Can NGOs Make a Difference?

The Challenge of Development Alternatives

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Development as Reform and Counter-reform: Paths Travelled by Slum/Shack Dwellers International

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Context

There is now a general consensus that the two major challenges facing humanity in the twenty-first century are climate change and the urbanization of poverty. Both present very real threats to modernity, this remarkable epoch in which humanity has entered into a Faust-like pact in which it has traded its future for the sensational magic triggered by the unleashing of the energy that has been stored for billions of years in the earth's carbon deposits. The attendant growth of the human population and the rampant consumerism of a grossly unequal and exploitative global socio-economic order have created conditions for a very grim tomorrow.

But it is not the magnitude of these problems that is the most disturbing feature. It is clearly recognized that humanity has the resources, technology, knowledge and instruments of regulation to reverse global warming and to eradicate landlessness and homelessness in our cities and our towns. Why, then, would nobody of sane mind bet their worldly possessions on a resolution of either?

The slightly shorter odds would probably be on sorting out the problems relating to climate change. This is because it is only a matter of time before the elites of the global order will no longer be able to shield themselves from the consequences of their environmentally destructive consumer habits. As soon as the elites recognize that they themselves are at risk they will apply resources, technology, knowledge and instruments of regulation to address the problem. When it comes to fighting global warming, we are becoming aware of the fact that we are all at risk and that all of us have the capacity to be positive actors in the struggle against its spiralling effects.

The situation is distinct for the case of poverty and its consequences, which only directly affects the poor and the homeless in ways that either threaten or dramatically impede their lives. When the poor threaten to impose themselves on the rich, through illegal migration most recently, then there are increased efforts to 'barricade' the doors of the wealthy nations and/or communities. However, in spite of rising levels of criminality and the occasional health risk in our cities, the rich and the powerful are by the very nature of their material privilege almost completely screened from the misery of the poor. Indeed, on the one hand, they are increasingly secluded within gated communities whilst, on the other, there are continuing attempts to beautify city centres and ensure that middle-class interests dominate in public spaces (Bromley, 2000). The problem in building the bases for poverty eradication is that we are not all subjectively affected by poverty. What is worse, those who *are* subjectively affected, and therefore have the material motivation and the will to address the enormous challenge, do not have control over the resources, technologies, knowledge and instruments of regulation required to eradicate it.

All along the development continuum the tools for transformation are in the hands of individuals, social classes and groupings who use them badly precisely because as a collective critical mass they are inured to the consequences of their ineffectiveness. This contribution discusses one attempt to build a new alliance between social movements and NGOs to address recognized failures in poverty-reduction strategies. This process has, in a period of twenty years, grown from a single initiative to a transnational network with fifteen affiliates and a number of relationships with other interested organizations. This network seeks to establish new, more creative and more effective partnerships between the urban poor and professionals that facilitate a process by which the poor take control of poverty-reduction efforts.

A History of Development in Five Paragraphs

Different methodologies for the disbursement of foreign aid have evolved over time, and today more dated systems operate side by side with more recent strategies. Whilst traditional bilateral aid arrangements continue, official development assistance agencies have introduced increased numbers of decentralized aid programmes to support NGOs, civil societies and local government. These programmes have engaged NGOs in both North and South to develop and extend their own poverty-reduction programmes. In part, this diversification has resulted from ever-increasing attempts to find new and more effective poverty-reduction strategies. Whilst aid agencies

continue to invest in food relief and in large-scale infrastructure projects, they have also been interested in exploring new approaches related to governance and the participation of a variety of groups in policymaking. In the last decade, there have been efforts to make aid more effective with the introduction of specific targets, now embedded within the Millennium Development Goals. These include specific targets related to better living conditions in urban areas with improved access to basic services and the improvement in the lives of 100 million slum dwellers. These goals and the related processes supported by the official development assistance agencies have sought to draw diverse agencies into the projects and programmes associated with development.

Diversification has also taken place among social movements. 'Old' social movements of trade unions and labour have been joined by movements that focus on feminism, environmental issues, animal rights and a wide diversity of other citizen interests (Mayo, 2005; Tarrow, 1998). A crucial difference is that these social movements have emerged in many different contexts, rather than out of a narrowly based context (as most bilateral aid strategies appear to have been, dominated as they are by the so-called 'Washington Consensus') (Maxwell, 2005). Sometimes there have been direct transfers of knowledge and experience over time and distance; but often these movements have emerged while having little contact with one another, strategizing to advance their interests within their own localities. More recently, social movements have tended to evolve convergently, pushed to the realization of a particular orientation by structural realities that now have some global uniformity and international impact.

This chapter discusses the experiences of Shack/Slum Dwellers International (SDI), a transnational movement of homeless and landless people's federations. Try as it might SDI can never escape the fact that it has these two trajectories as its ancestry, the movement experiences of its affiliates and the aid industry as its benefactor. This coalescence is de facto proof both of the failure of the radical projects of the social movements and of the emergence of the hegemony of foreign aid as the major vehicle for social and economic transformation in the South. Movements have failed to identify and articulate an autonomous alternative to mainstream development, and development assistance, regardless of its often compromised intent, has emerged as a source of financial support for the continued search for new and more equitable forms of development. Paradoxically, the very countries that are engaged in increased global trade, and who (generally) host the multinational companies that are a powerful engine in the economic dynamics of globalization, provide the investment finance for alternatives to current development trajectories.

Of course the SDI model is not the only institution that has evolved,

in one form or another, from that period in history – post World War II – in which the age of Western social movements (arguably in decline since the 1920s) was eclipsed by the age of Bretton Woods and donor aid. The aid-dependent methodologies of poverty eradication have diversified so significantly over the years that it is easy to consider them as completely unrelated. In spite of their current range of overlaps, their shared ancestry and their resemblances are often disguised. The older, more traditional institutional forms such as the provision of donor aid for large infrastructure projects (usually tied to country-of-origin expertise and technologies) remain dominant in terms of their share of aid funds.

In respect of social development, it is possible to reconstruct a foreign aid 'family tree' which traces the way in which official aid to governments has cross-pollinated with church aid to create welfare-driven initiatives. If the exploration were extended it would be possible to trace the lineage through to an important contemporary sub-branch: donor funds for NGOs. Whilst this may account for a small percentage of official development aid in financial terms, it has led to the flowering of civil society initiatives, and effectively drawn professional activists, academics and practitioners into a huge new industry – the commodification of poverty eradication (Smillie, 1995). Donor-driven NGO programmes have become a highly diversified institutional subgroup within official aid programmes. This group includes superficially different initiatives, such as those that are driven by struggles for rights, those that are focused on research, those that focus on social services such as health, and those that focus on micro-credit. However, these initiatives share a common institutional structure as they receive and manage aid finance on behalf of intended beneficiaries. All these institutional arrangements share a common objective, although it is normally obscured by many institutionally specific agendas that often have nothing to do with this objective. The objective, of course, is improving the lives and livelihoods of the billions of poor people on this earth.

What is Shack Dwellers International?

Before going on to look at the structures and experiences of SDI, it is necessary to pose and answer the question: what is Shack Dwellers International, or, rather, who is Shack Dwellers International? As Jane Weru, director of Pamoja Trust (NGO affiliate in Kenya) has said:

> The people in Shack Dwellers International, in the leadership of the Federations and in the support organizations, are mainly people who are discontent. They are discontent with the current status quo. They are discontent or are very unhappy about evictions. They are people who feel very strongly that it is wrong

for communities, whole families to live on the streets of Bombay or to live on
the garbage dumps of Manila. They feel strong enough to do something about
these things. But their discontent runs even deeper. They have looked around
them, at the poverty eradication strategies of state institutions, private sector
institutions, multi-laterals and other donors. They have looked at the NGOs
and the social movements from which they have come and they are unhappy
with most of what they see. (SDI, 2006)

As before, this discontent has become a catalyst for change. In this case
it has driven the formation and expansion of SDI, an alliance of people's
organizations and NGOs seeking new and different ways to eradicate
homelessness, landlessness and poverty. SDI brings together and capacitates
homeless and landless people's federations and their support NGOs. These
people's federations are engaged in many community-driven initiatives to
upgrade 'slums' and squatter settlements, improving tenure security and
offering residents new development opportunities, developing new housing
that low-income households can afford, and installing infrastructure and
services (including water, sanitation and drainage). All these federations learn
from and support each other. The federations have a membership of savings
schemes, locally based groups that draw together residents (mainly women)
in low-income neighbourhoods to share their resources and strategize to
address their collective needs. The initiatives undertaken by these savings
schemes demonstrate how shelter can be improved for low-income groups,
and how city redevelopment can avoid evictions and minimize relocations.
The strategies (shared across the network) build on existing defensive efforts
by grassroots organizations to secure tenure, and add to these existing efforts
by measures designed to strengthen local organizational capacity and improve
relations between the urban poor and government agencies.

The network was launched in 1996, building on existing relationships
between federations in Cambodia, India, Namibia, Nepal, South Africa,
Thailand and Zimbabwe. It now includes fifteen federation affiliates with
emerging processes of grassroots savings groups in ten further countries.

By any measure SDI has achieved success with its new methodology and
been more effective, in many ways, than other civil-society-based initiatives
that seek to achieve the same objectives. The network has mobilized over
2 million women slum dwellers in twenty-four countries in the South.
This is not an arbitrary figure of residents with a superficial engagement
in this process. SDI members are savers, who interact on a daily basis
around savings and loans. Records of these transactions and related levels of
participation are maintained by most affiliates. Over 250,000 families have
secured formal tenure with services, and about half of these have also been
able to improve their housing through their own savings and a range of
loan and subsidy finance. Many more families have been assisted as groups

Box 16.1   SDI influence in city and national policies to address urban poverty

In Namibia, the government has been supporting the loan fund of the Federation for over five years with annual contributions. At a housing policy conference in November 2006 (the first housing policy review since independence in 1991), invited Federation speakers were represented in each session with numerous contributions from local government officials in the floor of the meeting supporting a people's centre shelter development approach. The land and housing policy in Windhoek draws on Federation experiences and lobbying with support for incremental community development. Most recently (November 2006), the Namibian Federation has an agreement from National Government to conduct a Government supported enumeration of all shack settlements in the country.

In South Africa, the Federation has long negotiated with city and national politicians. The housing minister (also chair of the African Ministerial Conference on Housing and Urban Development) hosted a Slum Summit in June 2006, granting the president of SDI a similar status to that of the housing ministers. At this meeting she pledged her government to work closely with the Federation through the allocation of 6,000 housing subsidies to Federation self-build groups (Sisulu, 2006). Late in 2006, the SA Federation and uTshani received an award from the national ministry for the best savings initiative. SDI was given a matching award for one of four institutions to have provided the most effective support to the ministry during the previous nine months.

In Zimbabwe, the Federation has had a difficult relationship due to the state's eviction campaign against the urban poor (Operation Murambatsvina); nevertheless the minister recently signed an agreement to allocate 5,000 plots to the Federation in recognition of their continuing investment at a time when the state is struggling to deliver the housing committed through Operation Garikai/Hlanlani Kuhle ('We promise things will be better').

In Kenya, the savings schemes and support NGO, Pamoja Trust, secured state support for an upgrading process in Huruma, a low-income settlement in Nairobi. This has ensured tenure for 2,000 families although has been even more notable as an example of how landlords and tenants are able to share land (Weru, 2004). Significant capacity in terms of enumerations and settlement profiling has resulted in the Kenyan Federation conducting a full enumeration of all 80,000 slum dwellers in the city of Kisumu – with the full official backing of the local authorities. This is preparation for an upgrading process within the city.

In Malawi, the Minister of Housing has pledged support for the loan fund of the Federation following the construction of almost 1,000 houses in the last two years (Manda et al., forthcoming). City authorities have

allocated plots for hundreds of homeless families in Blantyre, Lilongwe and Mzuzu. Two directors and one deputy minister accompanied the Federation on an exposure visit to India, Thailand and South Africa in August 2006.

In Brazil, the Federation and support NGO are working in the area around São Paulo. In the two large industrial cities in the greater São Paulo area – Osasco and Vila Real – the support NGO Interação has worked with private sector partners and the municipalities to regularize land tenure, prepare engineering reports, plan sanitation and explore funding possibilities for housing. Although this initiative has been active for only three years, over 7,000 families have secured legal land tenure.

The Homeless People's Federation in the Philippines launched the community-led slum upgrading process. Their pilot project involving the relocation of 10,000 families was begun in Iloilo City in 2006.

In Mumbai (India), Ethekwini (South Africa), Accra (Ghana), Iloilo (Philippines), Osasco and São Paulo (Brazil) and Kampala (Uganda) local affiliates have signed formal Memoranda of Understanding with Local Governments as a result of widespread recognition of SDI achievements.

Sources: Mitlin and Muller, 2004; Sisulu, 2006; Weru, 2004; Manda, forthcoming.

have negotiated alternatives to eviction and/or secured other services. In Mumbai and Pune (India) alone, SDI affiliates have provided sanitation to hundreds of thousands of slum dwellers. Through its grassroots organizing capacity and demonstrated delivery, SDI has had a major impact on urban policy in many cities (see Box 16.1).

Discontent with the status quo has propelled SDI to evolve new social technologies with which to fight against landlessness, homelessness and poverty. However, SDI remains historically linked and, what is more, materially dependent on aid agencies, to the institutional arrangements and methodologies that have failed to achieve significant poverty reduction, or at best continue to deliver only enough to hold out promise of significant change to keep a given developmental food chain alive (see, for example, Sahn and Stifel, 2003, for a discussion of progress towards the MDGs). Many local activities take place within SDI affiliates and these are not supported by development assistance. However, once the scope of activities extends beyond the neighbourhood and city, then resources are required. These resources are, overwhelmingly, drawn from official development assistance, international NGOs and, in some countries, national government grants and subsidies.

It is too soon either to herald SDI as a new path that will lead to a decisive impact on poverty and landlessness, or to dismiss it as another dead

end. However, there is enough accumulated evidence to suggest that the Federation model that is championed by SDI may represent a developmental watershed; that it is a pointer towards a future configuration that may one day have the effect of tipping power relations in the development world in favour of the urban poor.

NGO Support Professionals for the Urban Poor: Arsenic in the Jam?

When professionals in land and shelter sector organizations relate to collectives or to community organizations (rather than individual households), they tend to do so in one of five ways:

1. They operate from a welfare base, as deliverers of entitlements or needs.
2. They locate themselves as technical experts, delivering specific services such as training, construction management or information.
3. They position themselves as champions of tenure security and housing rights, normally enabling affected communities to challenge the state or large private institutions through the media or the courts.
4. They act as intermediary financial institutions, providing access to development capital.
5. They conduct research and generate documentation for lobbying, training or general intellectual curiosity.

These distinct types of professional engagement with the landless and homeless poor have several characteristics in common, in particular the emphasis on community participation and the role of NGOs as intermediaries.

Ever since the 1970s there has been a steady emphasis on people's participation. At face value this is little more than an assertion of the obvious. It is difficult to see how human needs such as land, housing, water and sanitation for the urban poor are to be met without their participation – whether it be in the form of a demand that rights be respected or collective self-help. Participation, of course, comes in different shapes and forms (Cooke and Kothari, 2001). For some NGOs, community participation means that the role of the NGO is to train community collectives to participate in the institutional arrangements, policy frameworks and projects of others – especially government. For others, community participation means enabling communities to participate in processes that are designed by professionals. The most progressive espousals of people's participation get articulated as 'partnerships'. This implies that the playing fields have been levelled and that all stakeholders – from the World Bank to community organizations – have

the same capacity to ensure their self-interest through bargaining power and the cutting of deals. These important differentiations notwithstanding, there is hardly an NGO in existence – in the North or the South – that does not espouse participation as a platform of its programmes.

The problem, of course, is that the playing fields are never level. As described in Mitlin (2001: 383), communities (when asked) have expressed their reservations about working with NGOs whose agendas may not coincide with their own and that dominate project and financial decision-making. The lack of a level playing field can be traced to the second characteristic of almost all NGOs that – as indicated above – warrants a specific focus.

Whatever methodology these different institutions espouse, they all ensure that they are the intermediaries between Northern donor agencies, financial institutions or government departments that administer funds, on the one hand, and the collectives of households for whom these resources are intended, on the other (Hulme and Edwards, 1997). This is the second critical characteristic of almost all NGO relationships with social movements of the urban poor. The rationalizations are myriad, and some have foundation. However, what needs to be recognized is that it is not possible to talk of real people's participation or equal partnership when the decision to keep power and resources within the hands of professionals and out of the hands of the communities is one of the preconditions of the engagement.

SDI: An Evolutionary Watershed?

This brings the discussion back to SDI. If the SDI model is to be accorded the status of a watershed point in the struggle against urban poverty, then it is in part because SDI has sought constantly to tackle this conundrum head-on. The affiliates do so because, from the outset, SDI has been driven by the rationalities and interests of organizations *of the urban poor* to work with professionals. This is fundamentally different from many other alliances between NGOs and grassroots organizations where the motivation for the partnership derives from the interests *of the professionals*. The SDI partnership with professionals can be called a partnership of *conscious choice*.

The words 'from the outset' are used deliberately. During the 1970s, the National Slum Dwellers Federation (NSDF) in India, led by Arputham Jockin, tried and failed to work with NGOs. Persistent attempts at domination by the NGOs, coupled with strategic strangulation of resources, led NSDF to decide to break ties with all NGOs and to go it alone. A decade of non-collaboration brought its own litany of problems. Donors refused to fund the social movement directly. Government required technical data, and the Federation's organic, grassroots means of mobilization and

communication failed to translate into a formal context. There were also the perennial problems of internal accountability and the need for more rigorous financial management. These factors led the Federation to try again in 1986, and over the years it has evolved a strong relationship with an NGO called SPARC, the Society for the Promotion of Area Research Centres (Patel and Mitlin, 2004; D'Cruz and Mitlin, 2007). This partnership between NGO and independent federation is the template that has been adapted and replicated in fourteen other countries. Jockin has described this partnership as follows:

> [I]t is hard for the poor. They have many demands. The NGOs and the Social Movement – they take care of each other. Look out for each other. Make sure the money is spent in the right way. Make sure Government is willing to dialogue with us. I say SPARC is our washing machine, our *dobi*. It takes the community process and makes it clean. (interviewed by Diana Mitlin, May 2005)

Jockin identifies two related functions. First, the NGO helps to establish and monitor systems that minimize the risk that individual leaders will abuse their positions of trust. The National Slum Dwellers Federation learnt through its own earlier experiences that it can be very difficult for membership organizations to manage money. If community leaders abuse their positions of trust, then the movement cannot accomplish what is needed, loses credibility and reputation in the external world and may face damaging internal disputes. What is more, donor agencies and financial institutions simply refuse to enter into direct financial relationships with very poor, generally illiterate slum dwellers – either individually or as collectives. NGOs reduce these internally and externally perceived risks, and help to establish systems of financial accountability that ensure that money is monitored and all groups held to account for the funds that they receive.

The second reason is that the NGO helps make the processes of the savings schemes and the Federation acceptable to the external world. The external world is often critical of the poor, and positively anti-poor, not taking them seriously. Hence support NGOs often find themselves working with the Federation to ensure their emerging solutions for pro-poor urban development are acceptable to the world of decision-makers. The role of the NGO is to make things presentable and persuasive to an external world that is dominated by professional ways of doing things. The sequence is often that the people's activities, lobbying, meetings and demonstrated construction activities attract political interest. NGO staff then work more closely with the officials and technical experts, articulating the people's plans in the context of broader city policies, plans and programmes.

It is astonishing to note that the two primary reasons why the federations have decided to build relationships with professionals are the two

critical characteristics of NGOs that reinforce the structural contradic-
tions that tend to make aid-based development so ineffectual. First the
federations draw the NGOs into a partnership in order to maximize
their own participation, and second they call on them to regulate and
manage their resources. Having struggled to secure their autonomy as
subjects in command of their own struggles, they are forced to relinquish
this important space and turn professionals into their own gatekeepers.
Where federations are strong or where they emerge independently from
the NGO, these are professionals of their choice. Within SDI, this has
happened only in India and Kenya. Even in these exceptional situations
this arrangement depends enormously on *trust* and is completely vulner-
able to co-optation by SDI's partner NGOs and by their economic
masters, the donor agencies in the North. The federations have to trust
that the NGOs do not use the power vested in them by the federations
themselves to dominate the partnership and control the process. This is
in a context in which international development is putting increasing
pressure on the NGO sector to deliver specific outcomes regardless of
the underlying relationships and (in some cases) far-reaching objectives
(Bebbington, 2005).

Why have federation leaders agreed to participate in this alliance and
commit themselves to such a relationship in return for resources? Is this
a case of consciousness evolving faster than, and therefore independently
from, historical or material conditions? Or is it only a handful of federation
leaders and grassroots activists in the slums who belong to the SDI network,
be they from Colombo or from Accra, who have consciously grasped the
notion of their uniqueness as a class? Is it because it is only a handful of
key leaders who are ready to assume the responsibilities that go hand in
hand with this awareness that this new development, the conscious choice
of slum dweller organizations to form partnerships with professionals, has
evolved?

A major responsibility of conscious and organized slum dwellers is
to challenge, albeit pragmatically, the way in which resources in their
cities are distributed, but it is clear that it has to begin with managing
that challenge themselves in terms of their own resources. Alliances and
partnerships are important, and alliances with disaffected professionals in
society make total sense. At this historical moment, then, it would appear
that the Federation's leadership have the awareness that it is their right and
their duty to be in a position to respond as they see fit to the conditions
that exploit and marginalize them. In order to be effective, they have to
find partners in the NGO sector to whom they entrust their most critical
instruments for change.

Possibilities and Constraints
Born from a Conscious Partnership with NGOs

What are the main characteristics of this partnership between NGOs and federations – this partnership that may represent a watershed in the struggle against homelessness and landlessness, because it is a partnership that has been solicited consciously by the slum dwellers themselves?

Alliances with professionals are in place in the fifteen countries where the Federation has achieved citywide scale. These alliances are determined by the existence of citywide or nationwide Federations of the Urban Poor, whose members are predominantly women shack/slum dwellers saving together. These federations range in size from hundreds of thousands of households in India to a few hundred in Tanzania. They forge alliances with small professional support organizations. Where the federations are able to secure land, install services and construct houses, the NGOs have set up urban poor development funds to scale up savings and secure development capital.

Federations cede control to their NGO partners or agree to share with them the responsibilities associated with seven specific functions. They task the staff responsible for their revolving funds with (1) the management of urban poor development funds; and (2) technical assistance for housing projects. They transfer all or part of the following responsibilities to their professional support NGOs: (3) fund-raiser and fund manager; (4) internal governance; (5) lobbying and brokering deals; (6) facilitation of learning through horizontal exchange programmes; and (7) research and documentation.

These alliances have certainly been effective. In almost every outcome they outperform or at the very least match other civil society initiatives in the land and shelter sector. In fact the 15,000 to 30,000 housing units that they are annually constructing worldwide just about places them in a league of their own among NGOs and social movements (although it is sobering to remember that while SDI built over 30,000 houses in nine countries in 2006, those same countries experienced a growth in homelessness that was at least twenty times greater). There is also no doubt that the structure of the alliance, the close partnerships with independent NGOs, contributes significantly to these outputs. These NGOs help to negotiate for both international and state funds, manage the demands of professionals and other state officials, and disseminate the experiences realized. The significance of the NGOs' presence is demonstrated by the slow progress made in Uganda when the local groups were dependent on the local authority for professional support.

However, these are not necessary and sufficient conditions to hail the SDI model as an evolutionary breakthrough. After all, major transformations

do not occur overnight. There is never a dramatic volte-face. But there are often seminal moments, perhaps even moments of value-laden progress. Such a moment occurred when a social movement in India made a conscious choice to seek out a professional partner and to negotiate the terms of engagement from a position of autonomy and relative strength. In this case (as introduced above), the National Slum Dwellers Federation, frustrated by their attempts to secure funding when they worked on their own, built an alliance with SPARC and an emerging network of women's collectives (Mahila Milan). Part of the relationship is a shared understanding that the collective experience and perspective of the urban poor is central; as a result the specific roles within the relationships are in permanent transition. As the federations and savings schemes grow stronger and local capacity is developed, there is a constant shifting down of tasks. All fourteen other SDI affiliates in fourteen different countries have inherited this element of value-laden progress. It is embedded in their relationships with their NGOs and it is increasingly regulated by SDI itself, as a proactive network. (However, it remains vulnerable to NGOs themselves, donor agencies, governments and even to community leaders who exploit the principle of grassroots autonomy for purposes of narrow self-interest.)

Also embedded in the relationship are the contradictions that emerged from that negotiated agreement: the control of resources by the NGO and therefore the ever-present possibility that the NGO, either of its own volition or as a result of pressure from back donors (i.e. those who finance the Northern NGO activities), will overwhelm the federation process. It is important to remember that this contradiction is fundamental to aid-driven development as a whole. SDI is pushing the boundaries of acceptance of the aid industry, and to date it has been able to go as far as the solution worked out by SPARC and NSDF and no further: namely collaboration between NGO and network of CBOs, around CBO priorities but secured only through trust and interpersonal relationships. Every time the federations try to push for greater economic independence and the autonomous management of funds by the poor, the conditions of the aid industry shut them down.

So comprehensive is the neutralization of such a radical autonomous project that the status quo is seldom openly challenged by the federations. On the rare occasions that this challenge manifests itself as a form of collective consciousness (not as the self-interest of leaders) it is the NGOs that fall back on the discourse of the aid industry (and the global economy as a whole) to shut the federation agenda down or to retard its move to autonomy.

These tensions are illustrated by the experience in South Africa where the Federation experienced deep problems in 2003/4 which were partly related to weak financial practices and from intractable leadership disputes. How did the South African NGO respond to the crisis that paralysed the Federation

during those years? First, it failed to acknowledge that the Federation was the senior partner in the alliance and that the NGO had let the Federation down. It had not honoured its part of the agreement, which was to assume management of the finances, and governance, capacity building and dialogue with external agencies, especially the state. Instead it responded by analysing the problem as a lack of financial control, and hence by introducing new management systems. Then it felt obliged by the regulatory environment and its own professional predilections to declare the problems intractable. Instead of admitting its failure and resigning from its support role, it decided to close itself down, in the process shutting off the Federation's access to donor and government funds. The challenges were more complex than a short reflection can demonstrate, and one of the arguments that the NGO presented was that it was not able to hand control back to the Federation since the leadership was deeply divided. This rationalization sidesteps the fact that uTshani Fund, the Federation's revolving fund, was there to be offered the responsibility, as was its international umbrella body, SDI, whose secretariat is based in South Africa. The immediate consequence was to exacerbate tensions within the Federation leading, along with the other factors, to several years of inactivity and bitter dispute. In spite of these setbacks the Federation has been able to regain a strong presence in many informal settlements in the country with the capacity to resolve its govern-ance disputes, and address its financial problems. Working in conjunction with a new NGO partner on a similar basis to the other SDI affiliates, it has once again become a significant actor on the South African land and housing scene. A dramatic turnaround in 2005/6 resulted in an allocation of 6,000 housing subsidies and demonstrates conclusively that the Federation never lost its capacity to reconfigure itself, to rally tens of thousands of poor, landless women into its collectives and to draw government into serious partnerships.

The purpose of this example is not to critique the role of one particular NGO partner in the SDI stable as much as it is to demonstrate how the constraints inherent in the current structural form of the alliances in SDI can place the federations at considerable risk. The particular South African experience is an extreme example, but the contradiction and the risk are present in all SDI formations at present. They are not of the NGOs' making. They are the doing of the aid industry as a whole, transmitted through NGOs when they accept donor funds. On the macro-level they are the doings of a development paradigm that is defined by the global economy and its dominant and all-pervasive ideology; an ideology that astonishingly asserts that the very economic system that has lumpen-proletarianized as much as 40 per cent of most Southern cities is also the instrument for their growth and development.

The First Signs of an Important Mutational Leap

It is clear that the conscious solicitation of professional partners by slum dwellers themselves may represent an evolutionary benchmark in its own right. Material conditions have already developed in South Africa to propel the South African alliance (and perhaps, in time, other SDI affiliates) to another level. This level is not necessarily progressive – indeed, it may lead to a developmental cul-de-sac. But it is clearly a response to a locally generated crisis that sheds light on one of the underlying tensions in the structure of the alliance. This structural tension, in turn, can be traced back to SDI's pedigree as part of the international aid industry. The experiences which led to the shutting down of the support NGO in South Africa seem to have propelled systematic, progressive changes in a reformed South African affiliate, leading it towards a new alignment in which NGO accountability to its partnership with people's movements is rooted in a new financial relationship. Should this new alignment prove socially and economically sustainable and then be replicated in the SDI network as a whole, it will be recognized with hindsight as an important mutational leap that will enable SDI to couple its pragmatic engagement with formal institutions with a deeper grassroots autonomy.

When the South African NGO closed down in early 2005 it terminated contracts with donor agencies and returned all available funds. Fortunately the Federation's capital funds were not affected, since they were secured in a separate entity – the Federation's urban poor fund called uTshani Fund. (uTshani Fund had to ward off a hostile takeover attempt by a self-styled leadership. The Federation's own internal governance structures managed to turn this around and protect the capital fund. Another demonstration of the potential dysfunctionality of the relationship between NGO and social movement in the SDI network was that the South African Federation not only had to beat off the onslaught of a leadership interested only in self-gain, but found its then-NGO partner interfering in its internal governance structures to strengthen the position of this leadership that had detached itself completely from its base.) Still the Federation found itself – at its most vulnerable moment – without any funds to continue its programmes, to run its offices and to maintain its networks. Propelled by necessity and with support from its slum dweller partners in other countries, the Federation began to reconfigure itself. Active members created an overall facilitation structure that they have called Federation of the Urban Poor (or FEDUP – the key actors in the network explain that the name reflects their anger at their erstwhile colleagues who hijacked their name and conspired with formal professionals to hijack their capital fund.). They have reconstructed the federation model into a learning initiative with a core of over 200

leaders, who have the capacity to enable and empower local groups to set
their own priorities and drive their own development, acting in partnership
with other stakeholders operating on a settlement-wide and citywide basis.
This has enabled them to form alliances with other social movements such
as Poor People's Movement, Coalition of the Urban Poor and over ninety
independent residents' committees, thereby swelling its network to over 700
informal settlements countrywide. The Federation groups have returned
to the basic building blocks of SDI, savings schemes, experimenting with
new ways in which this strategy can address basic needs in communities
and build an autonomous movement.

Most importantly, though, from the perspective of this chapter, the South
African Federation chose to set up a trust to serve as a conduit for all its
funds – to be used to drive its learning, advocacy and governance, and
to pay for its office and operating costs. When and where the Federation
feels the need for professional support, it will now be in a position to enter
into contracts with any one of a number of possible NGOs through its
Trust. The NGOs are likely to perform the same functions as they do in
other SDI affiliates where the older structure is still in place. The critical
difference is that the Federation is in a position to cancel or decide not to
renew these contracts should the NGO fail to meet the terms and condi-
tions brokered at the outset.

Not only will this give the Federation leverage over the NGO that it has
lacked to date, but, perhaps more significantly, it promises to generate a new
dynamic around decision-making, the setting of priorities and accountability
– within the social movement and between the social movement and its
NGO partners. If the Federation and the NGOs that it contracts are able to
widen and diversify their funding sources, this new instrument may lead to
a situation in which the primary relationship in the continuum of partner-
ships is no longer between the NGO and the donors, with community
participation in the process defined by this external relationship. Instead
there is more chance that the Federation's relationship with NGOs will
become primary, with donor and government participation being defined
by this internal relationship. The implications for the other relations within
the continuum are not yet clear.

Conclusion

The concept of slum dwellers' federations is rooted in the realization by very
poor and marginalized men and women living on the margins of our cities
of the need to rally together and to operate as collectives in order to rid
themselves of the dependency and exclusion that binds them to perpetual

poverty. SDI is therefore a global manifestation of a new realization that by seeking to run away from themselves and give their problems to professionals and politicians, the urban poor are condemning themselves to continued marginalization, regardless of the number of houses that get built for them or the number of plots that are given to them.

SDI, through its local affiliates, seeks to infuse homeless people with pride in themselves, in their efforts, capacities, value systems and their outlook on life. To date the SDI affiliates have been obliged to hand over key aspects of their programmes to trusted professional partners in order to advance this project. As a general rule this arrangement has worked well, but embedded within it are profound contradictions. As the South African experience demonstrates, it leaves the slum dwellers vulnerable and dependent on external actors for the continuation of their programmes. It is only when the vulnerability is exposed that the federations will be propelled to explore alternatives, even though there is an undercurrent of restlessness in regard to power relations between federations and NGOs in all mature affiliates.

Recent institutional shifts in South Africa, may, therefore, be providing the SDI network as a whole with an image of its own future. Ironically it has been the near terminal implosion of the South African alliance in 2005 and the subsequent strategies of reconfiguration that may, over time, provide SDI with its next developmental watershed and assist the global network to scale up its impact on urban poverty and the development of inclusive and sustainable cities.

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