



A fund to secure land for shelter: supporting strategies of the organized poor

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1. See, for example, the funds discussed in Asian Coalition for Housing Rights (2002), *Housing by People in Asia*, special issue on community funds, ACHR, Bangkok; also Satterthwaite, David (2002), "Local funds and their potential to allow donor agencies to support community development and poverty reduction", *Environment and Urbanization* Vol 14, No 1, pages 179-188.

2. The Trust subsequently provided an additional UK£ 220,000 to further this work.

SUMMARY: *Obtaining secure land tenure for housing is one of the biggest challenges facing the urban poor and the professionals who seek to address poverty. This paper describes how a UK£ 200,000 fund supported the acquisition of secure land and the construction of housing in 13 different communities (in Cambodia, Colombia, India, South Africa and Zimbabwe), as well as advocacy work to promote access to land in urban areas of Namibia. Over 40,000 people have benefited, and many more should benefit in the future from the processes now underway. The paper explains how it was possible for a fund of this size to benefit so many low-income households. It also discusses the different strategies that were used to obtain land in different places, and what we can learn from this experience to address the needs of the urban poor more effectively.*

I. INTRODUCTION

IT IS WIDELY accepted that low-income urban households need more secure, better quality housing and that this usually means the need for secure land tenure. But there is little agreement about the best strategies and approaches to use in achieving this end. The vast majority of the urban poor have to manage without national or international assistance. The idea of local funds supported by international and national development funds that low-income groups and their organizations can draw on directly has been much discussed, and there are some examples of such funds in action,⁽¹⁾ but they are rare.

In October 2001, the Ruben and Elisabeth Rausing Trust provided an initial grant of UK£ 200,000 to IIED, on which the members of Shack Dwellers International could draw to help low-income urban dwellers negotiate for land on which to develop their homes or negotiate for legal tenure of the land they already occupied.⁽²⁾ The Trust did not specify the means to be used to achieve this, and it provided the funding up front. The resulting projects supported the strategies of community groups in six countries: Cambodia, Colombia, India, Namibia, South Africa and Zimbabwe.

Perhaps the most important and innovative aspect of this grant was the flexibility it offered in terms of funding precisely what was needed in each locality to enable representative organizations of the urban poor to get land. In each locality, the fund could be used flexibly, blending with community finance, existing local funds and available government subsi-

dies in order to maximize the advantages for the urban poor. (The significance of funds for local development is further considered in Section III.) These experiences offer an important learning experience for development agencies.

This paper describes the ways in which the Trust's funds were used in different locations, and it draws out the wider implications for the debate on secure land tenure. Section II provides some background on issues of tenure and access to land for housing. Section III explains the work of Shack/Slum Dwellers International (SDI) and Section IV describes the projects in six countries undertaken with the funds from the Trust, illustrating the variety of strategies used by some of the poorest groups of urban dwellers. Section V then analyzes some commonalities in the approaches taken, in order to identify lessons of possible interest to international agencies.

II. BACKGROUND – THE LEVEL OF NEED

THE ISSUE OF how to get land for housing, or how to get secure tenure of land already occupied, is critical to the urban poor. Most low-income households in urban areas in Africa, Asia and Latin America and the Caribbean lack secure tenure because acquiring land through formal channels, or purchasing or renting accommodation on legally developed land, is beyond their means. As a result, non-formal tenure has become the most common single form of land development in most cities and many smaller urban centres in these regions.⁽³⁾ Most of the urban poor build on land that is illegally occupied (squatting) or illegally developed (illegal sub-divisions), or rent a shack or a room in some informal settlement.⁽⁴⁾ A lack of secure tenure brings with it many problems:

- *Insecurity, including the constant threat of eviction in many cases.* The absence of formal institutions to enforce "the rule of law" means that residents in illegal settlements may be exploited by landlords, politicians or public officials who demand illegal payments.
- *The lack of provision for water, sanitation, drainage, health care, schools and other forms of infrastructure and services.* This results in significant health burdens and high levels of infant and child death.⁽⁵⁾ It often means that families have to spend a significant proportion of their income on basic needs – for instance, purchasing water from water vendors because there is no public provision of piped water.⁽⁶⁾ It also means high expenditures on medicines and health care and high economic burdens from loss of work due to injury and sickness. Additional expenditure may be necessary to repair buildings and replace possessions damaged by flooding as a result of inadequate storm water drains.
- *An inability to exercise citizen rights and access government programmes for the poor.* Those living in illegal settlements may be denied their right to vote because voter registration depends on having a legal, formally approved address. They also may be denied access to government programmes. In India, for instance, they often cannot obtain a ration card which allows them to purchase some basic staples at subsidized prices. Those in illegal settlements may have trouble getting their children into school because this too depends on a legal address.

Those living in informal settlements may also be paying a high price for the land – either for access to a plot with no tenure or through payments to landlords. In many cities, the impossibility of finding land forces many

3. Payne, Geoff (2002), "Introduction" in Payne, G (editor), *Land Rights and Innovations: Improving Tenure Security For The Urban Poor*, ITDG Publishing, London, pages 3–22.

4. See *Environment and Urbanization* Vol 9, No 2 (October 1997) for a discussion of the situation of tenants.

5. UN-Habitat (2003), *Water and Sanitation in the World's Cities; Local Action for Global Goals*, Earthscan Publications, London, 274 pages; also Hardoy, Jorge E, Diana Mitlin and David Satterthwaite (2001), *Environmental Problems in an Urbanizing World: Finding Solutions for Cities in Africa, Asia and Latin America*, Earthscan Publications, London, 470 pages.

6. See reference 5, UN-Habitat (2003); also Sivam, Alpna and David Evans (2001), "Improving the flow of serviced land in the formal housing markets of less-developed countries", *Third World Planning Review* Vol 23, No 4, pages 367–386.

7. Yahya, Saad S (2002), "Community land trusts and other tenure innovations in Kenya" in Payne, G (editor), see reference 3, pages 233–263.

8. McAuslan, Patrick (2002), "Tenure and the law: the legality of illegality and the illegality of legality" in Payne, G (editor), see reference 3, page 27.

9. For instance, where land-titling programmes are on private land, the landowners may get levels of compensation from the government that are actually higher than the value of the land. There have even been instances of landowners organizing invasions of their own land, as this brought good possibilities of compensation greater than the value of the land – see Hardoy, Jorge E and David Satterthwaite (1989), *Squatter Citizen; Life in the Urban Third World*, Earthscan, London.

10. Baharoglu, Deniz (2002), "World Bank experience in land management and the debate on tenure security", *Urban and Local Government: Background Series No 16*, World Bank, Washington DC, pages 16 and 21.

11. Kagawa, Ayako and Jan Turkstra (2002), "The process of urban land tenure formalization in Peru" in Payne, G (editor), see reference 3, pages 57–77; also Yahya, Saad S (2002), "The certificate of rights story in Botswana" in Payne, G (editor), see reference 3, pages 193–208.

12. See reference 7, Yahya (2002).

13. Gilbert, Alan (2002), "On the mystery of capital and the myths of Hernando de Soto", *International Development Planning Review* Vol 24, No 1, pages 1–19.

14. See reference 6, Sivam and Evans (2001); also the Lincoln Institute of Land Policy (2002), *Access to Land*

of the poor to rent accommodation in informal settlements – their tenure is insecure not only because the land is occupied illegally but also because they can only live there if they pay rent. There is no legal system to protect tenants living in such settlements or to require landlords to meet any standards. In Nairobi, for example, the government allocates land as a political reward. This has resulted in large-scale landlordism in most informal settlements and sub-letting of land and shacks to the urban poor.⁽⁷⁾

Few government interventions have made a significant difference to the potential for the urban poor to obtain land with services. For the most part, such attempts have been either short-lived (not outlasting a particular government initiative) or small scale (serving a particular neighbourhood, often through the influence of a local politician, or providing limited assistance such as some water standpipes). The overall lack of action is a manifestation of political systems in which low-income households have little influence, despite making up 40–60 per cent of the population. This inability of formal land markets and land allocation systems to serve the poor continues because it benefits certain powerful groups. It allows the wealthy to secure land and others to earn an income from the shelter needs of the poor. "What this adds up to is a system which, if not designed, then at least is adapted to facilitate the exploitation of the poor."⁽⁸⁾

Perhaps because of the powerful political and economic interests present within any city land market, there appears to be little agreement on the best strategies for ensuring more secure tenure for low-income households. Providing titles to land for squatters appears to be an attractive option but it can be problematic. First, as noted above, there are the political and financial interests served by the existing system; they will seek either to prevent change or to ensure that it happens in ways that do not threaten their interests.⁽⁹⁾ Second, titling may increase property values,⁽¹⁰⁾ and low-income households may sell the land once they have the title if they face a crisis or if they are unable to afford the costs associated with regularization. The fact that they can sell their land legally brings some immediate benefits, but the net result is more benefits to higher-income groups.⁽¹¹⁾ Third, the process itself may be subject to corruption, with land titles being given to those with little claim to the land beyond being well connected. Fourth (and unrelated to the rising values that legal tenure brings), secure tenure in any city neighbourhood can also bring formal rules and regulations, which mean that many informal enterprises are no longer permitted, or that official charges or taxes are introduced, which many low-income households have difficulty in meeting. For instance, in Botswana, households that obtained the Certificate of Rights found that they were unable to undertake commercial activities in residential areas.⁽¹²⁾ In addition, titles may not make a significant difference to many of the poor, since lack of tenure is not necessarily associated with insecurity of tenure.⁽¹³⁾ In many instances, the main problem has been a lack of serviced land (rather than a lack of title) and the need for multiple options for land acquisition to help ensuring adequate supply and lower costs.⁽¹⁴⁾

There are certainly examples of innovative government and NGO programmes that have sought to address the problems of insecure tenure. One of their key features has been ensuring that community organizations have more control over the process and enabling local residents to invest their own funds in neighbourhood improvements.⁽¹⁵⁾ However, there are a range of difficulties confronting such efforts, including the challenge of maintaining pro-poor policies without the active involvement of

organized low-income residents; abuses of programmes for the poor by more powerful groups; and delays in releasing funds.⁽¹⁶⁾ Groups formed to represent the interests of squatters, tenants or the homeless also face constant difficulties – as in the case of tenant organizations in Brazil who supported organized settlement on public communal land as a solution to the difficulties faced by tenants.⁽¹⁷⁾

What emerges from a review of such experiences is the fact that, whilst secure tenure is an important component of development, other issues have to be addressed too. It is difficult for low-income households to obtain secure tenure of land and housing without more secure livelihoods.⁽¹⁸⁾ For the slightly better-off, low-income households with secure incomes or lower-middle class households, state programmes may work well, enabling them to achieve security of tenure through titling and regularization. But if secure tenure programmes are to benefit the poorest families, other strategies need to be considered.

III. BACKGROUND – SHACK/SLUM DWELLERS INTERNATIONAL

SHACK/SLUM DWELLERS International (SDI) is an international network of grassroots organizations that seeks to support low-income communities to address their needs. It works mostly in urban areas, although also in rural communities. As a network of autonomous community groups and national grassroots federations, SDI is a catalyst for change and a gathering place for people and organizations that share a common vision of grassroots development. That vision is of strong, need-centred representative organizations of the poor that have a capacity to consolidate and use local resources to create new development options. In most instances, the basis of these organizations is savings groups formed by individuals from low-income households. Such savings groups strengthen social organization, enabling members to use their financial resources and collective efforts to address their needs. Women, in particular, are drawn to participate in such groups. The skills and capacities they acquire through collective savings offer them choices within existing, mainly market-based, opportunities for development.

Many of the groups that SDI works with are homeless or living in poor quality accommodation with insecure tenure. (For instance, in India, “pavement dwellers” are one of the main groups represented in the Federation.) Most members lack access to basic services. A priority for these households is to acquire homes with services and secure tenure. In many countries and families, the home is also a workplace.

Many national federations within SDI have established local funds that have been supported by a range of donors, including national governments, international donors (both bilateral and NGO) and the community members themselves. As with the monies provided by the Ruben and Elisabeth Rausing Trust, funds are used for land purchase, as a deposit on land, and as an advance for the purchase of land with funds then recovered from government subsidies. Wherever possible, these funds are used to leverage additional funds (or land) from local and national institutions. A difficulty with most international funding for processes such as these is the very specific conditions regarding its use – conditions which often fail to match local needs. Another difficulty with most international funding is the length of time required for negotiation, which can make it difficult

by the Urban Poor, 2002 Annual Roundtable.

15. For government innovations, see, for instance, Porio, Emma with Christine S Crisol, Nota F Magno, David Cid and Evelyn N Paul (2000), *The Community Mortgage Programme (CMP): An Innovative Social Housing Programme in the Philippines and its Outcomes*, mimeo. For NGO programmes, see Kanji, Nazneen, Carla Braga and Winnie Mitullah (2002), *Promoting Land Rights in Africa: How do NGOs make a Difference*, IIED, London; and the case studies in *Environment and Urbanization* Vol 6, No 1 (April 1994).

16. See reference 7; also Baumann, Ted and Joel Bolnick (2001), “Out of the frying pan into the fire; the limits of loan finance in a capital subsidy context”, *Environment and Urbanization* Vol 13, No 2, pages 103–116.

17. Barbosa, Ronnie, Yves Cabannes and Lucia Moraes (1997), “Tenant today, posseiro tomorrow”, *Environment and Urbanization* Vol 9, No 2, pages 17–41.

18. See, for example, the experiences discussed in Baharoglu (2002), see reference 10; also Payne, G (editor) (2002), *Land Rights and Innovations: Improving Tenure Security for The Urban Poor*, ITDG Publishing, London.

19. Patel, Sheela and Diana Mitlin (2001), *The Work of SPARC and its Partners Mahila Milan and the National Slum Dwellers Federation in India*, IIED Working Paper 5 on Urban Poverty Reduction, IIED, London.

20. Baumann, Ted, Joel Bolnick and Diana Mitlin (2001), *The Age of Cities and Organizations of the Urban Poor: The Work of the South African Homeless People's Federation and the People's Dialogue on Land and Shelter*, IIED Working Paper 2 on Poverty Reduction in Urban Areas, IIED, London.

21. Chitekwe, Beth and Diana Mitlin (2001), "The urban poor under threat and in struggle: options for urban development in Zimbabwe, 1995–2000", *Environment and Urbanization* Vol 13, No 2, pages 85–101.

22. The Global Campaign for Secure Tenure is a strategic initiative of UN Habitat.

for local groups to seize particular opportunities as they arise. Locally held community-managed funds avoid many of these problems.

SDI works in Cambodia, India, Nepal, the Philippines, Sri Lanka, Thailand, Kenya, Namibia, South Africa, Zambia, Zimbabwe and Colombia. It also has links with groups in Indonesia, Tanzania and Brazil. In each country, local community organizations work together in national level federations to further their political objectives and to support each other. In nearly every case, federation groups are supported by professionally staffed NGOs that manage donor funds, assist with learning and reflection, and act as intermediaries when required by local and central government agencies – for instance, SPARC in India,⁽¹⁹⁾ People's Dialogue for Land and Shelter in South Africa,⁽²⁰⁾ and Dialogue on Shelter in Zimbabwe.⁽²¹⁾

In keeping with the needs of its constituency, SDI has long been involved in activities to improve land tenure. Local groups at risk of eviction have lobbied local authorities for land in South Africa and Cambodia; communities have purchased land or negotiated land-sharing agreements in Thailand; and backyard shack dwellers in Namibia have secured new communal land purchase agreements in Windhoek. In many countries, land has been secured for some members, although there remains a large number of members who are landless. On 16 July 2002, the National Slum Dwellers Federation in India joined the United Nations Centre for Human Settlements (now the United Nations Human Settlement Programme – UN Habitat) to launch the Global Campaign for Secure Tenure.⁽²²⁾

IV. COMMUNITY-BASED LAND SECURITY STRATEGIES

THIS SECTION REVIEWS what has been done with the initial UK£ 200,000 grant from the Ruben and Elisabeth Rausing Trust. The review is based on project documentation and interviews with community groups and with the professional staff involved in the programme, during visits to the projects. In a number of cases where local authority land was being purchased, interviews were also held with local authority staff. UK£ 172,000 has been spent on direct grants, UK£ 12,000 on documentation and UK£ 16,000 on project preparation, visits to projects and administration. Funding was allocated to documentation because of the desire to learn from this experience and examine its relevance to other development agencies.

National federations and their support NGOs were invited to apply for funding to help secure land, but they specified the strategies that were most appropriate for achieving this and the activities that required funding. Table 1 summarizes the activities supported, and there follows additional information on each initiative.

Colombia: A group of indigenous Indians living in Leticia, an Amazonian town of 30,000 residents, is purchasing land. The group (*Tres Fronteras*) is organized around a daily saving scheme and numbers over 100 families. The land is five kilometres from the town and the plot is large enough for crops as well as housing. The fund has allowed this group to purchase land for the first time. The support NGO anticipates that the development will add significantly to the group's capacities in terms of planning, housing design and construction, as well as in collective decision-making. As importantly, the purchase of land will add to the legiti-

| Table 1: Different initiatives for acquiring land and housing | | |
|---|---|---------|
| Name of group and/or place | Activity and numbers assisted | Cost |
| Tres Fronteras, Leticia, Colombia | Land purchase: 80 families | £25,000 |
| Squatter and Urban Poor Federation, Toul Chongrouk and Rd 271, Phnom Penh, Cambodia | Development to secure land: 130 families benefit immediately; 1,000 to benefit in total | £39,000 |
| National Slum Dwellers' Federation, Sholapur (India) | Bridge finance for land and housing development prior to subsidies; 350 households helped already; 1,610 to benefit | £25,000 |
| National Slum Dwellers' Federation, Bangalore (India) | Bridge finance for land development prior to subsidies: 20 households helped already; 996 to benefit | £25,000 |
| Shack Dwellers' Federation of Namibia | Lobbying and negotiating to increase access, reduce standards and therefore the cost of acquiring land | £10,000 |
| Vusi Nsuntsha, South African Homeless People's Federation, Cape Town | Bridging finance for land purchase prior to subsidies being secured: 800 households to benefit | £25,000 |
| Zimbabwe Homeless People's Federation, Mutare | Deposit for land: land purchased with plots for 1,600; land development planned | £7,000 |
| Zimbabwe Homeless People's Federation, Harare | Deposit for land: 150 to benefit; land acquired for 1,000 families: tenure being negotiated | £5,000 |
| Zimbabwe Homeless People's Federation, Gwanda | Deposit for serviced land and units: 20 to benefit; families on site | £1,000 |
| Zimbabwe Homeless People's Federation, Victoria Falls | Site development: 565 to benefit; 300 families now on site | £7,000 |
| Zimbabwe Homeless People's Federation, Karoi | Plots with services purchased for 20 families: housing construction in progress | £1,000 |

macy of the group in the eyes of other professional groups and government agencies, and may help in negotiating partnerships for poverty reduction. The group is committed to repaying the monies they receive into a fund to help other members. The terms and conditions for repayment are currently being worked out.

Cambodia: Low-income areas of Phnom Penh are being cleared by the illegal burning of shacks.²³ Fires in Bassac, an urban poor settlement in the city centre, have resulted in over 3,000 families needing resettlement. Despite the need of the poor for well-located land, the local authority has provided sites many kilometres away. The daily cost of travelling from these new locations to the centre and back exceeds the daily wage of most community members. Many wage earners are now renting small rooms in the city. Those who have remained on the site are living in shacks and tents. To remain on this land, and thereby secure legal tenure, families urgently need loans for housing and infrastructure development and for income generation.

The funds have been used to consolidate land development at Toul Chongrouk (Samaki), one municipal resettlement site. Over 1,000 families have now settled on the land, which only has non-potable water. The funds have provided housing loans to each family for basic construction

23. Kazmin, Amy (2002), "Phnom Penh slum dwellers feel the heat", *Financial Times*, 8 January.

materials – most people lost all their belongings (including their shacks) in the fire. Sixty-three families have taken loans of up to US\$ 500. The significance of housing investment funds is immediately evident. Since the community was first moved to the site, almost 70 per cent have abandoned their plots to find alternative accommodation with better job prospects. The housing loans help to create a more positive cycle: as building takes place, jobs become available. Hence, although funds are not required to purchase land, they are needed in order to live on and secure the land that the local authority has offered for free.

Cambodians have already suffered considerably from insecurity and violence in the last two decades. Consequently, residents are often reluctant to challenge the authorities. However, one community evicted from a roadside in central Phnom Penh decided not to accept relocation to a remote location with few facilities. Community Rd 271 began to look for alternative land. After some months, they identified a well-located area being sold for US\$ 25,144. The community negotiated with the municipality to provide US\$ 7,544 in compensation for the land that they had been forced to leave in the city centre. This was a triumph for the community, as the first reaction of the municipality was to refuse to provide anything but distant relocation. Community members raised US\$ 13,700 from their own savings and other resources; the remaining US\$ 3,900 was taken as a loan from the grant funds, and has already been fully repaid.

India: The National Slum Dwellers Federation in India believes, with its partner agencies Mahila Milan (a network of women's collectives) and SPARC (the support NGO), that the state should provide land to the urban poor, together with housing loans. In return, the people offer sweat equity in building and construction management. For specific groups in particular need, additional state subsidies may be offered for housing construction. This model has been accepted in principle by a number of government agencies, but the commencement of building activities is generally required prior to the release of land-related subsidies and state loans. Hence, despite the long experience of the Indian Federation, little land has been secured (excluding Mumbai, where special dispensation has allowed land in low-income areas to be developed at higher densities).

The National Slum Dwellers Federation recently secured a commitment to provide land for low-income housing development in a number of Indian cities. The funds made available through this programme have been used to pre-finance developments in two of these cities (Sholapur and Bangalore). As soon as subsidy funds and government loan monies are released, the funds will be repaid into a local fund to be available to other Federation members. Previous experiences have shown that to ensure the release of subsidies takes two to three years. The communities are told first that it is not possible to release these funds directly to them. Politicians are often threatened by community construction activities, and seek to prevent them from obtaining funding.

In order to better manage pressures on communities, the National Slum Dwellers Federation has taken a decision to move community investment finance around between groups, and often between cities. The Federation believes that it is better to have precedents in many different places. Together with Mahila Milan and SPARC, there are now a number of initiatives underway to secure bilateral funds for larger programmes with the Indian government. (Precedent-setting is difficult with bilateral funds because of the lack of flexibility and the need to negotiate terms and conditions with a large number of professional groups and agencies.)

Namibia: The Shack Dwellers' Federation of Namibia has been negotiating for a progressive policy that supports incremental development with legal land tenure. They have had some success in Windhoek with a policy that offers the urban poor the option to secure tenure through sales of blocks (multiple plots) to communities that are then responsible for upgrading the sites, including transforming communal toilets and water points to individual household connections.⁽²⁴⁾ Residents are allowed to construct shacks in order to meet their need for accommodation, with the understanding that housing will be improved at a later date, when it is affordable. The city of Windhoek's policy offers a major step forward in secure tenure, through making a clear link between regulatory reform, affordable infrastructure and secure tenure. There is no charge for the land, although residents have to pay associated infrastructure costs. Whilst aspects of the programme are now being replicated in other municipalities, it has proved hard to gain acceptance for residents to remain in shacks while they repay loans for land and infrastructure. Funding has been made available to assist the Federation to lobby other authorities and increase land releases in Windhoek. Their programme includes meetings, workshops and a Namibian launch of the Global Campaign for Secure Tenure.

South Africa: In South Africa, there is a state housing subsidy worth approximately US\$ 1,000 per household for land, infrastructure and housing. The presence of the subsidy suggests that there will be few difficulties but, in practice, there are often problems regarding the location of land, the quality of the construction and the nature of the urban development process. In order to reduce such problems, the Ministry of Housing introduced the People's Housing Process, a self-help route to enable the poor to access subsidy funds. (Some 2 per cent of housing subsidies are allocated to the People's Housing Process, the majority of which are used by the members of the South African Homeless People's Federation.)

However, one problem preventing the scaling up of Federation subsidy-financed land purchase is that subsidy applications cannot be made until land has been purchased. The Federation wishes to pioneer a new approach whereby Federation groups pre-finance land purchase and basic communal infrastructure to enable families to move on site while their subsidy applications are being processed. This would have the further advantages of allowing the community to begin planning the site collectively and to strengthen their social organization prior to the difficult business of construction. Whilst the state policy allows for the possibility of incremental development, the approach has not been used by South African municipalities.

Funds from the Trust have been used to provide part of the bridging finance needed to enable 800 families to purchase 12 hectares to demonstrate this new approach. The land is located close to a new development node on the edge of the township of Khayalishsha, Cape Town. When subsidy funds become available to replace the bridge finance, funds used for bridge finance will be made available as loans to other members of the South African Homeless People's Federation.

As well as organizing their own members, the Federation has been holding extensive discussions with national, provincial and local government to explore the implications of incremental development within the people's housing process. A partnership with the municipality has been agreed and the city of Cape Town's Executive Director (Development Services) has expressed support for the proposed Vusi Nsuntsha

24. Gold, Jane and Anna Mueller with Diana Mitlin (2001), *The Principles of Local Agenda 21 in Windhoek: Collective Action and the Urban Poor*, Working Paper on Local Agenda 21s and Urban Environmental Action Plans No 9, IIED, London.

development, agreeing to help where he is able. The city is supporting the Federation to follow a “rapid land release” process in settling people on the land.

Zimbabwe: For decades, the urban poor in Zimbabwe have found it difficult to obtain access to land. Local authorities have only been willing to allocate land to those with funds to pay for 300 square-metre plots, two-room concrete block houses and full infrastructure and services. Priced at over Z\$ 200,000 (officially worth US\$ 4,000), houses are unaffordable to the urban poor. With no legal alternative, these families rent a room or rent space to put up a small wooden shack in a legal resident’s back yard. Access to services is poor, the accommodation is expensive and relations with the homeowner are often tense. In Harare, many low-income families live in or adjacent to the “temporary” holding camps situated 20 kilometres from the city centre, which were set up following squatter evictions more than ten years ago.

In the last two years, councillors have begun to re-examine their policies for the urban poor. Over 2,500 homeless families who are members of the Zimbabwean Homeless People’s Federation have now been offered land. Nine local authorities have committed themselves to releasing municipal land to the urban poor, and seven have released plots. For the first time, the inability of the poor to pay for concrete-block houses and full services does not result in automatic exclusion from land allocation.

Funds from the Trust have augmented the Gungano Fund, (the loan fund of the Zimbabwe Homeless People’s Federation). In all cases, community members will repay the funding they have received (albeit at an interest rate below the current rate of inflation in Zimbabwe). The strategy is to maximize land acquisition by adopting diverse strategies with a number of local authorities. The intention is to create community and professional support for an alternative model to that used previously.

V. THE STRATEGIES EXAMINED

WITHIN SDI, DIVERSE routes have been taken by different groups to secure land tenure. These respond to and reflect local opportunities and the possibilities offered by the state for land acquisition. Whilst strategies differ, there are, however, a number of common themes:

- there is the need for a strategy that enables the developments to be community managed, with a high level of involvement by the residents who are securing land tenure;
- each strategy is adjusted to the subsidy context in which it is taking place. In some cases, bridge financing for state subsidies and loans is required; in others, there is no state provision and the community federations manage revolving loan funds. Each strategy seeks to use identified subsidies to the advantage of the urban poor; and
- each strategy seeks to change the nature of the construction and infrastructure installation process as necessary, by amending standards and increasing affordability in favour of the urban poor.

Each of these themes is considered further below.

Community management: Emphasis is placed on community management for a number of reasons. SDI processes seek to ensure control by the urban poor themselves, primarily for reasons of social justice. The poor, they argue, should control their own development and, therefore, manage the professional interventions necessary to address

their own needs. There are good reasons for this approach in relation to the efficiency of expenditures, as well as for reasons of self-determination. Long experience has shown that professional innovation usually fails to address the needs of the poor. Professionals (whether in state agencies or NGOs) misunderstand community realities and capacities. In each of the cases described above, the Federation itself is responsible for managing every stage of the development. Whilst some jobs are contracted out to those with necessary skills (if they cannot be found within the community), these individuals are answerable to a committee of local residents.

The development processes in securing land tenure, identifying and negotiating for land, planning the site and constructing homes help to build community capacity both with regard to specific skills (and hence, later employment opportunities) and collaborative experience. Collective capacity helps to strengthen the group, increasing its ability to address its poverty and reducing the vulnerability of individuals. This helps to prevent one of the greatest problems with land tenure programmes – the tendency of the poorest residents to sell their land asset when faced with a crisis. For example, the community at Toul Chungrouk (Cambodia) is now looking at buying water carts for lower-cost suppliers of drinking water, thereby helping themselves to reduce expenditures.

The Federation savings and loan processes help groups to assess the needs of their members and collectively address those needs. Local savings schemes mean that there is a fund for emergency credit, which can offer low-income households an alternative to selling their home should there be an urgent need for cash. But perhaps more important are the social networks and systems that enable residents to assist one another, intervening in housing decisions by increasing choices and altering perspectives. By failing to strengthen the collective capacity of the community, many formally managed land tenure programmes do little to help those most in need. Indeed, some weaken communities by moving people into new areas surrounded by strangers rather than their former neighbours.

Accessing state subsidies: There are many ways in which national and local governments make subsidies available to support those most in need. Most of these subsidies are partial, inadequate and hard to access. In addition, many subsidy programmes are designed by professionals, with all the associated problems mentioned above. The challenge faced by communities is finding a way to access available subsidies that is as favourable as possible to the community-driven process to secure tenure.

As described already, strategies differ. In South Africa, the state housing subsidy scheme is generous (approximately US\$ 1,000), but serious delays in subsidy releases have resulted in high costs for bridging finance, loan defaults and mounting debts.²⁵ The high standards required have also made it difficult for community management to take place. Hence, the innovation that is sought is incremental development that enables the community to strengthen its capacity through managing communal infrastructure.

In Namibia, the only housing subsidies are through loan finance provided for formal housing. The costs are generally beyond the means of the lowest-income households. However, as discussed below, radical changes to planning and building regulations have helped to ensure that land is affordable even for the poorest households.

In Zimbabwe, few state subsidies are available for low-income urban communities. At a national workshop, the Zimbabwean Homeless

25. See reference 16, Baumann and Bolnick (2001).

People's Federation argued that land should be provided free, but the municipalities responded that they could only afford a partial subsidy. As in Namibia, in the absence of subsidy finance, it is critical that urban authorities accept incremental development with community services. Without this, urban poor households simply cannot afford to secure land. Local authorities in both Namibia and Zimbabwe are eager to extend the number of community plots for incremental development, but bulk infrastructure finance is required in a number of cities.

In Phnom Penh (Cambodia), the challenge is to enable communities to secure the land that they are currently being offered free by the state, despite the poor location. At the same time, there is a need to increase pressure on the state to enable the available subsidy for land purchase to be used flexibly, with communities identifying better-located land for themselves. In India, there are subsidies available, but political and commercial interests have prevented the communities from accessing them. Pre-financing is important in overcoming obstacles and in establishing precedents.

Although strategies differ, the end objective does not. In each case, community groups organize themselves to secure freehold tenure. In some cases, this is with a collective title; in others, there may soon be pressure on the group to individualize the collective title.

Changed models for urban development: Changing the nature of the urban development process, and many of the "official" standards, is critical to the success of SDI land tenure strategies. In India, over ten years ago, community groups lobbied the government in Mumbai to allow the introduction of a mezzanine level within the homes they were developing, thereby enabling a single-storey dwelling with a 14-foot roof to have extra sleeping space.⁽²⁶⁾ The South African Homeless People's Federation has been experimenting with lower-cost infrastructure designs that still meet local authority standards, but have had mixed success in persuading city authorities to adopt these measures. In Cape Town, the executive director of Development Services has expressed support for the proposed development, and has nominated two officials to work with the community-based steering committee in planning this development. He has made clear his support for the Federation to follow a "rapid land release" process in settling people on the land, facilitating access to secure tenure and services as soon as possible, with an incremental house-building process to follow.

In Cambodia and Zimbabwe, the city authorities show little capacity to intervene comprehensively in the development process. In Zimbabwe, city authorities are eager to support self-help initiatives, given the evident incapacity of the state to provide development finance. However, there are concerns that this will be too slow; the local authorities wish to speed up the process but the Federation is concerned about the ability of the poorest communities to manage the associated costs. The poorest members simply cannot afford to repay for land, services and housing simultaneously.

Once settled with some security, residents immediately start to invest in improving their surroundings. Legal changes in Namibia have been important in validating "starter titles" that enable a community to hold land rather than have individual freehold ownership.⁽²⁷⁾ In Windhoek, communal blocks enable land to be affordable even to very low-income residents. By settling at higher densities with infrastructure that is upgraded over time by the community using loan finance, unit costs fall

26. See reference 19.

27. As noted by McAuslan (2002), see reference 8.

dramatically and are far lower than the full cost of services provided by the formal sector. Once the cost of services is repaid, households that are ready will start on housing improvements.

VI. CONCLUSION

THERE ARE THREE general points within the diverse approaches taken that provide lessons for the development community.

- **Community management is critical because secure tenure alone cannot address the needs of the poor.** Each national federation, together with the local communities that are directly involved, has sought to develop projects that are controlled by the community and integrally linked with community-managed savings and loan schemes. There is a symbiotic relationship between such community management and community development more generally. Through involvement in such processes, communities can grow stronger, providing they receive support from the Federation and are in control of the development. Stronger communities assist the land negotiations and construction processes and, in turn, such activities continue to build capacity within community organizations. Access to community finance is critical in advancing community management options.
- **Such community processes need funds to support whatever is most needed in each locality, and this differs greatly from place to place (and over time, as circumstances change).** It is very important for local processes to negotiate support from local governments – both because this allows more to be done and because in the long term, no large-scale solutions are possible without support from local governments. In many places, funds and subsidies can also be negotiated from national government agencies or programmes. Communities need support to develop strategies to obtain whatever can be secured locally and nationally. The importance of the funds provided by the Ruben and Elisabeth Raising Trust was largely around the fact that it provided this kind of support.
- **Existing land development processes need to be modified, in order to increase their appropriateness and affordability for the poor.** Reducing infrastructure standards or permitting incremental improvements are particularly important in enabling serviced land to be affordable for the poor.

The experiences described in this paper emphasize the importance of a statement by a well-known commentator on urban development, Patrick McAuslan. In a recent discussion, he commented: *“I think that the single most important thing to ensure is that the poor have a voice.”*⁽²⁸⁾ These experiences demonstrate what can happen when the poor have a voice and when institutional structures enable them to realize the power of that voice.

28. Lincoln Institute of Land Policy (2002), see reference 14.