research and forced the negotiation for the resolution of the rent boycott to include key players such as the TPA, the CWRSC, the City of Johannesburg and the three Soweto councils.

The first of many records of understanding that emerged from this early engagement was the Soweto Accord. It set a number of conditions to be met before the writing off of arrears and the resumption of payments for services and rents and the actual calling off of the boycott. With the best intentions, the Accord itself confirmed a stalemate, but at the same time created a basis for further engagement by parties. The parties were drawn by mutual hope towards establishing the Greater Johannesburg Metropolitan Chamber (GJMC).

The Soweto Accord and the GJMC

The Soweto Accord was signed in September 1990, after the unbanning of the ANC and the release of Nelson Mandela. The Accord provided for the establishment of the GJMC. Between April 1991 and December 1995 the GJMC was to become a laboratory of local government experimentation and thought for the country.

The Chamber Plenary comprised the SCA/SPD, the three Soweto councils, the Roodepoort, Randburg and Sandton Councils, the TPA, and the CWRSC. Included as observers and interested parties were the Chambers of Commerce, Eskom (as a key service provider in Soweto following an agreement to transfer distribution) and Rand Water, as well as labour federations.

An independent in the form of Dr Fredrick van zyl Slabbert chaired the Chamber. Key negotiators included Cyril Ramaphosa of behalf of the SCA/SPD and Olaus van Zyl on behalf of the TPA. It could be argued that it was in these forums that Ramaphosa had a dry run for a much more high profile role that he was to play in the World Trade Centre Negotiations and as Chair of the Constitutional Assembly.

The Chamber created a number of subcommittees that covered a range of areas, such as finance, infrastructure, economic development, transportation (including a taxi forum) and housing. These were constituted by a range of technocrats representing the interests of the various players.

In the Chamber process, the SPD and the Civic relied on a Technical Committee (made up of Lawrence Boya, Chris Ngcobo and Pascal Moloi), the brainchild of the Civic Executive Committee and Planact. The idea was to build technical expertise within the Civic and draw such capacity from the township itself. The Planact team was made up mainly of Mark Swilling, Billy Cobbett, Andrew Boraine and Roland Hunter. All the way through the negotiations this team was involved in conceptualisation, briefing, consultation, and reporting on the activities of the Chamber. These would be with the President of the Civic, the Executive Committee, and the General Council

where leaders such as Kgabisi Mosunkutu and Amos Masondo would grill the reporters with difficult questions, as well as short briefs with Ramaphosa.

In terms of the Soweto Accord, the Chamber was charged with negotiating the modalities of implementing the following:

▶ The writing off of rental arrears;

▶ The introduction of new service tariffs;

▶ The ending of the rent boycott;

▶ The establishment of joint technical committees; and

▶ The creation of a Greater Soweto People's Fund.

These demands, while separate, were interdependent. The writing off of arrears was as much a precondition to the ending of the rent boycott. The introduction of new tariffs could not be added to the arrears burden accumulated over years. These arrears, argued the SPD, were as a result of apartheid and not legitimate. The debates around new tariffs introduced a need to define more sharply the issues of poverty, indigence, employment and affordability in the way Soweto related to the economy of the greater Johannesburg area. It brought sharp contrasts to the levels of service delivery in the township. Planacters may recall comparisons made at the time between a small cul-de-sac in a typical suburb that would be run and maintained at a much higher cost than a major arterial road linking key parts of Soweto. The suburban road would be tarred, with an island with sprinklers, while the Soweto road would be gravelled without storm-water drainage. Such illustrations were the subject of severe debates in the committee and working com-

mittees. The SPD technocrats would argue that the Johannesburg Council could afford such lavish and First Economy standards because it enjoyed a revenue base derived from a much wider base than its 'beneficiary residents'. The Johannesburg, Roodepoort and later Sandton technocrats would argue that the councils could afford these because their citizens paid 100% for such services. The inclusion of the need to create a Soweto Development Fund (SDF) was at best the initial indication of some consensus that the development of the township was paramount and that it would require additional funding and could not only rely on its own tax base.

In bringing together all key stakeholders around a negotiations table the GJMC was a major boost for the development of Soweto and the meeting of the SPD demands. It was a progressive step in the direction of admitting that the solutions to the problems of the township can be only found by dealing with the greater Johannesburg issues. It was, thanks to the policy research and support work done by Planact, an admission that Johannesburg cannot survive as a fragmented city, and that it had a single tax base that needed to be redistributed equitably to benefit all the areas of the city.

Through the intense negotiations a model of local government emerged with the following features:

▶ A single, united City of Johannesburg;

▶ A single tax base able to redress the uneven development of the past;

▶ A strong local authority with direct and original powers drawn from the Constitution;

▶ A weak provincial administration to coordinate the activities of the GJMC area with other authorities in the same province; and

▶ A strong and direct fiscal, trade and infrastructure relation with national government departments and parastatals.

For the SCA/SPD, this model would guarantee that Soweto would finally begin to benefit from a city that allows for greater mobility, access to housing with tenure, access to all amenities (including water, waste water, refuse removal and electricity), tarred roads with proper stormwater management, access to cemeteries and parks and clean air, and above all a municipal form that would allow for access to economic activity for all.

The years following the 1995 local elections must be evaluated on how much these ideals of the SCA/SPD, negotiated through the Chamber with the support of the Planact Local Government Unit, were to become real or remain an illusion. Has the path that Johannesburg has travelled over the last 10 years, a path that Planact in no small way helped to chart, indeed made a difference to townships like Soweto? To answer this question we need to look at local government in the interim period of the transition, at the arrival of a unicity model for metropolitan local government and iGoli 2002, as well as developments over the last few years.

The two-tier metropolitan local government

Following the 1995 municipal election, Johannesburg was divided into four substructures and an overarching metropolitan council at a

second tier. The reasons why the city ended up with a two-tier system of metropolitan local government are complex and will not be traced here, suffice to say that the new two-tier system never featured in the Planact vocabulary before. Planacters who had been recruited into local government at the time were faced with a task of implementing a model with which they were not familiar, and perhaps did not even favour.

Soweto, which was previously divided into three Black Local Authority Areas, found itself now divided into different authorities. Diepkloof, Pimville and Klipspruit were incorporated into the Northern Metro Substructure, along with all the suburbs north of the central business district (CBD) of Johannesburg; the whole of Randburg. Meadowlands and Dobsonvile and the rest of Roodepoort became the Western Metro Substructure; and the remaining townships, the southern suburbs of Johannesburg and the CBD became the Southern Metro Substructure. These substructures were primary local authorities in terms of the Local Government Transition Act. They had competencies over all functions of local government, with functions that were reserved for concurrent execution between the metropolitan council and the substructures. Most of these were the type of planning, financial management, bulk services, safety and security that Planact had argued over the years as critical for the creation of a single authority to govern the city and to enforce redistribution of resources and access to basic services. The problem with the model was that these were to be shared with other authorities with similar powers in terms of legislation and the Constitution. A hectic contestation over limited resources between the metro and the substructures soon replaced the excitement of a democratic state at a lo-

cal level. The Planact ideal for a single point for political leadership and redistribution took a serious knock. Instead of a single mayor for Johannesburg, the city had five and Soweto alone had to contend with four of the five directly. The fact that there was representation by substructures on the metropolitan council, and that all the councils were ANC led, did not help mediate the contestation for at least the first two years of the democratic authorities.

Inevitably, mistakes were made. The greatest manifestation of such errors of judgement at this high level of the institution was the financial crisis that became evident in 1997.

The 1997 financial crisis

Immediately after the 1995 elections, the old order in Johannesburg still dominated the finance departments of the local and metro council tiers. The political and governance system that came in after the elections was not sophisticated enough to detect critical flaws in the way the finances of the city were managed. The new politicians and officials – Planacters among them – were not privy to the information that the five councils were very quickly running out of money, and that in fact the old order had departed, leaving the cupboard absolutely bare. The financial crisis hit in early 1997, not even two years after the first local government elections.

Why did it happen? The starting point was an existing accumulated deficit once all the previous councils were combined. Part of the problem was technical, such as a failure to adequately provide for non-payment: old-guard officials of the former white councils, who were used to very high payment levels, allowed two budgets in a row to assume the same high pay-

ment levels for the newly combined authorities. Two years of that and there was already an R800-million gap in the budget. Part of the problem was the aggressive redistribution of national grants away from the cities, and that added another few hundred million.

Another part of the problem was an aggressive determination to start delivering to the people. We all wanted that. Two years in a row, aggressive capital budgets were put in place, so as to ensure delivery as quickly as possible. But, overall, the capital budgets could not be afforded, and it was an inability to come up with capital finance that triggered the crisis.

There were also structural issues: the very fact that there were still five councils in the city created difficulties in proactively and coherently managing challenges when they first became apparent.

At a deeper level, there was the issue of the culture of abundance. Both old-order officials and new-order politicians and officials started the interim period with the notion that Johannesburg was so rich that there was little its budget could not manage. Some have that idea today. But once you put the whole city together, once you start to consider the actual numerical need for infrastructure and services, and you cost it all, then you understand that this city faces very dramatic challenges, and compared to that there is no abundance.

So Johannesburg learnt the hard way: continuous overdraft for four years (and paying penalty interest rates on that overdraft), declining capital budgets, cut-backs on operating budgets, everything. This was a time of great turmoil about what to do about the problem, and how it was to be resolved.

Towards realising 'one city, one tax base'

The response to the crises led systematically to the establishment of a metro political authority. All solutions assumed a single-city approach, hence the appointment of 'the Committee of 10', made up of councillors from the five councils, to develop a solution to the problem. The experience learnt from the interventions of this committee, later extended to become the Committee of Fifteen and the Transformation Lekgotla, clearly demonstrated that a single Johannesburg required a single point of political leadership and authority.

The late 1990s saw a new plan for taking Johannesburg into a unicity arrangement. During this period, the city was dramatically reshaped, the overdraft was eliminated, realistic budgeting was introduced, and capital budgets slowly started to recover. What was put in place was single-city governance (a single council and a single executive mayor), 14 municipal entities from the large utilities down to the much smaller operations, such as the Joburg Development Agency and the Joburg Property Company, and 11 regions for decentralised service delivery.

This ushered in for the first time a single, united political governance structure under a single mayor for the whole of Johannesburg. This, coupled by the fact that the individuals who sat on the Mayoral Committee had first-hand experience from the substructure days, gave Johannesburg a very stable political leadership that would be ready to tackle leadership challenges beyond 2000. It is befitting that the first mayor of a single, united City of Johannesburg – and at least 80% of his committee/ 'cabinet' – were from Soweto. Mayor Masondo himself

was in the Executive Committee of the SCA that mandated the SPD to negotiate on behalf of the people of Soweto back in 1990.

The work undertaken during the iGoli period was mainly about restructuring and improving the financial picture. These experiences in dealing with a financial and institutional crisis gave the city a firm platform to implement the new system following the 2000 election. In the period after 2000, with a single executive mayor and a single city manager, we could look at the entire city, start gathering appropriate management information, and seriously engage on the development and service-delivery challenges facing the city as a whole.

At one level it was not a pretty picture, because each new analysis and estimate deepened our understanding of the challenges facing the city. But by working with province and national, and with our own financial position improving, it became possible to start developing responses on scale.

A single tax base at last?

The 'one city, one tax base' argument called for the city's tax base to be applied equally across the city. At the root of the argument was the assertion that Sowetans played a key role in creating wealth in the city, but were not beneficiaries of the full range of services the city had to offer. Has this changed?

Soweto now enjoys very high levels of access to services, including energy, water, sanitation, solid waste, telecommunications, information and housing. With the transfer of houses to Sowetans (through the so-called Third Directive), the structure of tariffs in the city applies

in the same way across the city under similar circumstances. The city has also provided for exceptions that favour the poor, including exceptions for domestic properties below R20 000, exemptions for paying for services where water consumption is below six kilolitres per month and electricity is below 50 kilowatts per hour. There are still limitations. Like most parts of the city, the age of electricity, water and sanitation infrastructure remains a challenge. On the whole, however, Soweto is better serviced today, through more equitable financial arrangements, than when the SCA gathered the demands from the people of Soweto to present to embryonic negotiating chambers.

The opening up of the city has meant to provide greater access to the employment for all without barriers. Has this happened?

By and large, Soweto remains, in comparison with the rest of the city, a dormitory. Save for new investments over the last five years, the same pattern of labour commuting from the township to other centres of the city, and the same patterns of earning and expenditure in those centres, still persist. The only real redistribution has been the amount of public-sector spending in the township. There is no significant evidence of investment driven by the private sector, although there are now a number of areas that have potential. There has been over the last years a huge resurgence of retail chains in the form of shopping malls in key corridors around Soweto. Tourism is on the rise, with sights like the Hector Peterson Memorial precinct rising to one of the most visited in the country. A number of related Small, Medium and Micro Enterprises (SMMEs) have arisen. These are far too few and too small to make any significant impact. Surveys indicate that while there has been an almost doubling of

wealth for the average Sowetan, the low base from which Soweto comes makes this growth over the last 10 years miniscule. But the same survey indicates that the growth enjoyed by the city over the same period has not been shared significantly with Soweto compared to other centres of the city.

Is Soweto more liveable today than when the Soweto Accord was signed? Are there sprinkler systems in the middle of the road somewhere in Zondi? The answer to the second question is 'definitely not', but a sure 'yes' should answer the first. In 1976, just before the unrest, the Standard 7 vernacular teacher of one of the authors of this work gave the class an assignment: write an essay about Soweto. The topic was: 'Soweto felo ga misi tlhanselo ya dikoloi', which translated simply means, 'Soweto, the place of dust and smog and the hustle and bustle of motor vehicles'. The one distinguishing feature of the Soweto of those years was the constant smog over the township: smog generated by kilometres of gravel roads, smoke generated by over 60 000 coal stoves at high densities in the three hours between 16h00 and 18h00 every day and, for the Diepkloof and Meadowlands resident, the dust bonus coming out of the massive mine dumps. The cars, the sedan taxis and later the minibus taxis, and the buses all contributed to the dark cloud that hovered over the township. It may seem a small indicator, but the absence of the cloud today is very significant. Its absence is largely due to the tarring of all of Soweto's roads over the last few years, the most notable single infrastructure investment of the last 100 years of the township. Although not very regulated, the minibus taxis allow for the best public transportation movement in Soweto anywhere in the city. The city has invested a lot in ensuring that there are regional parks and

has started projects to clean streams. There is also anecdotal evidence that suggests that the township is relatively safer than most centres in the city.

Looking beyond

Three broad conclusions can be drawn from the evidence presented here. First, it is relatively easy to discern the presence of Planacters in key positions of influence throughout the various phases of the local government transition in Johannesburg. Although they did not comprise a cabal of any kind, the confluence of their common expertise, their commitment to and interests in reconstruction and development, and their management styles meant that they were well paced to play a key transformative role in the city. And although it was never a simple linear process, the gradual transition to a form of metropolitan government that embodied the principle of 'one city, one tax base' was certainly helped by this presence.

Secondly, although the evidence is somewhat mixed, it seems clear that, on balance, things are beginning to change under the 'one city, one tax base' arrangements enabled by an integrated City of Johannesburg Metropolitan Municipality. Current members of Planact may choose to take inspiration from some of the achievements, whether visible – such as in the form of the Mandela Bridge or the tarring of Soweto roads – or less visible but no less important – such as in the cross-subsidisation of Soweto services through an integrated budget and progressive tariff system. The skills, values, ways of working and shared policy ideas of a loose grouping of Planact staff have helped to prove that, in a sense, miracles can happen.

Thirdly, put simply, 'the struggle continues'. The ideal of 'one city, one tax base', and indeed other Planact policy ideas and ambitions such as the notion that 'Johannesburg must have a strong local authority with direct and original powers drawn from the Constitution', have indeed been realised in practice – but, arguably, not fully and completely. One only has to look at the importance being given to the idea of a Gauteng Global City Region to see that some key policy ideas formulated in Planact's early days may still have some way to go to evolve fully in practice. This is not to say that Planact ever thought about a 'Global City Region' back in the 1980s and early 1990s! But, in a sense, some of the ideas around the Global City Region are a natural extension of earlier policy thinking.

The Gauteng Global City Region issue, with a whole range of sub-issues wrapped up in it, will be the central arena of policy debate over the next decade. In the next few years we will seriously ask and need to answer:

► Is it sustainable to subject Johannesburg to the same Municipal Finance limitations as Kgetleng Rivier?

► Should the same schedule of powers and functions apply to Buffalo City as to a city that hopes to compete with London and New York? Shouldn't there be a separate framework of legislation for allocating powers and functions in Gauteng and its metropolis, which recognises its central role in promoting growth and development for the country as a whole?

► Should the fiscal relations between the state and the City of Johannesburg be mediated in the same way as they are between the state and Mafikeng?

► Is it not more appropriate for Gauteng, and Johannesburg within this, to have a single transport authority that can adjudicate over operators in an integrated way, without having to defer unduly to higher authorities?

► Isn't the geographic space we occupy best secured by a single command-and-control police force?

The emerging Global City Region perspective espoused by the premier and mayors of Gauteng could be seen as a means towards achieving an end that will eventually set Gauteng's mission as a national asset. It is time that we accelerate debate around this idea. Given Planact's historical role in being at the forefront of new policy ideas, and its rich legacy of training groups of committed people, with unique skills, values and ways of working, who can drive change processes, we hope that Planact will be at the forefront of this debate as well as the process of transforming key new policy ideas into practice.

Caption:

Caption:

CHAPTER 8 1995 and Beyond

Planact's contribution to the IDP

by **Rebotile Tshetlha**

The last two decades have seen Planact grow to become a highly respected participant in the transformation of South Africa. It has made a significant contribution to the development and implementation of the new local government system, and its active involvement in the Integrated Development Planning (IDP) process has resulted in an astounding record of achievement for the development community.

In order to fully appreciate Planact's role, we need to review Planact's point of departure and its all-important interventions in the local government system by outlining a series of tasks and responsibilities in the interim and implementation phase of that system. Here we take a closer look at the challenges that the organisation faced in all its interventions in the IDP system and its contribution to the IDP as one of the key tools identified in the White Paper on Local Government (1998) for developmental local government.

A history of planning in South Africa

Prior to 1994, the local government system was structured along racial lines. The key piece of legislation that entrenched strict residential segregation and compulsory removal of black people to their 'own area' was the Group Areas Act, promulgated in 1913. In 1982 Black Local Authorities (BLAs) were established, but these had no significant revenue base and were seen as politically illegitimate. The result was widespread protest against a distorted system and a call for a 'one city, one tax base' – both of which were spearheaded by Planact.

Given the crisis in local government, the national reforms were started in 1990 – in which Planact played a significant role by serving as key advisors to the non-statutory organisations. The reforms culminated in the promulgation of the Local Government Transition Act (LGTA) in 1993, and saw a negotiated transition that resulted in a wide diversity of forms of local government. The LGTA mapped out three phases of transition: the pre-interim phase, the interim phase and the final stage. During the pre-interim and interim phases, a planning method known as the Land Development Objectives (LDO) was introduced.

Planact also played a key role in assisting civil society in establishing Community Development Forums (CDFs) with the objective of creating structures that would effectively interact and engage municipalities in the development of the LDOs for their respective local areas. These LDOs provided the basis for the current IDP process.

Planact's contribution to the IDP has thus been a long-awaited culmination of its continued and longstanding struggle against apartheid planning and settlement.

INTERIM PHASE: Interim IDPs (1995–2000)

The White Paper on Local Government

The 1998 White Paper on Local Government was the cornerstone for South Africa's new local government system. Planact's active involvement in the task team that actually wrote the policy was key, and provided an opportunity for Planact to pave the way forward by aligning its services with government programmes as contained in the White Paper. This was evidenced by Planact's concerted effort in the design of a comprehensive IDP programme.

The Development Facilitation Act

The 1995 Development Facilitation Act required municipalities to develop LDOs, and Planact assisted in the review and implementation of this legislative requirement by seconding one of its staff members to the Department of Housing.

Local Government Systems Act No. 2000

On the eve of the second democratic local government elections of 2000, we saw the enactment of the Local Government Systems

Act (2000 of 1998). Planact, through the Urban Sector Network (USN), was again able to make submissions in relation to this Act.

Chapter 5 of the Act compelled municipalities to submit IDPs, but this requirement on its own posed a challenge to both CDFs and the municipalities as they were still trying to get a grip on the LDOs and translating the LDOs into interim IDPs. As a result, the timing was perfect for Planact to have produced the *IDP Handbook*, which was, in turn, a result of intensive research and consultation with key government officials, councillors, civil society, local and international intellectual community. The *Handbook*, published in 1998, was one of Planact's many successes, and reflected well its audacious steps and commitment to the new local government system. The *Handbook* proved to be a great help to municipalities, councillors and CDFs in translating LDOs into interim IDPs and prepared them for the development of the process.

The launch of the IDP Handbook

The *IDP Handbook* was launched at the Wits Public and Development Management (PD&M) Business School with Vali Moosa, the then Minister of Provincial Affairs and Constitutional Development, as key speaker. In his speech, the Minister made special mention of Planact, recognising its significant contribution in the transformation of the local government system. Among those who also took the stand were key politicians, government officials, members of the intellectual community and civil society members. The launch of the *IDP Handbook* thus proved a further success for Planact and its continued commitment to capacitating and empowering community leaders in engaging in

their local area development. This called for a shift and extension of Planact's key stakeholders/clients as it also had to focus on equipping those who took key roles in government.

Nationwide training on IDP

In 1999/2000 Planact embarked on a nationwide training of councillors on the IDPs. The aim was to introduce them to the IDP concept, legislative requirements and approaches on how to implement the process. The training intervention by Planact provided a platform for participants to raise and debate issues that were seen as immense challenges for municipalities and needed to be addressed by government. This intervention offered Planact a position in the core councillor training programme (CCTP) hosted by the South African Local Government Association (SALGA).

The training of facilitators

In collaboration with the University of South Africa (UNISA), Planact participated in the CCTP by facilitating a trainers' programme. The organisation's main responsibilities were to deliver the technical content on local government legislation and the IDP, whilst UNISA provided facilitation skills to the participants. This programme aimed to empower and train councillors to become trainers themselves, and thus train newly elected councillors after the second democratic local elections in 2000.

Community participation in the IDP processes

The USN embarked on a study to review community participation in the IDP processes. Planact was tasked to conduct a study of what was then the Khayalami Metropolitan Council. The

outcomes of these studies were published and allowed the USN to make a meaningful contribution to the formulation of the *IDP Guide Packs* to be released in the implementation phase of the process.

IMPLEMENTATION PHASE: Integrated Development Plans (2000 and beyond)

The 'New IDP'

In the quest to provide a fully fledged support system for the IDP, the Department of Provincial and Local Government (DPLG) – supported by the German Technical Cooperation (GTZ) – embarked on various programmes, including the development and enactment of the relevant legislation for the IDP through the 2000 Municipal Systems Act, the development of the new *IDP Guide Packs,* the training of trainers on the 'new IDP', nationwide delivery of training to municipal managers, technical officials, councillors and planning professionals.

Planact's *IDP Handbook*, coupled with several IDP evaluation studies, served as the key information guide towards the development of the new *IDP Guide Packs* published in 2001 by the DPLG.

The training of trainers

Planact's strong presence and work with municipalities and community leaders, coupled with its knowledge of the local government environment, experience in IDP training for councillors and other ongoing councillor training programmes qualified us to play a partici-

pative and collaborative role in the training of councillors by invitation from the DPLG to selective organisations in the country.

Planact staff members were seconded to participate in a two-week, breakaway 'training of trainers' programme for councillors as part of the USN group. Not only was Planact a participator in the programme, but its key role was to provide insights with the DPLG IDP technical team and share lessons and firsthand experiences on training councillors – experience that could be used in modifying and improving the *IDP Guide Packs*.

At the completion of the training programme, Planact and the USN group were not only equipped with appropriate tools, techniques, knowledge and materials but – coupled with their ongoing readiness and commitment to the implementation of the new local government system – the USN was awarded a contract to deliver IDP training to councillors nationwide by the DPLG.

Nationwide IDP training

Planact's credentials demonstrated that not only does it have a sound understanding of the local government environment, but also vast experience in the development and capacity to deliver nationwide training programmes in collaboration with USN affiliates.

In addition, the team had experience in managing nationwide training programmes and was profoundly conscious of the importance of appropriately carrying the client's vision in achieving the objectives they set out to achieve through the training programme.

Through this contract, Planact in collaboration with USN was able to train councillors, national and provincial government officials nationwide.

Facing challenges

Despite all the positive contributions and achievements, Planact experienced several challenges both as an institution and as role-players in the IDP process. The challenges covered in this article are only limited to those faced by Planact as an institution in its interventions in the process and not challenges faced by municipalities and role-players in the IDP process.

- ▶ **Loss of staff:** Planact's contribution had both positive and negative impacts, and key among these was the loss of core local government unit staff members. This was due to the positive publicity enjoyed by the organisation through its involvement in the new local government system, resulting in staff being headhunted to take on key government positions.

- ▶ **External factors:** Planact had to ensure that it was able constantly to develop robust and appropriate strategies to match the rapid change brought by both internal and external factors and to continue delivering sustainable solutions to such challenges.

- ▶ **Finance:** Planact had to establish a sound financial base to sustain the organisation because international donor funding to organisations was now being channelled directly through government.

- ▶ **Training and capacity-building:** Planact had to provide continuous training and empowerment to existing and newly recruited staff on key technical issues as well as the organisation's techniques and methodologies. This also required a speedy empowerment of staff on training methodologies and facilitation skills.

- ▶ **New legislation:** Planact had to align its solutions and adapt to the constant introduction and enactment of new local government legislation.

- ▶ **Change in leadership:** Within a period of seven years – between 1995 and 2001 – Planact's leadership position was occupied by three general managers, each with a different view of Planact's role and the road ahead.

The main challenge for Planact was to accept change and adapt, shed its traditional operations and introduce consultancy services in order to take the IDP implementation phase to its final leg – in other words, direct advice to municipalities and actively engage in the drawing up of IDP.

There have been various attempts to deal with the spatial structure of the apartheid city, and with limited success. Many municipalities still struggle to effectively implement IDPs that reflect the needs of the community in reasonable budgets and realistic timeframes for prioritised projects. This could also be attributed to a string of challenges, such as municipalities incapacitated through a lack of resources, incompetent municipal officials due to lack of appropriate technical skills, a lack of funds, a lack of necessary infrastructure, ineffective coordination of sectoral alignment of the IDP with national

and provincial programmes and incapacitated Provincial Information Management & Monitoring Services (PIMMS) centres, for example. On the other hand, government's continued efforts – through various programmes – mean that NGOs, institutions and other interested groups are well able to improve the IDPs.

Planact's vision and reason for existence were the key points of departure to its contribution to the IDP, and set the scene for a series of interventions in the local government system by specifically pointing out the role and interventions made in the evolution of the IDP system.

Given all the above interventions, successes and challenges, the big question still remains, did Planact's contribution make a difference to the local government system? Was Planact able to adapt to the changes as an organisation and reposition itself well in its continued quest to achieve its main goal of empowering and equipping relevant stakeholders in interpreting, engaging and making a meaningful contribution to the local government system? These questions continue to pose a challenge to the Planact community and its leadership.

Local Economic Development takes centre stage

by **Oupa Nkoane**

In recent years, a human-centred vision of development has emerged. This new vision places the needs and the aspirations of the people at the centre of development process. It recognises that economic growth should translate into an improvement in the standard of living for everyone and should be socially, politically, economically and environmentally sustainable. In the Dhaka Declaration of April 1993, leaders of governments and civil society in both the north and south, gave their support of the new vision of people-centred sustainable development. The South Asian Association for Regional Development (SAARC) committed itself to the eradication of poverty in South Asia. The preferred strategy is to focus on human development, social mobilisation and empowerment of living standards. This commitment to poverty reduction was reaffirmed in Manila, October 1994, when ministers and development planners recognised that, 'not withstanding economic growth and structural adjustments in recent years, the region's fundamental social objectives remain to be fully achieved.'

A commitment was made to accord priority to social development. According to 'Poverty Eradication: A policy framework for country strategy', a policy document prepared by United Nations Development Programme (UNDP) following the World Summit on Social Development held in Copenhagen on 6 to 12 March 1995, the provision of adequate resources and the formulation and implementation of effective policies, sound measures and appropriate programmes in the context of development must also include the adoption of time-bound goals.

The United Nations' Kofi Anan ascertains that, 'at its core, development must be about improvement of human wellbeing, removal of hunger, disease and sustainable and productive employment for all.' Development goals must be geared toward ending poverty and seeking to satisfy the priority need of the people in a way that is sustainable for future generations. In her address to the World Summit on Social Development, Elizabeth Dowdeswell, executive director of United Nations Environment Programme, identified the major issues facing humanity in the 21st century as alleviating poverty and protecting the environment: 'First, our fundamental definition of development must change. It can no longer be regarded as merely a problem of modernising traditional societies. It should no longer be a mere duplication of the energy and resource-intensive development pursued by the developed countries. [Development] has to recognise local circumstances, potential for internally generated growth, the contribution of traditional institutions and knowledge. It has to be inherently geared towards sustainability.'

It is important to note that in some contexts, the term 'development' has been taken to refer to assume a particular outcome of social action by policy makers, activists, economists, social scientists and the like, who assume that the process of modernisation undergone by the capitalist societies of the West should be replicated globally. In *Culture, Conservation and Biodiversity: The Social Dimension of Linking Local Level Development and Conservation Through Protected Areas* (John Wiley & Sons 1996), B Furze et al are of the opinion that there is a series of assumptions that accompany this model of modernisation, not the least being that 'West is best', and that all societies could and should take the same path of development. The term 'development' has often been used interchangeably with modernisation, and therefore has taken over a 'Westerncentric' character. It is without any reservation that the term 'development' is accompanied by ideological underpinnings. This is set against the background or assumptions that this is a way through which society changes, that this is the 'best' or the most appropriate way of changing the society and ultimately the determination of what is best for that society. In defining development, Furze goes on to argue that development can be described as the process of intervening in existing forms of society, which includes social, political and economic structures in order to achieve the goals of the said structures. The poverty-eradication strategy needs to integrate economic and social policies in national and international arena, and increases equity in reducing unemployment, gender equity, environmental preservation, democratic governance and the respect of human rights.

Anti-poverty strategies: An operational definition

An operational and comprehensive definition of poverty has long been needed to fight poverty in a more effective way. Such a definition is required to provide criteria to identify who is poor and how to measure the progress made in lifting the poor out of poverty. This is the view of Jose Garson, the United Nations Capital Development Fund Technical Advisor, in his article 'Microfinance and Anti-poverty Strategies: A donor Perspective' (UNDP Geneva 1995). Jose further argues that, 'It is not easy to embody poverty in a concept, let alone quantifiable concept. While poverty can be described in broad macroeconomic terms, no objective definition exists at micro level.' The fight against poverty has taken many widely differing forms that cannot be readily encapsulated into a single concept. The search for a new conceptual framework to define poverty became centred on the poor rather than on the abstract notion of poverty itself. The people-centred approach considered that living standard, when appropriately defined, could be a yardstick against which poverty is measured. The standard of living is considered to have two components: direct consumption goods and services and non-consumption activities related to services pertaining to health, education and housing, for example. In determining poverty on the grounds of real household expenditure in turn permits a quantitative definition of poverty.

Local economic development as an anti-poverty measure

Local Economic Development (LED) is the process by which communities can initiate and generate their own solutions to common economic problems and thereby build long-term community capacity and foster integration of economic, social and environmental objectives. Though there are various definitions of LED, definitions differ according to the context in which the practice is being exercised. It is important to note that it is not up to the theoreticians to define LED – it is up to the local community struggling with new ways of to create employment.

LED differs from a conventional development process in that it is not a process that depends on unassisted market forces to produce jobs, or on governmental handouts, or enticing large-scale enterprises to an area. These traditional approaches to employment creation have been proved to lead to poverty economic stagnation and other socioeconomic and environmental mishaps. In the LED practice, members of the community are instead coming together out of a common concern for growing social and economic costs associated with continuing unemployment, and attempting to generate and initiate their own solutions to their common economic problems. The process involves a greater reliance on the community or locality initiatives. The solutions may tend to rely on market forces or utilise government programmes, but most important is the results, which serve the purpose and deliberate economic actions and structures representing the wishes of the community.

LED, then, is meant to serve the socioeconomic aspirations of the community, and its successes are based largely on the issues of community decision-making. The term 'community' can be defined along geographic lines or along special interests, such as that of women, labour, environment, political party and business, for example. LED is geared towards adopting the basic principles of integrated development – in other words, it is an integrated discipline that seeks to encompass community as defined along the lines of geography and interests. It is within this framework that the interest of the previously neglected groups, such as women and the disabled, will stand a greater chance of being expressed and be attend to.

Despite a few success stories, LED strategies in South Africa have not been hugely successful in reducing poverty. According to E Pieterse, in a 1998 study conducted by for the Department of Constitutional Development in Pretoria, found that most municipalities were unsure of how to integrate their LED programmes with explicit anti-poverty strategies. In the same study, CM Rogerson suggested that a series of implicit LED anti-poverty strategies might be more useful. This would include improving access to municipal services, assistance towards job creation – especially the economy of Small, Medium and Micro Enterprises (SMMEs), enhancing security and protection from crime and natural disasters and augmenting local policy and coordination. However, the performance of South African municipalities has been less than stellar within these areas as well.

The LED support programme of the Department of Provincial and Local Government (DPLG) has also been criticised. The DPLG has provided municipalities with grants, which have helped launch a number of entrepreneur-ial projects, but many of these projects soon encountered difficulties and municipal staff lacked the requisite skills and time to intervene meaningfully. In addition, says D Atkinson in *A Passion to Govern* (Centre for Development and Enterprise Johannesburg 2002), analysts have been critical of municipalities taking on direct project-implementation roles, arguing instead that there's a greater need for generic LED management capacity. Significantly, it was also noted by D Hindson in 'Connecting Economic Growth with Poverty Alleviation' in the *Hologram newsletter 3* (2003), that LED initiatives have shifted away from growth promotion towards community and SMME development.

The Local Government approaches to LED

Both the Constitution and the Local Government White Paper charge local government with the task of promoting economic development in their localities. This is in line with broader national strategies to promote the economic development of South Africa. LED has become widely recognised as an important tool municipalities can employ to fulfil this mandate.

Approaches to LED have varied both internationally and in South Africa. The initial impetus revolved around attempts to attract businesses to a locality by offering a package of rewards – initiatives that have been termed the 'traditional' approach to LED. More recent LED approaches involve inward-looking strategies and community-led action. It is generally accepted that there is no single, correct strategy to promote economic development, and that South African municipalities are well advised to use a combination of strategies.

Despite this, certain lessons may already be drawn from initial attempts at LED. The first is that LED is not a discreet set of actions unto itself. Economic development may be promoted through the use of a number of development tools, particularly infrastructure investment, service delivery and development planning. This reconceptualisation of the base of LED has significant implications for its institutional form. It may not be necessary, for example, to have a separate LED unit within municipalities if local economic objectives are clearly defined and woven throughout the fabric of the institution. However, this too is a matter of local definition, and approaches will vary according to the size and capacity of the municipality.

The principles of LED

Planners have come to terms with the fact that previous planning (both regional and local) exercises advocating the movement of people from their area to economic centres are in – or went into – disarray. These very planning exercises dictated economic growth that takes place over and above the local culture, and disregarded the fact that people have resources and means within which their communities and regions can meet many or most of their needs. As in the case in South Africa, once vibrant towns are being degraded as rural populations dwindle and the local farm economy is being replaced by large agribusiness, single-resource towns are facing total devastation when their only industries shut down, and inner-city neighbourhoods are being ravaged from within by the devastating impacts of poverty, homelessness and abuse.

These 'mishaps' take place under the new guise of global forces, which are assumed to be an inevitable trend currently sweeping the face of the planet. It is without reservation these very forces that undermine and are perceived to dismantle the structures of the community and social relationships that have been in existence for decades if not centuries. Resources and attention are being moved away from meeting the community needs. In his *Community Economic Development: In Search of Empowerment* (Black Rose London 1993), Eric Shragge states that the consequences of this are:

- ▶ Declining local economies due to deindustrialisation and the draining of wealth out of our communities by large outside-owned corporations;

- ▶ Environmental degradation, which is poisonous to our air, water and soil;

- ▶ Loss of citizen control: decisions affecting the future of our local communities are being taken at a very senior level of government and large multinational corporations; and

- ▶ Social degradation: human needs are neglected, with a large number of people being marginalised and abandoned to homelessness or living in potentially dangerous areas.

What is really needed? An approach that is very integrated – in other words, economic, ecological, political and cultural development. This integrated strategy should be driven by the quest to revitalise and reclaim the community as its primary aim. These components are an integral part of local government response to poverty-alleviation programmes and are based on the following principles.

Gaining of economic self-reliance

The concept of self-reliance is an antithesis of a global economy. The global economy advocates building the economy on the basis of import-export trade, mass production and consumption. The self-reliance concepts embrace building up local markets to serve the community needs and are underpinned by the desire to retain and recapture wealth produced by the community. The process adopts the principles of strategic planning in that it is inward-looking, identifies the weaknesses and the strength of the community's resources and builds upon them. Self-reliance as a basic principle entails and embraces a trading strategy that seeks to avoid exploitation and domination of one party by the other. This trading strategy is based on the notion that every community has its unique existing resources base. Resources can be in the form of human or physical.

Becoming ecologically sustainable

Locally based development should fit within the greater ecosystem of which it is part — thus contributing to a pattern of sustainable development for the planet as a whole. Sustainable development places economic growth within the parameters or limits of the carrying capacity of the environment. The implication is a major shift in land-use pattern, from large cities characterised by heavy infrastructure, such as freeways, large shopping malls and hotels, for example.

Attaining community control

Attaining community control involves empowering members of the community to make decisions on all levels of governance. The long-term welfare of a community depends upon a community's ability to shape and affect its own future. A decentralised community-based economy is needed to support national and global economic context.

Meeting the need of individuals

People are the community's most valuable resource. Any development strategy to revitalise a community must take into account the physical and psychological, because the two translate into long-term socioeconomic wellbeing. The future of the locality depends entirely on meeting the basic needs of the people. LED, as a contemporary strategic approach, seeks to eradicate homelessness, hunger and violence, for example.

Building a community culture

Communities are able to sustain themselves over generations not just on the basis of material wealth or power, but on the basis of common identity, purpose and culture that bind people together. Discovering locality's cultural and cohesiveness as geographic communities is a difficult task in the face of globalisation forces pushing the economy in other directions. Because of LED's approach and the fact that it is people centred, the issue of culture remains a priority.

LED in Practice

Because the term 'locality' is used so interchangeably, it can refer to either a small suburb or neighbourhood or a large town or rural area. The objective of LED is to take some measure of control of the local economy back from the market and the state and into the public domain thorough capable institutions of delivery. Three major approaches to LED are identified by P Boothroyd in 'Community Economic Development: Three Approaches' (*Journal of Planning Education and Research* 1993):

▶ The 'planned approach' – where growth is accentuated at all costs – is performed through effective competition for investment and marketing in the larger economies. This approach disregards stability, sustainability, equity and quality of working life;

▶ The structural change approach, in which growth is not an assumed primary goal but stability and independence are of strategic concern; and

▶ The communalisation approach, in which the aim is to improve production and distribution functions in such a way that the economy – both regionally and locally – supports efforts related to redistribution of returns on investments. This approach is set against the background that community can be stable and independent, so marginalisation and exploitation (especially of the minorities, including women, immigrants and the disabled) is at the centre stage of policy development.

The Planact LED programme

Planact, as one of the leading local government NGOs, has been instrumental in institutionalising the poverty-and-LED debates. A number of initiatives were undertaken in order to untangle the then complex concept of LED. Strategic initiatives ranged from research and policy development to training and advocacy. The pre- and post-2000 local government election era was characterised by a series of legislative reforms, policy debates and accelerated training, as well as the effective testing of the local government machinery. Planact was useful in that it offered a set of strategic measures and packages that ensured a relatively smooth transition. The package Planact offered included the following strategic thrusts:

▶ Local government financial sustainability, particularly in respect of rates and service charges, credit-control strategies, financial management in local government (particularly with respect to financial decision-making, reporting and controls) and participatory budgeting;

▶ Orientation and reorganisation of local government systems and structures in terms of assisting local government in small towns to adjust to the requirements of the Municipal Structures Act and Municipal Systems Bill, the development and implementation of a performance system, development in decision-making and the strengthening of the policy, strategic management and delivery capacity of the council;

▶ LED, which involves improving the economic literacy of councillors and

communities, and assistance in the development of growth and employment strategies;

▶ Integrated development planning (here the specific emphasis is on assisting local councils and communities to develop and implement viable and workable Integrated Development Planning);

▶ Services and infrastructure that concentrate on the organisation of delivery in a cost-effective, economically efficient, and socially equitable and affordable way in terms of delivery methods and options;

▶ Community organisation and development with a focus on social and physical development and capacity-building in communities. Concretely, this means working with communities in a way that simultaneously addresses the important social and economic needs of that community and builds the organisational capacity of the community structure. It also involves the development of appropriate methodologies that will empower the community to articulate its needs and demands for resources and services and to develop a proper sense of the balance between civic rights and responsibilities within communities and government.

The Planact LED Programme was aimed at facilitating the local government economic development planning. The facilitation was performed through a series of workshops and project development. In this arena, Planact helps local governments understand the role they should play in economic development and thus take a proactive stance. Having un-

derstood its role in LED, Planact facilitates the project through the identification of goals and strategies for economic development. The package covered in this programme includes LED contexts (international, national and provincial), strategic planning for economic development, LED strategies, a LED-orientated socioeconomic survey as well as the establishment of LED framework.

Research by the Planact LED Programme

Through funding secured from German Donor, Miserior, the programme – the Planact research was conducted by Oupa Nkoane and Jits Patel, with Lynelle John as the programme manager – the Planact LED Programme tested the concept of LED in non-metropolitan contexts. The intention was to demystify the general acceptance that economic development is only viable in metropolitan municipalities. The research was conducted in four pilot areas: Komatipoort TLC, Alice TLC, the now defunct Eastern District Council and Ga-Rankuwa TLC. The pilot areas differed in spatial form, structure, development potential and character. The rationale for Alice was solely its characteristic as a historical town surrounded by abundant tourism potential. Komatipoort was ideal because it is a port of entry and exit to and from Mozambique and could test intercountry regional planning strategies, but mostly because of its massive agricultural potential. The Ga-Rankuwa TLC was then within the North West Province, as was the then Eastern District Council located in Brits. The rationale behind the pilot was to test the 'borderlessness' of space economy.

Critical findings from the research

Planact's research was ground-breaking in highlighting the importance of LED as a concept in the relativity small towns of South Africa. The art of spatial analysis for realising locally based development potential was a critical pillar of the study. To a greater extent, the study shaped the thinking and informed the current National Spatial Development Perspective in terms of a methodology for identifying and categorising spatial development potential. The other critical point – and focus of debate – culminated from the study was the non-funded mandate of LED within a municipality, as well as an understanding of developmental local governance in South Africa. The research was instrumental in offering perspectives and strategic roles and structures that could better drive a comprehensive regional and local economic agenda. Many municipalities regarded LED as a typical, non-funded mandate on the part of the municipality without necessarily understanding that LED warrants a new way of thinking and practising conventional municipal service delivery. The research also assisted in the shaping up of the then DPLG LED fund. For example, since the study compiled the extensive spatial rationale and potential of each and every space piloted, these municipalities were the very first recipients of LED funds.

The study highlighted the importance of pull-push factors in planning economic development. This was exemplified in the case of the Ga-Rankuwa TLC and Eastern District Council. The study highlighted that the economy of Brits, Ga-Rankuwa and Pretoria is functionally in one zone, but is demarcated by the provincial boundary. The division, therefore, renders regional planning inefficient. In the redrawing of the municipal boundaries by the Demarcation Board prior the 2000 local elections, the Board considered the proposal in the creation of a unicity. This, however, led to the establishment of now defunct cross-border municipalities.

NGOs with a focus on urban development, such as Planact, proved useful in the development of the current local governance, especially in the urban sector. Through training and research, local governance, to a great extent, experienced a relatively smooth transition. The future therefore remains bright – as long as role definition, relevance and generation of new knowledge continue to be part of the programme – and Planact and other NGOs will continue to be critical stakeholders in the development agenda.

Caption:

CHAPTER 10 | Deepening Democracy

From community development forums to ward committees

by **Seana Nkhahle**

Local democracy is an essential process towards building sustainable communities, competitive economies and service delivery. South Africa's Constitution, which is one of the most progressive in the world, also entrenches the right to meaningful participation as fundamental to democracy. The White Paper for Local Government (1998), Municipal Systems Act (2000), Municipal Structures Act (2000) and other supplementary legislation also give effect to the multitude of theories and models for enhancing community engagement. However, despite the sound policy and legislative environment, local democracy remains a major challenge in many municipalities.

The processes employed in facilitating community participation in socioeconomic development need particular attention. This includes decision-making processes and how all affected parties are involved in the process. Many decisions in South Africa have historically not responded appropriately to the needs and values of communities, especially the poor and marginalised sections of the community. This challenge has manifested in planning not reflecting the needs of the community. This is in contrast to wide belief, as most politicians, officials, theorists and the community believe that some form of stakeholder involvement in planning and decision-making is essential. This belief has led to some attempts in post-apartheid South Africa to facilitate some participation, including structured formations such as Integrated Development Planning (IDP) forums and ward committees. Challenges, however, still remain in order to make these formal structures effective and to enhance them by other inorganic forms of engagement. With all the agreement on the necessity of participation, the definition, interpretation and implementation of participatory processes still remain an area of debate and contestation. Poorer communities, the youth, women and the disabled are often the ones who are most marginalised in decision-making processes. Considering that the majority of South Africans fall within these categories, it is important that they are capacitated to engage with the process, which often involves juggling complex technical processes. It must also be acknowledged that many non-governmental organisations (NGOs), community-based organisations (CBOs) and other civil society formations see themselves well positioned as partners to provide complementary services and, in this instance, provide a useful platform to facilitate communication between government and the community.

Planact's involvement in deepening local democracy

As part of the initiative to enhance participation at the local level after 1994, the Reconstruction and Development Programme (RDP) decided that the establishment of local and subregional forums would go a long way in meeting this objective. These forums would constitute representatives of all stakeholders in a particular area and facilitate participatory planning and development in their respective areas. In June 1994, the RDP's Commission for Gauteng held a conference at Vista University in Soweto to address community development. This was followed by a similar conference in 1995. These conferences, which later became referred to as Vista 1 and Vista 2, realised the need to set up Local Development Forums (LDFs) and Community Development Forums (CDFs). The provincial government supported the establishment of these forums through the RDP, as well as by encouraging the development of network committees, which became responsible for supporting and coordinating the work of the development forums.

Following the conferences, Planact was approached first by the then Northern Metropolitan Local Council (NMLC) of Johannesburg and other local authorities and community representatives to assist in setting up and building the capacity of such CDFs in various communities in Gauteng. Planact first became involved in establishing and supporting CDFs in Diepsloot in 1997, followed in subsequent years by others such as Soweto, Bekkersdal, Muldersdrift, Ivory Park, Zevenfontein, Zandspruit and Vosloorus.

Establishing Community Development Forums

Diepsloot in Northern Johannesburg demonstrates some of Planact's successes in establishing and supporting community development forums. Diepsloot was established in 1994 as a transit camp with the resettlement of some residents from the nearby informal settlement of Zevenfontein. As Diepsloot expanded, the council agreed with Rhema Church to accommodate more displaced families from Honeydew, who were allowed to settle on the Rhema Church farm in Sunnyside. The council acquired more land in 1996 to settle 'land invaders' of the Far East Bank in Alexandra and displaced families from various plots in the Randburg area. The new residents were located in the newly created Diepsloot reception area. A further relocation of residents from Alexandra to Diepsloot took place in 2000. The diverse nature of the residents determined by the variety of social, cultural and political backgrounds meant they had different expectations, which made it difficult to work together to achieve a particular common community goal. A coherent, inclusive participation framework was thus very difficult to achieve.

In 1997 Planact was called upon to assist in the development of Diepsloot. Initially, this was just to facilitate a housing project to accommodate the masses of people who had settled in the area by that time. At this point, the council was not willing to invest much time and resources in involving the community in its planning and development processes. However, after endless pressure from Planact and other supporting role-players, who were determined to officially place Diepsloot on the development agenda, it was agreed that Planact would support and assume certain responsibilities for the socioeconomic development and community-participation component of the Diepsloot portion of the council's strategic framework.

Planact's decision to engage extensively with Diepsloot was premised on a few key principles: The first was that any Integrated Development Planning programmes aimed at upgrading the level of services and the provision of housing for the Diepsloot community had to be based on detailed information and an analysis of current and future trends in the area. The participatory processes facilitated by Planact offered an ideal opportunity to acquaint itself with community dynamics and establish relationships with community representatives. Given the tendency by local authorities to delay active engagement in marginalised, informal areas such as Diepsloot, Planact's support and capacity-building processes for community organisations played a major role in enabling those groupings to mobilise themselves and lobby around development initiatives.

During this period, Planact established direct relationships with community representatives of various organisations in both Diepsloot 1 and 2. This ongoing process was aimed at:

▶ Identifying all organisations in the area;

▶ Establishing direct contact with each organisation operating in the area;

▶ Opening communication channels and assessing the attitude of each organisation towards development;

▶ Investigating the political and community dynamics in the area; and

▶ Engaging in organisational development to strengthen community representation and prepare a community forum to engage with its local authorities around development issues.

This process paved the way for the establishment of a highly representative and accountable Diepsloot CDF. Planact then sought to train and build the capacity of the Diepsloot CDF to effectively engage the local council and to participate meaningfully in development processes. By 2000 Planact's goals in Diepsloot were to:

▶ ensure the establishment of the Diepsloot CDF and build its to function effectively;

▶ strengthen and consolidate the Diepsloot CDF participation and leadership in all development processes affecting the community;

▶ improve the relationship and partnership between the community and the NMLC and later the City of Johannesburg Metropolitan Council;

▶ encourage and promote the development of small businesses and community-based economic development activities;

▶ ensure that the quality and standard of the housing project being developed meets community requirements;

▶ encourage the development of public-private partnerships.

The progressive development of Planact's involvement, which centred around ensuring that the community develops the capacity and partnerships to engage with various development processes, demonstrates the need to adapt community participation to challenges prevailing in a particular area. It is critical to establish institutions that facilitate participation, and even more important to ensure that these institutions have the necessary capacity to execute their duties. Another very important issue Planact insists upon is the development of formal and informal partnerships and networks to support the efforts of the institutions concerned. These are issues Planact wishes to continue advocating in order to strengthen the ward committees established through the Municipal Systems Act (2000).

Lessons from Diepsloot

The partnership that Planact established with the community through the CDF and, by extension, the partnerships it established between itself, the CDF and the council demonstrates some of the lessons that can be learnt from Planacts' involvement in Diepsloot. Firstly, it has been demonstrated that partnerships formed with NGOs such as Planact are useful in assisting government to achieve its developmental mandate. The provincial government had decided to maximise participation at community level, but procedures had not been put in place to ensure that this objective is achieved. Planact was able to turn the overall objective of maximum participation into reality in many communities through CDFs.

Secondly, it was demonstrated that careful conflict management can facilitate consensus-building even in a community deeply divided along political, ethnic, social and economic boundaries. Different groups from different geographical areas and political and ethnic backgrounds who were competing fiercely for scarce resources were brought together to develop a CDF that was able to articulate the needs of the community as a whole.

Thirdly, the establishment of the CDFs also demonstrated the benefits of ensuring maximum representation at all levels within the community. Block committees, street committees, and other CBOs were represented on the CDF, thus making sure that it was as inclusive and as representative as possible.

Fourthly, Planact went on to train and support the CDFs, ensuring that the representatives of the community had the necessary capacity to articulate community issues at all levels. This capacity is still lacking in many communities and needs to be built even further. The capacity of councillors and council officials to engage with communities is also limited in many instances.

Lastly, partnerships that have been developed between the community, various government structures and other stakeholders, including the ward committees, have allowed the community to be sufficiently capacitated so that they continue to prosper and defend their gains even after Planact has left.

The challenges of CDFs

The fact that the CDF was a non-statutory body meant that some stakeholders, especially from outside the community, did not recognise its mandate. Although this was not particularly serious in Diepsloot once it had been established and recognised by the community, it was very serious in other communities such as Bekkersdal on the West Rand. The establishment of ward committees as statutory committees that covered entire municipalities compounded the challenges of recognition of the CDFs.

A lack of financial support also compromised the capacity of the CDF, especially because the community was so poor. People often had to make difficult choices between spending their time, money and resources on community development issues or on their family's needs.

Establishing ward committees

The establishment of local CDFs across Gauteng and other parts of the country encountered various problems, most notably a lack of a clear framework to guide them. Different areas adopted their own individual approaches to work with their partners and constituencies – some of which worked well, while others failed. Those that did not work out sparked off intense debates around the effectiveness of such forums. Another problem was that some local authorities, did not recognise CDFs as legitimate structures through which to engage with communities. The malfunctioning of some CDFs further compromised the credibility of these structures. The uneven success of CDFs and other CBOs prompted the national government to explore the advantages and disadvantages of various community-engagement initiatives and decided to introduce and legislate the ward committee system through the Municipal Structures Act (2000).

Ward committees have been discussed and challenged in various ways and their advantages and disadvantages have been explored in some depth. While it has been acknowledged that ward committees go a long way towards enforcing community participation across the country, these committees have not been established well in many municipalities, especially in KwaZulu-Natal and the Western Cape.

And many of those that have indeed been established remain ineffective. A number of proposals have been made on how to enhance the operation of the system of participatory local governance. Planact has consciously avoided getting into the debate of the effectiveness versus the ineffectiveness of the concept of ward committees. Instead it has decided to work with the state in an attempt to use its experience in community development and local democracy to strengthen the ward committee system through facilitating their appropriate establishment, training their members and generally building their capacity to participate as effectively as possible.

Since 2000 Planact has thus been actively involved in establishing and building capacity of the ward committees, mainly of communities in which it is working, although it has also been called upon by various municipalities in areas where it has no active long-term involvement to facilitate ward committee training. This ward committee capacity-building process began with Planact supporting Mangaung Local Municipality in the Free State to establish some of the most successful ward committees in the country in 2000. In Mangaung, the ward committees were built as part of the municipalities' broad communication strategy. The point of departure for Planact's involvement has been to ensure that there is a clear understanding of roles and responsibilities between various stakeholders, such as councillors, ward committees and other CBOs and organs of civil society. This has proven a difficult task, especially as many saw the ward committees as a replacement for other forms of communication to the municipality, including the CDFs.

It needed to be made clear that while ward committees were the official link between the municipality and its constituent communities, they draw their strength in their representivity and how they engage with the rest of the community. This implies that they must have strong linkages with as many other community-based structures as possible, both in a formal way (representation in committees and formal agreements, for example) and an informal way (through informal working relationships). The limitation of ward committee members to 10 restricts, to a large extent, the geographic and sectoral representation of the whole community. Planact has advocated for linkages to be made through subcommittees and working relationships with other community-based structures.

One of Planact's greatest successes, which demonstrated the collaboration between municipality, ward committees and community organisations, is Mangaung. This involved facilitating partnerships between the municipality and traditional authorities in developing awareness among the community of the importance of broad-based participation in planning and decision-making on issues that relate to development at local level. This was done as part of the process of establishing ward committees and to encourage voting for ward committees. As a result of this massive awareness campaign, Mangaung had the largest turnout for ward committee elections in the country. A communication strategy developed by Planact for Mangaung further demonstrated that the establishment of ward committees as part of an overall communication strategy between the municipality and its constituent community can break down most barriers to their relationship and even improve payment for services. The partnership the Mangaung municipality developed with its ward committees has involved other CBOs through their

'community-based planning' and has ensured that civil society remains vibrant, contributing towards the enhancement of the municipalities' IDP.

Ward committee training

Planact has been involved in training and capacity-building for many years since its inception. This included training of various CBOs, CDFs, ward committees, councillors and council officials. The majority of the groups were community representatives whose main objectives are to maximise participation at the local level.

The training material that has now been formally packaged as a seven-module training series evolved out of the various training initiatives Planact has facilitated over the past two decades. The different elements of this training material were first consolidated into a series of manuals for training of ward committees and capacity-building in Mangaung. The series has since been refined and used again in training various ward committees in Gauteng, Free State, Mpumalanga and Limpopo. The training programme has been structured to build the capacity of newly formed ward committees to conduct their duties as mandated by the Municipal Structures Act and respective municipalities. The main objectives include, to:

- improve the relationships between the municipality and the community through the framework of on-going structured communication between the community and the council;

- enhance community awareness and understanding of their responsibilities in the governance process;

- enhance the community's capacity to articulate their needs and participate actively in the planning and management of service delivery projects;

- enhance the ability of councillors and officials to work with communities regarding the articulation of needs and building effective participation in service delivery and infrastructure projects;

- improve the rate of payment for services, thus improving the financial sustainability of the municipality;

- improve community awareness of pertinent issues relating to HIV/AIDS and local planning and development

Seven training modules were used to achieve these objectives:

- **Introduction to local government legislation:** The introductory module aims to show the community how legislation is developed and how it can participate in the process. Particular reference is made to specific pieces of legislation that impact on local government and, by extension, the direct and indirect impacts on the community.

- **How local government works:** The various processes and activities within local government and how they impact on planning and service delivery are discussed in this module. In order to make particular reference to the area in which the training is being provided, partnerships are usually established with the concerned local authority to involve them in discussing their specific processes and regulations and how ward

committees can engage with them as a municipality. The value of this partnership exercise is that the local authority representative can begin to discuss issues that can be best articulated by municipality officials dealing with them. Community representatives are also able to ask specific questions, which they may then share with their respective constituencies. This may also mark the beginning or consolidation of a comprehensive, ongoing communication strategy as happened in Mangaung Local Municipality.

▶ **Planning for development:** The IDP is the basis of all planning and development at municipal level. The planning module allows ward committees to understand the need to integrate communities, alleviate poverty and improve service delivery to all. It also emphasises the communities' involvement in the process.

▶ **Project management:** Community leaders are involved in initiating or mobilising projects that aim to alleviate poverty and improve service delivery within their constituent communities. Leaders may also be required to assist community members who would like to initiate such projects. This project management training focuses on basic project management definitions and processes, the development of businesses and business plans, tendering processes and other related information that communities need to know about community-based projects and businesses.

▶ **Skills for leading:** There is a wide range of issues in which leaders need to be proficient to become effective and efficient in their leadership. Planact

acknowledges that by virtue of being elected and have been in some leadership position before, ward committee members already possess some basic skills that can be shared with their peers. Issues of discussion in the leadership module include basic administration, bookkeeping, conflict management and resolution, presentation skills, negotiation skills and lobbying.

▶ **Local government finances:** This module was developed to assist leaders to understand local government budgeting processes and other related issues, such as financial management and sources of capital finance. It should enable leaders to engage with the councils' budgetary processes and ensure that they are structured to address the expressed needs of the community.

▶ **HIV/AIDS and development:** This is a response to the pandemic the country is currently facing and impacts on developments at local level. It highlights the key elements of a local response to the pandemic and the roles of local leadership in ensuring that local government plays its part in prevention, care, support and developmental initiatives to address socioeconomic conditions on which the pandemic feeds, including poverty, unemployment and homelessness.

Building capacity

While it is imperative to ensure maximum inclusivity and representivity in all respects – as demonstrated with the establishment of the CDF in Diepsloot and the ward committees in Mangaung – it is equally important that the community and their representatives have

the necessary capacity to engage with the various processes that shape development in their respective areas. Capacity-building includes training, information sharing, partnerships and networks, and continuous support, monitoring and reviewing of planning processes and their supporting communication strategies. NGOs are well positioned to assist municipalities to build and nurture relationships with their communities. NGOs such as Planact can further utilise their experience of working in and with communities to build the capacity of communities to engage effectively with municipalities. They are well positioned to monitor the municipalities and the communities' activities with the view to enhancing future strategies.

Caption:

Caption:

CHAPTER 11 | Oiling the Wheels of Participation

The role of development NGOs

by **Ismail Davids**

In order to explore the roles of South African non-governmental organisations (NGOs) in promoting community (or public) participation in local government since the April 1994 democratic elections, we need to examine the research activities of the former Urban Sector Network (USN) as well as the experiences of NGOs that form part of the Good Governance Learning Network (GGLN) – a loose network of development NGOs that seeks to learn about and promote good governance at the local level. While identifying some of the obstacles to effective community participation at the local level, we also look here at some practical recommendations on how NGOs, in partnership with municipalities and their respective communities, can challenge and overcome such obstacles, thereby further contributing towards deepening participatory local governance practices in South Africa.

Public participation in democratic local government

Worldwide, theorists and practitioners who support democracy and development agree that participation by citizens at various levels is essential to make democratic societies work, especially if the society is a developing one and in the process of consolidating its democracy.

Public participation is particularly important in the case of South Africa where – prior to democratisation – African, coloured and Indian communities were excluded from participation in decision-making processes through various statutory mechanisms such as the Group Areas Act and the Population Registration Act. Following the historic 1994 elections, the new Government of National Unity (GNU) faced the challenging task of redressing these past injustices by, amongst other measures, bringing previously excluded and marginalised groups 'back into' decision-making processes. Local government, as the sphere of government closest to the 'community', was tasked with facilitating this process. Thus, a distinctive feature of South Africa's new system of democratic local government is the 'spaces' it offers to communities to participate actively in development decision-making and governance. These spaces include 'provided spaces' and 'popular spaces'.

The term 'provided spaces' refers to government-provided opportunities for citizen participation, such as local elections. These spaces tend to be regulated and institutionalised through a set of policies and laws. From 1994,

South Africans saw the opening of provided spaces for public participation in democratic local governance through policies and laws such as the South African Constitution (1996), the White Paper on Local Government (1998), the Municipal Structures Act (1998), the Municipal Systems Act (2000), the Municipal Finance Management Act (2003), and the Municipal Property Rates Act (2004). These policies and laws invite citizens to participate in a range of government-created and -regulated structures such as the Integrated Development Plans' (IDP) representative forums and ward committees. Participation in these provided spaces is generally referred to as 'structured participation' or 'participation by invitation'. An important characteristic of such participation is that it takes place within parameters set by the state and is invariably regulated and systematised to neatly fit within broader government operating frameworks.

A second set of spaces are 'popular spaces,' which refer to arenas in which people come together at their own initiative—whether for solidarity or to protest government policies or performance or simply to engage government on terms that are not provided for within provided spaces. Popular spaces may be institutionalised in the form of groups or associations (e.g. the Anti-Privatisation Forum or civic associations), but they are mostly transient expressions of public dissatisfaction or dissent. Participation taking place in these spaces is generally referred to as 'popular participation.' The spate of protests against local government's perceived poor performance in terms of service delivery and poverty alleviation is an example of citizens occupying popular spaces to voice their frustration .

NGOs as intermediaries

Since the democratic election in 1994, NGOs have not had an easy ride. Most analyses point to three main challenges confronting the sector. [45]

Firstly, NGOs and other organs of civil society found themselves with a fragile funding base after 1994. The demise of apartheid ushered in a general shift in international donor funding away from NGOs and other civil society organisations to the newly elected democratic government. As donor funding diminished, competition between NGOs for available resources increased, and this scramble for resources adversely affected the sector's ability to act cohesively, as it had done in the past. Secondly, the non-profit sector as a whole lost – and is still losing – many of its most experienced and skilled staff to the better-paying government and private sectors. This trend has left A Richardson – in the article 'Getting to grips with Change' in *FCR: The First 10 Years* (Foundation for Contemporary Research (FCR) Cape Town 2000) – to conclude that South African NGOs have become stepping-stones for 'careerists'. Thirdly, many of what could have been considered 'struggle NGOs' faced a crisis of social utility and ideological position. Their social utility was undermined because their role as service providers to disadvantaged communities was now perceived as a state responsibility. The political and social vision of struggle NGOs was also shared, at least in principle, by the ANC-led government. Furthermore, the existence of a democratically elected government, which had high levels of

legitimacy, served to discourage the need for active and unified action by NGOs.

Many experienced NGOs, unable to cope with these and other challenges and uncertainties, had to close down. This trend prevailed in the face of international experiences, as outlined by HR Lloyd and CVR Wait in 'Non-governmental Organisations in Regional and Provincial Economic Development' (*South African Journal of Economics* 64(2) 1996), that show that within newly democratised societies, such as South Africa, NGOs serve an important function to help ensure the accountability of the public sector and to act as channels for voicing concerns about social justice.

The NGOs that survived what can be seen as the '1990s crisis' were the ones that managed to rapidly develop new ways of relating to the democratically elected government, politically liberated communities and donor funding fashions. Also, in an effort to secure their financial and organisational viability in a post-apartheid South Africa, some NGOs have become service providers (consultants) to government, with an emphasis on cost recovery and income generation. These survival strategies have serious implications for the role many NGOs have historically played in assisting disadvantaged communities to defend their rights and in their struggles for access to basic services. Clearly, many NGOs are still unsure of the role they should play in a post-apartheid South Africa and, in the context of funding and human resources capacity constraints, how they should play that role.

Facilitating community participation in local government is arguably one of the primary roles NGOs can play. Because of their charac-

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[45]   See Marais 1997; Kraak 2001; Swilling and Russell 2002; Lloyd and Wait 1996)

teristics – close links with poorer communities, organisational flexibility, and the capacity to experiment and learn from experience – NGOs have long been considered to have a comparative advantage over other development agents (particularly state agencies) in their capacity to promote local participation.[46] Community participation in local government can be promoted by NGOs in many ways: through assisting communities to organise, providing training and support to existing structures of representation (such as ward councillors and ward committees), acting as a watchdog over local government activities, and providing public education and raising awareness about citizens' rights to participate in local government.

Lessons on Community participation in local government: The Good Governance Learning Network

The GGLN is a loose network of South African NGOs which primarily focuses on promoting good local governance. Established in 2003, the main objective of the GGLN is to share and learn from common experiences by creating an interface for institutions working on issues of local governance.

One of the key strengths of the GGLN is the diversity and spread of its membership base. GGLN member organisations work with diverse constituencies in the centres of Johannesburg, Cape Town, Durban, East London and Port Elizabeth, as well as in the rural periphery of the Eastern Cape, KwaZulu-Natal and Limpopo. These constituencies include different gender, race, age, political, and socioeconomic groupings, and it is this diversity that enriches the practical experiences and valuable lessons learned by GGLN members.

Additionally, the GGLN draws on international experiences and good practices from civil society organisations based in East Africa, Latin America, South Asia and South-East Asia through the Learning Initiative on Citizen Participation in Local Governance (LogoLink) network, which is based at the Institute of Development Studies at Sussex University.

Thus far, the learning activities of the GGLN have focused mainly on different tools for developmental local government – namely, integrated development planning, municipal finances and budgeting, and municipal performance management – with community participation as a cross-cutting theme.

Lessons from the collective learning and experiences of GGLN members with regards to community participation in local government have been well documented in the form of papers delivered at learning events and submissions made to relevant policy-makers, as well as on the GGLN website www.ggln.org.za.

Legal frameworks and the spirit of the law

Within the framework of cooperative governance, the South African government has enacted an impressive basket of legislation on local government that requires community participation in municipal affairs. These laws are underpinned by the South African Constitution, in which section 52(1)(e) stipulates that one

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[46]   See Cernea 1988; Merrington 1992.

of the five objectives of local government is 'to encourage the involvement of communities and community organisations in matters of local government'.

South Africa's first decade of democracy thus presented South Africans with sufficient provided spaces to participate in local development and governance processes. The unequal de jure access to formal participation that existed under apartheid has therefore been removed. However, as a result of a range of obstacles to effective participation, most South Africans are experiencing a de facto inequality of access to participation – a division along almost identical race and gender lines to those of the past. Hence – according to S de Villiers, in *A People's Government: The People's Voice – A Review of Public Participation in the Law and Policy-Making Process in South Africa* (Parliamentary Support Programme Cape Town 2001) – it may be argued that the constitutional and legislative requirements for community participation that have been instituted are a necessary but insufficient condition for meaningful community participation in the South African socioeconomic context. Through its research activities and practical interventions, GGLN members have learned that the right to participate must be supported by context-specific strategies aimed at including the broadest possible spectrum of society, particularly women, the youth and communities living in conditions of poverty. The GGLN experiences have shown that NGOs, because of their proximity to historically marginalised and vulnerable communities, can play a vital role in selecting appropriate strategies for effective community participation.

GGLN members have also learned that pure formalism – responding to the letter of the law by creating ward committees and IDP forums

– is a necessary but limited step towards effective participation of citizens in local governance. A nuanced focus on the broad spirit of the law, which is about creating a general and vibrant culture of participation, will achieve much more in terms of promoting effective participation. One way of enlivening this broad spirit of the law is to cultivate and maintain citizens' interest in local government between municipal elections and by-elections. In this regard, continuous public engagement and debate on municipal policies, operating conventions and performance is crucial. These forms of interaction between municipal government and local communities have significant potential to change the general public's perception of local government from that of a simple provider of basic services to an agency of development and good governance. Local government can thus begin to build a profile as a sphere of government that creates spaces for real political influence by citizens, while also engaging its citizens in the socioeconomic development challenges each municipality confronts.

Lessons from NGO research and capacity-building

Research conducted by the former USN and GGLN members shows that poverty, the large size of municipal areas, poor public transport, inadequate incentives for participation, language barriers, illiteracy, patriarchal social structures and a host of other factors related to historical and prevailing social, political and economic structures tend to limit people's active participation in local government processes. [47]

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[47]   See USN 2001; USN 2000; Davids 2005; Afesis-Corplan/Idasa 2005.

As discussed, local government has been tasked with facilitating the process of 'bringing people back into' governance. Municipalities are, for example, legally obliged to ensure the participation of communities and community-based organisations in the formulation of municipal budgets and plans. This is largely done through the establishment of IDPs at local level. As a network that has facilitated IDP training, monitoring and research, GGLN members acknowledge that the IDP process generated more community participation in municipal planning than ever before in the history of South Africa. This perhaps seems to be one of the most valuable outcomes of the IDP process thus far. There are, however, a number of factors that have impacted on the quality of participation:

▶ The vast distances that had to be travelled due to the size of municipal areas after the 2000 redemarcation process;

▶ Participation fatigue — people are tired of 'participating in their own development' without seeing meaningful benefits of their participation;

▶ The way the process was managed — bureaucratic red tape and under-resourcing of participatory structures such as IDP forums;

▶ The inability to ensure the participation of the business sector (including farming) at area-based and local municipal level; and

▶ The lack of special efforts to ensure the participation of non-organised marginalised groups in the IDP process (for example, the unemployed or specific poverty groups, such as landless and homeless people).

The establishment of ward committees became an option for municipalities with the local government elections of December 2000. Chaired by the ward councillor and composed of up to 10 voluntary community members, ward committees are seen as an integral part of government's structurally aligned community participation model, as outlined in the Department of Provincial and Local Government's draft National Policy Framework for Public Participation of 2006. Legally, a ward committee exists to encourage public participation in local government and as such is a key mechanism for enhancing participatory democracy at local government level. Recent studies, however, suggest that ward committees are not fulfilling this mandate mainly due to:

▶ uneven credibility and awareness amongst local communities — sometimes related to the perception that ward committees are packed with supporters of the local ruling political party;

▶ lack of any evidence that ward committees have preferred access to municipal information or are able to influence council in any significant way;

▶ a lack of municipal capacity to facilitate and support ward committees;

▶ physical constraints, such as the vastness of wards, inappropriate demarcation and the familiar challenges of largely rural constituencies; and

▶ political manipulation and indeciveness regarding the remuneration of ward committee members.

Additionally, GGLN members have noted that many civil society organisations are not actively involved or participate in ward committees

because of the way in which the civil society organisations themselves are structured. These organisations may be situated in a specific ward in terms of office location, but their area of operation may exceed the boundaries of that particular ward. Such organisations find it difficult to make meaningful inputs in the provided spaces.

Community participation in South Africa factors in community development workers (CDWs) who are intended to serve as a multi-skilled cadre of civil servants who give basic advice to people on their rights and government services available to them. CDWs are supposed to reinforce ward committees and interface directly with communities in an effort to enhance community participation. GGLN experiences, however, show that the relationship between CDWs and ward committees is not always clear. These uncertainties will have to be addressed if CDWs are to be seen as an integral part of the ward participatory system and community-based planning.

Most GGLN members have developed and are facilitating public education programmes aimed at empowering citizens to effectively engage with local government around issues of local development and democracy. These programmes encourage people, especially the poor, to:

▶ take advantage of the opportunities provided by the Constitution and other legislation to participate in their own development and governance;

▶ push the boundaries that were set over the first 12 years of democracy, thus ensuring that the spaces poor and marginalised people need in order to

address their issues continues to grow, rather than stagnate or contract; and

▶ question local government policies, practices and trends that constrain poor people's participation and, where appropriate, to challenge and seek to change them.

Overall, these public education programmes have contributed significantly towards raising awareness among citizens of the relationship between their rights (to participate, for example) and responsibilities (to pay for municipal services, for example).

Improving Community Participation

Through its interventions at community and municipal level, GGLN members have learned that the measure of a true democracy is not just the complexity of its regulatory framework for citizens' participation (provided spaces) but the extent to which it is able to accommodate independent initiatives by civil society for engagement. This implies a sophisticated government approach to community participation, which allows for the processing of civil society feedback from the realms of provided spaces as well as popular spaces. Thus, in an authentic democracy, people have the right to occupy the spaces they regard as the most appropriate sites for raising citizens' concerns. Rather than being straightjacketed into ward committees and IDP forums, citizens have a right to choose their own ways of engaging government, provided they act within the law.

Government should accept that citizen-initiated forms of participation and even protest or critique are as important as the provided spac-

es for participation set out in policy and law. However, GGLN members acknowledge that local government, being institutionally weak and suffering serious capacity shortfalls in this juncture of our evolving democracy, may find it particularly difficult to accommodate popular and non-regulated forms of participation. International experience suggests that effective structured participation that leads to improved service delivery and sustainable livelihoods for the poor may reduce the temptation for frustrated communities to occupy popular spaces and enter into confrontational relationships with municipalities. Though structured participation in South Africa should never be considered a substitute for an autonomous and vibrant civil society, it can prevent the more disruptive forms of community participation that result when entire communities begin to perceive themselves as alienated from their elected political representatives and appointed senior municipal officials. How, then, can structured participation be made more effective? Issues that have to be addressed in this regard include:

- ▶ The inability/incapacity of some municipalities to implement legislated provisions for community participation in local government;

- ▶ The under-resourcing of formal structures for public participation such as ward committees and IDP forums;

- ▶ The electoral system of formal participatory structures, such as ward committees and IDP forums, which does not result in broad representation of diverse community interests;

- ▶ The perception of helplessness that arises within local civil society when the

municipality persistently misallocates or abuses public resources, including local revenue and intergovernmental transfers; and

- ▶ The absence of instruments and mechanisms through which formal participatory structures can be held accountable by people whose participation they are supposed to facilitate.

In a democracy, local elections represent the first arena for citizen participation in governance. NGOs can ensure greater voter participation in local elections by implementing voter education initiatives that provide voters with technical information about elections, such as where to register, how to register, who the candidates are, where to vote, how many ballots there will be, and how to use the ballots. Also, NGOs can encourage political parties and independent candidates to take a leading role in stimulating and mobilising potential voters. This means rolling out competitive, localised campaigns that focus the attention of potential voters on local candidates and local issues.

With regards to improving community participation in municipal IDPs, NGOs can develop appropriate and user-friendly participatory monitoring and evaluation tools that measure the extent and impact of the participation of marginalised groups over a period of time. Also, through partnerships with local communities, NGOs can development ward-based key performance indicators, which are complemented with a holistic system to monitor and evaluate the impact and effectiveness of community participation in achieving agreed development outputs and outcomes of the IDP. The use of such a holistic system would also serve as a

means by which communities can keep local government accountable to the policy choices and development targets that were selected in the course of the IDP participatory process.

NGOs can improve participation practices in ward committee structures by developing and implementing appropriate capacity-building programmes for ward councillors and ward committee members on issues such as local government legislation as well as municipal budgeting and finances. NGOs can also assist municipalities in developing context-specific ward committee policies that clearly address issues such as the relationship between the ward committee and CDWs, as well as the out-of-pocket expenses incurred by ward committee members in fulfilling their ward committee duties. NGOs can further assist municipalities to introduce innovative measures to ensure the participation of crucial interest groups such as women, the disabled, youth and local businesses in ward committee structures.

South African NGOs have played and will continue to play an important role in assisting mainly disadvantaged communities to overcome some of the obstacles to effective participation in the so-called 'new' South Africa. In their efforts to oil the wheels of participation, NGOs face the same challenges as most development agents in promoting active community participation – namely, community

apathy, unrealistic expectations, stakeholder power dynamics and obstructive government officials and politicians. Such factors make the facilitation of community participation in local government matters an often time-consuming, difficult, frustrating and sometimes costly undertaking.

Of particular concern from the perspective of consolidating democracy in South Africa are the inability/incapacity of some municipalities to implement legislated provisions for community participation in local government, the under-resourcing of formal structures for community participation (such as ward committees), low levels of voter participation among particularly the youth, and distrust of NGOs by most politicians and government officials. These issues, including the obstacles identified and recommendations highlighted earlier, need to be addressed if we are serious about promoting people-centred development and deepening local democracy even further in South Africa.
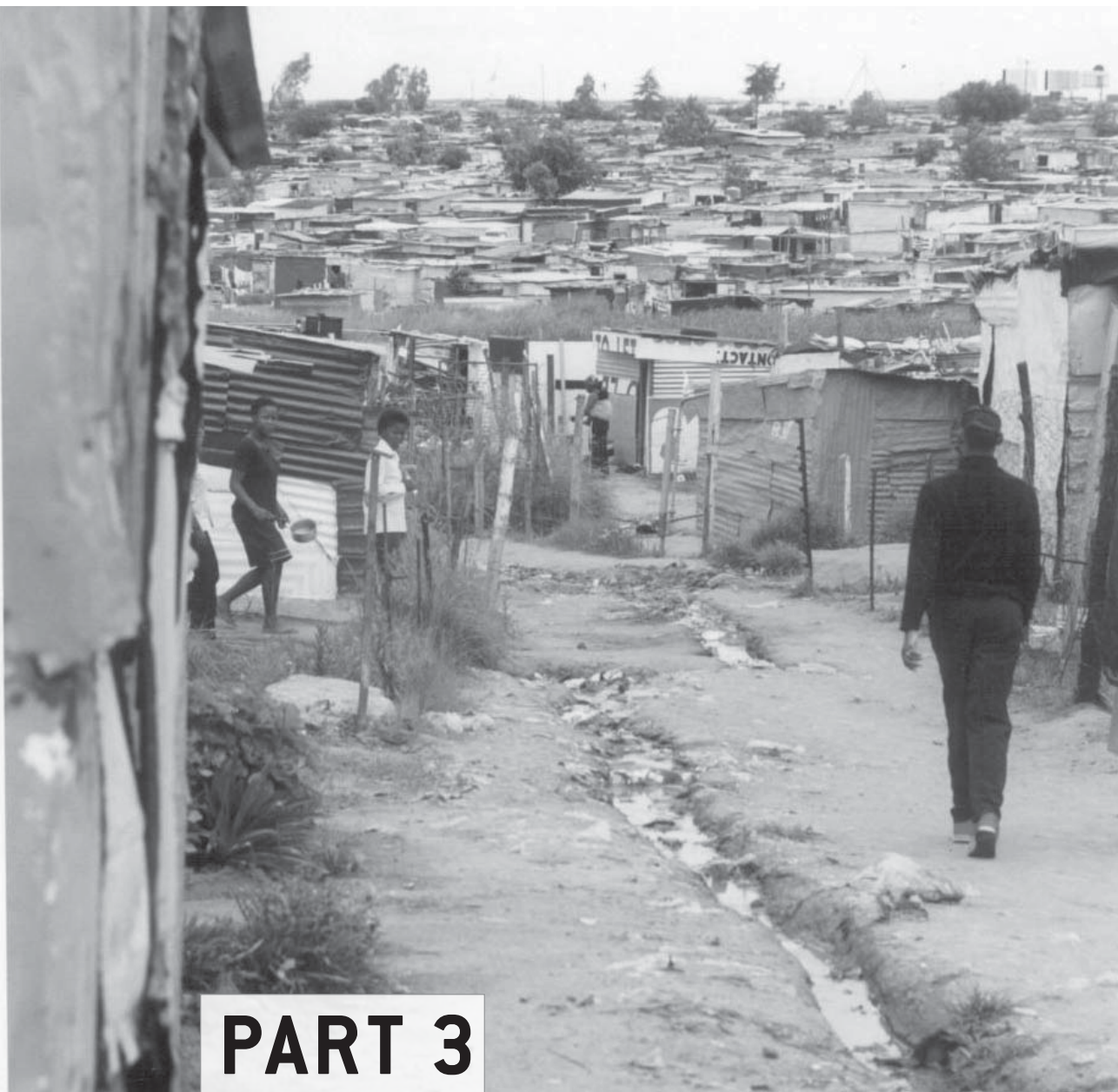
PART 3

Land, Housing & Services

CHAPTER 12 The Bargaining Table

Planact and the unions

by **Colleen du Toit**, **Marc Feldman** and **Simon Ratcliffe**

'Working in the mines is an agonising painful experience ... Your work is in an extremely dangerous place. Whenever you go down into the shaft, you are not sure that you will come out alive. You don't want to think about it. But it keeps coming. Whenever an accident occurs and someone is either killed or badly injured you think of yourself in the position, you think of your family and you become very unstable and lonely. You feel you want to see them for the last time, because the inevitable will come to you sometime ... Death is so real you keep on praying and thanking God each time you come out alive.'

These are the words of an old Sotho miner, as quoted in D Moodie's 'Mine Culture and Miners: Identity on the South African Gold Mines' in B Bozzoli's *Town and Countryside in the Transvaal* (Ravan Press Johannesburg 1983).

During the late 1980s and early 1990s, several of the most prominent trade unions – the Congress of South African Trade Unions (COSATU), the National Union of Mineworkers (NUM) and the National Union of Metalworkers of South Africa (NUMSA) – requested Planact to assist them with issues that varied from housing to quality of life. Planact's Annual Reports from those years record over 20 projects undertaken with the unions, ranging from technical services such as architectural design and developmental policy responses to emerging employer homeownership schemes, and represented significant aspects of union response to the overarching social and political changes taking place in South Africa at that time. When the unions approached Planact, they were already confronting issues such as housing affordability and the aspiration towards 'sustainable human settlements' – although the actual term itself (the keystone of government's current housing policy) was of course not used at the time. These, however, are issues that continue to perplex current housing and community debates. The union projects nevertheless raised two important beacons: firstly, they began to strengthen surrounding social and political struggles by linking them to practical, even 'technical' issues of human wellbeing and, secondly, they were characterised by fundamental practices of democratic organisation. These were in turn carried forward into Planact's work with civics, and also significantly influenced Planact's internal working practice.

The working relationship between Planact and the unions thrived during the period between 1986 and 1991, and then waned as the unions established in-house competence to do the work that had until then been accomplished with Planact. This paper explains the genesis of Planact's union work, documents key issues that emerged from the projects, and finally points to some areas where the relationship between Planact and the unions might be revived.

Planact's union projectsin context

To fully understand and appreciate the significance of Planact's union projects, it is necessary to remember the social, political and economic context in which the work took place. The 1980s were characterised by intensive anti-apartheid struggles across a wide spectrum of issues. In urban areas these included struggles for land, housing, service provision and other quality-of-life issues, as well as free movement (legislation such as the Group Areas Act, Separate Amenities and Influx Control were still in force but were being heavily contested). The state fought back through successive States of Emergency, while attempting to win 'hearts and minds' through selective provision of housing and services. Government and business worked together on what was the start of privatised urban housing for black people. This strategy was part of the intention to create a 'settled' workforce that would have a stake in the regime and thus be immune to the surrounding community struggles.

Meanwhile, church and community organisations led struggles around local issues such as rent, housing and service charges. It was during this time that the unions became involved in urban and community development issues, as their interests and those of urban communities converged. Employers began to offer housing assistance to their workers in the form of loans, rented accommodation and various forms of subsidy. Some of these housing schemes were planned in township communities abutting mines and other industrial enclaves. When In-

flux Control was abolished in 1986 and rural people began flocking to the cities in search of work, the housing shortage was immediate, and informal settlements began to mushroom.

From the mid-1970s, workers and their organisations had rekindled their struggles for the right to form trade unions, and for their rights in the workplace. By the mid-1980s, trade unions had become a powerful, organised and politically legitimate force, recognised by both business and the state, so it was not possible for the state to seriously target the unions during this period without severe disruption to the economy.[48] During the successive States of Emergency of the late 1980s, many community-based organisations (CBOs) were unable to operate openly, and numerous community leaders were either detained or driven underground. Organised workers were also members of their communities, and from their base in the trade unions began to take up community-related issues as well as their own traditional workplace struggles. [49]

[48]   The arrest and 'suicide' of Neil Aggett, a young white doctor and unionist, found hanged in his John Vorster Square cell in 1982, sparked international outrage, and was paradoxically one of the 'triggers' for increased union strength and influence—union protest and work stoppages following Aggett's death posed a significant threat to the economy.

[49]   This was not an uncomplicated phenomenon: 'We'll work with community organisations… as soon as we find one strong enough to stop workers in the community taking strikers' jobs.'—quote from a unionist in Friedman 1987.

What were the unions requesting of Planact

During the late 1980s, unions such as NUM, NUMSA and COSATU approached Planact for assistance on very practical quality-of-life issues faced by their members. In summary the unions requested Planact's assistance on:

▶   Poor living conditions;

▶   Land;

▶   Homeownership;

▶   Housing finance and affordability issues;

▶   Illegitimate local authorities; and

▶   Worker co-operatives.

Proposed employee homeownership schemes

In accordance with state and big business moves towards a more urbanised and settled working class, many employers began to offer hostel-dwelling workers various forms of financial assistance. However this 'assistance' was almost always attached to stringent conditions. From Duduza on the East Rand to Vanderbijlpark, south of Johannesburg, mining towns in the Free State and in the (then) Northern Transvaal, unions were assisting their members to understand a range of development issues related to housing and living conditions. Planact, working from the premise of housing as a basic human right and a holistic development issue, concentrated on technical research and the transfer of information and skills to union members. For example, in Duduza, Planact worked with a shop stewards' coun-

cil of COSATU-affiliated unions to evaluate a speculative property development proposal in Springs. Planact evaluated the proposed building system and raised the following issues for consideration by workers:

▶ Home ownership and its effect on worker organisation;

▶ The financial implications of ownership, including information on insurance and financial responsibilities in the event of dismissal or unemployment;

▶ State subsidies;

▶ Community facilities; and

▶ Service charges.

Housing policy

Planact's housing policy work began when NUM requested support in preparing for negotiations on housing and living conditions at the De Beers mines. Planact ran educational workshops with national and branch structures, and visited all the mines, documenting living conditions. Based on these interactions, proposals were drafted, emphasising the need for worker participation in formulating a range of options relevant to the differing housing needs of unionised workers. The proposals also emphasised the need to move away from the hostel system, and covered the housing needs of single men, migrants wanting to live with their families on the mine, those who wanted to own their own homes away from the mine, and the requirements of local workers. Planact engaged with workers and union officials on the question of homeownership and its implications for their bargaining position, and an educational booklet was produced for mass circulation among union members.

Following this exercise, NUM requested Planact to work with the union on a housing policy. Planact's role was to assist the union with policy responses and put forward innovative tenure and built-form alternatives to existing hostel accommodation.

Planact's research showed that the prevailing assumption that most migrant workers wanted to urbanise was incorrect. The diversity of the workforce was very apparent, and the complexity of the issue was shown in the wide range of accommodation preferences emerging from Planact's research among workers. The following options were suggested:

▶ Rented company housing;

▶ Communal family housing;

▶ Upgraded single quarters;

▶ Company-assisted finance for housing near the workplace; and

▶ Company-assisted finance for housing in the rural home area, combined with subsidised company accommodation at work.

Eskom housing and nutrition

In the wake of a canteen boycott, Planact worked with three of the unions active in Eskom (NUM, NUMSA and EWU) on an investigation into housing and nutrition. Planact appointed a full-time project manager and assembled a multidisciplinary team to work with the unions on a 'pilot' project involving black workers from the (then) Transvaal. Eskom management appointed consultants to conduct a national survey of the whole Eskom workforce.

In addition to the project manager, Planact's team comprised a researcher, architect, urban planner, sociologist, adult educator and nutritionist. With the union representatives, the team designed an eight-week survey programme based on the principles of empowerment and capacity-building. The programme consisted of research, site visits, educational workshops and a data-gathering technique to capture both individual and group opinion.

Planact processed all the data emerging from this process, then discussed the findings with the unions, and disseminated the resulting information to workers. Finally, a report containing the following six policy points was presented to Eskom management:

▶ The need for worker access to decision-making;

▶ Issues of job security and control;

▶ Affordability;

▶ Quality of living conditions;

▶ Location of housing; and

▶ Differentiation of the workforce.

The report was seriously received by Eskom management, and formed the basis for negotiations regarding substantial changes in the living conditions of Eskom workers.

Worker co-operatives

In 1987 NUM led a national mineworkers' strike during which many workers were dismissed and were forced to return to their rural homes, including Lesotho, where employment opportunities were minimal. Under the leadership of NUM's (then) General Secretary Cyril Ramaphosa, the union began to consider the income-generation potential of co-operatives in response to the plight of its dismissed members. The need was greatest in deep-rural areas already characterised by high levels of poverty and underdevelopment. Planact was asked by NUM to design the buildings for a shirt-making factory in Lesotho, and a business and architectural design for a workers' co-operative was produced. Soon thereafter new co-operative projects began to materialise in other areas. For example, a co-operative was established in Phalaborwa for the production of T-shirts, and NUM then began to examine how it might leverage its membership to support those who had lost their jobs. NUM members were then encouraged by the union to purchase the T-shirts produced by the co-operative.

NUM decided that support for income-generating projects should become a long-term activity for the union and, in the mid-1990s these aspirations were further realised through the establishment of the Mineworkers' Investment, originally directed by a former Planact staff member. Co-operatives were seen by the union as a means to sustain livelihoods in communities traditionally dependent on remittances from migrant workers. A link was made between the housing needs of these communities and the co-operatives, and several block-making co-operatives were then established. NUM, with Planact's assistance, soon established a Co-operative Unit within the union and began to develop its own capability to manage the co-operatives. Planact was integrally involved in establishment of the unit and recruited its first coordinator. Once the unit was established there was no further need to contract Planact for this work.

The significance of Planact's union work

It is not easy to determine the ultimate significance of Planact's work with the unions. While it is clear that the issues dealt with in the union projects and the manner in which these projects were handled was ultimately translated by Planact into more long-standing work with community organisations, it is not clear what, if any impact on union activity and workers' living conditions had actually taken place. To what extent did the relationship with Planact influence union decisions to undertake campaigns related to their living conditions? This question is perhaps most relevant with regard to the campaigns initiated by NUM – the union that most consistently used Planact's services. To help understand the impact of the work, the view of Gwede Mantashe, NUM's retired general secretary was sought. Mantashe was NUM's national organiser throughout the period and his response, in a personal interview on 6 July 2006, was:

'NUM's work with Planact moved housing from the periphery to the centre – it began to be taken as seriously in the union as any other issue … we took technical expertise and fused it into a campaign – we were able to mobilise the workers according to technical specifications supplied by Planact … intellectual capacity was fused into campaigns … Planact [from 1988] helped us as a union to conceptualise our approach and policy to housing which became central to our campaigns and negotiations with management … and included the focus of doing away with single-sex hostels … which has over the years become a reality.' (Although, Man-tashe also reminded us, in the gold mines, 71% of workers are still housed in single-sex hostels.)

Planact's work with the unions, while relatively short-lived, touched on some of the most fundamental sociopolitical aspects of the South African transition. The migrant labour system, since the late 19th century a mainstay of South African industrial capitalism, was being challenged by state and private sector moves towards selectively subsidised urban home-ownership. Planact's union projects, especially the pilot study on Eskom housing and nutrition, showed that the state and business had been short-sighted, and that their first moves towards a settled urban workforce were untenable. For example, the Eskom workforce was anything but homogenous, and the crude understanding of management regarding housing was thus rejected out of hand by the unions. The first and most obvious differential was whether workers were local or migrants. Those workers who were already settled in urban areas had very different responses to employer-subsidised housing, compared to migrants who wanted to continue oscillating in order to maintain their rural homes and traditional way of life.

By the beginning of the 1990s, in addition to the everyday concerns of their members, unions – together with other mass-based organisations – were also operating in the development policy arena:

▶ Urban development was an issue moving to centre stage, and Planact worked to facilitate union empowerment and subsequent policy engagement on delivery of urban goods and services;

▶ Planact assisted the unions to put forward innovative tenure and built-form alternatives to existing hostel accommodation;

▶ When Planact's research showed that assumption that all migrant workers wanted to urbanise was simplistic, policy alternatives to ensure some protection of the rural base, and of migrants' right to continuing employment, were discussed.

Through working with Planact, the unions were able to mount informed campaigns on housing and living conditions, and to take the diversity of their members' needs to the bargaining table. In the words of Gwede Mantashe,

> '*Campaigning on the emotions is not sustainable — you must blend the technical background with campaigning ...*'

Planact's Organisational Practice

Mark Swilling in '*Rival Futures: Struggle Visions, Post-apartheid Choices*,' (NAI Publishers Rotterdam 1999) had the following to say:

> '*My fear is that by not telling this story we have allowed ourselves to forget about practices that were aimed exclusively at empowering oppressed and exploited urban communities to understand their conditions, formulate alternatives, and engage in collective struggles to achieve their demands. This, therefore, is not purely an exercise in historic reconstruction, [but] an exercise aimed at restoring our memory about a way of doing things that is becoming increasingly necessary in the new South Africa if we are seriously committed to both development and democracy.*'

The most powerful lesson to emerge from Planact's project on Eskom housing and nutrition was the extent to which workers rejected the control Eskom held over their lives. During a number of workshops facilitated by Planact, the workers strongly articulated their need to participate in planning and decisions that would affect their wellbeing. The workers were able to articulate in that way at that time because of the power and strength of union organisation. As pointed out by Stephen Friedman in his important study of union activity, *Building Tomorrow Today: African Workers in Trade Unions 1970–1984* (Ravan Press Johannesburg 1987),

> '*The unions offered no aeroplanes or quick solutions. They told workers that only they themselves could change their world; that they would suffer many defeats and win few victories but that they had power in their numbers and their unity. They told workers that they could only win if they organised.*'

Planact was limited in its resources and therefore in its ability to materially affect the living conditions of workers, other than through technical services and associated education and knowledge transfer. However, this was perhaps ultimately a positive condition: not only was Planact's particular blend of technical expertise and participatory process empowering for the unions, but these interactions with union organisation were a formative influence on Planact's working practice, and subsequently enriched Planact's contributions to community development initiatives.

These early projects were in fact the genesis of Planact's theory and practice of community participation. The example set by the unions, and by emerging community organisations, significantly influenced Planact's values, and became codified in its working practices. Planact developed a methodology that combined organisation, participation, education and skills transfer. Central to Planact's values was ensuring user participation in all project processes. In the case of the union projects, this approach enabled workers and union organisers to make informed decisions by working through the ramifications of all available options. It also enabled the unions to enter the urban-development arena with policy positions forged through participative engagement.

There was in fact an important symbiosis taking place – however unwittingly. The union projects had an important effect on Planact's way of working, and ultimately on its confidence and effectiveness as an organisation. In Stephen Friedman's *Building Tomorrow Today*, organisation is defined as

> *'people getting together to get things done ... [Through] organising, people learn something new about themselves ... self-respect in place of lack of confidence ... [They] begin to use more fully the skills and ability that they possess ... [More] than that, they begin to believe in their ability to change the world ...'*

Links To The Present And Future

The case of Planact's work with the unions points to some significant lessons that could be interrogated for their relevance and application in today's context – especially for Planact.

Gwede Mantashe suggested some useful directions for the future:

▶ *'If Planact is going to be relevant [to the unions] today it will have to talk to the current campaigns.'*

▶ *The alliance with the progressive civic movement has not changed much [as a policy] and COSATU's position that socioeconomic issues are as important as workers' wages is still the case... Unfortunately, the civic movement is quite disorganised, although we have been trying to talk to them..'*

In 're-membering' the history of Planact's work with the unions, it has become clear that the simple formula of fusing intellectual professional capacity, articulated in a participative and empowering way, with mass-based progressive organisation, is still relevant in today's context. It also seems that there remains a need for technical and policy support to the unions on housing and development issues, as the situation on the ground affecting worker accommodation has not yet been resolved.

In the absence of an effective and organised civic movement, and considering COSATU's current involvement in the full range of socio-political issues, is there not an opportunity for Planact to both contribute to the rebuilding of civic organisation and to help the unions to consolidate worker organisation around housing and sustainable human settlement issues?

CHAPTER 13 Houses for the People

The relevance of NGOs to housing delivery

by **Paul Hendler**

As we enter the second decade of a post-apartheid democracy, the majority of our people are still plagued by housing problems that manifest through:

▶ A large portion of the population living in informal structures;

▶ Overcrowding;

▶ The inaccessibility of housing finance;

▶ The unaffordability of house prices and housing finance;

▶ Inadequate RDP [Reconstruction and Development Programme] housing structures;

▶ The relatively high cost of well-located urban land;

▶ Remnants and limitations of peripheral housing opportunities located away from socioeconomic facilities and opportunities;

▶ Spatial apartheid planning distortions that still remain characterised by poverty entrapment, lack of development and poor accessibility;

▶ A static affordable housing programme characterised by poor service-rendering mechanisms by public authorities, etc.;

▶ A lack of coherent partnerships between the state and independent delivery partners like the social housing institutions (SHIs), non-governmental organisations (NGOs), community-based organisations (CBOs) and the private sector; and

▶ Inability to forge a supportive social housing development environment.

Government has recognised the need to revisit its housing strategy, and has responded to the challenges in the sector in the 2004 'Breaking New Ground: A Comprehensive Plan for the Development of Sustainable Human Settlements'. Part of this plan is to provide new impetus to the social housing sector, where social housing is defined as managed institutional housing that meets a broad demand for housing products (including multilevel rented flats/apartments, co-operative group housing, transitional housing and communal housing for destitute households) and housing finance (to meet affordability requirements).

This article focuses on the delivery of housing in the social housing sector, where non-profit SHIs are the main deliverers of housing. There has been a general consensus that these SHIs have performed poorly in terms of financial indicators as well as output in relation to the housing shortage and backlog for their market segments.

The central argument of this article is that SHI's poor performance is linked to the fact that the remuneration of many if not all top executives in SHIs is linked neither to the SHIs' financial performance nor the number of units either owned or under management. Therefore, there is no incentive for executives to ensure that SHIs are placed on a sound financial performance path that also delivers increasing numbers of units that will make a dent in the social housing backlog.

The article assumes the definition of social housing as housing protected from market forces, and therefore not subject to the competitive pressures that can – and do – positively influence performance. The article demonstrates this by tracing the roots of the current social housing delivery vehicles to the ideas

current among urban sector NGOs during the 1980s and 1990s transition to democracy in South Africa. In particular, the article examines these ideas by focusing on the experience of one such NGO, namely Planact, in the founding and operation of which I participated. Planact was by no means the only organisation that contributed towards the generation of ideas that arguably gave impetus to the rise of the current generation of SHIs. However, my experience in Planact gave me first-hand knowledge as participant observer of the early debates around non-profit SHIs and the impact of these debates.

The article bases its argument on a comparison of the performance of the SHIs compared to that of private property owners and management companies in the Johannesburg central business district (CBD) between 1999 and 2004, where I was involved as a marketing director of one such company. The better performing for-profit, private companies differed from the SHIs crucially in that their executives faced the risk of loss of income, and sometimes their jobs, depending on the performance of their companies.

The argument in this article takes issues with a dominant current view in the social housing arena, namely that the problems of social housing delivery can be reduced to a lack of capacity in the SHIs, which in turn is seen as emanating from a lack of fiscal resources (subsidies), financial resources (mainly debt financing) and experience. Yet the private operators referred to earlier were able to perform significantly better than the SHIs despite facing the same constraints. There is a deeper reason underlying poor SHI performance, namely the lack of exposure of SHI executives to the risks faced by private sector executives.

The aim of this article is to raise debate about SHIs and delivery of social housing. As such, the article is focused on a particular argument and relates a slice of the history of Planact to the argument.

Historical introduction

The roots of the post-apartheid social housing policy go back to the 1980s and the transition period from neo-apartheid (1980s to 1990s) to post-apartheid (post-1994). Planact and its fraternal organisations that comprise the Urban Sector Network (USN) played an important part in the debates that contributed to the formulation of the post-apartheid government's social housing policy.

Central to these debates was a critique of the neoliberal view that a free, unfettered housing market was the most effective and efficient route to providing the majority of citizens with access to adequate, affordable housing. In contradiction to the neoliberal view, Planact developed a model of community and state interventions that aimed to take housing 'out of the market' and, through specific delivery mechanisms, ensure that the community would exert power over the direction and form of housing delivery. Thus, housing delivery was conceived by Planact as an inherently political and politicised process, which had to be carried out under the hegemony of popular structures representing the grassroots of working-class communities in the urban and rural areas. The objectives of these structures were determined by the participation of ordinary people living in these areas. Planact's contribution to policy development was based on client-driven projects within these communities as well as with the Congress of South African Trade Unions (CO-

SATU) who represented the interests of the same people in the factories and on the shop floors, but whose trade union organising frequently incorporated and supported demands for adequate and affordable housing.

Some 20 years after the formation of Planact and 10 years after a period during which strong anti-capitalist ideas from the USN started to have an impact on the social housing policy of the national government, we need to pause and assess what progress has been made. It is time to draw a balance sheet of housing assets and liabilities in the social housing sector.

In the period under review government implemented a number of support institutions to facilitate the emergence of the social housing sector: the Social Housing Foundation (SHF), the National Housing Finance Corporation (although the NHFC's brief to be a lender of last resort is to a range of housing market segments and not just the social housing sector), various directorates of social housing in some provincial housing departments (notably, the Gauteng Housing Department), municipality-initiated SHI and recently the Support Programme for Social Housing (SPSH), a joint initiative by the South African government and the European Union (EU) to build capacity in the sector. The municipal SHIs were initiated in terms of the responsibility for housing delivery that was devolved to local governments by the Housing Act of 1995. These SHIs and their performance in delivering social housing, is the prism through which I would like to view Planact's early history and understand its ongoing impact on the provision of social housing. I also call for a debate about the SHI model as a delivery mechanism in order to contribute towards resolving delivery problems in the sector.

About 40, mainly non-profit SHIs were set up since the implementation of the Act, and tasked with delivering social housing on scale. Table 1 indicates the performance of 19 of these institutions.

Table 1 demonstrates that by 2004 the SHIs had generally not fared well and that they had delivered only a fraction of what could be seen as a significant contribution to alleviating the housing shortage: in a country where the need for social housing numbers in the hundreds of thousands the 19 municipal SHIs referred to in Table 1, which then represented the best performing institutions out of approximately 40 nationwide, had contributed a paltry 11 000 units. Of equal concern is the lack of sustainability of most of these institutions, given:

▶ Their arrears percentage (i.e. the percentage of their tenants who either pay late or not at all);

▶ Their accumulated arrears of almost R20-million;

▶ Weak balance sheets, which provide inadequate asset cover for liabilities; and

▶ Significant, ongoing operational deficits due to costs exceeding income.

The exceptions to the rule are the Johannesburg Housing Company (JHC) and Communicare, both of which have performed impressively in terms of output (in other words, numbers of units owned and managed) and property management. JHC was however funded uniquely through being able to invest a large proportion of its start-up grant aid and thereby gear its deficit in the early years after its founding, while Communicare predates the current generation of SHIs, having been established in the 1920s and developed along a different path. A

third SHI that has also performed impressively is the Social Housing Company (SOHCO), which operates as a 'lean and mean' structure with some outsourced managerial and operational functions.

Together with the authorities, foreign donors, such as the EU, which since the mid-1990s has been funding local NGOs, have identified the above problems as reflecting underlying institutional capacity problems. In the face of the disastrous performance of the SHIs, the National Department of Housing in conjunction with the EU implemented the SPSH to lead and manage SHI capacity-building interventions.

The question that should be asked is whether the SHIs' poor performance is simply a reflection of a lack of capacity or rather whether it reflects a deeper problem with the non-profit housing delivery model itself, namely its being 'taken out of the market' meaning the non-exposure of its executives to market-related risks, primarily defaulting. But before addressing this question it is important to remind ourselves of the critique of profit-driven delivery and the roots of the non-profit delivery model.

Planact's research projects

During the 1980s and 1990s Planact's research projects were driven by the needs of community and union-based clients who represented communities affected by discriminatory housing policies. These policies were discriminatory in a double sense: firstly, in that racial legislation effectively excluded them from access to well-located land and suburbs and, secondly, through not being able to afford housing and related services above a certain level that was

Table 1: Overview of 19 (SHIs)

	No of SHIs		No of SHIs
Legal Status		*Current Assets/Current Liabilities [a]*	
Pty Ltd	5[b]	< 2	4
Section 21	13	< 1 and > 2	4
Trust	1	> 1	7
Units under management		*Cash + Receivables/Current Liabilities[c]*	
Total units	11 232	< 1	6
Average number of units	624	1	0
Maximum units managed by a SHI	2 193	> 1	7
Minimum units managed by a SHI	81	*Debt to Asset Ratio[d]*	
Spread of units		< 30%	6
1 to 750	14	> 30%	12
750 to 2 250	4		
Arrears		*Operational deficits/surpluses[e]*	
Average arrears %	22.87	< R2 m	1
> 5%	7[f]	R1.1 m. to R2 m	2
6% to 10%	1	R501 000 to R1 m	0
11% to 20%	2	R251 000 to R500 000	1
21% to 30%	3	R0 to R250 000	2
31% to 40%	2	-R101 000 to R0	2
41% to 60%	1	-R201 000 to -R100 000	1
61% to 80%	1	-R301 000 to -R200 000	2
81% to 100%	1	-R501 000 to -R300 000	1
Accumulated arrears	R19.7 m	-R1 m. to –R500 000	4
Bad debt provisions	R19.3 m	<-R1 m	1

(Source: Synopsis of the findings of the curative organisational diagnosis of SHIs, SPSH, April 2005)

[a] Current assets/current liabilities measures the ability to meet current liabilities. A 2:1 ratio is considered normal. A 1: 1 ratio is considered appalling.

[b] Although these SHIs are described as Pty Ltd, it is unclear whether there are any private shareholders who benefit from profit dividends, which is typical of a for-profit private company. Furthermore, they are not typical of private for-profit companies in that they are shielded from market forces through having preferential access to land from municipalities and also benefit from grant funding, through close political associations with central and local government.

[c] Cash + receivables/Current liabilities measures the ability to meet current liabilities. A 1:1 ratio indicates that the business is in a liquid position. A 0.25:1 ratio is concerning.

[d] Debt to asset ratio expresses the portion of the total business assets "owed" to others. The 0% to 30% range is considered as safe.

[e] Most SHIs with an operational surplus are only in positive territory because of capital injections, grant funding, equity funding or additional loan funding.

[f] Two of these SHIs were, or had just completed, taking on new tenants.

available in their 'own areas'. From the perspective of Planact's clients, who were by and large aligned with the United Democratic Front (UDF) and African National Congress (ANC), housing struggles were targeted primarily at the achievement of a political goal, the ending of the apartheid political and social system, and only secondarily at the attainment of 'decent, affordable housing for all'. The assumption was that democracy would end the racial barriers to housing and this in itself would go a long way to redressing the housing imbalances for the mainly black working classes.

Organisations such as Planact played an important role in raising the debate about the practical challenges of delivering housing, instead of simply relying on a political formula encapsulated in the Freedom Charter to ensure the provision of adequate, decent and affordable accommodation. One of these challenges was (and still is) the economic structures that determine the relatively high costs of residential land development and the relatively low income for most of the working classes in need of improved accommodation. The housing question in South Africa remains a question of the costs and shortages of accommodation: Who will deliver the needed units? Who will pay for them and in what proportions? In interaction with its clients' more national liberation and Congress Alliance discourse, Planact introduced an analysis that identified the combined effect of profit-making and market exchange in the housing sector as the principle obstacle to access for the working classes to more affordable and better quality housing. In consultation with the client base, and through project implementation practices, there emerged a critique of for-profit and market-driven delivery vehicles and an alternative of a non-profit mechanism protected from the vagaries of the

market by community control over the distribution of land.

Between 1991 and 1993 Planact produced a flurry of research reports that took up the theme of an alternative non-profit, community-controlled route to the delivery of housing. The impetus for the research was the need to develop a principled response to the then state's policy of privatising township housing by transferring state-owned housing to ownership by occupants. The research commenced with a report, 'Effects of Privatisation of Housing and of Private Markets for Housing', prepared by Proplan for Planact in March 1991, into the effects of privatisation of housing and of private markets for housing. The report identified both the consolidating and the exclusionary effects of private housing markets, and the political implications of homeownership. It concluded with recommendations for:

▶ Examining categories of tenancy in any areas in which the transfer of state housing was envisaged;

▶ Proposals to secure tenancy for residents who did not have the means to participate in the purchase-and-sale market for housing; and

▶ Exploring possibilities for providing choice to those in the categories most severely affected by exclusion by various private markets.

A Transfer of Housing Team was constituted, comprising both project workers and researchers to maintain the balance of theory and practice, and the work of this team was driven by both the need to respond to the state's initiative as well as the lessons emerging from grassroots-based projects. In April 1991, Grae-

me Reid and I and Planact's Transfer of Housing Team produced a report, 'Tenure Options: Towards Collective Ownership – The Limits of Private Ownership and Implications for Alternatives', which made the case for community control versus state/individual control, land trusts/housing co-operatives structural models, and community land trusts' relationship to the state. After a brainstorm to define what was meant by a community development trust (CDT), with a view to giving it legal form and substance, an investigation team was set up to examine the status of the concept/institution of CDT at project level. This formed part of a broader brief to establish an information base from which to conceptualise development institutions, focusing specifically on the institution-building aspects of development institutions. The report that emerged, 'Development Institutions in the Context of Planact's Physical Implementation Projects', by John Spiropoulos and I, released in November 1991, categorised Planact's projects by typology, identified the factors that had led to the formation of CDTs in each of the projects, described the status of the delivery institutions within the CDT structures (i.e. project management, construction, entrepreneurship) and concluded with the status of the financing institutions funding the respective projects.

Research and development within Planact on alternative delivery mechanisms for housing culminated with an invitation to the Netherlands by the (then) Nasionale Woningraad (NWR), a federation of Dutch housing associations – the latter private-sector non-profit housing institutions that had emerged in the early part of the century, grown considerably after the Second World War, and had contributed the lion's share of rented housing in the Netherlands. NWR affiliates were all run as non-profit companies and, as outlined in 'From Dutch History to a South African Future? Report on the NWR Dutch Social Housing Course and Implications for Delivery Institutions in the South African Context' (which I authored), this exposure served to entrench the idea in Planact of a non-profit housing delivery vehicle. NWR subsequently provided support in the form of grants and personnel to Planact. Since then, the successor to NWR – together with donors from other European social democracies – have intervened to prompt the emergence of the South African social housing sector, through grants from their own coffers, financial assistance from overseas municipalities that have twinned with their South African counterparts and also through the secondment of personnel to provide technical assistance to the fledgling South African SHIs.

As the ineffectiveness and inefficiencies of the SHIs persisted, so the interventions to provide assistance increased. Support has culminated in EU assistance in the form of technical assistance and grants to selected SHIs. This assistance was, and still is, based on the assumption that there is a relatively long germination period before the necessary experience and institutional memory is built up to ensure a sustainable social housing sector. This assumption is a corollary of the first assumption, namely that an effective social housing sector has to be non-profit driven and protected from the market. This has resulted in the risks of defaulting, arrears and bankruptcy being traded down to the municipal authorities (and ultimately the tax payers) rather than being allocated to those who have some control over the delivery processes in which these SHI are engaging, namely their immediate stakeholders and managerial staff.

During the 1990s, in the dying days of apartheid, the administration of FW de Klerk initiated a major housing think tank that resulted in 'Housing in South Africa: Proposals on a policy and strategy', a report in April 1992 by the Task Group on National Housing Policy and Strategy of the South African Housing Advisory Council (SAHAC), under the chairmanship of Dr JH de Loor. This De Loor Report laid the basis for housing policy going forward, greatly influenced by the advocacy of the Urban Foundation, big capital's think tank, which advocated a once-off capital subsidy as the panacea for South Africa's housing woes. The report recommended a once-off capital subsidy, which subsequently formed part of the transitional arrangements before being incorporated into the current national housing policy.

In response to the De Loor Report, Planact produced a critique, 'Analysis, Critique and Strategic Implications of the De Loor Report', which unpacked each of the proposals in relation to macro-financing, subsidisation, land-use planning, delivery of housing finance and housing products and local government housing functions. A central criticism of the report's proposal on delivery was that it did 'not address the issue of community participation through focusing on finance and housing delivery enterprises, which are linked to social housing principles rather than having private profitability as their *raison d'etre.'*

Shortly after dealing with De Loor, Planact set about the ambitious task of contributing to the formulation of a national housing policy. This was during the period of the National Housing Forum (NHF), a consultative forum for both the government and the anti-apartheid opposition during the transition. The Planact work fed into the USN and the NHF through its advocacy role on behalf of the ANC, COSATU and the South African National Civics Organisation (SANCO). Planact undertook research to estimate the extent of the housing shortage, and concluded that it was 2.6 million rather than the 1.3 million estimated by De Loor. We also proposed a mix of subsidies, including both once-off capital subsidies and recurrent monthly subsidies, depending on the nature of the housing product being financed. There was a strong divergence from the focus of the De Loor Report in that the Planact document proposed state intervention to redirect public and some private finance to the housing of the urban and rural poor. These funds would have been injected into low-cost housing through the CDTs and non-profit delivery vehicles referred to earlier.

Needless to say, in the end it was the neoliberal principles espoused by Charles Simkins and the Urban Foundation that carried the day at the NHF and, as a result, the new housing policy of the ANC government became a developer-driven, state-supported model under the stewardship of Joe Slovo and ex-Planacter Billy Cobbett. The developer-driven, state-supported model delivered over one million RDP units within five years – a world record that would never have been matched by the output of a community/state-driven model. However, the problem with the quality of RDP housing, its small block-like structure and lack of privacy (with negative impacts on the quality of life and, I would argue, intra-familial relationships) led to the government emphasising site-and-service and social housing in the next phase of delivery.

The issue raised: risk-reward drivers

In the midst of the crisis of the SHIs there has been a sustainable private sector provision of affordable rental accommodation supplied to the same target market as that of the SHIs — the R1 500- to R3 500-per-month income bracket, though mainly at the upper end of this range; that qualified buyers for government subsidies (the subsidy limit was eventually raised to R7 500). In the Johannesburg inner city sustainable delivery has been taking place through the Property Owners and Managers Association (POMA), which consists of some 30 member for-profit companies involved in the inner city as owners and managers of residential and commercial properties and between whom they manage over 1 000 buildings. POMA was formed in the early 2000s to address a need of these property owners and managers to approach the City Council with a unified voice about critical issues affecting their properties and their businesses. The success of POMA members' businesses depends on appropriate behaviour from tenants (such as timeous rental payments, taking care of and cleaning their premises and respecting each other's privacy, for example), and their shareholders face the penalty of financial losses should they not manage their risks appropriately and effectively. On the other hand, they also stand to reap the rewards of effective risk identification, assessment and management in the form of profits and income yields. Basically, the success of the POMA operations results not only from their capacity (in other words, competencies, skills and experience, for example) to run their businesses effectively, but more importantly, from the fact that their shareholders and management are exposed to the risks of failure (through penalties of lower income, returns) and can reap the rewards attendant on positive operational and financial performance (through greater returns and capital gains on the sale of their institutions).

As Planacters, our broad critique during the 1990s of private-developer, market-driven housing delivery needs revising, particularly insofar as the alternative delivery mechanisms proposed were CDTs and non-profit institutions 'taken out of the market'. Historically, relatively free and competitive housing markets have proven to be more effective than highly regulated processes of exchange (including planned economies) at introducing efficiency, diversity and freedom of choice into the delivery of (in this instance, housing-related) goods and services. The CDTs that we proposed as the drivers of social housing could have operated as a bureaucratic impediment on delivery, protected as they would have been from market forces. The SHIs are in a similar position: until now SHIs have been guaranteed their funding regardless of performance so that they were effectively taken out of the discipline imposed by the market. However, until the appropriate risk-reward drivers are in place for the SHIs it is likely that their crisis will persist. The protection of the SHIs from the discipline of the market needs to be removed.

There is a direct correlation between efficiency and cost-effective delivery on one hand, and exposure of housing delivery agents to the risk of being penalised for lack of, or poor, performance. Many of the SHIs received financial assistance from local municipalities and foreign donors that includes pre-funding executive salaries for a number of years and ring-fencing the funding source of these salaries from the operational viability of SHI projects: in other

words, the salaries were guaranteed even if the SHI was losing money and facing long-term financial attrition through liabilities far exceeding assets.

Until the executives in the SHIs are exposed to the penalties of reckless trading and financial mismanagement, they will have no incentive to change their modus operandi. In this context, the continued provision of technical assistance and grants represents a wasted investment. If the social housing delivery model were to change in this way (in other words, with appropriate risk-reward drivers in place for SHI managers) there should be greater absorption of the type of capacity-building support that has been supplied through the SPSH.

The argument about the beneficial effects of exposing SHI executives and managers to the consequences of market competition, does not preclude other forms of state intervention that are required to make the housing market work for the poor. Thus, Planact's critique of neo-liberal free-market ideology during the 1990s still stands – the limitation at the time was applying a macroeconomic critique to the micromanagement of housing delivery. However, effective delivery of social housing requires an appropriate macroeconomic context within which affordability is addressed through both appropriately structured subsidies and job creation through public sector support for the emergence and consolidation of entrepreneurs and new businesses. Targeted interventions by central and local government to achieve access to decent and affordable accommodation for the working poor as well as the unemployed is necessary because these objectives will not be achieved by just leaving housing markets to themselves. This is because housing markets (and markets, generally) are not in competitive

balance and therefore do not ensure equitable outcomes. Therefore, the argument for a shift towards market-driven housing-delivery mechanisms needs to take place against other state interventions that address the housing needs of the poor (and desperately poor). One area of intervention is planning: current planning practices continue to perpetuate unsustainable urban planning that further marginalises the poor in urban and rural areas. State interventions need to address the lack of coordinated spatial, physical and economic development of poor areas, and the lack of congruence between these and government social initiatives, such as the social grant system and the Expanded Public Works Programme (EPWP), which can also be seen as impediments to access to decent and affordable accommodation.

The way forward

The current non-profit SHI delivery model has resulted in unsustainable SHIs. Continuing down this path will undermine the objective of delivering social housing at scale. The model was imported from Western Europe, where it has worked successfully within the social context of developed capitalism. It has been perpetuated on the back of foreign funding of capacity-building initiatives, which are generally failing to leave a footprint in the sector and thereby ensure its longer-term sustainability. The reason for this failure is that the South African context differs from European social democracy, with extensive poverty, unemployment, low levels of technical education and managerial skill, and a social climate still heavily influenced by entitlement. The direct beneficiaries of the capacity-building interventions are the executives of the SHIs, foreign-based consultants funded from donor countries, as well as local consultants who tender for techni-

cal assistance projects. The challenge for those of us who have benefited from providing technical services to address the ongoing problems of the SHIs is to look to the long-term interest of the sector rather than only our own short-term interests – hence this plea for rethinking social housing delivery vehicles. My intention is to raise the debate about how to transform the vehicles through which social housing is delivered by introducing the appropriate risk-reward drivers, exposing the operators of the SHIs to the risk of failure and rewarding them for their successes. By engaging in the debate about a new ways of incentivising social housing delivery all the above stakeholders will not only be contributing to a sustainable social housing sector, but also securing their own long-term interests through demonstrating that, as housing professionals, we are able to make a real difference by leaving a footprint of sustainable SHIs. As the sector consolidates there will be new needs that we as social housing entrepreneurs and technical professionals will be called on to address.

Business planning

I have argued that incentivising social housing executives and managers as well as exposing them to the risk of their SHIs not meeting performance targets, is necessary to address the problems of delivery of social housing. However, introducing incentives and penalties is not a sufficient condition for rectifying the performance and delivery problems referred to. In order to manage the risks facing them the executives and managers will have to identify these risks clearly and plan how to manage them. In short they will need to develop a strategic business consciousness that should strive to clarify its strategy going forward. On a more specific note, we need to answer a simple question:

'What business are we in?' This statement is about the strategic scope of the SHI and forms boundaries within which managers perceive their SHI operating in terms of the global and national economies, geography, product or service diversity and the way in which business is conducted. Most SHIs began their existence focused on a particular housing product or service (such as the subsidy housing product); some remain focused while others have diversified (such as rental and instalment sales). As the SHIs grow further they will be faced with the decision to build on similar technologies or a similar housing product or service or use of alternative building material and technology to enhance scale, affordability and quality whilst adhering to stringent quality control requirements through the normal South African agencies (for example the National Home Builders Registration Council, Agreement Board Certification, etc.). The need for appropriate management systems and technology to ensure effective and efficient management of assets for long- term sustainability is also a prime requisite. Social rental housing delivery should also create incentives for mobility towards a vibrant and functioning housing market characterised by well-located housing assets near job opportunities, good infrastructural support, and socioeconomic facilities to sustain the lives of communities and beneficiaries. Care should be taken to ensure that not only is the technology appropriate to the type of business, but that the skills associated with the running of the business are relevant.

Two interesting examples of how business vision, technology, competencies and products/services have changed in the social housing field while the target market has remained unchanged are the Oude Molen Eco Village and the Phillipi Sustainable Development Project,

both located within the Greater Cape Town Metropolitan Area. Both projects are located within the affordable/low-cost housing market segment and both are in essence mixed development rather than purely housing projects: they address the need to generate income through entrepreneurial activity in an ecosensitive way. Oude Molen is grounded on an existing class of survivor entrepreneurs for whom the challenge is to grow and consolidate their businesses, while Phillipi is a unique mixed-development project that will incorporate urban agriculture, retail and community facilities with a social housing component.

Until now the above points about business strategic positioning have not been a priority for SHIs, protected as they are from market competition. While there has been extensive and intensive technical assistance in this regard the extent to which SHI executives and managers have absorbed this input is questionable.

We need to establish a sound basis for social housing delivery through exposing the managers of the delivery vehicles to the risks and rewards consequent on their performance. At the same time, we need to use a matrix for strategy development, incorporating strategic positioning, technology, competencies and product services to equip these managers for the strategic challenges they will face in identifying, assessing and managing the risks attendant on their business.

Conclusion

This article has criticised the notion that the problems underlying SHIs' poor financial and delivery performance are a lack of capacity and experience in property management. Instead,

the article has posed the underlying problem as a lack of executives' and managers' exposure to the risks and rewards of performance.

The notion that a lack of capacity and experience are the main underlying problems implies that all that is required to improve performance and delivery is more and better-resourced housing programmes – both in the form of subsidies, grants and technical assistance in capacity-building. This argument implies that the state's housing support programmes are the critical variables in determining successful delivery. In terms of this argument, it matters little whether social housing is delivered by private or public institutions; what is critical is the extent of financial and human resources applied to the delivery of housing.

In recent years, the state has increased the subsidy amount for social housing significantly, as well as provided funds to cover the cost of technical assistance – but to little avail as the initial evaluation table of the SPSH (at the beginning of the article) demonstrates. The problem with the notion of capacity-building as the panacea of all of social housing's ills is that one will probably end up throwing good money after bad. The result will be that the problem gets worse.

On the other hand, if we expose SHI executives and managers to the risk of performance failure, we also need to incentivise them to reach performance success. In the private sector the risks of failure are usually offset against performance bonuses and, more importantly, shareholding equity, enabling successful shareholders in a company to sell their share, usually through listing on the securities exchange. However, a criticism of the effect of housing companies with shareholders (in other words,

for-profit companies) on the affordable housing market, is that as higher rentals translate into bigger yields shareholders of these companies will want to either raise rents or redirect to another, higher-income market segment. Unless there was an equivalent rise in the salaries and wages of most low- income earners, the result would be that these for-profit companies would migrate from the affordable segment of the market. This would also undermine the effectiveness of state housing subsidies targeted at assisting the poor, as these subsidies would finance the purchase and improvement of assets that would provide shelter to a higher income group, one that arguably does not require state assistance to house itself. These are real concerns, and they form the rationale for not-for-gain organisations/companies whose mission is to provide a service to poorer communities.

One way forward could be for SHIs to allow their senior management executives to hold shares but not as equity shareholders: in this scenario the share value would be a contracted rate of return on value added to accumulated reserves. In other words the SHI would decide what portion of its growth in accumulated reserves it would be willing to set aside for a shares payout. Shareholders could only sell their shares back to the SHI. They might decide to do so at differing stages of their careers: some might cash in relatively soon after joining the SHI, having contributed a successful corporate performance that realised a significant increment in undistributed reserves; others might choose to make a career at the SHI and only realise their share value at retirement. It would also be possible for executives to realise some of their share value in the midst of their time at the SHI.

Thus executives and managers could benefit from wealth accumulation through growth in share value and they would be able to realise this value. However, as shares could not be traded as equity on financial markets the policy of the SHI would remain focused on the delivery of affordable housing.
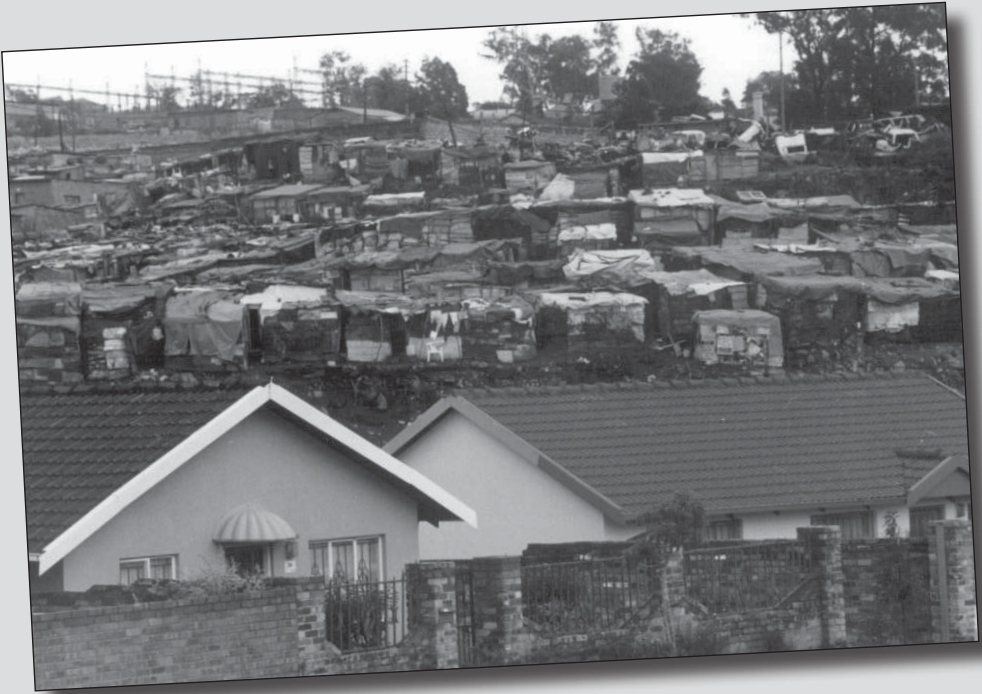
Conflict and the role of NGOs

by **Julian Baskin**

The early 1990s was a period of intense violence for South Africa, with state involvement in third-force activity. While the African National Congress (ANC) had been unbanned, there was still enormous contestation as to the nature of the future state and the political agenda was focused on the future.

It was clear that times were changing and new alliances were being formed. Old-school officials and professionals, knowing that change was imminent, sought partnerships with the new order and Planact, through its various networks, was firmly identified as part of that new order. Within that particular context, Planact found itself in a position of great influence. It was this influence that gave the organisation both access to and the confidence of the community.

In 1993, while working for Planact, I wrote a paper entitled 'Communities, Conflict and Negotiated Development', a description of the organisation's experience working on two projects: the Phola-Park informal settlement upgrade and the Mohlakeng hostel upgrade. The paper raised three key points that had some impact on urban programming in South Africa. Firstly, it critically questioned the prevailing simplistic understanding of 'the community' prevalent at the time. It presented an alternative understanding that communities are in fact highly complex and that development affects different interest groups in different ways. Secondly, it argued that the development process itself could be a source of conflict within and between communities. Thirdly, the paper questioned the prevailing community-participation techniques and argued that the way forward was less about community participation (usually via organised committees and mass meetings) and more about structured negotiated solutions within and between communities.

Some 13 years later, on reflection on the lessons of that time, I believe that in every context in which I have worked the central premise of those lessons remains highly relevant. The context, however, has changed in three important respects and is unlikely to be repeated:

▶ The extreme violence and volatility of the times served to exaggerate the social differences between groups, turning what are today regarded as normally manageable conflicts into highly volatile situations.

▶ The high-order role by Planact and other non-governmental organisations (NGOs) operational at the time was atypical of the normal operating environment for NGOs. To a large extent, the NGOs filled a political space created by the impending demise of the apartheid state and the emergence of the new South Africa. Today NGOs operate in an environment of a democratically elected state committed to development, but with an unclear understanding of the role of the sector.

▶ In the 1990s, the challenges faced by urban development professionals (Planact) were fundamentally different to those of today. The questions posed were more philosophical in orientation. What would an upgrade of an informal settlement or a hostel look like? How does one engage the community to ensure maximum community benefit? As such, a lot of time was invested in social process and developing ideas. Time and money were not the issue. The true cost of social process was never priced, nor were physical ideas checked for sustainability. The underlying assumption was that if you got it right, the learning would feed into the still-emerging policy framework. Success was judged in terms of ideas and not actual delivery. Delivery was the agenda of the future. Today, the challenge has shifted from the philosophical to the macro question: How do we deal with the magnitude of the need? How do we respond so that our cities remain functioning and meet both environmental health needs and the growing demand for world-class cities?

This article examines the present attitudes towards informal settlements and argues that NGOs can potentially play an important role in three key areas:

▶ Influence policy change through effective practice and targeted messages;

▶ Facilitate social cohesion through local level planning and negotiations; and

▶ Manage incremental development processes.

Influencing policy change

Informal settlements or slums are to be found in almost every developing country in the world. Clearly, no two informal settlements are the same, but they are characterised by certain commonalities. These include:

▶ A wide range of reasons why people live in such settlements;

▶ Exploitative social relations;

▶ Criminal activity and other social issues;

▶ Low affordability levels or marginal employment;

▶ Geotechnically inappropriate land; and

▶ Environmental health issues.

Internationally, in response, government policy prescriptions vary. In broad terms, three policy responses are common.

'The worse, the better' approach: By default, this implicit policy prescription argues that urban development projects aimed at the urban poor merely promote urbanisation. Urbanisation is seen as a bad thing. Within this framework, government does almost nothing to protect the rights of the urban poor. This is a policy of active hostility to the urban poor often characterised by forced evictions or the tacit support by government of unscrupulous strongmen. I found this situation in Bangladesh.

In time, people will return to the 'rural areas' approach: This is characteristic of conflict societies in which people flee to the cities for relative safety. Government response is to provide only the most basic emergency services, if any. The population is considered as internally displaced people and not as citizens in the normal sense. Any investment in real urban infrastructure is perceived to contradict the official line that the end of the war is imminent. This is a policy of indifference to the urban poor. The war is used as the excuse for non-investment in urban infrastructure. With the end of the war, the official response can easily shift to active hostility to the urban poor. I found this situation in Angola.

The informal settlements are a bad thing and must be eliminated' approach: In this approach the state perceives informal settlements as a failure of the system. The solution is the formalisation of the informal. This policy assumes that formalisation is always the best way forward. South Africa typifies this approach.

All these approaches are seriously flawed. In Bangladesh, no matter how bad the conditions in the cities, households are forced out of the rural areas into the cities. In essence, people don't urbanise because of basic urban services but rather because they are, quite simply, unable to survive in the rural areas. In Bangladesh, 500 000 people annually are forced off the land by river erosion alone. The question whether urbanisation is a good or bad is irrelevant. Urbanisation is a reality that needs to be managed. Failure to recognise this leads to non-functioning mega cities.

In Angola, with the end of the war, households are indeed returning to the villages, but not breaking their links to the urban economy. The Angolan experience points to a wider international learning that the debate is not about urban or rural but rather about the urban/rural link, and unless we understand the importance of this linkage we will never develop an appropriate urbanisation response.

In South Africa projects aimed at eliminating informal settlements have had, at best, mixed results. Two key issues need to be confronted:

▶ At the very best, it takes five years to plan and implement a housing project. In those five years, one can only imagine how many new households are formed or migrate to the city. The policy itself targets the backlog but has little to say about new household formation.

▶ There is plenty of evidence to suggest that a person who comes to the city to find work, but instead finds a Reconstruction and Development Programme (RDP) house, simply sells the house at a non-market-related price to meet immediate financial obligations. Houses that in essence cost the state R90 000 (true costs) to build are often sold informally at R15 000 or less. The question arises as to whether such projects would pass a 'do no harm analysis'.

In essence, the entire question of informal settlements relates to how government perceives urbanisation, urban/rural linkages and sustainability. Fundamental to the challenge of developing policy towards the urban poor depends on a governance model that shows how informal settlements become part and parcel of the urban delivery strategy and not simply an indicator of the backlog and the perceived problem.

The debate regarding the informal settlements in South Africa seems to have stagnated into two broad perspectives. One perspective (let's call it 'organic') is articulated by urban professionals, the other (let's call it 'rights based') by urban social movements. The organic perspective is spatial in orientation and focuses on the so-called organic quality of the informal settlements. This organic quality is offset against the sterile environments that typify RDP housing projects. To a large degree, social problems are put down to bad urban design and poor location. The protagonists of these ideas are often accused of having a romantic notion of such settlements and being against real change. The rights-based perspective sees informal settlements as having no place in a democratic constitutional state, and the existence of such settlements is seen as an indicator of the failure of the state to meet is constitutional obligations.

Both these approaches are inadequate. Clearly there is nothing romantic about life in informal settlements. Equally, can one really talk about a sustainable future when some 50% of households living in informal settlements are unemployed or underemployed, when social grants are the major source of household income? In the contexts of economies characterised by poverty, informal settlements play a fundamental role in providing the first rungs on the housing ladder and provide relatively good access to the city.

Further, informal settlements play a vital role in the link between rural and city life. Every village in this country has its urban base in an in-

formal settlement. Given this context, is there an architect or urban planner who can plan and deliver a more sustainable human settlement than the informal settlements themselves? The central question is, therefore, not how do we eliminate informal settlements, but rather how do we add real, tangible value to them?

This approach would seriously question the methodology of counting shacks as the indicator of the housing backlog. Instead it would argue that the backlog consists of those households trapped in informal settlements because there is no housing stock available that meets the needs and affordability levels. Households should be given the option to leave but, equally, they should feel free to stay.

The state's position regarding informal settlements is not clear. On one hand, they talk of eliminating such settlements by 2014; on the other, they talk of settlement upgrading and formalisation. NGOs have a fundamental role to play in developing an influencing strategy that enables the state to appreciate that informal settlements are potentially part of the solution and not necessarily the problem itself. Clearly the capacity to influence depends not only on the smartness of the idea, but also the credibility you bring to your message via active experience gained in the field. It is the role of the academic to learn from the selected experiences of others. It is, however, the role of the NGO to develop practical ideas based on practical lessons learnt at the coalface. Ideally, we should look at partnerships between the two.

The value of both the Phola Park and Mohlakeng projects was that they helped us to better understand the complexity of communities. No single policy prescription can meet the varied needs of a community. In essence, urban development is about options. To understand this complexity you have to engage with the community to help define the match between needs and options. Herein lies the rub. Mass delivery is simply unable to deal with complexity. Lessons learnt are soon forgotten while engineers push towards formulaic solutions. To keep the debate alive and to influence the mass delivery process, new experience has to be fed into the process – and this can only happen if someone is doing the work that Planact and other NGOs did in the 1990s. It is, therefore, not a choice between local-level planning and mass delivery, but rather a challenge as to how practical learnings can feed into the mass delivery process.

This raises a real challenge as to how NGOs position themselves. It is far easier to criticise and to sow populist discontent than it is to actively develop new ideas founded on reality that can enhance the development process. Many organisations live off criticising others, while never actually delivering a single thing. The field is fat with the 'high and mighty' but very thin with those who are actually willing to do the hard work of delivery. To be relevant, you have to deliver. Advice without burning your fingers can hardly be taken seriously. I believe it is the fundamental role of the urban NGO to identify key pilot projects and promote dialogue over the issues as they emerge. Having worked for many years in both the NGO and public sectors, I am convinced that government can never be a learning organisation. Equally, NGOs can never provide at scale – but they can certainly give educated guidance to those too busy to think and learn.

Facilitating social cohesion

Working in informal settlements is not easy. It is well documented that informal settlements are home to a wide range of interests and needs. Not everyone living in an informal settlement wishes to be formalised, many (often most) have a strong vested interest in the very informality of the settlements. These include, amongst others, non-South Africans and organised crime. After years of neglect, no sudden social process aimed at formalising the settlements will find favour. Currently it is close to impossible to relocate and formalise an informal settlement without strong political will and the use of state force. This poses a whole range of difficult questions as to the nature of the state.

Since working on the Phola Park project, I am struck by how little progress has been made in breaking the power relations of vested interests, how people with clearly parochial interests can hijack at will any planning process that threatens them. There can be no doubt that criminal and other interests manipulate populist concerns to ensure that development does not take place. In a very strong way, these communities fall outside of governance and are at the will of self-serving and corrupt leadership – leadership that is strengthened every time government or other role-players wish to engage with the community.

This is, however, not surprising. Where are the organisations that should be rooted in the community? Where are the NGOs that have 15 years' or more experience with a community? Organisations that have developed trust over the years and have grown with the community. Organisations that in other countries have helped protect communities against the strongmen.

The problem stems from the South African understanding of urban development. Development is a physical concept and must meet all the local government standards. It is about formalising the informal.

Increasingly there is a realisation that the state cannot realistically rehouse the backlog and keep up with new migration and household formation. Even if the economy were to grow to such an extent that people could afford to enter the formal housing market, the success of such an economy would be a further magnet for migration. If this is indeed so, then we need to re-examine our approach to the development of informal settlements. We need to begin to move away from the total solution towards a more incremental approach that is not exclusively infrastructure driven but equally includes a strong focus on the key social issues. The three biggest issues are youth, crime and environmental health.

Youth

Perhaps a third of any informal settlement is made up of single youth, who – given the sparse opportunities in other areas – come to the city to seek a future. This is a highly vulnerable population. Arguably, the most dangerous cocktail confronting this country are unemployed youth living in shacks. Unemployed and with no real support structures, it is not hard to understand the link between informal settlements and crime. The spatial form of the settlements further feeds into this link.

It is vital that youth in the informal settlements are the target of useful development programmes. Their first support structure needs to be positive and not negative. As youth arrive they need to find a structure that helps them understand the urban economy and how best to pursue finding a job. This will go a long way in facing the challenge of exploitative social relationships that exist in these settlements. A person needs a loan desperately, a loan is made available that he/she is unable to repay. Without much real choice the person is hooked into exploitative activities with little way out. This cycle must be broken.

Crime

It goes without saying that not everyone who lives in an informal settlement is a criminal, but criminals do nevertheless thrive in such settlements. The ability to recruit and control youth and to hide in the dense cover of shacks provides an ideal opportunity for criminal elements. Crime brings a degree of wealth to the settlements and few people ask questions. Often crime within the settlement is highly regulated with instant justice, but crime inflicted on outside communities is passively condoned. It is crime more than anything else that puts informal settlement communities in conflict with neighbouring communities. NGOs can work closely with the police services to enable a real counterbalance to criminal elements.

Incremental development

A major setback for those involved in informal settlements is that a large percentage of settlements, by force of circumstance, are located on inappropriate land. Good land in South Africa is highly prized and protected. As a result, many informal settlements are forced onto inappropriate land. Such land includes flood plains, road reserves, infill sites and the like. This poses a major problem, as ultimately such settlements must be relocated. This is almost impossible unless the settlement is simply relocated lock stock and barrel onto safe, well-located land. Even so, this causes major resentment as many households have invested heavily in the area.

It is important to either identify settlements that are on safe land that is well located or to secure land that is suitable for future settlement. Clearly, the second option also enables a degree of planning prior to settlement and the regularisation of the settlement process.

The key challenge in any informal settlement is environmental health. The ongoing cholera epidemic in Luanda, Angola, illustrates how dangerous dense settlement without basic urban services are. The installation of water and sanitation and the local management of such systems provide the perfect opportunity for the NGO sector.

The key challenge for the urban NGO is to reconceptualise informal settlements in order to champion the cause of social inclusion. Living in such a settlement should not prejudice your health or accessibility to the city. Today housing projects are built and allocated to qualifying beneficiaries. Project beneficiaries are expected to buy into the development process simply because development is a 'good' thing. The experience illustrates that for many this is, in fact, not true. The problem stems from the fact that rights bear responsibilities. The question then emerges as to what happens when a household does not want to or cannot carry such responsibilities? This is the situation in many informal settlement and hostel upgrades.

People might want a room or house but cannot afford the associated expenses. What then happens to the sustainability of the neighbourhood or upgraded facility? Planning processes have tended to focus on what people want rather than on what choices they would make given access to real practical information. Increasingly, people are being denied real access and forced into planning processes focused on wants. Gatekeepers, consultants and dogmatic officials stifle discussion on the true costs of living in the city. This dichotomy between true costs of urban living versus the ideological debates of the rights of the urban poor is an irreconcilable contradiction, making sustainable cities impossible to plan. Both the 'give-away' and the Social Housing programme have been caught in this trap.

Making it all work

Do our present urban planning and housing policies really help the poor? Would a 'do no harm' analysis really show that on balance the community was better off than before? A person comes to the city not to get a house or urban services, but to find work. The person finds access to the city by linking up with an informal settlement. The challenge facing urban planners is to ensure that no one who wishes to formalise their relationship with the city is denied the possibility through lack of an affordable option. Likewise, those who are not ready or who have other priorities still need to be housed in a healthy inclusive environment.

CHAPTER 15 | Lessons from Vosloorus

NGOs and the peoples' housing process

by **Rebecca Himlin**

Planact's direct involvement in the People's Housing Process (PHP) in Vosloorus Extension 28 represented a new element to the prevailing strategy adopted for its community-development programme at the time. From the late 1990s up to its engagement with the Vosloorus community in 2000, Planact had concentrated on social facilitation processes within marginalised communities, mainly within informal settlements, where support to organisations representing the various interest groups within communities – mostly community development forums (CDFs) – was geared towards determining community priorities and advocating for fulfilment of these through negotiating with government – mainly local government. Given the extent of deprivation in these informal settlements, the priorities of the community tended to be housing, basic services and community amenities such as street lighting. While Planact did build the capacity of communities to engage around housing issues, and to represent community interests around housing delivery – such as in Diepsloot – it was not, at the time, taking on a formal role in the management of projects.

In Vosloorus Ext. 28, with the community settled on already serviced land from the apartheid-era Independent Development Trust (IDT) programme, housing was the next step. In fact, the community had already struggled without success to get a housing project off the ground. According to Simon Mogatle, former ward councillor in the area and long-time community resident and activist, a developer had been assigned to work with the structures of the South African National Civics Organisation (SANCO) on a housing project, but the subsidies were taken back by the provincial government because of what it termed 'irregularities', and so the project had failed. Mogatle said that when Planact was proposed as an organisation that could work with the community, the community wholeheartedly supported the suggestion, because Planact was seen as a credible organisation known for its community-based work.

Planact was asked by the provincial government and the local municipality (then 'Boksburg', but later amalgamated into the Ekurhuleni Metropolitan Municipality) to interact with the community around its housing needs and develop a strategy. A series of engagements with the community revealed a definite bias against a developer-driven process, and the community endorsed using the PHP, by then a recognised vehicle for housing delivery within the housing subsidy scheme. Both the community and the local authority favoured a continuing role for Planact in ensuring the PHP would be successful, and the project officer who had been working on the project, Mike Makwela, motivated within Planact to take on that role.

This role eventually encompassed community capacity-building and education, as well as direct project management and even channel-ling the finance needed for the site-level Housing Support Centre (HSC) and the payment of the small-scale contractors on the project. It was a hands-on, intensive role that required a significant investment of Planact's resources to complete effectively. Yet the support Planact provided was instrumental in meeting the goals of community empowerment, as well as ensuring a quality housing product acceptable to residents, and resulted in 674 houses built between January 2003 and March 2006. This involvement by Planact reveals something about the value a non-governmental organisation (NGO) can add as an intermediary in a relationship between community and government, and demonstrates the need for capturing lessons from individual projects that can be used in advocating for policy changes in favour of greater community-level control in housing and other development processes directed at the poor.

The People's Housing Process

The PHP is a form of housing delivery that depends heavily on community initiative and involvement by the beneficiaries of the government housing subsidy. Instead of an established developer producing the housing on behalf of the beneficiaries, the community drives the process, and local job creation and skills development is maximised. The PHP was officially launched in 1998 with the establishment of guidelines for the process. According to Chapter 3, Part 4 of the National Housing Code, the PHP is meant to 'support specifically the poorest of the poor families who usually only have access to housing subsidies and who wish to enhance their subsidies by building or

organising the building of their homes themselves'.

The PHP had evolved largely through efforts of the South African Homeless People's Federation, an organised movement of savings groups in local communities that had been set up to facilitate self-help housing through a revolving loan fund it had established: the Utshani Fund. But it has also found a home among Urban Sector Network (USN) affiliates and various NGOs or community-based organisations (CBOs) who support the original call in the Reconstruction and Development Programme (RDP) for 'people-centred' solutions to housing delivery.

In 2004, in a collection of PHP case studies, entitled 'The Urban Sector Network's Experience of the Peoples Housing Process, the USN' – of which Planact was a member – defined PHP as 'an ongoing developmental process where people willingly come together to decide how best to use the natural, financial and social resources available to them for the delivery of better integrated human settlement'. This definition intentionally expands the narrow perception that the PHP is simply a means of delivering subsidies by use of 'sweat equity' to save on labour costs, which is how it became defined in practice as various provincial departments of Housing began to put in place sometimes quite restrictive guidelines for the PHP. Viewing the PHP as a 'developmental process' based on collective decision-making and accountability at community level means that more than simply physical infrastructure is created. This requires a great deal of capacity-building at community level and a fair amount of flexibility to accommodate a high level of choice based on individual and community needs. Capacity-building has been funded (though inadequately) by

government through a Facilitation Grant and an Establishment Grant provided to a 'support organisation' that would then coordinate the PHP project.

Mark Napier – in his article, 'Supporting the People's Housing Process' in *Housing Policy and Practice in Post-Apartheid South Africa* edited by Firoz Khan and Petal Thring (Heinemann 2003) – indicates the variable levels of support the PHP has had, noting a number of obstacles, both in the often negative attitudes toward the process among provincial and local authorities and in capacity requirements, stating: 'There are high levels of scepticism about people-driven projects and the main objections are that such processes are slow and cannot be controlled by the local authority, even if a better house and settlement are the end result.' In turn, Ted Baumann – in *Harnessing People's Power: Policy-makers' options for scaling up the delivery of housing subsidies via the People's Housing Process* (Housing Finance Resource Programme Johannesburg 2003) – suggests that the risk-adverse behaviour of government authorities actually restricts the potential of the PHP to lead to true community empowerment, and that the central principle of facilitating a community-driven process should not be sacrificed.

According to the Department of Housing's 2006/6 Annual Report, as of 31 December 2006, 769 PHP projects (with 634 790 beneficiaries) had been approved through the programme (with no data provided on those houses actually constructed). This represents 15% of the 213 projects approved by the Department of Housing as of that date.

# Profile of the Vosloorus Community and Project Beneficiaries

Vosloorus Ext. 28 is an informal settlement with 1 350 services sites, approximately 25 kilometres from the central business district of Boksburg on the East Rand. A survey conducted by the local council in the late 1990s indicated that 60% of the community members were unemployed and that they supported themselves through informal means such as spaza shops, selling fruit, vegetables and scrap metal, and growing backyard vegetable gardens. Some 40% of community members were formally employed, mainly as domestic and factory workers, and 70% of the community were women-headed households. The community is relatively poor and has little access to social and educational facilities or commercial districts.

In 1987, the Vosloorus SANCO, after being approached by backyard dwellers, single-sex hostel dwellers, residents of the Ext. 25 squatter camp and homeless people about housing needs, decided to start a process of identifying land that could accommodate these people. A site allocation committee was elected with the mandate to engage the local council and IDT about suitable land in and around Vosloorus. Land was identified where presently Ext. 28 (Phase 1) is located. Infrastructure was installed in 1990 through the IDT Capital Subsidy scheme. Over time, high mast lights and electricity were installed and tarred roads and clinics were built through various community struggles. The community has over time developed a strong social network, community spirit and sense of belonging. Throughout its history,

it has organised itself through block and area committees, CDFs and, more recently, the ward committee.

In 1997, the community elected 11 Vosloorus Steering Committee members to assist the residents to improve the quality of life in the area, with particular reference to accessing land and housing with secure tenure, developing employment opportunities and satisfying the social, educational, cultural and recreational needs of the community. The Steering Committee was an initiative of the community itself, was exclusively comprised of community members representing the five subsections of Ext. 28, and had a high degree of legitimacy within the community. A woman, Gertrude Hika, was the first leader of the Steering Committee, and later stepped down to take a position with the local project site office during the implementation phase. During the planning and implementation of the PHP project, the Steering Committee held an extensive series of community meetings and workshops to provide information on the project and how to participate, to facilitate consultation on key decisions and ensure transparency in the process.

The gender representation in the first phase of the project was 68% female-headed households and 32% male-headed households, closely reflecting the composition of the community. Most respondents were aged 36 to 45 (46%), with the second largest contingent was aged 46 to 55 (26%). The incomes reported reflect that the project really serves the poorest of the poor (see Figure 1).

Figure 1: Monthly household income of Vosloorus beneficiaries
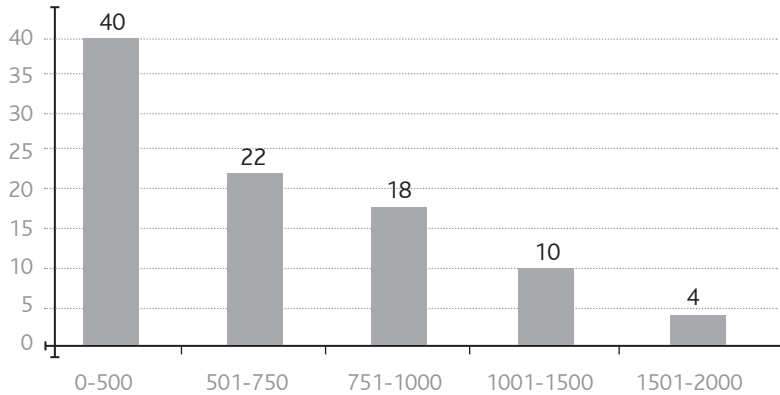
Project methodology

Part of the initial needs assessment by Planact was to determine the viability of PHP as a strategy to meet the community's housing needs by looking at all possible subsidy forms. In Vosloorus, the community was very clear that it did not want a developer to run the project, as its top priorities were: community decision-making in the process, the use of local labour, and skills development opportunities. Another important principle was the involvement of women in all aspects of the project, including construction, and the principle that there would be at least 30% of women working as contractors and labourers was adopted.

Workshops were then held in an effort to ensure that the committee developed a sound understanding of the PHP and were well capacitated to facilitate the process. Training focused on leadership skills, finance, effective project management, and the roles of all actors within the process, as well as the requirements of the PHP. As the central decision-making hub for the entire process, the Steering Committee were expected to make well-informed decisions in the best interests of the beneficiaries, as well as to ensure that the process was fair and that the community's values were being upheld throughout.

Also of critical importance in the project design – and, in many ways, attributable to its success – was the project team meeting, consisting of representatives from the Steering Committee, Planact, the municipality and the provincial Department of Housing. These meetings were held at least every two weeks throughout the first phase of the project (monthly thereafter), and served an important advisory and coordination role. The commitment shown by the municipality and the province in this case was commendable, and represented their full support of the project. All matters concerning project implementation were discussed at this

meeting, and service providers were called in to report on their activities and on any problems that were confronted by the project.

The local site office, or HSC, played another essential role, and was responsible for day-to-day management of the project. The municipality donated the use of a building to house the HSC, and community members had ready access to it. It was here that all subsidy applications were taken, all project records relating to the use of the subsidies were kept, all plans for the construction process were developed and displayed, and any complaints that beneficiaries may have had were taken up. Planact provided training and ongoing support to the operations of the HSC. The Steering Committee was responsible for hiring and – in one case, firing – HSC staff.

The methodology used in the construction process was to develop 10 teams of beneficiaries and other local labourers that would work under the supervision of emerging contractors, all from the local community. It was agreed that the labourers would be paid, and this was factored into the budget submitted with the business plan. This is an important point, because it is the perception of many in government and elsewhere that a PHP is merely a 'self-build' project, using unpaid labour ('sweat equity') that is provided by the beneficiary of the subsidy. That is certainly one option for a PHP, but Planact's belief is that community choice and decision-making are the defining elements of a PHP, and the community has the right to make whatever trade-offs or add-ons necessary to ensure the project meets its needs. In the case of this project, it did not incorporate personal savings as a key feature of the process, as is common in other forms of PHP. Given the unstable incomes of the ma-

jority of residents, and their identified need to secure housing relatively quickly (given the many delays they had already experienced), the community supported a process by which unemployed people would gain skills as well as earn an income through the building process, and that everyone would get more or less the same product, which could later be extended or improved through savings as their circumstances allowed.

Because a key priority of the community was skills development, training in construction skills was organised to ensure the effective use of local labour. The Department of Labour was engaged to provide this training, and close to 100 people successfully completed the training, most of whom became labourers on the project. Later, another 108 youth in the community were trained to give them an opportunity as well – many of these have found local employment in construction since the project ended. Because it was necessary to ensure quality control, in each construction team of 10, two or three people were experienced and were able to help in mentoring those newly trained. The community was involved in the selection of the local contractors who headed the construction teams and these were directly held responsible for the quality of work completed. All contractors agreed that if anyone's work was inadequate, all teams had to contribute to rectifying the defects. Some contractors were taken off the project and replaced by the Steering Committee if their work did not improve.

In terms of finances, the municipality was the 'account administrator', and managed a contract with the suppliers of building material and the foundations, as well as a contract with Planact as a service provider to manage

all other functions of the project. Planact channelled the funds for the operations of the HSC and for payment to the local contractors, who then in turn paid the labourers. These smaller payments could never have been managed well by the municipality, so Planact's role in taking some of the financial responsibility was key. After some initial problems in getting payment from the municipality, the municipality agreed to provide bridging finance of R50 000 for Planact to manage payments to the HSC and contractors, to be replenished upon submission of documented expenses. They also agreed to provide Planact a fee to cover some of Planact's own costs. All parties made a commitment to track finances according to the breakdown of individual subsidies so that each beneficiary would know how his or her subsidy money was being spent.

As mentioned, throughout the process there were workshops with beneficiaries, regular mass meetings to update the community on the progress being made, and accessibility to project information at any time through the HSC. These ongoing consultation opportunities ensured the integrity of the PHP.

The work of an NGO such as Planact was to help the community understand the implications of and constraints on the various decisions that had to be made so that the solution was broadly acceptable within the community. The value of this role should not be underestimated, as it can 'make or break' a project. While it may be seen as a time-consuming process, many projects implemented from a 'top-down' approach end up consuming much more time, as conflict erupts to derail the project, or incompetent contractors are appointed and ineffectively managed by government. If communities, who are directly invested in the result,

are given more control, as in a PHP, these problems can be significantly curtailed.

Challenges and lessons

Planact was clear from the start that this project was going to be a learning process for all concerned. While the steps taken represent the process undertaken in this project, they were not all planned in a seamless manner, and did not all take place without mishap. Recognising the problems that occurred should not detract from the real achievements of the project, but instead be seen as having value as an inevitable part of the development process. Planact's experience, along with that of many other PHP projects, was indeed important to the success of the project and generated lessons that could be applied to improve practice and even guide policy. Planact engaged in a number of ways to monitor and evaluate the project, including a formal evaluation that involved surveys with beneficiaries, contractors, government officials and community leaders, and other processes of internal evaluation by staff. There are many lessons, but the following examples illustrate some broader issues that resonate with other practitioners.

Community organisation and the difficulties of accountability

Planact felt it was important to build on existing forms of community organisation, and in this case there were certainly attempts by the community itself to organise to meet its needs over time. Planact viewed its role as not to create something new but to strengthen what was there, given its assessment that the forms of organisation that emerged were rela

tively legitimate and accepted by the community. However, there was no need for discussions and agreement on clear principles to be adhered to on the part of the elected Steering Committee, or agreed-upon processes for continued engagement with the community throughout the housing delivery process, so Planact had to monitor all of these. The regular Steering Committee meetings, participation of the Steering Committee in all project team meetings, the community workshops and mass meetings all took place with Planact's support, although the community clearly took ownership of these mechanisms.

At one, very difficult point in the project, Planact had to intervene to stop an emerging corrupt relationship between the material supplier and the Steering Committee. Because the material supplier was interested in keeping his contract on the project – and possibly because he was not always meeting his obligations in time – he began offering goods and favours (watches and dinners, for example) to members of the Steering Committee. Planact became aware of this, and began discussions with the ward councillor to assist with a process to enforce accountability of the Steering Committee members. Basically, through a mediated process, the solution took the form of a public meeting for the community and election of new Steering Committee, with some of the previous members serving in an ex-officio capacity to assist in the transition. At that time, the Committee was also reconfigured to include the ward councillor and two ward committee members to serve in an ex-officio capacity. Soon after, the material supplier was replaced with three different material suppliers.

These issues related to accountability are confronted in some way or another by most community organisations, and while Planact makes no claim that what transpired was the only or best solution, it felt that the presence of an NGO such as Planact could play an invaluable role in facilitating community processes that help to maintain important principles of accountability among community leaders. In this case, the ward councillor also had a great deal of community support and respect, so was a natural source to turn to in assisting to resolve the matter. However, this is unfortunately not the case in all communities, and intimate, on-the-ground knowledge is needed to determine the best course of action.

There were also instances where investment by the community in the process was evident and served as an effective check against theft. At one point, a community member discovered that an employee of the HSC had stolen building materials, and the Steering Committee first suspended, then fired the individual HSC employee. In another case, the employees of a material supplier, instead of delivering the full load of materials, sold some to a member of the community and some outside the community. A friend of the person in the community who had bought the stolen items reported this to the community leadership and to Planact. Before long, the police were involved in interrogating the individual in the presence of the community leaders, and he admitted to the theft. The police continued with the investigation by interrogating the errant employees, and every last item was recovered within a day. This is a real indication that the community was willing to act to defend the interests of the project and enforce accountability, and that even the local police were willing to act swiftly in response to community demands in seeking recourse.

Finance and the difficulties of bureaucracy

Planact was probably unprepared for the extent to which it would be drawn into managing the project finance, and the risks involved in dealing with government's constraints in making that finance available. Government also had to take a leap of faith in order to engage in a financial relationship with an NGO that had not yet taken such a direct role in the management of a housing subsidy project. The municipality was aware that handling the many small payments required for the project would be impossible given its bureaucratic requirements for releasing finance, which argued for the necessity of an intermediary who could be more flexible. Initially, Planact began using some of its own resources to pay contractors and labourers, and when it experienced delays in getting reimbursed by the municipality, had to insist that it institute a better method. The municipality's agreement to provide bridging finance was a real demonstration of its commitment and willingness to take a risk for the good of the project. Planact and the municipality agreed on methods for tracking finance along with the progress of the housing construction, so that it was clear that Planact was only paying for work completed, and once this was in place, there were only occasional hiccups. Planact's financial manager could usually access the responsible person in the municipality directly in order to resolve those cases.

Since the Municipal Finance Management Act (MFMA) came into effect, municipalities are no longer able to provide bridging finance, a development that works against the effectively financing of a PHP. In Planact's view, it is not fair for government, in the interests of protecting public finance, to impose all risk

on another party, and then fail to keep its end of the bargain by not paying in time. In fact, in the case of Vosloorus, the PHP eventually collapsed prematurely, simply because the financial arrangements were handled badly by government in a way that made it impossible to operate.

In Gauteng, the Department of Housing made the unfortunate decision of insisting that all PHP projects use their newly created institution, Xhasa Accounting and Technical Centre, to administer PHP funding. While created to respond to the challenge that not all municipalities have proven capable of or interested in serving as the financial administrators for PHP, in practice, this institution disrupted a working financial arrangement that the Vosloorus PHP project had with Ekurhuleni Metropolitan Municipality. Xhasa proved less than capable, and delayed payments to such an extent (several months) that small-scale material suppliers and contractors were not able to continue and the project collapsed in mid-2006. When HSC staff and contractors can only be paid when a certain number of houses are completed, and those houses cannot be completed when materials are not delivered, and those materials cannot be delivered when the last batch of materials have not been paid for months on end, it doesn't take a stretch of the imagination to see how quickly such a collapse can happen. It takes only slightly more imagination to recognise the devastating effect of this on families who have every right to expect their approved subsidy application to result in a home, only to see that chance evaporate before their eyes.

There are other government stipulations, such as procurement requirements set by the MFMA and Public Finance Management Act, which are

contrary to the principle of community choice and thus seriously undermine the possibility of a people-driven process. If a support organisation, serving the all-important community capacity-building function in what is supposed to be a people-driven process, has to be chosen by the local government bureaucracy instead of by the community, the project is already off on the wrong foot. Such processes have already disadvantaged NGOs working in this field.

For the PHP to be taken seriously as a delivery vehicle, it is necessary to find a way of financing and managing projects that supports the principle of community decision-making, is flexible and responsive, and also appropriately accounts for the use of public funds.

Skills development and the risks/benefits of learning by doing

It is important to address the issue of skills development in the context of a PHP, because it is certainly possible to point to examples of poor construction, and draw the conclusion that a PHP is failing because it produces homes of inferior construction. Notwithstanding the fact that many developers have produced subsidy housing of appalling quality, those engaging in a PHP project have no less a responsibility to ensure the homes built are safe and sound.

Not all of the homes built in the Vosloorus PHP were without defect, but Planact did put in place processes that made sure that the end result was a solid structure. Among the first houses built, a few had to be literally torn down. As mentioned, one of Planact's project 'rules' was that all contractors had to contribute to rectifying major defects found on any

of the homes. This put in place some degree of social pressure to do good work, and of course pressure was applied by the beneficiaries themselves, who could take up any concerns with the HSC site manager. In terms of technical assistance, an advisor sent by the provincial Department of Housing — one of the a team of Cubans who were brought in via a special programme — was exceptional, and spent a great deal of time with the emerging contractors and construction teams, coaching them on how to avoid making some of the common mistakes. At certain points, Planact also brought in skilled architects and engineers to monitor work. The municipality was also integrally involved in monitoring the soundness of the structures, with someone from their building inspection department certifying each and every house before it was deemed to be complete.

This support — from the province and the municipality — was critical in ensuring that learning could be accommodated while at the same time meeting the need for a sound structure. Many PHPs that attempt to implement their projects without this support, or with inconsistent or inadequate technical assistance, face an uphill battle. While the Vosloorus PHP experienced this assistance as very positive, it cannot be provided in a way that seeks to take the control of the process away from the local community and beneficiaries — those providing assistance must do so from the perspective of facilitating capacity-building and skills development, as opposed to seeking to 'fail' the project through unnecessarily strict interpretations of technical standards.

The commitment to skills development and on-the-job learning added the additional dimension of leaving skills within the community for further extensions or improvements over time.

Training provided to a group of women by a tiling company, along with a load of donated tiles, added further capacity. Another company provided training to beneficiaries on the application of 'cemcrete' paint, which could be applied without having to plaster the outside, and has some binding and weather-proofing benefits. Planact facilitated business development training for some of the women contractors. All these elements ensured that the objective of skills development continued to be a prioritised, and this achievement is often cited by community members as having been one of the major successes in the PHP. Many of those trained currently utilise their skills in formal and informal employment.

Intervening to create other social outcomes

For Planact, and most NGOs or CBOs involved in a PHP, the objective is not simply to produce a house — the empowerment of the community is of equal importance and is seen to have lasting benefits beyond the life cycle of the project itself. In Vosloorus, given the predominance of women-headed households, an explicit objective was to empower women, and therefore women's participation, even in non-traditional construction roles. In addition, in response to the identified community need to support those families affected by HIV/AIDS, Planact facilitated training and support for a new home-based care initiative in the community. Finally, support to an emerging food co-operative in the community, established through a training intervention provided by province, was attempted. These varied spin-offs to the housing project received a fair degree of investment by community members, yet were not implemented without challenges.

Planact initially suggested the gender-based objective of women's participation, and it is not clear whether it would have been an explicit priority without Planact's involvement, but it nevertheless became a well-recognised feature of the project. During Planact's evaluation of the first phase of the project, women reported various difficulties — such as unfair treatment on some of the construction teams — but they also reported that, overall, they had benefited much from their participation. If the objective of women's inclusion on the construction teams had not been explicit in the project design, it was pretty clear it would not have happened, given the attitudes of many of the men working on the project. Although women were represented on the community's Steering Committee, Planact observed that they tended not to be vocal, and may not have upheld the rights of women on the project sufficiently without Planact's support. So, was Planact trying to engage in what could be termed 'social engineering'? Perhaps, but in Planact's view, the purpose of the intervention is to reduce inequality and marginalisation of the poor by providing access to resources to improve lives, and it is impossible to do so without recognising that women are particularly disadvantaged and marginalised, and that we have an obligation to address this. We cannot control all of the outcomes of an intervention and we cannot wave a wand and end discrimination, but we can support processes that give women some kind of access, which they can utilise for their continued development and empowerment.

In the words of one of the women contractors on the Vosloorus PHP:

'I wanted to work on this project so I could better my skills as a contractor ... Planact gave us so much support in trainings and workshops, we met so many people ... I feel that I can take on so much more than I expected when I started working on this PHP!'

With regard to HIV/AIDS, it is simply a fact that any housing or other intervention directed at the poor cannot ignore the devastation that this disease continues to impose on these communities. Vosloorus is no exception. During the project period, it became evident that HIV/AIDS was a recognised issue in the community and yet there were no services from which affected families could benefit, aside from a clinic in a nearby area that had no outreach specifically dealing with HIV/AIDS. The project Steering Committee decided that something should be done, and asked Planact to facilitate training in the community that would help build local capacity to address the issue. Planact had already committed to mainstreaming HIV/AIDS in its activities, and had funds set aside for this, so it brought in an HIV/AIDS organisation for two weeks of training. Out of those trained, some decided to initiate a home-based care group, and Planact linked them to the clinic to provide ongoing supervision. This group has continued as volunteers with minimal support, and is recognised as a resource within the community. They have now registered as a not-for-profit organisation (NPO) and, with Planact's support, are developing organisational systems and eventually plan to begin fundraising efforts. They also work with the food gardening co-operative so that if land can be accessed, nutritional support to HIV/AIDS-affected families can benefit from that project.

Sustaining the PHP

Planact's experience in the Vosloorus PHP has convinced us that the PHP is a viable and credible means of housing delivery through a process of community-building, and that it is deserving of a high degree of support by government. Although this is just an exploration of one project, the example of Vosloorus demonstrates well the possibilities that can be created through the particular development approach Planact employed in the case of Vosloorus. Through Planact's interaction with others who have utilised various approaches to PHP, it is convinced that the key principles governing the process have created value for poor communities far beyond simply the provision of shelter. This has motivated Planact to join with others in advocating for a more workable approach to PHP than is currently enabled by government policy.

A well-managed PHP enables access to skills that can improve the livelihoods of the poor, creates a sense of personal investment in one's home and community, and promotes democratic practice and positive interaction between poor communities and government. It does require an investment of human and financial resources to produce the intended results, and requires a policy and implementation framework within government that enables a flexible, participatory, community-controlled process. The policy and implementation framework that has evolved over the last several years is, unfortunately, less than enabling, and the lack of capacity and interest among government officials is worrying. Among all housing delivery programmes offered by the government, the PHP best exemplifies the original RDP commitment to 'people-centred development' and offers an essential route to meeting

the objectives of a developmental approach to governance. The approach is therefore deserving of a new injection of energy, support, and finance instead of being left to hobble along in its current shackles.

A high degree of capacity-building support to the local communities undertaking the PHP is also necessary – the value gained through involvement of an institution to act as an intermediary between communities and government, as a development facilitator, as a resource to develop skills within poor communities, shouldn't be overlooked. While various institutions have been involved in providing this support, it seems to Planact that NGOs, faith-based organisations, and strong CBOs and their networks are best placed to offer the kind of assistance necessary to maintain the principles of the PHP. Given the erosion of capacity within the not-for-profit development sector due to waning donor support, concerted attention on the part of government to supporting the growth of this sector must be part of a comprehensive solution to furthering people-centred processes of housing delivery in South Africa.

In the words of Vosloorus PHP beneficiaries, 'The children don't have to stay in a shack; they have a home, and they know that it is ours forever'; 'I am very happy – even when I die, I will rest in peace!' The poor in South Africa deserve no less than the chance to develop themselves and to live with dignity, protection and opportunity.

Caption:

CHAPTER 16 | Towards Urban Inclusion

Planact's response to the phenomenon of informal settlements

by **Nellie Agingu** and **Marie Huchzermeyer**

For many decades, informal settlements have been a common characteristic of almost every town or city in the southern hemisphere. According to UN-Habitat's 'The Challenge of Slums: Global Report on Human Settlements' (Earthscan London 2003), nearly 70% of sub-Saharan Africa's urban population lives in slums — a term often used synonymously with informal settlements — and this slum population will double by 2030. Informal settlements remain one of the most significant challenges for urban inclusion facing African cities.

Planact and the challenges of informal settlements

In the work of Planact, informal settlements are defined as settlements that are unauthorised – usually on three levels: (1) there is no consent for the occupation from the landowner; (2) residential occupation contravenes the official land use and planning standards assigned to the land; and (3) the informal structures contravene building regulations. Informal settlements, though often carefully planned and staked out by those organising the occupation, are not officially approved. While there are cases where each of these forms of informality, particularly (2) and (3) above, are deliberately practised by middle- to high-income households or enterprises, the focus for Planact has been on informality that caters for the poor.

Informal settlements, as defined by Planact, broadly comply with the definition of 'slums' that is increasingly used internationally due to the UN Millennium Development Goal 7 Target 11 to improve the lives of 100 million slum dwellers by 2020. This definition, as spelt out in UN-Habitat's 'The Challenge of Slums', encompasses:

▶ A lack of security of tenure;

▶ Inadequate access to water and sanitation;

▶ Precarious shelter;

▶ Overcrowding; and

▶ Exposure to risk.

These settlements are complex and diverse, and vary not only across South Africa, but also across individual towns or cities. According to W Smit's 'Understanding the Complexities of Informal Settlements' in *Informal Settlements: A Perpetual Challenge?* edited by Marie Huchzermeyer and Aly Karam (UCT Press 2006), the key facets of diversity, beyond variations in the five UN-Habitat criteria for slums, are physical form and density, levels of poverty and vulnerability, social problems, urban-rural linkages and household access to government resources. Governance arrangements and access to the public participation processes of municipalities also vary. Bertaud observes further diversity in the extent to which informal settlements are 'functional' and can or cannot 'support businesses'. Location of the settlement is an important variable, which has direct implications for informal business opportunities and for people's livelihoods.

Livelihoods have been central to Planact's understanding of the informal settlement challenge. Informal settlements emerge out of an unmet need for affordable housing in locations that can sustain livelihoods. Livelihoods on the peripheries of cities and urban areas, though precarious, can secure survival strategies that dwindling rural economies are unable to provide. Through educational and entrepreneurial opportunities, urban economies hold the promise, at least for some, of an integration from the economic periphery into its core of wealth creation.

Though often misconstrued in policy and legislation, Planact has always held that informal settlements are not the result of deliberate criminal action on the part of those occupying land unlawfully. Life stories of informal settlement dwellers, many of whom have been

brought before courts in the struggle against eviction or relocation or in the struggle for access to land for relocation – as in the Zevenfontein case, which Planact helped bring to court – indicate a lack of affordable alternatives to unlawful occupation. Resistance to relocation of informal settlement dwellers to formal subsidised housing often stems from the disadvantaged location of these projects and the disruption to economic and social networks that the relocation entails. Relocations can reverse what a household in an informal settlement has managed to establish within the urban economy – access to networks of support, reciprocity and exchange of information and resources.

The Department of Housing's 'Breaking New Ground: A Comprehensive Plan for the Creation of Sustainable Human Settlements', released in 2004, acknowledges that informal settlements in South Africa have grown since 1994 despite enormous output in subsidised housing delivery. Recognising the impressive output of subsidised housing by South Africa's young democracy, the second Minister of Housing, Sankie Mthembi-Mahanyele, received a UN-Habitat Scroll of Honour in 2003. However, in large South African cities, around 20% of households still live in informal settlements. The City of Johannesburg recognises 190 informal settlements, very few of which have access to the support of non-governmental organisations (NGOs) and legal representation through which to confront top-down development and relocation interventions, which undermine vital networks and livelihoods. Breaking New Ground and the resultant Informal Settlement Upgrading Programme (Chapter 13 of the Housing Code) promote a 'paradigm shift' in responses to informal settlements 'from one of conflict or neglect to one of integration and cooperation'.

Acknowledging that some informal settlements may simply not be upgradeable, the Informal Settlement Upgrading Programme also applies principles of participation and empowerment to relocations. Under this programme, open-ended funding (not linked to the individual household and subsidy qualification criteria) can be applied for by municipalities in order to purchase the invaded land and/or land for relocation nearby, and for the rehabilitation of unsuitable land. From the point of view of urban social inclusion, three important aspects were identified:

► Firstly, the programme contributes to inclusion by allowing rights to location to be formalised through an in situ upgrading approach wherever possible;

► Secondly, inclusion is enabled through a community-based subsidy mechanism, with individual household qualification criteria only applying in the fourth phase, in which housing is consolidated through the People's Housing Process (PHP); and

► Thirdly, social inclusion is enabled through mechanisms for community participation in decision-making.

The Breaking New Ground document and the Informal Settlement Upgrading Programme were informed to some extent by the benchmark Constitutional Court ruling on the Grootboom case in 2000, which required government to adjust its housing programme to cater for the immediate needs of those living under intolerable conditions. In 2003, a new funding mechanism for emergency circumstances was released as Chapter 12 of the National Housing Code, followed by more comprehensive responses in Breaking New Ground a year later.

However, provincial and municipal governments continue to view informal settlements as resulting from deliberate criminal action that deserves zero tolerance. This approach to informal settlements is gaining increasing support as cities find themselves mandated to eradicate the embarrassing phenomenon of informal settlements in preparation for hosting the Soccer World Cup in 2010. The official mandate to the Minister of Housing, stemming from UN's Millennium Development Goal, which has unwittingly been termed (by UN-Habitat) the 'Cities without Slums MDG', is to eradicate informal settlements in South Africa by 2014. This goal is restated in Breaking New Ground, but – according to the Department of Housing – is to be realised through 'in situ upgrading in desired locations, coupled with the relocation of households where development is not possible or desirable' and with relocation as a 'last resort'.

Policy and legislation on informal settlements is notoriously ambiguous and contradictory. In late 2006, the Department of Housing released for comment an Amendment Bill for the Prevention of Illegal Evictions from and Unlawful Occupation of Land (PIE) Act, in which the collective invasion of land was to be criminalised. While this amendment has not yet been approved, on 21 June 2007 the KwaZulu-Natal provincial legislature approved (unopposed) an Elimination and Prevention of Re-emergence of Slums Bill, which indeed criminalises land invasion. By mandating landowners and municipalities to instigate eviction procedures where land is unlawfully occupied, this Act immediately reduces tenure security for millions of poor households in the province's informal settlements. By mandating landowners to fence off and post security guards on vacant land, this Bill, once (or if) gazetted, shuts down any opportunity for poor households to access the urban economy other than by joining relatives or acquaintances in authorised, but already overcrowded structures. At the time of writing, a civil society grouping was lobbying the provincial premier, who makes the final decision, on the unconstitutionality of the Bill. This Bill, along with ongoing legal and illegal evictions in a drive to eradicate informal settlements across the country, requires civil society to engage with the question of urban inclusion, and to find ways through which to effectively break the disturbing turn in legislative thinking on and intervention in informal settlements.

The concept of urban inclusion

The most advanced and detailed statement on the dimensions and practical as well as legal meaning of urban inclusion is contained in the proposed *World Charter on the Right to the City* (as tabled at the World Urban Forum in Barcelona in 2004). In the words of the published document itself, it was drafted by 'a group of social movements, non-governmental organisations, professional associations, forums and country and international networks concerned with the social struggle for cities to be more democratic, just, human and sustainable'. Many of the premises of the Charter stem from decades of progressive urban policy development in Brazil.

The Charter spells out eight principles of the right to the city, with which signatory cities commit to comply:

▶ Democratic management of the city, including 'the right to participate in the planning, layout, control, management and improvement of the cities'.

▶ The social function of the city, including the equitable right to the city's economy, resources and culture, also ensuring ecological and cultural sensitivity.

▶ The social function of property, ensuring equitable access to the benefits of the market while requiring that social and cultural interests 'take priority over the individual right to property'.

▶ Full exercise of citizenship, ensuring conditions for everyone's 'political, economic, social and environmental development while assuming the duty of solidarity'.

▶ Equality and non-discrimination, requiring commitment of resources to and implementation and monitoring of public policies on equality on the basis of 'age, gender, sexual orientation, language, religion, opinion, racial or ethnic origin, income level, citizenship or migratory situation'.

▶ Special protection for vulnerable persons and groups, applying in particular to those living in poverty, risk, under the impact of violence, with disabilities or as migrants or refugees, thus in 'disadvantage with respect to the rest of the inhabitants'.

▶ The private sector's social undertaking, towards 'developing solidarity and equality amongst the inhabitants'.

▶ Enhancing economic solidarity and imposing progressive policies to contribute to the above.

In relation to the management of cities, the Charter requires 'sustainable and equitable urban development' that protects heritage and prevents 'segregation and territorial exclusion' and integrates 'precarious or marginal settlements'. It also requires cities to ensure 'direct and deliberative participation in policy and budget designing', administrative transparency and access to information.

The proposed Charter then links these principles to a wide range of rights, which encompass all dimensions of urban being. These span civil and political rights, as well as economic, social, cultural and political rights. These go beyond what is contained in the South African Bill of Rights, to give meaning to a just relationship between the citizen and the urban environment, in particular the city's social function, in the face of market pressures.

Internationally, proposals on the right to the city, or urban inclusion agendas, have been tabled at various forums from the late 1990s. Global trends in urbanisation and rapid growth were common topics in many conferences and papers. The World Urban Forum gatherings organised by UN-Habitat remain notable in the opportunity provided to compare these urban questions from different continents and to deliberate on possible futures. The third World Urban Forum (WUFIII) in Vancouver in June 2006 particularly highlighted 'Social Inclusion and Cohesion' as one of the three sub-themes selected for international dialogue sessions between governments, private sector, professionals and common citizens. This forum emphasised the need for an inclusive rather than exclusionary approach in the planning and governance of cities. The participation of all residents of the cities was noted as crucial in deepening awareness of the intersection between civil society and government in the creation of new institutions and paths neces-

sary for fostering inclusiveness, empowerment and engagement.

Confronted with overwhelming evidence that the majority of the urban population does and will continue to live in slums and informal settlements, WUFIII recognised that this challenge will require galvanising the capacity of stakeholders, government, the private sector and the especially the urban poor towards viable solutions. This strategy was said to depend on inclusiveness as a principal.

South Africa has actively responded to many of these challenges since the inception of democracy, and yet one cannot speak of more than a partial reform or an ambiguous commitment to urban inclusion. Since the early 1990s, urban areas began to be restructured administratively and in terms of jurisdictions, for full racial inclusion. According to Alan Mabin's 'Local Government in the Emerging National Planning Context', in *Democratising Local Government: The South African Experience,* edited by Susan Parnell et al (UCT Press 2002), urban management – rather than spatial planning as an instrument of control – was understood as an appropriate approach through which to overcome urban inequalities of the past. However, exclusionary town planning schemes, mostly unreformed, continued to control the urban form.

Attempts to address the housing backlog were through large-scale fully segregated low-income additions to the cities supported by the National Housing Subsidy Scheme. The sites were often on the periphery of the cities, with little or no related amenities for urban living. Despite the release by Department of Housing of Breaking New Ground and the Informal Settlement Upgrading Programme that aimed

specifically to achieve urban inclusion, the informal settlements and those in the subsidised housing projects remained poorly serviced or integrated to the general management by the responsible local municipalities.

Important laws were developed and enacted to ensure democratic and participatory governance of cities. These include the *Local Government: Municipal Structures Act 117 of 1998*, the *Local Government: Municipal Systems Act 32 of 2000* and their amendments, and reinforce the principle of democratic governance and public participation through instruments such as the Integrated Development Plan (IDP) and structures such as ward committee.

In order to break with the sectoral pattern of development, integrated planning was also advanced through Spatial Development Initiatives (SDI) and selected Presidential Urban Renewal Nodes in areas with concentrations of informal settlements, such as Alexandra and Kliptown in Johannesburg. With the SDIs, though spatial, the focus was more on the creation of economic growth opportunities rather than integration of poor communities. Despite many important and socially sensitive interventions in the Urban Renewal Nodes, these projects have become associated with evictions, relocation and displacement, and very limited resident participation in decision-making. Their intended impact on the development paradigm – namely, to enhance integration of land, housing, infrastructure and social services interventions – has been limited.

The establishment of the South African Cities Network (SACN) in 2003, which was incubated at the Department of Provincial and Local Government and later attracted membership from some nine major municipal councils in the country, was in many ways a testament of the

commitment and political will to make South African cities in the first instance more efficient. SACN encourages cities to move beyond competing against one another to networking with one another and, while forging individual identities, also building on their collective rather than individual strength. The concept of 'inclusive cities' is given meaning by SACN in its first *State of the Cities Report*, released in 2004, which identified 'inclusive cities' as one of the quadrants of a sustainable city building in the international literature at the time. According to the Report, SACN's Inclusive Cities Programme 'revolves around whether residents have the opportunities and capacities to share equitably in the social benefits of city life'.

Country-level commitments to global charters and agendas, and resulting country-level policy and legislation, form an important basis for urban inclusion. However, in the South African experience, these have been somewhat ambiguous and have not guaranteed implementation or enforcement. Essentially, it has been for NGOs, human rights groups and other civil society organisations to lobby for urban inclusion in practice.

Planact's response

By the mid-1990s, Planact's activities were mainly structured around three core programme areas. This was largely due to the block funding mechanism that Planact – along with other members of the Urban Sector Network (USN) had managed to secure through the European Commission (EC). These areas were: Good Governance, Habitable Environments, and Sustainable Livelihoods. This commitment covered 25% of the organisation's operating budget, with the balance coming from long-term partners of Planact, such as Misereor, Cordaid and Mott Foundation among others.

Planact's informal settlements activities largely fell within the Habitable Environment Programme, but with emphasis on a holistic approach inclusive of governance and local economic issues rather than simply facilitating access to housing. It would be fair to say that the activities of Planact by early 2000s were to some extent reactive rather than a designed organisational intervention plan. It was based on direct request from informal communities for capacity assistance in fast tracking their access to housing, among other issues, such as HIV/AIDS.

In order to address the growing demand for services, Planact chose to concentrate on a few informal settlement communities instead of implementing a piecemeal and uncoordinated response to many. For pragmatic reasons, a choice was also made that the selected communities be within Gauteng.

Planact's work in the informal settlements took the form of community profiling, project management and capacity-building and training for local governance. These were developed into Community Profiles and the information was largely used as supporting documents in policy inputs to government. This input was mainly through collaboration with other civil society coalitions, such as the USN. Planact consolidated community profiles in Diepsloot, Bekkersdal, Zandspruit and Zevensfontein. This required sustained engagement and interrogation of the needs of the each community and their relationships with their responsible local municipal councils. While some subsidised housing was delivered in Diepsloot during Planact's period of engagement from the mid-1990s, the rest of the informal settlement communities supported by Planact are yet to receive adequate housing (although a number of residents from

Zevensfontein have since been included in the Cosmo City integrated housing project in the northern part of Johannesburg).

In the early 2000s, the community of Volsloorus Extension 28 approached Planact, in consultation with Ekurhuleni Metropolitan Municipality, to facilitate the provincially approved PHP that had experienced difficulty in getting started. Planact saw this as an opportunity to better understand the PHP as the only government action directed as a response to informal settlements. A decision was taken by Planact to be involved in the project as a support organisation and that the organisation would conduct a review of the process as a case study.

The results of the case study revealed that the delivery of housing took over 10 years from the original occupation of the site. This was a legally serviced site supported by the Independent Development Trust (IDT) from as early as 1993. The delivery of the actual subsidised houses through the PHP approach proved to be very slow: the project was initiated in 2001 and took until 2006 to deliver 674 houses of the initially planned 1200. Not a single unit was constructed solely by the beneficiaries' sweat equity, as intended in the People's Housing Process (PHP). Planact has modified the approach by utilising a pool of locally trained construction teams. The project, however, continued to face a number of challenges: the use of individual savings was not a significant contributor in the initial construction although a few households later enhanced their units through additions, plastering and painting; in some instances, Planact encountered child-headed households as a result of HIV/AIDS; the receipt of title

deeds did not seem to be a major concern for beneficiaries, and there were reported cases where beneficiaries sold or sublet their units without any reference to the title deeds.

Overall, however, the main challenge was the intergovernmental coordination between the Provincial Housing Department and the Ekurhuleni Metro Council. This manifested in delays in confirming the original list of those eligible for housing subsidy, the release of finances by province as well as the coordination of planning and delivery of infrastructure to the area. The peripheral location of Vosloorus also limited access to amenities such as clinics and schools. Also notable was the general neglect of the physical environment by the local municipality. To this extent, the immediate future in terms of growing an individual 'asset base' through ownership seemed limited. It was evident that ownership of the house was not necessarily facilitating integration into the wealth-creating core of the urban economy.

With regards to capacity-building, Planact's work under the Good Governance Programme initially concentrated on policy review and later into training and capacity-building. The policy input phase saw to the contribution by Planact members on key local government documents such as the White Paper on Local Government and the IDPs. Central to this process was the debate on elements of a 'participatory approach' as a means of deepening democracy with a developmental local government.

Over this period, Planact was increasingly viewed as a necessary link between municipal councils and informal settlements with regards to community consultation and participation in municipal processes. The organisation was often called upon to provide training to com-

munity leaders through the Community Development Forums (CDFs), ward committees, ward councillors and municipal officials.

The development of the Planact Local Government Capacity-Building Modules facilitated the organisation's reach beyond Gauteng and into other provinces, such as the Free State, Mpumalanga and Limpopo. The Modules were received as a unique offering to the extent that they were user-friendly and presented the governance policy and legislative frameworks in accessible format. Municipalities seeking to enhance their community participation processes as required by the IDP annual review found them particularly useful. On reflection, the demand for this capacity-building and training services provided a crucial lifeline for Planact at a time when many NGOs experienced funding crisis as a result of a decline in donor funding. This was a product for which the organisation was compensated through various projects with the municipality, while the target communities in informal settlements were serviced through donor funds.

Despite the increased awareness on local government systems and operations, the participants in the Local Government Capacity-building Programme indicated that they did not feel that they were having real influence in the decision-making processes of the municipal councils. The timing of the consultation and the spaces for consultation were often determined and managed by the municipality and, therefore, did not consider the readiness of the community to engage with specific issues in good time for decision-making cycles. What was also evident was the crisis management approach to strife in the community and an absence of collective community dialogue other than on political party basis.

While Planact's efforts in support of access to habitable settlements by urban informal settlers and capacity-building towards community participation in decision-making were small in scale, the experience reflects a wider national need for advocacy towards the development of inclusive cities. This will require both physical planning and management of urban areas and democratic processes for dialogue for inclusive decision-making on local government actions.

Lessons from Planact's experience

Informal settlements have become home to many urban dwellers, the majority of whom are black. Any efforts to eliminate these settlements would have to be comprehensive in approach and viewed as a citywide plan rather than local-area based. Planact's experiences in Diepsloot, Zevensfontein and Zandspruit, among others, suggest that overcrowding and the struggle for access to limited basic amenities occur almost in direct correlation to improvement or promise of local services.

The government-subsidised housing programme through PHP, as an extension to the project-linked housing subsidy scheme, has created monotonous and environmentally poor urban areas. Vosloorus Ext. 28 may have roads in place, but it remains a dusty township with no clear plan for the local parks or social amenities characteristic of an urban neighbourhood. What was also evident was the lack of coordination between the provincial and local government in their powers and functions. Programmes such as these, although funded by provincial or national governments, should be under the direct influence of the responsible local municipality for integrated planning

and maintenance. The PHP, unless revisited urgently, would be in danger of creating new urban zones of poverty and social insecurity rather than the intended growth in asset value through security of tenure.

With regards to the spatial inclusion of households living in informal settlements, Planact became aware just how spatially exclusionary the City of Johannesburg is. For the economic group that resides in informal settlements, the only alternative is informal and often extremely precarious tenure in inadequate buildings in the inner city. The link between these two housing options became evident in the work in which Planact was involved in the inner city. Planact was asked by the Centre for Applied Legal Studies (CALS) to participate as expert witness in the eviction orders given to Hillbrow residents by the City of Johannesburg. In their interviews, several residents indicated that they had to make a choice between living in the informal settlements on the outskirts of the city or face the constant threat of eviction in the inner city. They chose the later and cited transport and proximity to health facilities, among others, as the reasons for staying in the appalling and insecure inner-city conditions. This, equally, crystallised the absence of secure affordable inner-city dwellings for those who wished to move from peripheral and marginalised informal settlements to take part in the core economic, social and cultural life of a city.

With regards to the informality in the inner-city areas, a holistic approach to address the lack of adequate and affordable inner-city housing remains an urgent concern for Planact. While efforts by the Johannesburg Development Agency are commendable, the economic revival is often at the expense of urban inclusion as well as transformation of the greater city. The project approach may be an expedient way of demonstrating results, as has been witnessed in Newtown with increased private sector involvement, but the balance may shift if these are not followed by a more comprehensive and sustainable plan to improve the conditions for economic activities in other parts of the city or indeed region. A citywide approach that also considers the scarcity of urban land could enhance the case for a social function of the city. This may require the isolation of urban land, both private and public, for specifically identified use. Such usage would need to be defined as supportive of a collective good, such as affordable housing, integrated transport network systems, and parks and cultural spaces. These aspects will require a review of legislation in respect of property rights for a start.

On urban inclusion, Planact's work also focused on deepening democracy through enhanced participation of the ordinary citizen in local decision-making processes. Activities such as councillors' training programmes were aimed at making the new government policies and programmes more accessible at community levels. It would appear that although citizen participation is enshrined in the Constitution, its application remains wanting. The participatory local government programme, as conducted in the selected informal settlements with which Planact worked, may have enhanced participation in the annual review of the IDP plans towards decision-making, but, overall, critical engagement by ordinary citizens was generally limited in influencing the priorities and decision of the local councils. Communities often complained that they had no input in annual budget allocations, for example.

The lesson here is that inclusion in governance is a prerequisite to achieving a physically diversified and racially integrated, inclusive city. The organs of a democratic state need to be functional in support of the implementation process. The ward committee systems, particularly in the newly constituted local councils, are by and large still weak. The entities of civil society have a responsibility in enhancing such awareness, and Planact, among others, has been particularly instrumental in this regard.

Above all, the debate on the right to the city needs to be elevated through more inclusive spaces for urban dialogue and expression towards democratic, diversified and culturally vibrant African cities. This would require solidarity among all sectors of the society concerned with the elements of democratic and liveable cities.

Caption:

CHAPTER 17 | Show me the Money!

An NGO perspective on changing government policy

by **Susan Carey**

Given the growing housing backlog it is not surprising that government wants delivery – fast. And people are demanding housing and services. It is 12 years after democracy and people are tired of waiting. It makes things edgy. This has brought about a new culture of deal making by the national Department of Housing (DoH). Partnerships are seen as key for breaking delivery logjams, but it is a particular brand of partnership that sells. It is the convenience, easy partnerships where both parties get immediate gains that are being sought. It has worked for getting the banking sector and private organisations like M5 Construction and Talk Radio 702 (who have committed to building 702 houses in 2006) into the low cost housing sector.

However, contrary to the partnership agreements signed in the Social Contract for Rapid Delivery, local non-governmental organisations (NGOs) working in the human settlement arena have not been actively engaged to bring meaning to the proposed partnerships between government and NGOs. This is despite active solicitation for engagement by the NGO sector in the People's Housing Process (PHP) sector since 2004, and an extensive and expensive consultation process through the reconstituting of the Peoples Housing Partnership Trust (PHPT). Is this because what NGOs are perceived to bring to the table is not seen as valuable for delivery? Is it because NGOs are asking government for money rather than bringing money to the table? Is it because NGOs are seen as being critical of government? Is it because NGOs in South Africa are viewed as being irrelevant? Or is it because NGOs are committed to building partnerships rather than striking deals and partnerships are difficult whereas deals are easy?

To simply agree with one of the reasons above, fails to recognise the collective expertise gained through decades of community work and the important role that intermediaries like NGOs play in bringing government closer to communities. This is particularly important when the capacity of local government is weak as is the case in South Africa. NGOs also empower communities to become more involved in their own development so that 'people development' and the building of real partnerships become the active ingredients for further development. The discounting of the contribution of NGOs threatens the ability of the poor, landless and homeless to actively participate in their own development (PHP PWG 2006). And for these reasons, government cannot continue to talk about partnerships while continuing to simply strike deals for immediate gain.

A collection of NGOs, community-based organisations (CBOs) and academics have been involved in the Peoples Housing Process Reference Group (PHP Ref Grp) to try and influence the PHP over the last two years. The following account of events to date and fundamental differences in policy understanding has led to the current impasse in PHP policy formulation and a situation where the questions posed remain unanswered.

The engagement process

It has been acknowledged that the PHP is in a crisis. There have been numerous reasons cited for this. From a lack of understanding of the actual policy, to the new procurement policy, to the Municipal Finance Management Act to the 'bastardisation' of the PHP as a way of avoiding the R2 479 cash payment to insufficient grant funding. Where PHP has delivered it has usually done so with the assistance of support organisations, like NGOs, who have relied on donor funding. Because of the changing donor environment, the involvement of NGOs in PHP is becoming more limited.

There have been attempts by government through the PHPT to try and address these issues. This started with a review of the PHP in late 2003, where groupings involved in PHP were at very short notice called to a meeting to review the PHP. Despite initial commitment this process came to a grinding halt in early 2004.

In mid 2004, Rooftops Canada as part of their Social Housing Development Programme in South Africa, approached one of its partners in the programme, the Urban Sector Network (USN) to try and revive interest in the PHP. The idea was to get NGO and CBOs that have

considerable experience in delivering PHP to come together to share lessons learnt, develop a common understanding and approach for community driven development and advocate for changes based on this understanding. A meeting of the PHP Ref Grp was held in August 2004 with five different networks of NGO/CBOs being represented as well as relevant development practitioners and academics. A common understanding of an enhanced PHP process was reached. It was decided that PHP-practice stories would be written up so that the value added benefits of the PHP as a process could be demonstrated. These would then be shared so that the PHP Ref Grp could start advocating for an enhanced definition of the PHP. A working group was established to prepare a policy paper to support the enhanced definition.

Cabinet then approved 'Breaking New Ground (BNG): A Comprehensive Plan for the Development of Sustainable Human Settlements' in September 2004. BNG was well received by the PHP Ref Grp as its objectives played into what the PHP Ref Grp was saying an enhanced PHP delivers. BNG was to be supported by a series of Business Plans describing how each of the delivery mechanisms intended to achieve the objectives of BNG. The PHP Ref Grp saw this as an opportunity as this is what we were saying PHP could do for government.

Through a series of discussions and another meeting of the PHP Ref Grp in April 2005, a Position Paper for the PHP Ref Grp was developed and submitted to the DoH in July 2005. The PHP Ref Grp met with the deputy director-general of Housing twice during early 2005 to discuss the developments of the Group. A meeting with the minister was requested to discuss the Position Paper and representation on the National Task Team was requested. The National Task Team was tasked with producing a policy framework and implementation guidelines for the PHP and the other housing programmes. Government officials responded to the request by indicating that representation on the Task Team was for government and housing institutions only. PHP guidelines were produced by the Task Team and accepted by MinMEC in September 2005 without any consultation with the sector. The PHP Ref Grp reviewed the Guidelines and immediately requested a meeting with the DoH to voice the PHP Ref Grp's concerns with the guidelines.

In September 2005, NGOs in Cape Town who formed part of the PHP Ref Grp were asked to attend the Housing Indaba to sign the 'Social Contract for Rapid Housing Delivery', which was aimed at translating goodwill into practical cooperation with common objectives as relayed in BNG. The NGOs who signed the contract committed themselves to 'assisting in developing the capacity of people involved in housing delivery with a specific focus on PHP' and to 'mobilise communities to participate in savings schemes and PHP' (DoH 2005). It was expected that out of this process NGOs would be engaged so that meaningful contributions to housing delivery could be developed through real partnerships.

Again a letter was submitted to the minister's office in October 2005 requesting a meeting to begin giving substance to the Social Contract and discuss producing a PHP policy which is workable on the ground, is community-driven and is able to achieve the broader objectives of sustainable human settlements and poverty reduction through job creation, while having an impact on the quantity and quality of the housing products delivered.

It was around this time that the PHPT appointed a project manager linked to a team of consultants to reconstitute the PHPT. The project manager started by contacting all the key stakeholders in the sector and soon picked up on the unhappiness within the sector at having been left out of the guidelines process and having had no response to their Position Paper. Having an inroad into the DoH through the PHPT, the PHPT project manager managed to secure a meeting with the DoH for the PHP Ref Grp. At the meeting the DoH noted the concerns raised by the PHP Ref Grp on the Guidelines and accepted the PHP Ref Grp's understanding of PHP, which they saw as an alternative view to[50] core PHP as they termed it. DoH officials requested that the PHP Ref Grp rewrite the PHP Position Paper in a manner which would be workable on the ground, in line with Cabinet and Treasury decisions, with clear processes and procedures, demonstrating how it is in line with the BNG objectives and how the PHP can deliver at scale. This would then need to go through the formal approvals process, and if approved, released in tandem with the already approved government produced Guidelines. For the PHP Ref Grp this approach raised serious concerns as having two approaches to PHP (core and alternative) would only further complicate matters and lead to even more dysfunction in the sector.

The lack of agreement in the sector sparked the need for holding a National Forum in October 2005 where all those involved in PHP delivery would be given the chance to engage. The PHP Ref Grp was asked to present their position paper at the Forum. At the Forum the DoH again called for a formal response from the sector on the guidelines. From this Forum a working group produced an 'output document' as well as a 'strategy document' and a document for the institutional form.

A PHP Policy Working Group (PWG) was set up in early 2006 to use the documentation produced from the PHP Forum and the PHP Ref Grp's Position Paper to formally respond to the Guidelines document and to make a set of policy recommendations. The PHP PWG consisted of members of the PHP Ref Grp, DoH, the PHPT and the various consultants working on the project. This was done and presented to the larger group for endorsement at the second National Forum in February 2006. Once endorsement was received this was then submitted to the DoH in March 2006. The DoH has however not formally responded to this submission.

Reports and Business Plans from the entire reconstitution process were presented to the PHPT Board in April 2006 and again a formal response to the sector is still awaited. The PHP Ref Grp has engaged with the ministry, the new director general of Housing and the PHPT to try and take the process forward but has not met with any success at the time of writing.[51]

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[50] Core PHP has been coined by government as the term for understanding a PHP that is focused only on the delivery of the top structure by the subsidy beneficiary. NGOs have been arguing against this understanding of PHP, which is viewed as too narrow a description of what PHP is about, and hence the call for an enhanced PHP by the NGO sector

[51] This article was written in August 2006. The process of engagement with the NGO sector was resurrected in May 2007, with several more meetings over a period of a year.

Policy issues for the PHP

The Housing Code

The PHP has been governed by Chapter 8 of the Housing Code. The Chapter explains how households can follow the PHP route in accessing consolidation, project-linked, institutional or rural subsidies as well as technical and other forms of assistance in the house building process. The PHP is aimed at supporting households who wish to enhance their subsidies by building or organising the building of their homes themselves. In addition to the housing subsidies grants are available to facilitate support functions. Facilitation Grants are available to any group of families for purposes of forming themselves into a Support Organisation or to a legal entity such as an NGO, for the purposes of preparing a detailed project application including a Business Plan. Establishment Grants are fees payable to enable Support Organisations to provide technical, administrative, financial and logistical support to the beneficiary community (DoH 2002). It has been argued that the PHP policy framework is vague and contradictory (Baumann 2003) which has resulted in numerous contradictions in the approach to the PHP. It is also no longer aligned with legislation and planning frameworks and has received very little institutional support. The current funding model is also insufficient to achieve the aims of the PHP.

Breaking New Ground (BNG)

BNG states that while the fundamentals of housing policy remain relevant, a new plan is required to redirect and enhance existing mechanisms to move towards more responsive and effective delivery. The new compre-

hensive plan reinforces the need 'to promote the achievement of a non-racial, integrated society through the development of sustainable human settlements and quality housing'. BNG commits the Department of Housing to a range of specific objectives to achieve this vision, including:

▶ Accelerating the delivery of housing as a key strategy for poverty alleviation;

▶ Utilising provision of housing as a major job creation strategy;

▶ Ensuring property can be accessed by all as an asset for wealth creation and empowerment;

▶ Leveraging growth in the economy;

▶ Combating crime, promoting social cohesion and improving quality of life for the poor;

▶ Supporting the functioning of the entire single residential property market to reduce duality within the sector by breaking the barriers between the first economy residential property boom and the second economy slump; and

▶ Utilising housing as an instrument for the development of sustainable human settlements, in support of spatial restructuring (DoH, 2004).

The PHP is seen as one of the mechanisms to achieve these objectives. To do so, BNG acknowledges that a redefinition of the PHP is necessary, that a new funding mechanism for PHP needs to be established and that the existing framework for institutional support is insufficient. However, the understanding of PHP in the document is slightly problematic in that

PHP is narrowly perceived as it is only located within the informal settlement upgrade instrument and is therefore interpreted to be about the top structure only.

PHP Ref Grp Position Paper : July 2005

The PHP Ref Grp Position Paper is aimed at implementing a community driven PHP which, while achieving scale, offers government a solution for achieving the objectives of BNG. It demonstrates how the PHP as a process can lead to more sustainable human settlements by creating more sustainable communities through various livelihoods interventions, poverty eradication, job creation, savings, skills transfer, building citizenship, community empowerment and social cohesion, building housing assets, whilst understanding and responding to the needs of a community in a more holistic and integrated manner (PHP Ref Grp 2005). The idea of an enhanced PHP process is introduced and is defined as a **'process of community involvement** in human settlement development which leads to more sustainable human settlements by building more sustainable communities; reducing poverty through job creation and skills development; building citizenship through active participation in settlement planning and development; and building housing assets that are valued so that a more functional property market is created; ownership is appreciated and livelihoods aspects are addressed so that the quality of life of community members is improved' (PHP Ref Grp 2005). This definition is based on the collective experiences of the various NGOs and CBOs in the PHP Ref Grp that have used the PHP for housing delivery to achieve the value added benefits listed. This approach to PHP requires community commitment and equity in many different forms but may not necessarily require the direct labour involvement of indi-

vidual households. The process may begin way before actual housing delivery with the development of community plans for development and continue way after with post-housing project support.

The various organisations involved in the network have demonstrated over a number of years that these outcomes can be achieved if properly supported and resourced. Changes in the policy will need to be made including redirecting the current focus on delivery through developers and local government. Treasury regulations direct government to focus on how money is spent rather than what gets delivered and whether what gets delivered is valued. Government regulations will need to be reviewed so that they are supportive of the enhanced PHP processes. Capacities and understanding of what the PHP is aimed at achieving (i.e. the broader BNG objectives, rather than just a top structure) will have to be built at all spheres of government. A new policy and legislative framework which supports this understanding and which focuses on how facilitation and support elements are achieved and delivered, and what capacity is required to do so, rather than on how the subsidy is to be administered, will need to be developed. The policy needs to allow for experimenting with the PHP in different contexts (greenfields, in-situ upgrade, rural, hostel redevelopment etc.) using different subsidy types and for these case studies to be documented so that lessons learnt can be shared. Importantly the new PHP programme will require dedicated funding for the process aspect (traditionally these aspects have been donor funded) and will require better coordination and communication between the various government departments (PHP Ref Grp 2005).

Once the necessary support and resources have been obtained, the scale question can begin to be addressed. Projects should be identified with communities and a Support Organisation identified that can offer the range of capacities required to capacitate and empower communities to deliver housing and the other value added elements. As more and more projects are packaged delivery will then be scaled up while jobs are created on an ongoing basis as more and more communities are capacitated so that they too become Support Organisations. Support Organisations could be NGOs, specially created multi-sectoral Resource Groups; and as they get capacitated, CBOs. This also provides the means for bringing in the skills of the private sector in a way that is focused on community empowerment and skills transfer rather than just delivering houses.

The Position Paper calls for an enhanced definition and understanding of the PHP by government, a new policy and legislative framework with additional funding to support the enhanced objectives; so that NGOs can CBOs can work together with government to create better housing development solutions. This includes working with government to create a workable PHP policy, legislative and funding framework as well as working on the ground as a Support Organisation for CBOs (PHP PWG 2006).

PHP Policy Framework and Implementation Guidelines: August 2005

BNG notes government's intention to make increased use of the PHP housing delivery mechanism and calls for the redefinition of the nature, focus and content of the PHP. A Task Team was set up to help develop guidelines for all the National Housing Programmes in sup-

port of BNG, with only national and provincial government representatives and housing institutions being invited. As this was a broad Task Team, housing officials on the Task Team did not have particular experience or understanding of the PHP. Once the Guidelines were produced they were not circulated to the NGO sector for comment, but were submitted to MinMec for approval.

The Guidelines subscribe to the notion of 'core' PHP which very narrowly defines PHP as support to households wishing to enhance their subsidies by building their own homes. It explicitly excludes the use of contractors and confines the PHP to producing the top structure only. Granted this definition is an attempt to stop 'managed PHP', but by keeping this as its focus it in no way redefines the nature or content of PHP. It also does not link PHP to the achievement of BNG objectives. The Guidelines are very prescriptive, very confusing in the use of terminology and in describing the different roles of all the stakeholders and allow for no innovation. In essence, the Guidelines are aimed at providing government with a tool for administering a particular type of PHP.

PHPT Reconstitution Process: October 2005 to March 2006

Towards the end of 2005, the PHPT contracted a project manager to start the process of reconstituting the national body in line with the recommendations made by the CSIR in their report to the minister in 2004. In order to bring all the stakeholders together to develop a common understanding a National PHP Forum was arranged in October 2006.

First PHP National Forum: 25 and 26 October 2006

The PHP National Forum brought together representatives of national, provincial and local government's departments of Housing, NGOs, CBOs and PHP practitioners. The purpose of the National Forum was to 'engage in an important dialogue with key stakeholders to develop a common, preferred future and way forward for PHP in South Africa'.

It was recognised that a common definition for the PHP should be developed so that a common frame of reference could be used by all. The Forum defined PHP as 'a **people centred process** in which groups and individuals exercise **direct control** over delivery in a way that promotes choice over location, tenure, housing, services and amenities. Through PHP, people design and manage their developmental resources to build **sustainable human settlements'** (PHP Strategy 2005). The important aspects of this definition are that the PHP needs to be 'people centred' and people led, that it encompasses more that just the top structure (house), that it can be applied in many different contexts, that beneficiary contribution is not seen in labour terms only, that the control and ownership lies with the community and not the developer or government, and that those involved are able to make choices to suit their particular circumstances.

Key principles for informing a PHP approach that will create an enabling environment for PHP delivery were also decided upon. These included positioning PHP so that it is aligned with BNG, enshrining community ownership and leadership as non-negotiable fundamentals underpinning PHP, ensuring that governmental regulation is appropriate, user-friendly and kept to an absolute minimum; providing greater tangible support and encouragement for people- driven processes to allow them the opportunity to deliver on a significantly higher scale than before; recognising that PHP delivers significantly greater benefits than other forms of housing delivery. As such it deserves a special status in the competitions for resources and that the PHP values of 'empowerment, participation and community building' should decide on how the sector is developed, supported and regulated in the future (PHP Strategy November 2005).

In order to break the PHP delivery logjam the Strategy document recommends that a new mindset and approach to PHP be adopted by government to create an enabling framework for PHP implementation that reduces bureaucracy, builds capacity and enables all PHP role-players to be effective. The Strategy document acknowledges the vital role that NGOs and CBOs play in implementing the PHP. This includes providing a range of support to those requesting assistance in a PHP process, providing micro-finance services, providing expertise to support the capacitisation of government officials, building appropriate capacity to support PHP implementation, sharing of lessons learnt and experiences, supporting the ongoing innovation of PHP, disseminating good practice, building productive partnerships and informing policy.

Report on Progress in the PHP PWG: January to March 2006

A specialist working group, the PHP PWG, was formed in January 2006 to address the enhancement of the PHP policy on behalf of the PHPT in response to a call from the DoH at the first PHP National Forum to form a representa-

tive team from the PHP sector to work with DoH on policy formulation. It was also recognised that there was limited capacity for PHP policy-making process and programme management at all levels of government. The PHP Ref Grp, and hence NGOs, were very well represented in this PWG. During January and February 2006 the PWG undertook policy discussions, reviewed documentation and engaged with officials and stakeholders, to produce recommendations for taking the PHP policy forward and a formal response to the guidelines in terms of technical and principle issues.

The principle issues raised revolve around the extent, nature and level of community control of the process. Critically the role of CBOs in the process is not mentioned and without a capacitated community based structure being involved in the process, the process is not people-led and cannot be sustainable. In conclusion, the PHP PWG Report (March 2006) states that the Guidelines, as they are currently written are not conducive to the environment to which they are intended. They are fundamentally flawed and require serious attention if they are to achieve their objective of building consensus and understanding in the sector so that PHP projects can be delivered.

In terms of policy recommendations the PHP PWG recognised that a new policy would need to be aligned with BNG, the Social Contract for Rapid Delivery and the Informal Settlement Upgrade Programme and should take note of development in both the social and rural housing policy. The PHP Policy Framework needs to speak to political reality and as such needs to provide a means for delivering at scale and mainstreaming community participation. The Policy does need to be acceptable to the PHP sector and needs to be measurable, so while it will deliver houses, it is the other value add-

ed benefits that the PHP provides which will need to be monitored and evaluated. The PWG Policy Report highlights the importance of the process in the PHP by which the value added products are achieved. The process, which up until now has been largely donor funded, needs to be better understood in policy terms and also needs to be appropriately resourced. What distinguishes PHP is the empowerment of people and the deepening of democracy through the creation of 'good housing citizens'.

The PWG Report proposes that all forms of PHP be supported, but that the extent of the support is increased on a sliding scale as the value added benefits delivered are increased. For policy then, there would need to be consistency in the ways in which the projects are accepted for funding, and the extent to which they are to be funded. Also agreement needs to be reached on the extent to which the DoH is willing to extend its reach beyond being responsible for the top structure only. This may require the DoH bringing other government departments to the table so that the pre- and post-house building activities which are essential to the process for building sustainable human settlements. The full PHP process cycle needs to be mapped and realistic costs and deliverables can be attached.

A number of non-subsidy interventions are also necessary for creating an enabling environment. These include accessing well located land for PHP projects, extending service infrastructure, establishing legislation and regulations to promote participative planning, budgeting and project level participation, explicitly supporting savings, appropriate micro- and mortgage finance, directly building up intermediaries including CBOs and NGOs, and to build Housing Support Centres/Multi-Purpose Centres.

For this to happen, government needs to be serious about supporting people/community driven housing as a viable demand-led instrument. The recommendations for the policy enhancement process by the PWG were to establish a specialist group to work under the national DoH or the PHPT, to align the support instrument with government housing subsidies, to scan the diversity of current PHP practice so that a typology of PHP processes can be developed, investigate procurement and other regulatory requirements, develop a system appropriate to PHP practice and investigate non-subsidy interventions, design and test a new PHP support instrument, write guidelines on how to use the instrument, design training manuals, pilot the guidelines through the approval process, roll-out the new guidelines, rewrite the necessary chapters in the Housing Code and propose new and amended regulations and legislation.

Second PHP National Forum: February 2006

A second National PHP Forum for all stakeholders was held in February 2006. The purpose of this National Forum was 'to engage in dialogue with PHP stakeholders over the creation of an enabling environment that would fast-track future PHP delivery'. This included feedback on the work done by the different Working Groups so that 'buy in' from the broader PHP community for the way forward could be obtained. The PHP PWG recommendations were broadly accepted at the Forum. These were then finalised with comments on the guidelines in a recommendations report and this was submitted to the DoH and the PHPT.

In addition a final recommendations report based on the work associated with the recon-

stitution of the PHPT was also produced. The recommendations in this report are that:

1. A common definition of PHP that reinforces the fact that this is a people-centred process which is aimed at achieving the broader goal of 'sustainable human settlements' rather than just housing delivery;

2. PHP be viewed as government's primary delivery vehicle for achieving 'sustainable human settlements';

3. PHP should be incentivised for community mobilisation and support;

4. The PHPT should be reconstituted so that it acts as a champion for the newly defined PHP;

5. That the new entity should be funded, capacitated and supported by government;

6. That the new entity be established as a National Public Entity;

7. Financial and other support is to be provided to NGOs to build the sector;

8. Government should not over-regulate and control the PHP sector;

9. That the Business Plan for the reconstituted PHPT be accepted;

10. That the reconstitution of the PHPT process be supported and funded; and

11. That government, its agencies (the PHPT) and civil society organisations are to work together to co-create PHP policy and a support instrument (Paterson 2006).

Importantly for the NGO sector is the fact that PHP be broadened for the development of sustainable human settlements, that the sector not be over-regulated so that NGOs can still play the innovator role, and that NGOs should be actively engaged to support and build the PHP sector.

Reviving the PHP

There has been much activity and interest in reviving the PHP over the last two years into which NGOs have placed large amounts of time and effort. This has included two PHP Ref Grp meetings, numerous meetings with DoH officials, 10 Extended Working Group meetings, seven Policy Working Group meetings and three Business Plan Working Group workshops as well as the two PHP National Forums. This process has managed to build a meaningful dialogue with the PHP sector, with NGOs as key participants. A critical mass of knowledge (PHP PWG 2006) and understanding as to what the PHP can achieve has been built. There is also an expectation from those who attended the forums and participated in the various working groups that the PHP will finally get the attention it deserves.

However despite spending large amounts of money on the PHPT reconstitution process, and once again raising hopes in the sector, the existence of the necessary political will to support and fund a co-created PHP policy process to take the thinking of the PHP PWG and the national forums forward has yet to be established. As noted in the PWG recommendations report, getting government sold on what will be achieved through the PHP is key to being able to take the policy forward. The new PHP programme is extending the DoHs mandate in line with BNG, to support the delivery of sustainable human settlements. However, this does not seem to be enough to entice government as despite the rhetoric, government seems fixed on the numbers.

A real and legitimate fear remains that in order to get things done government may very well impose the existing policy framework and guidelines. This will only serve to polarise relationships between civil society organisations and government and will create the potential for dysfunctional conflict in the sector (Paterson 2006).

The report of the Policy Working Group puts forward the current moment as a **'defining moment'** in the history of the PHP in South Africa.

There is now a defining moment which needs to be seized as it presents the opportunity to revisit the way in which government supports PHP. This needs to be done by fundamentally reviewing and redesigning the policies, legislation and instruments which provide the enabling environment in which people can house themselves. We suggest that the manner in which this is done should be through the co-creation of policy and delivery instruments between government and civil society. It should be based in, and modelled on, the diversity of practice that already exists in the country. It should be informed by a new batch of pilot or demonstration projects. The desired outcome would be to (a) rebuild the government-funded support instrument and (b) inform what action needs to be taken by a national agency to improve the enabling environment for PHP.

Despite a huge effort on the part of the NGOs it appears that government's understanding of partnerships remains one sided, expecting an endless giving on the part of the NGOs with very little return. Partnerships at all levels are fundamental to building an enhanced PHP, but require that both parties are capacitated, that each acknowledges the value that the other brings to the partnership and that both are served by the outcomes of the partnership. This lack of commitment by government to building these sorts of partnerships means that again the 'defining moment' may be lost, but this time it may come back to bite them.[52]

[52] This 'abuse' of partnerships has again been demonstrated in the subsequent events in building an enhanced PHP. The NGO sector has been involved at their own cost and time in numerous policy and strategy discussions, with the NGO sector paying for informing the write-up of the policy and the implementation strategy. With the demise of the PHPT, a dedicated Directorate for Community Driven Housing Initiatives has been set up in the DoH to support this process, but they have provided very little capacity besides organising meetings and supplying venues and transport. They have however taken the policy through the internal channels and managed to have to policy approved for implementation from April 2009. Pilot projects have been selected in provinces by the DoH, but the pilot projects selected have not necessarily benefited those NGOs who were most involved in the policy development process. So while the policy was developed in partnership with the NGO sector, NGOs have still given more to the partnership, than what they have received back.

The Planact Way: Reflections on Planact's exploration of its history

by **Rebecca Himlin**

We have nearly concluded quite a long process of looking into Planact's past as a way of understanding the principles, ideas and practices that have shaped the identity of the organisation – loosely termed the Planact Way – and finding out what wisdom we could gather for strengthening the organisation today. The following is but a brief reflection on the value of this exercise and some of the key learnings.

It was clear that Planact had faced a number of changes, both internally and externally, since its founding in 1985. It had also been 'home' for a number of different types of people with different motivations and views of the world. Planact in a pre-1994 period was radically different from Planact in the post-1994 period. It had started as a collective, as a way for progressive professionals, mainly from the built-environment subjects, to make a contribution to the struggle against apartheid and to be a place where people could start to envisage what a post-apartheid society could look like. As a progressive organisation associated with the Mass Democratic Movement (MDM), funding streams from outside the country were initially profuse, allowing the organisation to grow a staff of between 30 and 40 members. The grassroots approach of Planact was unstructured and involved creating a series of relationships with communities and getting on-the-ground information about the challenges they were facing, helping them to voice their demands to the then-apartheid authorities and occasionally getting some concessions that would improve the lives of the people. The organisation was then positioned to move quickly into negotiation-mode in the run-up to the first democratic elections, as it assisted various civic structures and the South African National Civics Organisation (SANCO) to articulate policy positions meant to address the inequities of the past.

The 1994 elections signified a new era and there were rapid changes – many Planact staff went into government positions, and foreign funding streams began to move quickly to the government, creating a funding crisis for Planact in 1995 (and precipitating the closure of many other organisations). There was serious divergence of opinion on the place and function of non-governmental organisations (NGOs) (then called 'service organisations') in a post-apartheid society, part of the larger debate on whether formations of civil society were still relevant – according to some views, now the government was supposed to take over where these organisations had left off. This ambivalence towards civil society and NGOs on the part of those in government is still in evidence today. Many communities have, ironically, felt disempowered in the era of democracy, at least partly because of confusion about the role of their organisations in a post-apartheid society. In 1994, Planact 'professionalised' its operations by registering as a Section 21 company, to remain attractive to those donors who were still funding civil society, and also to attract funding from the new government for policy development and capacity-building activities. Planact survived by being able to bring in such contracts to replace the sudden loss in donor funds.

In the post-apartheid period, Planact was intensely involved in policy development on the White Paper for Local Government, which laid the foundation for permanent local government structures in South Africa. Planact's involvement, amongst others, helped ensure the ideas of developmental local government, integrated development planning and participatory approaches to planning were introduced in the White Paper, and these principles also guided Planact's intervention strategy in communities and in its capacity-building work with the fledgling democratically-elected local government structures. Planact was instrumental in developing training materials and delivering training programmes for the new councillors, inducting them into an understanding of these concepts and how they were expected to help address the imbalances of apartheid under-de-

velopment. At the same time, Planact offered similar training at community level, and direct support to building organisations in poor communities that could engage with local government to bring about development in line with community priorities. When ward committees were established by legislation to act as a link between communities and government, Planact also included these structures in its training and capacity-building efforts.

Despite all of these changes, and the different terminology used to describe Planact's programmes in the different periods, there is a surprising amount of continuity in the work it has done, focusing on two main thematic programme areas that remain today – the community-level, human settlement planning focus, and the democracy-building, participatory governance focus. In this, the *combination* of participatory governance and *integrated* community development are seen as critical to Planact's mission, with research and advocacy seen as necessary to provide a space for reflection and analysis and achieve some voice or impact in society.

A key principle that has continued to have relevance for Planact has been the commitment to work through direct engagement with 'people on the ground', stemming from a belief that people can develop the solutions to their developmental challenges. Planact has worked as an intermediary, helping to break down complex information in ways that people can understand, trying to keep community organisations vibrant, relevant, and legitimate in their communities, and trying to keep government close to the ground as well, through continually reinforcing these values in the training it has undertaken with councillors, officials, and ward committee members. As a result, Plan-

act has remained a place for experimentation, learning by listening and by doing, translating lessons into policy recommendations that insist on flexibility and choice. And Planact as well attempts to adapt to local level needs and expressed aspirations, not trying to impose one kind of model, but making use of tools and models as appropriate to the situation. If anything, that seems to be the 'Planact Way.' It is not a neat package, but it is a critical offering to disadvantaged communities working to improve their situation.

In general, this project has affirmed that Planact does have some articulation of common values and an identity, though it has responded to radically different circumstances throughout its history. That is at least one reason why the organisation continues to exist today, although it has not been immune to the difficulties facing civil society – we have a smaller staff and we face the continual challenge of raising funds to sustain the organisation. But the project has also unearthed a healthy degree of controversy over the stance and strategy that the organisation should be adopting in the current environment, characterised by a fair degree of social conflict – due to the serious deprivation still evident in poor communities for whom government has not yet 'delivered' and the debates over some of the key policy positions taken by government that have been less than progressive or pro-poor in nature.

While we have not been able to answer all the questions the exercise has provoked, the value of the project, I think, has been to deepen our perspective on Planact's role and its practice, and to renew our commitment to remain creative and responsive, while we continue to look for good practices and successful ways to create development opportunities that work for

the poor. We hope that the various reflections on Planact's work and the development issues in which Planact has been involved, that have been gathered in the course of the project, will help to extend the conversation and the search for alternative solutions to many others that are grappling with similar issues. We offer this collection of articles, not as a comprehensive analysis of Planact's entire history, but as an overview of the organisation's experience, with a smattering of interesting stories and ideas by the people who have been associated with Planact over the years that together creates a narrative that somehow puts the 'Planact Way' – as in, 'Planact journey' – into perspective.

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PRETORIA

Ekangala

Mamelodi

Bronkhorstspruit

Zithobeni

Saulsville

Attendgeville

N4

E. TVL →

eMbalenhle
Secunda

Midrand

Rabie Ridge

Randburg

Sandton

Ebwatwa

Alexandra

Daveyton

JOHANNESBURG

SPAZA

Benoni

Randfontein

SOWETO

Hillbrow

Villa Lisa

Brakpan

Mohlakeng

Riverlea

Wattville

Tamboville

Springs

Klipspruit
Kliptown
Eldorado Park

Alberton

Bekkersdal

Westonia

Lenasia

St Martin's Trust

Katlahong
Palm Ridge
Phola Park
Thokoza

Tamaho
Tambo Camp
Holomisa Camp
Mandela Camp

Kwa Themba

Daggafontein

Tsakane
Duduza

Nigel

Ennerdale

Weiler's Farm

VAAL

Orange Farm
Evaton

Palm Springs

Rus ter Vaal

Meyerton

Sebokeng

Boipatong

Bophelong

Vereeniging

Sharpville

Vanderbijlpark

NORTH

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