

A Legacy of Control? The Capital Subsidy for Housing, and Informal Settlement Intervention in South Africa*

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Introduction

The impact of South Africa's history of socio-political control, amplified by 40 years of conservative National Party rule, is a concern to those attempting to understand the South African urban reality of today. Socio-political control exercised through the state-driven, racially discriminating policy of apartheid, firmly cemented in the South African urban form, has been analysed and implications have been drawn for the present relationship between state, citizenship and space (see Robinson, 1997). It has been acknowledged that it is 'squatting', or uncontrolled land invasion, that seems to 'undermine the apartheid patterning of the city' (*ibid.*: 378; also see Oelofse and Dodson, 1997: 100). However, it is important to note that few land invasions have led to permanent changes in the South African urban form. Firstly, most informal settlements were established adjacent to formal townships (Oelofse and Dodson, 1997: 92). Secondly, informal settlement intervention to date has predominantly been in the form of removals and relocations, defending the segregated spatial patterning of South African towns and cities (see Christopher, 1999: 306). It is relevant, then, to examine how government-funded informal settlement intervention in post 1994 South Africa has perpetuated a legacy of control through a standardized financing mechanism linked to stringent development regulation and to a process of developer-driven implementation.

In the absence of a policy framework for the integration of urban informal settlements, current informal settlement intervention in South Africa is structured through the capital subsidy scheme of the national housing policy. This entitles low-income households to a uniform product, consisting of a standardized serviced plot with freehold tenure and a core housing structure, in a formalized township layout. Through this form of intervention, informally developed settlements are replaced by fully standardized townships on cheap tracts of land (usually involving relocation), thus largely perpetuating the existing structure of the South African city. In this article I show that this approach may be discredited on very basic grounds. I therefore ask how such an inappropriate approach has remained unchallenged. It is here that socio-political control and patronage in the definition and maintenance of informal settlement intervention policy must be examined. My argument is that control and patronage are exercised through the current financial mechanism for informal settlement intervention,

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the once-off product-linked capital subsidy. This intervention framework has shaped not only the formal low-cost environment, but also the informal/illegal environment, which to some extent results from an anticipation of formal intervention. Beyond the physical environment, this framework of standardization has impacted on the socio-political structures of society. Thus the observation that 'it is the type of financing which has ... determined the dominant type of urbanization in African cities' (Okpala, 1994: 1572, with reference to Renaud, 1986) has both social and physical relevance to South Africa. Of equal relevance is the prediction that 'changing the system of financing housing would change the character of cities' (*ibid.*).

In order to discuss informal settlement intervention in South Africa, it is necessary to clarify the South African terminology, which, as I show, is directly tied to the mechanism of intervention. Informal, unauthorized or unplanned urban settlements in South Africa are visually characterized by temporary structures. Indeed, the traditional term 'shantytown' continues to have relevance. However, 'shanties', 'shacks' or informal housing structures exist also in transit camps and on serviced sites. In South Africa there is ambiguity around the term 'informal settlement', as it is associated primarily with the housing structure. It is applied interchangeably to settlements resulting from land invasions, settlements with temporary legal rights (transit areas) and formally planned and laid out sites-and-services schemes. In this article the term 'informal settlement' refers to settlements resulting from unauthorized land invasions. With less ambiguity, these have been referred to as 'squatter settlements'. This term, however, has derogatory connotations, and is used in this article only where it is relevant to reflect these.

Both the temporary nature of houses in informal settlements and the ambiguity in terminology are relevant to the discussion of informal settlement intervention in this article. Both are related to the broader framework of intervention, which is designed around the once-off product-linked capital subsidy. By requiring the eventual replacement of informal settlements with fully standardized layouts and housing units, the capital subsidy framework discourages gradual popular investment in permanent structures. Such construction remains illegal, even after temporary rights to occupation are granted, and is punished by demolition without compensation other than the standardized capital subsidy product, should the household qualify.

This was the case, for instance, in the Weilers Farm informal settlement in southern Johannesburg in 1998, when so-called 'roll-over upgrading' was taking place. Over the 15 years that the settlement had existed prior to a government commitment to a permanent solution on the invaded land, some households, partly assisted by their employers, had invested in permanent houses. A shop owner had invested his personal profits in the permanent construction of a large store, an important amenity due to the relatively isolated location of the settlement. However, with the reshaping of the settlement, necessitated by the layout standards attached to the capital subsidy, all privately-owned permanent structures, including the store, were to be demolished (Huchzermeyer, 1999a:15; 2001c). While the standardized capital subsidy product may seem a just compensation by the state, it is precisely those households with reasonable formal employment or profitable businesses that earn too much to qualify for the full subsidy, as their incomes exceed the R1,500 (US \$147) threshold (see Department of Housing, 1995; 1999).

Such demolition without just compensation would be challenged in countries like Brazil, where a policy shift from removals to upgrading in the 1980s has unleashed intense permanent construction activity (though often precarious) in informal settlements or *favelas* (see, for instance, Sampaio, 1994: 93; Gilbert, 1999¹; Souza, 1999). With pressure from the Movement for Urban Reform (see Souza, 1993), the 1988 Brazilian Constitution recognized the rights of those that have peacefully occupied privately owned land for a period of at least 5 years, introducing '*usucapião*' or adverse possession (Fernandes and Rolnik, 1998). Progressive municipalities in Brazil

1 Gilbert (1999) has noted the slow pace of consolidation in South Africa relative to Latin America.

(such as Belo Horizonte, Recife and Porto Alegre) have recognized permanent structures on occupied land as a legitimate, though inadequate, component of the city. They have incorporated their *favelas* into 'Special Zones of Social Interest', thus removing the threat of eviction and allowing for a legal process of land regularization, and for appropriate regulations, technologies and standards for the introduction of relevant infrastructure and services. Where relocations of individual households are necessitated by the introduction of essential infrastructure, people are rehoused within or in close proximity to the informal settlement (see Fernandes, 1993; Alfonsin, 1997). Even conservative municipalities, such as that of São Paulo from 1992 to 1999, sought solutions on the invaded land — the infamous Cingapura Programme demolished favelas, and provided temporary on-site housing until such time as high-rise flats were constructed on the same land (Prefeitura de São Paulo, 1997).

In this article I argue that the ambiguous South African terminology, which was developed in support of the capital subsidy framework (see Urban Foundation, 1990; 1991), weakens the housing sector's ability to engage with the informal settlement reality and to challenge inappropriate standardization and the associated controls and regulations that necessitate relocation and demolition. I associate this with a particular development paradigm, which encompasses patronage and control to the detriment of the urban poor. This contrasts with the rights- and support-based paradigm that developed in Brazil (Huchzermeyer, 2002a). It contrasts also with the fragile concepts emphasizing human rights and opposing commodification, put forward in South Africa by the civic movement in the 1980s and early 1990s.

The concept of control hardly features in the mainstream international housing-in-developing-countries literature, which largely approaches development from a depoliticized perspective. Turner (1976), in his call for 'dweller control' in the housing process, relied on sophisticated roles for government and decentralized institutions that would enable access to various components of the housing process. However, Turner did not realistically anticipate the political resistance within governments and bureaucracies to relinquishing control over the housing process.

The Turner school of the late 1960s and 1970s is generally referred to as 'liberal' (Nientied and van der Linden, 1988), or by his stronger critic Burgess (1982), as 'bourgeois empirical theory', though also referred to as 'limited anarchy' (Grose, 1979). Turner's approach no doubt had a strong influence over World Bank policy in the early 1970s when the Bank entered the housing arena. However, Turner's ideas were distorted. Firstly, they were collapsed with already existing 'self-help' housing concepts used in the West, which transferred responsibilities for housing, which had traditionally rested with the state, onto the poor themselves (see Harms, 1982). Secondly, the World Bank moulded the self-help approach to its own neoliberal framework, which relied on free markets, individualism and payment by users (rather than state subsidies). World Bank lending required cost recovery. Therefore, if housing products were to be constructed through World Bank loans, they needed to be affordable to the poor (Pugh, 1995). The Bank then entered the housing sector with a twin approach of (1) sites and services to forestall the development of new informal settlements, and (2) slum upgrading to deal with existing inadequate and illegal housing, infrastructure and tenure conditions (Nientied and van der Linden, 1988).

The World Bank has been referred to as a 'trendsetter for development thinking', giving direction to the consultant community, which is largely dependent on funding from the World Bank, as well as the United Nations family, and European Economic Community and United States governments, which all 'largely follow the example of the Bank' (Baken and van der Linden, 1993: 1). However, the Bank's influence over developing country policies has been varied. While by 1990 it had directly participated in the finance of 'some 116 sites and services projects and complementary slum upgrading schemes . . . in some 55 countries' (Pugh, 1995: 36), such projects were often treated as exceptions to the regulatory framework (Menezes, 1995). This realization led to later shifts in World Bank policy, placing the twin approach within a wider policy framework (Pugh, 1995: 67).

A number of recent debates in the international housing-in-the-developing-world literature appear relevant to this article. One has been an interest in the relationship between South African housing policy formation and the policies promoted by the World Bank in other developing countries (see Gilbert, 2000; Jones and Datta, 2000). Another has been a critical evaluation of the slum upgrading approach (Okpala, 1999; Werlin, 1999) primarily from a cost efficiency and management perspective. The third has been an interest in comparing South African housing issues with other middle-income countries, primarily in Latin America (Gilbert *et al.*, 1997; Gilbert and Crankshaw, 1999; Gilbert, 2000). What is missing from the international housing literature is an enquiry into the promotion and adoption of informal settlement upgrading in individual countries through local political processes that have challenged legacies of control.

While the urban poverty debates of the mid-1990s have drawn international attention to a limited number of left-inspired local approaches such as the Orangi Pilot Project in Pakistan, and have presented these as best practices (*Environment and Urbanization*, 1990; 1995), a full account of the political process, and thus the transferability of these approaches, is not provided. Very little acknowledgement is given to the locally inspired advancements made in the improvement of informal settlements in parts of Latin America, particularly Brazil. Reviews have recently been compiled of the ambitious Favela-Bairro intervention programme in Rio de Janeiro (Pamuk and Cavalleiri, 1998; Fiori *et al.*, 2001). However, this literature makes no reference to the progressive Brazilian debate that is sceptical of this approach in comparison to the democratic, participatory, social and legal advancements that have been made since the 1980s with favela upgrading in left-oriented municipalities in Brazil (Fernandes, 1993; Souza, 1993; Maricato, 1994; 1996; Alfonsin, 1997; Pinho, 1999). It should be noted that Favela-Bairro is not mentioned in the comprehensive compilation of successful practices (see Bonduki, 1996) by the progressive Brazilian urban sector in response to the Best Practice initiative of the UNCHS (Habitat) in 1996.

The article begins with a discussion of the current policy dilemma with regards to informal settlement intervention in South Africa. It then considers more broadly the inadequate South African response to this dilemma. By tracing the continuity in informal settlement intervention from the mid-1970s to date, the article highlights the exclusionary socio-political strategies, which are associated with both informal settlement formation and the South African model of informal settlement intervention. The once-off, product-linked, household-based capital subsidy is portrayed as an important component in the institutionalization of this strategy. The nature of informal settlements in South Africa in turn is portrayed as a response to the entrenched system of government intervention through the capital subsidy. In closing, the article puts forward some suggestions on how the informal settlement situation in South Africa might be more suitably addressed.

Current informal settlement intervention: the project-linked capital subsidy

Current housing policy in South Africa contains no specific instruments to address informal settlements. Implicitly, the assumption is that informal settlements will be replaced by standardized housing units with freehold title, delivered through the product-linked household-based capital subsidy to which low-income households are entitled. At the launch of the current housing policy in late 1994, only one subsidy mechanism was operational. This was the 'project-linked' capital subsidy, through which a developer delivers a standardized housing scheme on behalf of individual beneficiaries. Alternative means to accessing state housing subsidies have since been introduced for the individual credit-linked purchase of a completed house (the 'individual' subsidy), for rental and cooperative housing (the 'institutional' subsidy),

for self-help construction on a conventionally delivered serviced site (the 'People's Housing Process') and for the upgrading of migrant worker's hostels. However, of all housing subsidies approved in the first 4 years of the ANC government, 82% have been 'project-linked' (GCIS, 1999). Beneficiaries of these projects have largely been the residents of informal settlements, who have been relocated to new development sites (Huchzermeyer, 2001b).

The People's Housing Process, though developed with direct transfer of experience from the Sri Lankan Million Houses Programme (through staff secondment from UNCHS [Habitat] in the form of Lalith Lankatilleke), operates within the standardized framework of the capital subsidy system. It is therefore limited to community-managed house construction, once informal settlements have been replaced by formally laid out townships. This is in contrast to the responsive framework within which the Million Houses Programme in Sri Lanka has upgraded informal settlements. The Sri Lankan programme provided informal settlement support through three components: 'community action planning' (a form of land regularization); 'community contracts' (construction of collective infrastructure); and the 'people's housing process' (house construction) (Sirivardana and Lankatilleke, 1988). In South Africa, municipalities are not able to implement a people-driven and support-based informal settlement intervention, as the People's Housing Process is the equivalent only of the house construction component of the Million Houses Programme. In the case of the Uitenhage Municipality (a town in the Eastern Cape Province of South Africa), developer-driven mass-delivery of housing is opposed, a town council position that is strongly supported by the Uitenhage branch of the South African National Civic Organization (SANCO) (Huchzermeyer, 2002b). Here, ways were sought to maximize community benefits in the development of informal settlements. As electricity reticulation and connection is the only infrastructure component that is not financed through the capital subsidy, attempts were made at 'community contracting' in the electrification process (*ibid.*).

The main vehicle for informal settlement intervention in South Africa continues to be the 'project-linked' capital subsidy. This takes place through an elaborate, centralized housing delivery framework, designed for the rapid delivery of housing on greenfield sites. Such intervention has required the relocation of informal settlement households, predominantly to vast, peripherally located, standardized dormitory developments.² The dominant approach, then, of the provincial governments, through their Provincial Housing Development Boards (PHDBs), has been to allocate capital subsidies to large developers for the mass delivery of standardized housing schemes on cheap, peripherally-located land.

In response to this bias towards the allocation of housing subsidies for development in peripheral locations, the Gauteng Provincial Government articulated an 'Informal Settlement Upgrading Programme'. The intention was to channel capital subsidies to housing projects on invaded land (Gauteng Provincial Government, 1996), where informal settlements have been afforded temporary or transit status. However, the regulations attached to the 'project-linked' capital subsidy continue to define the intervention product, even if the intervention takes place on the invaded land. Therefore, through so-called 'upgrades', informal settlements are replaced by prescribed housing units in standardized layouts, usually in what is termed a 'roll-over' procedure.

This, then, has been the generally accepted state of the art of informal settlement intervention in South Africa. McCarthy *et al.* (1995: 2, 3), in an influential evaluation of South African low-income housing projects, confirmed this in their statement that 'once an informal settlement has been upgraded in-situ, it does not differ fundamentally from

2 One example is the Delft South housing scheme, part of the 'Integrated Serviced Land Project' (ISLP) in Cape Town. The beneficiaries have been the inhabitants of various informal settlements in and around the townships of Crossroads, Nyanga, Guguletu and Langa, at a distance of 6-10 km from the relocation site (see *Housing in Southern Africa*, 1999).

a settlement where housing has been delivered on an incremental³ basis'. With reference to this approach, the housing minister stated in 1999 that 'we have in the past five years been steadily but surely upgrading the current informal settlements' (Mthembu-Mahanyele, 1999: 8). However, this approach has not reduced the number of households living in informal settlements in any significant way. Instead, aerial photography has suggested a continuous increase in informal settlements in the metropolitan centres.⁴ Further, the chances of impacting on the scale of the informal settlement problem through this approach are steadily reduced by consistent cuts in the national housing budget since 1994 with the first slight increase only in 2002.⁵ It is evident then that the challenge to develop an adequate mechanism for informal settlement intervention in South Africa has not been addressed. Work towards such a mechanism would have to be deeply grounded in the socio-political reality of informal settlements, acknowledging the scale of the problem and the inadequacy of the current financial, legal, organizational and infrastructural framework.

The following section briefly reviews recent responses in South Africa to the current approach to informal settlement intervention. It places the various positions within a socio-political context, in order to explain why a search for more appropriate intervention has not occurred to date. This then accounts to some extent for the maintenance of exclusion from formal housing (as manifested in the persistence of informal settlements) and control (as manifested in the intervention approach) throughout the South African transition and into the second term of the ANC government.

Recent positions on informal settlement intervention in South Africa

The current housing policy in South Africa is largely based on a proposal (see Urban Foundation, 1990) put forward in 1990 by the Urban Foundation, a liberal policy think tank that operated from 1997 to 1994 with funding from business and industry concerned with the adverse effects of apartheid urban policy. According to the 1990 proposal, informal settlement upgrading, as well as the delivery of sites and services, was to be undertaken through a once-off, product-linked capital subsidy. The product was envisaged as a standardized serviced site with freehold title. This subsidy approach was implemented in the early 1990s in the form of sites and services projects through the Urban Foundation-initiated, government funded Independent Development Trust (IDT), and in 1994 was incorporated into the new government's policy. At its closure in late 1994, the Urban Foundation proudly announced its successful influence over the national housing policy formulation:

The highlight of the past year has been the progress made in entrenching the concept of an affordable capital subsidy as a key component of government's housing policy and strategy. The UF [Urban Foundation] has spent six years trying to persuade stakeholders in the low-income field that this route will provide the best option for providing poor households with access to housing opportunities. . . . What is even more pleasing is that acceptance of the capital subsidy approach also means acceptance of home-ownership for low income households. This has been a UF goal from the start and represents a key contribution by the UF to how South Africa will be structured in the future (Urban Foundation, 1994: 3).

3 The term 'incremental' refers to the fact that current housing policy delivers only core- or starter-houses through the once-off capital subsidy. These units are subsequently to be upgraded incrementally by the owner.

4 See, for instance, Abbott and Douglass (1999) for figures of informal settlement growth in Cape Town based on the analysis of aerial photography.

5 The portion of the national budget allocated to housing has declined from around 4.2% in 1994 to 1.6% in 2000 (Ntabazalila, 2000). In February 2002 the housing budget was increased to 2.6% of the national budget (Radebe, 2002).

Later in this article, I explore why the new South African government fully embraced this individualized top-down approach to housing and informal settlement intervention put forward by the private sector, when in fact it was voted into power with a Reconstruction and Development Programme that subscribed to people-driven development (see Tripartite Alliance, 1994).

What is the private sector's position today? At the disbanding of the Urban Foundation early in 1995, the private sector ensured continuity of influence over housing policy-making by creating the National Business Initiative (NBI) (see van Coller, 1995: 40). NBI research has been in support of the capital subsidy approach to informal settlement intervention (see, for instance, McCarthy *et al.*, 1995). More recently, however, an awareness of some of the shortcomings of this approach has emerged within the private sector, particularly around the relevance of freehold titles for the poorest sector of society. Tomlinson's research on perceptions of the housing policy has ironically exposed that the banking sector now criticizes government for 'adopting a policy that insists that the majority of the homeless own their homes' (Tomlinson, 1997: 15). It appears, then, that the private sector is beginning to distance itself from the 1990 proposal articulated and promoted through the Urban Foundation, and indeed from its blanket promotion of home ownership, which goes back to the formation of the Urban Foundation in 1976. In 1997, the Urban Foundation chairman had argued that 'the absence of meaningful provision for home ownership in our Black urban townships plays a significant part in the instability and insecurity so prevalent in these areas' (*Argus*, 6 April 1977, reproduced in Ellis *et al.*, 1977: 77).

National government likewise is aware of some of the problems associated with the project-linked capital subsidy approach. The Housing Minister has indicated that 'in the pipeline are plans to implement a differential approach to meet the specific needs of the poor' (Mthembu-Mahanyele, 1999: 8). In another statement, the Housing Minister has observed that: 'Where people have developed innovative approaches and solutions, there is an opportunity for us to work with them' (quoted in Macleod, 1999: 37). These statements, however, are inserted in between commitments to reinforce the existing subsidy mechanisms, and to maintain 'a hard line on land invasions' (*ibid.*).

It is important to note that government is open to adjusting and refining its policy. In response to political pressure from mainly the labour movement, government is currently piloting an approach to subsidized rental housing (the 'Presidential Jobs Summit Pilot Project on Housing') that is significantly different from the Urban Foundation-inspired concept of a once-off product-linked capital subsidy (Huchzermeyer, 2001b). However, no organized political pressure exists for a change in informal settlement intervention. Nor has any particular alternative approach been developed and promoted. Various technological advancements that have been made by academic disciplines⁶ towards *in situ* upgrading of informal layouts with minimal disruption have been isolated from one another, and have not recognized the capital subsidy as a fundamental obstacle.

Informal settlement community groups themselves have not mobilized to challenge the rigid capital subsidy approach once this is within their reach. In case studies on informal settlements undergoing so-called 'upgrading' in late 1998 through the project-linked capital subsidy, my finding was that organized informal settlement communities were cooperating in the implementation of capital subsidy projects, even though these required the complete remodelling of well-functioning settlement layouts and the demolition of all housing structures. This cooperation was despite disapproval, voiced by community representatives, of the standardization and associated spatial prescriptions imposed through the subsidy mechanism. It appeared, then, that the general cooperation by communities resulted from the endeavour, by each individual household, to secure the biggest possible household-based asset through its capital

6 Such as the disciplines of Geomatics and Civil Engineering, with a particular interest in the contributions of remote sensing and Geographic Information Systems (GIS). See, for instance, Abbott *et al.* (2001).

subsidy entitlement (Huchzermeyer, 1999a). This exposes the degree to which the mechanism of a once-off product-linked capital subsidy promotes individualized demand-making rather than a rational and holistic engagement with community development. It is the handing out of a standardized, predetermined individual asset that renders powerless those community leaders who do seek to challenge the disruptive and prescriptive aspects of the standardized intervention. In this sense, the Urban Foundation has indeed succeeded in shaping (or 'structuring') the future South African society.

Individualization has also been identified as a problem in informal settlement intervention elsewhere. In Brazil, even with in-situ upgrading that does not involve the relocation of residents, individualization (though not standardized) through the granting of individual land ownership is experienced as an obstacle to rational engagement, by the residents, with community development. With reference to upgrading of *favelas* in Belo Horizonte through PROFAVELA or the 'Favela Programme', Pinho (1999: 3) notes that: 'Often, once the inhabitants of favelas had become the legal owners of their plots, they would oppose public initiatives to introduce urban infrastructure, roads and public space, because this always required adjustments to property boundaries, thus reducing the size of their individual plots'. In other parts of Brazil, options to individual ownership, such as rights to occupation and use of land, have been explored within *favela* intervention (Fernandes, 2001).

In South Africa, awareness of the Urban Foundation's agenda of promoting individualism (through home ownership), and opposition to the commodification of land and housing entailed in the Urban Foundation policy proposal, has been based primarily in the civic movement in the 1980s and early 1990s. The development approach of the civic movement in the late 1980s was diametrically opposed to that of the Urban Foundation. It viewed basic needs commodities, including land and housing, as a basic human right, thus promoting their decommodification (Mayekiso, 1996: 155, 165), and in informal settlements the civic movement intervened to eradicate any form of private tenure (exploitative shack-lordism), promoting instead free and equal access to land. Cross (1994: 187) refers to 'a powerful social movement against the practice of paying rent for access to land'.

In the early 1990s, at the time of the National Housing Forum⁷ negotiations, the civic movement, through its largest umbrella body, the South African National Civic Organization (SANCO), made attempts at opposing the Urban Foundation concept. The polarization between SANCO and the IDT/Urban Foundation representatives was portrayed in the media, and is reflected in two books: Nuttall (1997) written by the IDT's Communications Director; and Mayekiso (1996) written by a SANCO activist from Alexandra township, Johannesburg. From these two sources it is evident that the civic movement was aggressively portrayed by the Urban Foundation and IDT as self-seeking, power-hungry, disruptive and naïve (see Nuttall, 1997: 170, 171), whereas in fact there was considerable intellectual sophistication and commitment within the civic movement (see Mayekiso, 1996). The greatest threat to the IDT, or 'intrusion into IDT affairs' (Nuttall, 1997: 170), was SANCO's call for the democratization of housing finance, SANCO putting forward a proposal for the blending of government and private sector funds into a housing bank, to enable long-term access to housing finance, as opposed to the once-off capital subsidy. I return later in this article to the fact that many of SANCO's concepts, including housing banks, and the right to housing, were incorporated into the ANC's Reconstruction and Development Programme (see Tripartite Alliance, 1994; also discussed in Huchzermeyer, 2001b).

The Urban Foundation and IDT representatives were not able or willing to respond to the ideological challenges presented by the civic movement. They dismissed SANCO's position as '[t]rue to socialist principles', and its campaign for the right to housing as

7 The National Housing Forum was set up in 1992 for the negotiation of the future housing policy and framework. Represented were business, development agencies, organized labour and community, and political parties.

'laudable' but 'unrealistic' (Nuttall, 1997: 168). Though not directly referring to SANCO, Smith (1992: 317) notes that the National Housing Forum negotiations were being disproportionately influenced by 'powerful vested interests', through agencies such as the Urban Foundation, with the result that 'major challenges to existing property ownership' and to 'predominantly private sector solutions' were being precluded.

To date, dismissal of the civic movement has remained common among influential academics/practitioners positioned within or close to the Urban Foundation paradigm. Influential research reports have stated that civic organizations 'pursue their interests in a way which disadvantages beneficiaries' unless sanctioned or given an incentive to act to the contrary (Tomlinson, 1996: 51). Associated is the statement that 'communication between residents and the state is impeded by the existence of civic groups which seek to act as intermediaries between them and the state' (Tomlinson *et al.*, 1995: 57). The common recommendation, then, has been the reduction of powers of civic organizations in the development process — 'Essentially civics need to withdraw from the managerial and financial aspects of the development process' (McCarthy *et al.*, 1995: 69). Instead, a direct relationship between the individual and the state is advocated — 'a shift in power ... from local political organizations towards individual residents who are beneficiaries of development' (Hindson and McCarthy, 1994: 28). By institutionalizing the household-based capital subsidy entitlement through the national housing policy, the new government policy is in line with this recommendation.

In my extensive review of informal settlement literature of the 1990s in South Africa (Huchzermeyer 2001a), I identified a particular paradigm within which the authors quoted operate, and which is an extension of the Urban Foundation thinking of the early 1990s. I therefore refer to it as the Urban Foundation paradigm. With regards to informal settlement intervention, this paradigm is based on four fundamental misconceptions: (1) that informal settlement intervention is simply a form of housing delivery; (2) that the role of community organizations is to be dismissed; (3) that support for individual land ownership can be based on market assumptions; and (4) that the stakes of the private sector should be increased (*ibid.*). Each of these concepts is contradicted by a large body of South African academic literature. It gives evidence that informal settlement intervention cannot be adequately structured merely as housing and service delivery (Merrifield *et al.*, 1993; van Horen, 1996; 1999; Davies and Fourie, 1998; Cross, 1999); that the current intervention approach weakens community organizations and their ability to play a role in the ongoing development and management of settlements (Ardington, 1992: 33; Bremner, 1994: 40; Cross *et al.*, 1994: 95–6); that the delivery of freehold titles is not necessarily appropriate in the lowest income sector (Ross, 1993; Dewar and Wolmarans, 1994; Cross, 1995); that individualization and commodification has a negative impact on the livelihoods of informal settlement residents (Cross, 1999; Spiegel, 1999; Yose, 1999).

However, this literature has not led to the articulation of a clear alternative.⁸ Nor did it directly support the civic movement in its quest for the decommodification of land. This is significantly different from, for instance, the progressive informal settlement literature in Brazil, which has presented, strongly supported and furthered the position of the favela movement, within the frameworks of a joint intellectual and grassroots movement for urban reform (see Alves, 1989; Fernandes, 1993; Souza, 1993; Maricato, 1994; 1996; Alfonsin, 1997; see also Huchzermeyer, 2002a). In South Africa, in this context of very limited progressive academic and intellectual support, and increasing pressures to comply with the general policy shifts within the tripartite alliance (from the Reconstruction and Development Programme to neoliberal macroeconomic policy — see Bond, 2000), the South African National Civic Organization (SANCO) has, since 1994, abandoned its demand for decommodification of basic needs commodities. In line with the individualism that the Urban Foundation was promoting, SANCO has ventured into Investment Holdings, has concerned itself with harnessing individual members'

8 Alternatives that have been put forward in the South African housing literature, e.g. Bond and Tait (1997), do not address government intervention in informal settlements.

consumer power, and even partnered with the British firm Biwater in bidding for the privatization of water supplies in the town of Nelspruit, Mpumalanga Province⁹ (Seekings, 1997: 19). SANCO no longer contests the individualized and privatized nature of the development paradigm, nor does it engage with the building and conscientization of grassroots leadership or civic organizations.

Regarding informal settlements in particular, SANCO's national structure currently does not support the illegal invasion of land. Local civic organizations in informal settlements, even if affiliated to SANCO, as in the case of Weiler's Farm in southern Johannesburg, largely seek to attract development in functional isolation from the regional and national civic structures (Bangisa, 1998). There is, then, no effective network that links civic organizations across informal settlements and allows for a collective search and lobbying for an appropriate development model.

A separate form of community organization found in many informal settlements is the active savings groups of the Homeless People's Federation. Through an effective national network of mutual learning, the Homeless People's Federation (with its supporting NGO People's Dialogue) has developed a community-managed approach to house construction (Bolnick, 1996). However, such house construction has tended to take place on formalized land. While the Federation has developed creative means of accessing the capital subsidy (through a rotating fund to which members contribute daily savings), it has not overcome the limitations of the once-off product-linked capital subsidy of which People's Dialogue is acutely aware (see People's Dialogue, 1997a). Much Federation energy goes into securing the largest possible house obtainable within the capital subsidy constraints. My interviews for the very complex and conflict-ridden case study of the Piesangriver settlement, Durban (Huchzermeyer, 1999a), indicated that the Federation was openly competing with various developers (and the NGO Habitat for Humanity, although its loans at the time were not recoverable from the capital subsidy), in delivering the largest houses within the capital subsidy constraints. Maximum square meterage of the individual house had become the single most important aspiration, overriding aspects such as thermal qualities, durability, water and sanitation, spatial quality and responses to individual household needs. The complex question of informal/illegal settlement intervention (spanning legal, regulatory, technological and socio-political dimensions) has not been tackled by the Homeless People's Federation/People's Dialogue alliance (Huchzermeyer, 1999a; 1999b; see also Baumann and Bolnick, 2001).

The argument in this article is that the entitlement, by the poor, to a once-off product-linked capital subsidy is a powerful instrument of socio-political control. Popular awareness of this individual entitlement leads directly to a demand for standardized delivery, leaving no space for collective reflection on the appropriateness of the individualized product. In the case of the Kanana settlement in Sebokeng south of Johannesburg, a community that was content with its relatively regular plot sizes that resulted from a planned invasion at the time of the 1994 elections, was alerted by the project engineers to the fact that their stands were not all 300 square metres, the maximum plot size to which they were entitled through the capital subsidy. This led to the demand, from a strong fraction of the community, to standardize the entire settlement and relocate a number of households that could not be accommodated within the de-densified and standardized settlement. Furthermore, permanently constructed houses, that did not fit the new standardized boundaries, were to be demolished (Huchzermeyer, 2002b; see also People's Dialogue, 1997b). Rigid standardization, poor location and the once-off nature of the capital subsidy intervention are aspects that should be opposed by community groups and their representatives, particularly in the context of ongoing poverty or unemployment, and in the absence of adequate credit

9 The outbreak of cholera in South African informal settlements and other low-income areas in late 2000 is linked to the increasing privatisation of formerly municipal water supply, and the cut-off of supplies for households that have not been in a position to pay the bills. Such households have turned to contaminated rivers for their water supplies (see *Mail and Guardian*, 15 March 2001).

mechanisms to enable individual households to construct and invest according to their own needs. Costly and time-consuming bureaucratic procedures involved in the remodelling of informal settlements into fully individualized and standardized townships under freehold titles should be questioned in relation to the potential capacity that could be built within community organizations for the ongoing management of legalized informal settlements.

Across the board, then, awareness of the individual and collective societal implications of the capital subsidy framework is low. As mentioned above, the Urban Foundation, with its influential papers around 1990 (see Urban Foundation, 1990; 1991), equipped the South African housing sector with a set of terminology and concepts that does not allow a critical understanding of the informal settlement situation. Ambiguity in the term 'informal settlement' (related primarily to 'shacks', be they in illegal settlements, in transit camps or on serviced sites) has led to ambiguous statistics. For instance, the 1996 census data, used to support housing budget allocations to provinces, is structured according to this limited terminology. By blurring the boundaries between 'squatter settlements' and informal houses on serviced sites, the census gives no conclusive information on the scale or distribution of illegal or informal land occupation in South Africa. This South African terminology has also not allowed an adequate engagement with the question of intervention. By focusing attention on the inadequacy of the house (the 'shack', to be replaced by the capital subsidy product), the terminology has distracted from the complex legal, organizational and infrastructural challenges of what is termed 'land regularization' and 'upgrading' in other countries (see, for instance, Fernandes and Varley, 1998).

How deliberate is this evasive treatment of the informal settlement situation in South Africa? While many practitioners that have operated within the Urban Foundation paradigm, and more generally serving the neoliberal agenda, might have been/are possibly unaware of the broader social project to which they are contributing, it is the Urban Foundation itself that has made explicit its agenda of societal influence, namely, to structure the future South Africa (see Urban Foundation, 1994: 3, as quoted above). Its promotion of freehold titles was clearly associated with a wish to demobilize or stabilize the urban work force and to encourage consumerism. As is evident from the South African informal settlement literature (referred to above) that contradicts the Urban Foundation paradigm, demobilization, in other words the undermining of community organizations' roles in development, and the encouragement of consumerism have negative impacts on poverty, benefiting at most the already established formal private sector. Underlining this point from a sociological perspective, Seidman (1990: 135) in her comparison of labour and community movement in Brazil and South Africa states that industrialists' investment in social advance, through the Urban Foundation, was in 'enlightened self-interest'.

The article now turns to those factors that led to the incorporation of this business agenda into a centralized government approach to informal settlement intervention. The question remains to what extent the business sector exercised patronage over the incoming government by presenting a flawed approach to solving the informal settlement situation, and to what extent the incoming government itself recognized the political gain to be made from the paternalist and demobilizing aspects of the standardized product-linked capital subsidy approach.

Continuity of control through informal settlement intervention since the mid-1970s

Reform of the urbanization policy in South Africa in the mid-1980s reflected shifts in the treatment of urban informal settlements that the National Party government had signalled since the mid-1970s. In Cape Town in particular, with the distance of 900 km to the nearest rural reserves or 'bantustans' to which the majority of the African

population was officially restricted, informal settlements or 'squatting' had remained a visible component of the city throughout the 1960s and 1970s. The persistence of these settlements, despite repeated repressive intervention by the state (see Ellis *et al.*, 1977), led to a gradual acceptance by the National Party government that these people had nowhere else to go (Huchzermeyer, 1999b: 93). This led to selective concessions, and the (re)introduction of approaches that to date form a central part of the informal settlement intervention repertoire: the selective freeze of informal settlements, the tightening of control, the granting of transit or emergency camp status, and the plans for orderly (segregated) and individualized urban relocation (*ibid.*).

These measures were not new to South Africa. As early as 1947, the Moroka Emergency Camp had been established south-west of Johannesburg (see Stadler, 1979: 101; Parnell and Hart, 1999: 375), in an attempt to gain control over the autonomous squatter movements that had emerged in Johannesburg (Stadler, 1979). In Cape Town, the Nyanga Transit Camp operated from the early 1950s (see Awotona *et al.*, 1995: 2–5). Residents were screened as to their legality, and prosecution or repatriation to rural reserves was applied to those without legal urban rights. Those with urban rights were subjected to strict controls in the transit camps. Parnell and Hart (1999: 375) note that 'some 30 pages of regulations governed all aspects of living in the [Moroka] camp', including a 'prohibition of public gatherings', and the enforcement of rentals. The temporary tenure rights afforded through transit camps, though implying temporary freedom from eviction, were based entirely on the government's desire to gain control over autonomous groupings.

The swing to the political far right in 1948 resulted in ruthless control over the urbanization process through tightened pass laws. Thus the reintroduction of an urban transit camp in 1976 (the Crossroads emergency camp in Cape Town), after a prolonged legal battle (Howe, 1982; Cole, 1986), could to some extent be viewed as a liberal and humanist intervention. For the first time, black urbanites with no legal urban status were temporarily permitted to reside in an urban area. However, as in the 1940s, this transit camp was associated with tight control and the desire to break grassroots autonomy.

It may be noted that, with the government's differential treatment of the black and 'coloured' 'races', the concept of transitional rights to informal occupation was introduced for all 'coloured squatters' in 1974, when a coloured informal settlement freeze was applied across the country. Shacks occupied by coloured households were numbered and registered for formal housing allocation, whereas any new shacks were demolished (Howe, 1982). Not surprisingly, the 1974 cut-off date lost legitimacy, as coloured and African housing need, particularly in Cape Town, led to continued land invasion.

Temporary occupational rights, then, have always been part of a greater plan of orderly relocation, be this repatriation to rural areas (as at the height of apartheid) or relocation to segregated urban residential areas. Thus, temporary rights have been granted to ensure conformity with government's vision of urban order. With the gradual reintroduction of black residential development (and home ownership) in urban areas in the early 1980s, the shift in political strategy to maintain minority privilege in urban areas was from exclusion to patronage (see Huchzermeyer, 2002a). Transit camps (or temporary rights to land) may be seen as a component in this strategy. In the case of the Crossroads transit camp in Cape Town (established in 1976) it was only in 1979 that government admitted to its plans to allow for orderly settling of 'black squatters', many of them illegal migrants to the city (see Harrison, 1992: 17). The planned development was the monstrously engineered and segregated Khayelitsha, located in the most inhospitable of Cape Town's sandblasted outskirts, and today inhabited by close on a million people (see Awotona, *et al.*, 1995). The bloody confrontation that ensued in the early and mid-1980s with the attempted forced removal of the Crossroads transit camp population to a newly established transit camp at Khayelitsha (Site C) is well documented (see Cole, 1986). This incident demonstrated the extent to which the National Party government used its housing plans and resources in the co-optation of community leadership, towards its end of political control (*ibid.*).

In the 1970s, in the wake of township unrest and associated instability in labour, the influential business sector in South Africa began to distance itself from the apartheid regime. Business increasingly opposed the repressive apartheid policies with its own liberal idea of 'integrating an urban industrial labour force into capitalist South Africa', which better served business interests, as it promised a demobilization and stabilization of labour (Seidman, 1994: 243). As from 1976, the private sector-funded Urban Foundation explicitly promoted permanent urban rights for the African population, and in particular urban homeownership.

A significant development in the mid-1980s was the emergence of a new form of development NGO, on demand by the civic movement. These NGOs included Development Action Group (DAG) in Cape Town, the Built Environment Support Group (BESG) in Durban and Planact in Johannesburg, all later grouped under the Urban Sector Network. The initially radical role that these NGOs played in direct support of the civic movement's agenda, in opposition to the state, later gave way to a facilitating role in individualized government-subsidized projects (Abbott, 1996). By 1986, government had replaced its policy of 'influx control' with the liberal concept of 'orderly urbanization'.¹⁰ This, then, allowed for 'controlled squatting' on designated land, with the 'upgrading' of invaded land or the 'orderly development' of uninhabited land (Cooper *et al.*, 1987: 342). 'Homeownership' and 'realistic standards' were to apply to the orderly development (*ibid.*). The lowering of standards then allowed for large-scale delivery of sites and services schemes for the orderly relocation of 'squatters'.

It has been pointed out that this policy simply represented a shift to more subtle forms of control over the urbanization process (Budlender, 1990: 74; Lemon and Cook, 1994: 333). This control was (and continues to be) reflected in the prolonged struggles of numerous organized informal settlement communities for permanent rights to invaded land, and against removal to poorly located relocation sites. For instance, in the case of the Weilers Farm informal settlement south of Johannesburg, which emerged in the early 1980s, emergency camp status was granted in 1987, and only in 1995 (after 15 years of uncertainty!) were government plans for relocation abandoned and the 'roll-over' upgrading intervention through the project-linked capital subsidy scheme approved in principle (see Department of Development Planning and Environment, 1995). Implementation began only in 1998, and is still underway in 2001 (Huchzermeyer, 1999a; 2001c).

In the context of the Orderly Urbanization policy, continued community protest against apartheid policies, and the wider attempt by the National Party government to win over a proportion of the black population through the 'reform' of apartheid, the Urban Foundation presented its concept for a national housing policy in 1990, a central theme being the once-off product-linked capital subsidy (see Urban Foundation, 1990). The convenience of the Urban Foundation concepts to the National Party government became evident in the same year, the Foundation's chairperson being consulted by government on a programme for socio-economic upliftment. Within a matter of days, the Urban Foundation chair was equipped with a R2,000 million¹¹ government grant, and tasked with implementing his proposal through an 'Independent' Development Trust (IDT) (see Nuttall, 1997). The National Party government hoped that cooperation from communities was more likely to be achieved through a body that was seen to be distanced from government itself.

In the context of a complex and disjointed system of housing delivery, the IDT was seen as an instrument that could to some extent streamline delivery to the disadvantaged sector of society¹² — 100,000 households were to benefit from capital subsidy products

10 See 1986 White Paper on Urbanization and the 1986 Abolition of Influx Control Act with its amendments to the Prevention of Illegal Squatting Act in Cooper *et al.* (1987).

11 In 1990, R100 was equivalent to US \$38.6 (currently US \$9.80). It may be noted that the State President added a third billion to this amount, but this was spent by government directly and was not administered by the trust (Nuttall, 1997: 11).

12 Qualifying criteria for beneficiaries were first-time home ownership, income under R1000, age of household head above 21, and dependants forming part of the household (Huchzermeyer, 1999b: 126).

to the cost of R7,500 (i.e. standardized serviced sites in urban areas) (Huchzermeyer, 1999b: 126). Despite a rhetoric of spatially integrating development, the IDT sites and services schemes were poorly located on the urban periphery (as admitted by the IDT, see Nuttall, 1997:142). The IDT openly subscribed to 'people-centred' development, though meaning projects were driven by developers, and communities were merely facilitating. Nuttall (1997: 207) goes to great lengths to point out that this approach differed significantly from 'people-driven' development, as envisaged in a democratic sense by the ANC's Reconstruction and Development Programme, which the IDT viewed as unrealistic.

Where IDT development took place on invaded land (as in the cases of Bester's Camp in Durban, Soweto-on-Sea in Port Elizabeth and Phola Park on the East Rand), the intervention product and process were dictated, giving no space to grassroots priorities. Problematic implications of this intervention approach have been analysed academically, particularly the conflictual position in which it places community representatives who are expected to facilitate a standardized development that does not meet individual and collective priorities and needs (see, for instance, Bremner, 1994; van Horen, 1996; 1999). However, as mentioned above, no clear alternative was/has been developed. Instead, a strong school of professional thinking on informal settlement intervention was shaped through the IDT consultancies, i.e. through the management and implementation of standardized capital subsidy projects. The future of these product-oriented professionals depended on the perpetuation of the Urban Foundation-inspired approach, which spelt out clear and well remunerated roles for development consultants. A powerful professional lobby thus argued in favour of the project-linked capital subsidy approach in the National Housing Forum from 1992 to 1994, and has continued to have a strong influence over capital subsidy projects (see Jones and Datta, 2000). The IDT also promoted the product-linked capital subsidy in the National Housing Forum:

It was clearly necessary for the IDT to proceed with influencing the development of a national policy which gave content to the thinking and values incorporated in the trust's own approach. By April [1992] ... [the IDT] had drawn up a strategy for doing just this — through the recently formed National Housing Forum (Nuttall, 1997: 107).

As mentioned above, the demand of the civic movement (via SANCO) in the National Housing Forum was for 'people-driven' development, for a fundamental right to housing (rather than serviced sites) and for the democratization of housing finance (i.e. the democratization of organizations such as the IDT) (see Mayekiso and Hanlon, 1994; Mayekiso, 1996). While these demands were dismissed by the development consultants and private sector representatives dominating the National Housing Forum, they were heeded by the ANC-SACP-COSATU¹³ alliance in the simultaneous formulation of the Reconstruction and Development Programme (RDP) (see Tripartite Alliance, 1994).

However, important aspects of the Urban Foundation proposal for a national housing policy (promoted through continuity from the IDT, through the National Housing Forum and, after national elections in 1994, the National Housing Board), coincided with the ANC's interpretation of democracy. Firstly, the ANC had a centralized vision for the state, and while softening this stance during the 1990 to 1994 negotiations, it continued to view centralization as essential to the amelioration of apartheid-induced inequalities (Cameron, 1996: 20). A strongly centralized housing policy orchestrating efficient delivery was therefore considered appropriate. Secondly, the concept of a civil right to housing (though dismissed by the IDT) could be considered compatible with the concept of a universal entitlement to a once-off capital subsidy. The amount of the individual subsidy could be increased to allow not only for a serviced site but also for a minimal 'top-structure' reflecting the image of a

13 African National Congress, South African Communist Party, Congress of South African Trade Unions.

township house. The concept of a once-off product-linked capital subsidy then supported the ANC-SACP-COSATU alliance's election pledge to deliver one million houses within the first five years of government (Tripartite Alliance, 1994). Indeed, then, the political gain to be made out of the Urban Foundation proposal overshadowed key contradictions. The project-linked capital subsidy framework, designed for the implementation of orderly urbanization, could not begin to redress inequality in access to well-located land, nor could it redress inequality in control over the development process.

Informal settlements, in their formation, have responded to the continuities and subtle shifts in control that I have spelt out in this section. The scope of this article does not allow for an engagement with the diversity of informal settlements that therefore exists in South Africa today, or the diversity of those that have been demolished in the past. However, it is important to highlight the continuity in temporary buildings (shacks or shanties). The entitlement to a product-linked capital subsidy, and the anticipation of an orderly, standardized intervention, continues to encourage households to postpone consolidation or household investments in permanent construction. It artificially divides what might otherwise be a gradual transition from that which is popularly perceived as informal or even 'rural' (though within the city)¹⁴ and what is perceived as modern or 'urban'. This common dichotomy (see Spiegel, 1999), has been blurred by recent planned invasions in which the orderly capital subsidy intervention has consciously been anticipated. The Kanana invasion in Sebokeng, south of Johannesburg, was found (when seen by engineers on an aerial photograph) to resemble a formally laid out township (Welchman, 1999, documented in Huchzermeyer, 1999a; 2002a). The adjacent invasion of Agrenette Hills, a post-1994 invasion organized by women of the Homeless People's Federation,¹⁵ is complete with regular 300 square metre plots and obligatory ring road, as per conventional engineer-designed capital subsidy layouts!

However, even the Homeless People's Federation members, though eager and capable of house construction via their savings and credit mechanism, have learnt from disappointing experience that permanent construction must await formal government approval and intervention, which may take several years, if not decades. Prolonged uncertainty continues to perpetuate a transitional lifestyle, which erodes rather than consolidates scarce household resources. Nevertheless, the nature of such recent invasions reflects popular confidence in the entitlement to a standardized product. Indeed, by the year 2000, after six years in office, the ANC government had achieved its goal of delivering one million houses (originally aimed for its first 5-year term) (Scheepers, 2001). However, the government's commitment to realizing the entitlement to the capital subsidy is waning with cuts in the annual budgetary allocations for housing. Thus, the realization of this entitlement is increasingly less realistic and therefore deceiving. The confident (though deceived) invasions anticipating a capital subsidy intervention, i.e. the imposition of a standardized product, contrast with those that anticipate repressive measures. The latter resemble the informal settlements of the 1940s, when '[t]he closely knitted camps and the considerable authority of the leaders served to increase the autonomy of the squatter committees' (Stadler, 1979: 94). The entire range of informal settlement strategies, their particular response to forms of patronage and control, and their resultant physical form, have yet to be understood, as a basis for the development of an appropriate range of informal settlement intervention in South Africa. The article therefore concludes only with initial suggestions for such intervention, relating these to international debates in this field.

14 Spiegel (1999) discusses this perceived formal-informal divide through the example of the Marconi Beam informal settlement in Cape Town and its standardized (orderly) relocation site.

15 The Agrenette Hills invasion was not supported by the Homeless People's Federation's NGO, People's Dialogue.

Redefining control: suggestions for informal settlement intervention in South Africa

The search for appropriate intervention in informal settlements in South Africa should involve a critical engagement with international debates. Primarily, the search should be based on understanding of political processes in South Africa, and their comparison with processes in countries that have relatively similar challenges, such as Brazil. Rather than the adoption of ready-made solutions through the body of international consultants, South Africa's search could be informed by the political process of *favela* intervention in Brazil. A starting point for the redefinition of informal settlement intervention will lie in a general recognition of the inadequacy of the concepts and terminology with which the Urban Foundation equipped the South African housing sector in the early 1990s. I have indicated that the banking sector's confidence in the Urban Foundation concepts appears to be waning. The housing ministry in turn is ambiguously shifting between intentions of policy change and continuity. The Brazilian experience indicates that with this dilemma of the decision-making elite, a clear shift to a more just handling of the informal settlement situation is likely only with organized political pressure from a constituency that has the informal settlement experience at heart. Required are networking between organized informal settlement communities, collective analysis of the informal settlement situation, popular formulation of intervention strategies and the clear articulation of demands in the formal process of policy-making. In these areas there is a need for progressive intellectual and academic support.

It is important within South Africa to propagate awareness of the concept of social justice, which has driven the progressive *favela* intervention approaches in Brazil. Smith (1999), applying this concept to the current South African development challenge, stresses the need to shift from liberal individualization towards collective solidarity. In Brazil, political decentralization allowed this framework to be insititutionalized in progressively led municipalities. In South Africa, some centralized control over the settlement intervention would have to be relinquished and decision-making over the application of government resources devolved. Subsidization will have to be structured through a more responsive mechanism than the capital subsidy, allowing for collective decision-making or control over investments in shared infrastructure and space, while ensuring a measure of equity in the support assigned to the individual household. At the same time, decision-making over invaded land must be fast-tracked, to avoid prolonged transit camp status and the uncertainties this entails.

The perpetuation of the orderly segregated city in South Africa through current capital subsidy projects, as well as through middle-class suburban expansions, is losing legitimacy even among the elite. While informal settlements only gradually emerge on the segregated urban horizons of the middle and upper class, it is the rate of crime in dormitory suburbs, irrespective of class, that has eroded the false sense of security and order which these developments portrayed throughout exclusionary political control by the National Party government. The urban crisis in South Africa today (as reflected in the 1999 election campaigns) is presented as one of lack of control (manifested in crime), rather than one caused by inappropriate control and exclusion. If the production of urban areas in South Africa were to be driven not by visions of orderliness and control, but by visions of social justice, South Africa's greatest investment currently would be in allowing the poor access to well-located land, which may support non-criminal livelihoods. This would be paralleled by development approaches that nurture democratic leadership and accountability among community and civic organizations, enabling them to realize their own goals and priorities.

It is the Homeless People's Federation, with its supporting NGO People's Dialogue, that has gone a long way to demonstrate to the South African government and the private sector the extent to which poor communities are capable of leadership, accountability, vision and, indeed, action in the area of housing. It is the gradual

government trust in those demonstrating an ability to organize and manage development (reflected in policy concessions to the Homeless People's Federation), and therefore government's gradual trust in alternatives, that needs to be extended beyond house construction to the handling of the other aspects of informal settlement intervention. In order to achieve this, the capital subsidy framework must be reviewed.

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