The South African Homeless People’s Federation

Leopold Podlashuc
Research on citizenship, development and democracy at ACCEDE

The process of democratic transition, while it results in political liberties, has not necessarily created an inclusive citizenship for many previously disenfranchised and economically marginalised communities. While government has ensured, through the enactment of statutes and policies, the participation of local communities in decision-making affecting their day-to-day lives, participation through these state structures remains marginal. Previous research revealed the disconnect between the institutional arrangements of the state, on one hand, and the ability of the poor and marginalised to get their voices heard, on the other hand. It is therefore apparent that an enabling legislative and policy framework in and of itself is insufficient in ensuring inclusive participation.

In this context the challenge, for many, is how to find voice in meaningful and effective ways, so as to be able to access resources and opportunities which will enhance their livelihoods and thereby enable them to escape chronic poverty. At the level of policy analysis, there is a need to move beyond formalistic understandings of citizenship to examine the ways in which rights are interpreted and used. Of particular concern in this respect is the challenge to move beyond the notion of representative democracy (which typically invokes the widest national and international scrutiny and which is assessed according to the freeness and fairness of elections), to forms of participatory democracy, which have substantive meaning for the majority of citizens. How citizens’ rights are understood, by both public officials and ordinary people themselves, profoundly affects understandings of their legitimate entitlements to social services, as well as their obligations as citizens.

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INTRODUCTION

This paper is an exploration of the ways in which participatory development has become a key mechanism for both extending (globalising) and consolidating neoliberal hegemony. The paper hinges on a case study of the South African Homeless Peoples Federation (SAHPF) and comprises two parts. The first part maps the milieu in which this politicised development takes place, revealing the local and global context of dispossession that provides the backdrop to the case study. This part critically interrogates the emergence of the participatory development paradigm. It is argued that this normatively fashionable discourse of development has come to be dominated by three essential vectors of neoliberal ideology: housing, microfinance and social capital. It will be revealed that participatory, (or rather, ‘bootstrap’) development portrays itself as ostensibly anti-neoliberal, while, at the same time, it co-opts the tools and vocabulary of the Left to carry out the economic project of the Right. This apparent contradiction between rhetoric and outcome will be seen to be consistent with the broad political alliance that Gramsci defined as an ‘historical bloc’, which consolidates class differences to create hegemony.

In a hegemonic system, democracy between the ruling group and the ruled groups exists to the extent that the development of the economy, and therefore of the legislation which expresses that development, holds open the channels for the ruled to enter the ruling group. (Gramsci 1975)

In the current era, this historic bloc includes the medley of moderate, liberal and right wing discourses that legitimise globalised neoliberalism despite their intellectual differences.

The second part of this paper traces how this consolidation of political, normative and ideological agendas occurred through the lens of the SAHPF. Relying on interview data collected over a seven-year period (2003–10), it questions how an ‘Alliance’ (a term coined by Arjun Appadurai in 2001) of academics and development practitioners, imbued with the political agency of neoliberal hegemony, effectively manipulated the South African environment to manufacture a social movement of homeless black women. It clarifies how this seeding took root so well, and how, despite its artificial insemination, the SAHPF established itself as a grassroots movement with considerable agency and traction. The
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Paper then show show the SAHPF became a crucial global relay point for the spread of the participatory development paradigm through Shack/Slum Dwellers International (SDI), the transnational social movement that it helped create. Operating in at least 33 countries across the South, SDI has become the hegemonic-actor-from-below, dominating the field of development. Here, the tensions between SDI and SAHPF are examined, demonstrating how the genuine and artificial motivations of the ‘participatory development’ paradigm ultimately fragmented. The paper shows how a resolution came about for the SAHPF by amputating its links to SDI and the lucrative funding that underpinned it. This is a dialectical tale of thesis, antithesis and synthesis.

Part One

Structural homelessness in South Africa

The problem of homelessness and the inadequate provision of housing in South Africa is an unavoidable aspect of both its specific historical development and of capitalist development per se. From European settlement to the present, the relations of primitive accumulation underpinning South Africa have gone unchallenged at a structural level. The colonial enterprise that informed apartheid’s racist logic continues under the narrative of neoliberal market relations. The problem is twofold. Firstly, it arises from the issue of private property and its statutory defence. Today the division of the city continues via the dompas of money. Through housing title, the ruling class incorporates key sections of the urban poor into consenting to live on the periphery. In these formal townships, like the locations of old, the poor find themselves again on the outskirts as permanent urban subalterns. Secondly, the burgeoning informal slums recreate internal hinterlands that house the bulk of the flexible labour force so necessary to the functioning of capital. The apartheid categories of included and excluded are recreated anew to fuel the need for cheap labour. It is this structural production and reproduction of poverty that synthesises the historical need for a grassroots actor – concerned with rights to land and housing – to emerge. The SAHPF has to be understood in terms of this dialectic as an historical imperative.

Structural homelessness in a global context

This is the century of cities… (Anna Tibaijuka, Executive Director, UNHCS 2001).

The emergence of the SAHPF takes place in relation to the profound interconnection between local and global structures of production under globalisation. For this purpose, we turn to examine the rising neoliberal world system that the liberated South Africa found itself entering, in which the roots of participatory development are to be found.
With the fall of apartheid and the new freedom around internal migration, South Africa began to contend with the urban population explosion that many other Southern cities were experiencing. A boom in urbanisation as a corollary of modernisation is a ubiquitous problem in most Southern states. In *Nature* 387 (1997), Lutz et al demonstrated that the then urban population of 3.2 billion was larger than the total population of the world in 1960 and that cities will account for all future world population growth (which is expected to reach 10 billion by 2050, accounting for around 85% of the world’s population [Wakely 2000]). This Malthusian scenario is consistent with observations from many quarters. According to the Urban Observatory, 95% of population growth will occur in the urban areas of developing countries, whose population is expected to double to four billion within the next generation. Urban hubs in Asia are expanding at an explosive one million people a week, though they are still a step behind the world’s most rapidly urbanising continent, Africa (Wakely 2000: 8). The preeminent futures forecaster at Denver University (see www.ifs.du.edu) predicts that by the end of this century, one in three people on the planet will be African.

This new urban reality broadly coincides with modernity’s challenge to the pre-industrial economies of the South. However, the real destruction of these pre-industrial milieus takes place because of the whole-scale reformatting of the global economy through programmes of neoliberal restructuring. Margaret Thatcher’s infamously misquoted ‘there is no alternative to the market’ heralded the shattering of vernacular economic systems and their subsumption to commoditisation. Structural adjustment programmes freed the bulk of rural populations and propelled them into the cities in search of work. The land as an historical sump of humanity is no more and rural-urban migrants eke out a living in the purgatory of sprawling slums, pavements and squatter-camps that proliferate on the periphery and interstices of urban areas. Their structural purpose as surplus labour binds them to lives of contradiction: under liberal democracy’s spreading umbrella, new urban-dwellers are at once enfranchised citizens bestowed with rights and entitlements, and the poorest of the poor, incapable of realising the promise of that very citizenship.

A key challenge for Southern states lies, therefore, in what to do with this burgeoning population of urban slum dwellers, who in the informality of their shelters are technically homeless. As the largest growing sector of society, these new urban migrants represent a critical constituency under the logic of democracy – and yet, their poverty is insurmountable. The tension between promise and contradiction presents a precarious political situation for developing countries. This, in turn, exerts pressure upon the global liberal project for which the presence of slum dwellers, while pragmatically critical for neoliberal economics as cheap labour, challenges the normative and political rationale of liberal democracy. As Antonio Gramsci pointed out, for hegemony to prevail, there needs to be a broad alliance between intellectual, moral and political forces, which he termed an ‘historical bloc’ (Gramsci 1957, 1971). For the purposes of ensuring the structural continuation of the neoliberalism, broader alliances of liberal and moderate intellectual forces are needed to produce the ideological machinery necessary to counter and sublimate the contradictions.
The decline of the Left as an ideological counterweight saw a profound shift in development practice and theory. Liberal democracy and neoliberal economics came together as an unchecked hegemony in Gramsci’s sense. On one hand, under rules of engagement scripted by the Washington Consensus, the very visible hand of the market replaces government in its retreat from social responsibility. On the other, civil society actors (such as social and community movements under the direction of non-governmental organisations) are persuaded to become part of their own ‘bootstrap’ development, in some cases even taking over the dirty work of evictions, land clearances, provision of cheap labour and other tasks deemed necessary but politically incorrect under the dominant liberal Weltanschaung. This step is important, for while the Left as an historical force is defeated, the social conditions of its existence are not. The restive masses have lost their leadership but the legacy of militancy is powerful and it is critical for liberal hegemony – that lest the Left regroup in a new, more dangerous form, it be placated and subsumed. The conjunction of civil society as both provider and disciplinarian is the key to continuing neoliberal hegemony, for it places civil society in a state of internal contradiction that weakens its capacity to take on the state and global market forces.

This ambiguity requires considerable ideological juggling: how to defuse the potential militancy of the masses and yet not transform the structures of capitalism. Here the liberal intellectual bloc has risen to the challenge, seizing the stage for social experimentation and proclaiming a new era: bootstrap development, wherein the squatter is made citizen in order to bypass social provision by the state and made accomplice to her own privation. Three key pillars of the experimentation to empower the squatter-citizen are found in the conversion of informal to formal housing, microfinance and social capitalism. As we shall see, these experiments are designed to turn the everyday survival methods and intellectual resources of the poor around, converting their organic solutions to problems of poverty into a toolkit promoting hegemony and their absorption. In much the same way that cultural, intellectual and biological prospectors seize and claim the ownership rights of pre-existing things, so too, the experimenters take already functioning mechanisms and by formalising them, claim them. In this way, intellectual and development practitioners associated with the liberal project, despite many of their genuinely good intentions, become latter-day missionaries of absorption, complicit in the subsumption of the poor, facilitating the partial incorporation of the underclass and diminishing its historical agency.

The visible hand of the market and bootstrap development

Everyone will benefit from globalizing capitalism within a country, but the most obvious and largest beneficiary will be the poor. (Hernando de Soto, 2003: 190)

As Fukuyama’s hubris denotes, in the absence of historical alternatives the liberal project commands the world. Rampant neo-liberalism, unchecked by an opposing paradigm of
development, possesses enormous power with profound consequences. One of the most significant is that, without rivals, Chicago School-type economics can use the world as its laboratory for the purpose of ‘persuading people that what it says is true’ (Mitchell, 2005: 297). Integral to this process, academics and activists associated with the broader liberal intellectual and moral bloc find the stage set for social experimentation, and as mentioned above, have increasingly come to rely on a narrow set of interventions as poverty alleviation strategies: housing, microfinance and social capital. What is notable about all three of these development approaches is they have followed the same historical trajectory, from genuine responses to poverty rooted in collective action to artificial techniques meant to fragment the revolutionary agenda of the poor and promote individualism. Though all three, at one time or another, have been embraced by the development community as the way to combat poverty, each has failed to show measurable results. However, it should be noted that it is in their failures that their real success lies – in their failure to alter the structural conditions that create poverty, each intervention, in its own way, has promoted the neoliberal economic project and suppressed opposition to it.

Housing

The first pillar of neoliberal development, housing, is credited to Hernando De Soto, president of the Institute for Liberty and Democracy, and through the Commission of the Legal Empowerment of the Poor, one of SDI’s most powerful partners (http://www.time.com/time/magazine/article/0, 9171,1640435,00.html). De Soto was not alone and his early ties reveal his deep neoliberal affiliations. He was closely associated with the Center for International Private Enterprise set up in 1983 by neo-liberals in the Reagan administration and was endorsed by Presidents George HW Bush, Richard Nixon, Prime Minister Margaret Thatcher and economist Milton Friedman. In the 1980s, he built upon a US-funded housing scheme designed to fight the Sendero Luminoso (Shining Path), the Maoist revolutionary movement in Peru. To subvert the revolutionaries’ radical redistribution programme, property registrations were piloted, the purpose being to provide the poor with financial incentives to forsake the struggle and become part of the ‘ownership’ class. De Soto’s El Otro Sendero (The Other Path, 1987) became, as its subtitle explained, ‘the economic answer to terrorism’ (Mitchell 2005: 312).

After the war ended in 1992, De Soto became the Peruvian (read Southern) face of an extensive economic experiment backed by the World Bank for the ‘expansion of neoliberal economic arrangements’ (Mitchell 2005: 315) across the South. The Mystery of Capital (2000) laid bare the mechanics of this. The project addressed the ubiquitous problem of urban slums in the global South and sought to resolve the contradiction between neoliberal economic reality and liberal political promises by sleight of hand. As Mitchell reveals:

The World Bank supported (a) crash program in Peru to transform the country’s informal urban neighbourhoods into legal, state-regulated housing. The plan was to set up a
simple procedure for registering the ownership of property and thereby turn millions of people into the formal owners of the homes they had built… The government and the World Bank believed that creating property owners offered a simple and inexpensive means to end widespread poverty. Holding formal title would enable ordinary people to use their homes as collateral for loans. The loans would provide capital for starting small enterprises, enabling…households to produce… entrepreneurs. Formalisation would also increase the price of value of the property… (Mitchell 2005: 299)

According to De Soto, the Southern housing crisis contains its own resolution. Within the chaos of slums lies the answer: the poor are the major producers of houses in the South. Squatter camps, slums and shantytowns represent a real solution to housing the poor, as SDI often observes: ‘shacks are not a problem, they are the solution to a problem’ (Podlashuc 2007). The trick is to recognise this. If regulation by the state limits the definition of what constitutes a house, then simplifying the registration of property ownership solves the problem. Thus, with a simple stroke of a pen, De Soto and the World Bank converted Peru’s slums from ‘dead capital’ into billions of dollars in ‘live capital’ (De Soto 2000). More importantly, they split the ranks of Peru’s poor and defused their militancy by turning them into property owners. The class solidarity of the labouring class was broken. No longer did they have nothing to lose: they were now chained to their homes. In a shift of semantics, by deregulating the rules of formal property and granting them property rights, technically the poor became capitalists overnight. Being holders of individual property rights meant the power of the masses was atomised and turned against itself. The prior militancy of the poor was internalised, and the danger of their class agency reduced.

The experiment did not end here. Peru and De Soto were as Mitchell describes, ‘important relay points’ for the expansion of neoliberal economics through the privatisation of slums across the South (Mitchell 2005: 316). However, as time has proven, this pillar of development has not actually turned the tide on poverty. The bulk of the poor have not been able to capitalise upon the opportunity provided them and have slumped into a worse state. De Soto’s programme was premised on private title serving as an asset for poor families, against which they could leverage credit and become entrepreneurs. In reality, lending institutions have not viewed slum real estate as equity and so the poor have not accessed the promised credit (Cockburn 2000; Field and Torero 2002). Many poor families, in fact, no longer posses their titles, for when emergencies arise and quick cash is needed, their houses are the only asset they can sell, at a fraction of their paper value, on the illegal market (not through the banks). The retreat of the state from social responsibility and service provision has left the poor abandoned to market forces, where their failure to succeed suggests their democratic choice to be poor. The ranks of the poor have been divided and, without a class enemy to focus on, their political agency has been neutralised.
The second pillar of neoliberal development, micro-finance, earned a Nobel prize that further cemented bootstrap development’s legitimacy. While Grameen Bank and Muhammad Yunus are joint Nobel-laureates, the principle of micro-finance and savings groups is not at all innovative. Saving pooled resources is a critical survival strategy and has been a perennial shadow activity of the human social process, occurring spontaneously and repeated over the world around diverse material needs. Prehistoric humanity hoarded surplus in preparation for lean times and today, across the world, among the needy vernacular forms of micro-finance continue to exist in the form of stokvels, burial societies, Christmas savings clubs, emergency fund societies, and so on. Importantly, in the same way that slums are the solution to the housing problem, so too do the pooled resources of the poor provide organic collective banking solutions to the problems of liquidity and credit that plague them. Moreover, in the same way that housing has been co-opted by the neoliberal project to fragment and individualise the poor, so too has microfinance.

The secret to Yunus’ model of micro-finance cum savings is that, like De Soto’s approach to housing and capital creation, it exploits the difference between formal and informal structures (Yunus 1999, 2010; Bornstein 2006; Dowla and Barua 2006). The conversion of informal ‘dead’ savings into ‘live’ savings directed toward entrepreneurship and local development is critical to subsumption of the poor into the neoliberal paradigm. In the tradition of the Grameen Bank, four or five poor people take group loans in order to start individual businesses. Each new micro-capitalist is thus not only responsible for his or her own repayment, but for the entire group’s repayment. This, in the positive discourse of development marketing, is meant to promote collectivity and community, but actually has the opposite effect. The formalisation of the stokvel impulse is the essence of subsumption and competition is the essence of capitalism. This is revealed by a scan of the following statements drawn from the Grameen website, much of which bears the imprimatur of the Oxford Manifesto of the Liberal International:

Grameen’s objective has been to promote financial independence among the poor…
Grameen believes that charity [read social provision too] is not an answer to poverty. It only helps poverty to continue as it creates dependency and takes away individual’s initiative to break through the cycle of poverty. It believes that all human beings, including the poorest, are endowed with endless potential and unleashing of the creativity in each individual should be the answer to poverty, and this is exactly what the Grameen offers to its people…It targets the poorest of the poor, with a particular emphasis on women… [a] distinctive feature of the bank’s credit program is that the overwhelming majority (98%) of its borrowers are women… (http://www.grameen-info.org/index)

Every aspect of microfinance, as foretold by this description, takes the burden of social provision away from the state and instead places the responsibility of development upon
the poor themselves, completely denying the structures that created the conditions of their poverty. Furthermore, by promoting independence and individuality, the Grameen model encourages the atomisation of the underclass. While this individualisation is seen as necessary for the neoliberal project and its liberal collaborators, structural poverty is left untouched. It has been well documented in India and elsewhere that very few loan recipients rise up through the ranks of the poor through microfinance. Moreover, as Devinder Sharma reminds us, the surge of suicides related to loans defaults shows that the loneliness and stress of individuality born of the cash nexus often has tragic consequences for the poor (http://devinder-sharma.blogspot.com/2010_10_01_archive.html). As with housing, the conversion of the masses into microcapitalists diminishes their potential threat to neoliberalism

Social capital
This leads into the third pillar of neoliberal experimentation, social capital, which would seem to be a direct challenge to the individualisation of the poor – but this technique, too, has been co-opted and redefined in such a way as to lead to division. Social capital has undergone a significant semantic change since it was used by Marx, in *Capital, Volume 1* (Chapter 25, 1978) to define the aggregation of all streams of capital that underpin, constitute and construct the ruling social class. Instead, its current incarnation seeks to define, in liberal economic parlance, something immeasurably older and complex – that sublime aggregation of persons into a holistic, trust-and reciprocity-based collective that stands opposed to atomised, selfish individuals (Kawachi et al 1997; MacGillivray 2002; Putnam 2000; Fukuyama 1996; Bullen and Onyx, 1998; Cox 1995). This latter formulation has much in common with Marx’s notion of *gattungswesen* (species being), a nineteenth century form of *uBuntu* that underscored the utopian teleology of historical materialism. As such, there is at once a delicious irony and a tragedy in hegemony’s fascination with social capital. Standing at odds with the liberal keystone of the power of the individual, social capital appropriates the historical imperative of the weak, commoditising it, and thereby reducing it to a vehicle for transactional relations. Of course its deployment, as such, can be found throughout the history of ‘old boy networks, Freemasonry, the Broederbond, Rotary Clubs and the like.

What is significant is that, contra liberal dogma, social capital is a means for overcoming the limitations of the individual, and most importantly, provides a way forward for those without material capital. Appropriated, reified and commoditised, social capital has come into its own in the era of the network society where ‘the new power lies in the codes of information and in the images of representation around which societies organise their institutions and people build their lives and decide their behaviour. The sites of this power are people’s minds’ (Castells 2000, VII: 359). To stay relevant in this world of information, social movements, grassroots organisations and nodes of ‘deep democracy’, all have to learn to claim power through codes of information and images of representation to stay relevant in this world of information (Castells 2000, VII: 130). In this milieu, the poor are obliged
to first come together in socially acceptable ways (of course, not as gangs or criminal syndicates!), and then collaborate with the rich in ‘win-win’ partnerships that sees the poor trade their ‘sweat equity’ (free labour) for capital funding. In this cross-funded relationship (sweat for cash), the class barriers are compromised as the underclass and elite become bedfellows. This marriage breaks their historical antagonism and in so doing, consolidates liberal hegemony, pushing the spectre of revolt to the rear of the house of inclusion.

This, as with housing and microfinance, should be seen as a pragmatic way to sidestep rebellion; however, it also reveals an inherent flaw in the system. Having stripped back the state, liberal hegemony finds itself unable to deal with the social crises it now faces globally. As a result, liberal ideological production actively encourages and supports the contradictory impulse of the underclass’ collective social agency to fill the gaping vacuum in health, housing, welfare, policing and public order. Hypocritically, liberal individualists are embracing their ideological opposite – collective agency – in order to patch up the failings of their promises. In an ideological inversion of Lenin’s New Economic Policy, those who have the least must collectivise to overcome their disadvantage, suggesting that the much vaunted, ‘invisible hand’ of neoliberal market forces is actually incapable of delivering to all. The promised trickle down of wealth has failed. Social capital is thus a deeply ambiguous notion: it exerts power over the minds of the masses and thereby defangs their collective agency, making them dependent, incorporated subalterns; at the same time, it reveals neoliberal economics’ inability to deliver and its reliance on mutual aid. Social capital rounds out the trio of development interventions that, in every way, succeed in converting the poor into bootstrap developers and co-producers of hegemony, and thus of their own structural oppression. Now that participatory development is understood as a key transmission device of neoliberal hegemony, let us proceed to the case study.

**PART TWO**

**Thesis: From rags to riches, a social movement is born in an emerging democracy**

If poverty was uMfelandaWonye’s mother and apartheid its father, then, quite extraordinarily, women pavement dwellers of Bombay, India were its midwives. (Peoples Dialogue 1998)

This case study traces the history of the SAHPF, comprising mainly grassroots women, who seek to transform their lives through collective agency. Writing about this movement is problematic for one is obliged to interrogate at least two layers of myths that obscure the real social history. The first layer is the creation myth quoted above, which like all good creation myths is partly true: there was genuine poverty underlying its emergence and there were
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Indian pavement dwellers present at the time, but it neglects to mention the instrumental role played by funders and middle-class intellectuals in its birth. In reality, the SAHPF is, at once, a genuine response to the real structural need for a grassroots actor to emerge in post-apartheid South Africa, and at the same time, an artificial construction by an Alliance of ambitious middle-class activists (Bay Research 2002) allied to powerful funders, that wittingly or not, established the SAHPF as an important relay point for extending neoliberal hegemony from below.

The second layer of myth concerns the transnational social movement it helped create, SDI, and the latter’s reputation as the golden child of the development sector. Claiming to operate in 33 countries across the South and drawing millions of dollars in funding, SDI has become the default representative of the poor to many bi- and multi-lateral institutions: Cities Alliance, Millennium Development Goals, United Nations Development Programme (UNDP), World Bank (www.sdinet.com). This access to powerful partner organisations with substantial resources has ensured that SDI continues to thrive in the urban development sector. The SAHPF, excised from SDI in 2005 after a methodological dispute, is now disregarded by the international development community, yet it remains a growing social movement of poor women intent upon transforming their lives for the better. It is this grassroots agency, unsponsored by donor funding, which deserves recognition.

Origins

When we save, we are collecting people as well as money. (Interviews 2003)

The origin story of the SAHPF begins in Asia in 1988, when a alliance of well connected middle-class activists in developmental circles and several housing rights organisations in Asia (together with their European donor-partners) came together to protest the eviction of 800,000 poor people by the Seoul Olympics. This initiative rode upon the moral certainty of those who had broken down the Berlin Wall, and who felt the world was ripe for similar conversion. From this first ‘Asian People’s Dialogue on Housing Rights’ was born a transnational umbrella organisation called the Asian Coalition for Housing Rights (ACHR). The rationale behind the coalition was to stimulate regional campaigns against evictions, share experiences and exchange lessons across the continent. Common to all was a counter-revolutionary approach to social change, based upon the emerging trend of deepening citizenship by means of participatory development through providing housing title for the poor, promoting microfinance in the form of collective housing-savings schemes, and social capitalism. In this they were, wittingly or not, the accomplices of neoliberal expansion into the South, crucial for cementing the broad liberal hegemony that drives globalisation. As missionaries for bootstrap development, their moment had arrived. Under globalisation, local activism was now global and global was local.
Back in South Africa, progressive support for liberation was at an all-time high in the early 1990s. The tribute concert held in London on 11 June 1988 for Nelson Mandela’s 70th birthday was watched not only by a capacity audience of 72,000, but also on television by close to a billion people in over 60 countries. After decades of isolation, South Africa was the flavour of the moment and the perfect place for the Alliance to flex its embryonic civil society muscles and confect a social movement of the ‘poorest of the poor’ (www.sdinet.org/savings).

In 1991, as a result of Mandela’s release from prison, South Africa was at an historical watershed and expectations were great. Outlawed liberation movements were unbanned and exiles returned to the country en masse. For the illegal migrants in the burgeoning squat-ter camps of the segregated cities, hope of justice clouded the vision of the real politics of capitalism underpinning South Africa’s transformation. The lifting of the Group Areas Act released a massive wave of rural poor into the urban areas in search of work, abandoning the confinement of the homelands for the lure of the city. The city was unprepared for them and the only welcome the majority found was in the teeming settlements. The imminent demise of the racist oligarchy provided no solutions to the structural poverty contained within it.

In addition, ongoing industrialisation and intensified commoditisation was deepening the spread of slums that would impact heavily on a South Africa liberated from the bell jar of isolation. With apartheid gone, oppression would be purely class based. The structural conditions were ripe for a new historical actor to emerge. However, this historical moment was not matched ideologically by the liberated masses that conflated the triumph against apartheid with the final triumph against oppression.

The middle-class activists that prefigured the Alliance understood this well and knew that if such an actor did not exist, it had to be made. Misereor, working through Cape Town’s Catholic Welfare and Development (CWD), offered money to support a five-day conference in Broederstroom, called the first Africa People’s Dialogue on Land and Shelter, and based on the Asian model. The Broederstroom conference brought together more than 120 community leaders from the informal settlements of South Africa to share ideas and experiences. Also there were slum dwellers and development practitioners who were keen to contribute to the emerging ‘new South Africa’.

A main feature of the conference was the difference between the fading state-centred, rights-based development programmes and the new participatory bootstrap practices that were emerging under neoliberalism. These differences were replicated among the community participants. Some believed that once non-racial democracy was in place, the new government would deliver social and economic rights to the poor. They perceived any effort to organise non-political institutions of the poor as reactionary and counter-productive. However, a group with links to the ACHR bootstrap enthusiasts did not see that political liberation would bring social and economic emancipation. Particularly influential was Jockin Arputham, president of India’s National Slum Dwellers Federation (NSDF). His constant
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reminder was that, despite decades of democracy under a planned economy, India was no better for the poor:

I remember when I went to South Africa before the release of Nelson Mandela. The people were expecting a big change in their lives after his release. I told them, ‘don’t be fools like we in India were before Independence. We thought freedom would fill our streets with milk and honey – but today, 40 years on, our poor don’t even have a proper meal to eat. (Interviews 2000)

The views he represented were that a democratically elected government did not guarantee a better life for the poor and that the poor had best look to their own resources for change.

Arputham’s sentiment resonated with a number of the South African development practitioners. With support from CWD and Misereor it was decided to create a network of communities interested in following ACHR’s methodology. In 1993, People’s Dialogue on Land and Shelter (PD) was registered as an NGO with the mandate to explore ways of working with poor communities within South Africa. Thus, dovetailing logically with the void punched into development by neoliberalism, the Alliance set about contriving a ‘new social movement’ (Touraine 1971, 1981) of dispossessed black women in South Africa. Joel Bolnick, a white South African employed by CWD, was charged to launch this movement.

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Unlike its Indian counterpart, the South African Alliance did not emerge gradually over a number of years …middle-class activists, who identified and formed a partnership with grassroots counterparts, forged the South African Alliance through conscious intervention. (Bay Research 2002: 61)

After PD’s creation, Bolnick, along with a number of community activists, went on a series of exposure visits to Asia. In India that they were introduced to the tripartite alliance between two poor people’s organisations, NSDF and Mahila Milan (MM), and a professional NGO, the Society for the Promotion of Area Resource Centres (SPARC), which became the template for the South African process. By means of regular funded exchange programmes the South Africans were trained in the Indians’ development practice. Central to this was the collaboration of non-governmental agencies across the class divide; between professional development practitioners in SPARC and apolitical social movements of the urban poor, NSDF and MM. Furthermore, as a result of SPARC, this alliance emphasised non-confrontation and the role of women that dovetailed with the agenda of the liberal bloc. The timbre of this relationship can be measured by this statement on the SPARC website:
While we allowed communities to set priorities for areas of change, we set certain parameters guiding our own work for ourselves: namely, which groups among the poor to focus on, whom within these groups to work with, and the basis on which to operate… We decided to begin with the poorest of the urban poor…Within them we focussed on women, and we initiated the process by understanding their situation and their past and present styles of problem solving. (http://www.sparcindia.org/docs/sparc.html)

South Africa at the time was highly politicised and confrontational and such non-partisan, pro-women social movements did not exist. However, as in Peru, the plight of the poor made them malleable to middle-class interventions, and in 1994, a vehicle was created that would become a ‘social movement’: uMfelaNdawonye WaBantu BaseMjondolo (we will die together), known in English as the South African Homeless Peoples’ Federation. The movement, SAHPF was launched in all nine provinces barring Northern Cape. Integral to the liberal project is the spectacle of democratic choice for establishing legitimacy. The difficulty, of course, is how to arrange for this in a way that does not unhinge the underlying structure. SPARCs methodology of choosing whom to work with and the basis on which to operate provided the solution to this conundrum. Hereby, the professional NGO can limit the parameters of choice sufficiently to have great sway in pre-selecting leaders and the way the social movement conducts its business. As Matolengwe recalls,

I was identified by Mampe Ramotsamai [later ANC MP, who through Funda Ubuciso and the Council of Churches had links to CWD] as a woman activist living in the informal settlements that could help facilitate groups for PD. In 1992, I was invited to a conference in Kempton Park [a follow up to Broederstroom]. From this point, I became a contact person for the informal settlements in Cape Town. Later, when the regional leaders were elected I was put forward because I was a woman. (Interviews 2010)

Thus in South Africa, while the selection of local leaders was apparently made by community choice, the pre-selection process meant that this choice was limited to those vetted by PD. Apurtham’s guru-like status gave Bolnick the model for grassroots leadership appropriate for ‘participatory’ development. What was needed were a few grassroots ‘leaders’, whose charisma would ensure that they had popular legitimacy, but who (through control over resources) would ultimately be directed via PD to fulfil the Alliance’s objectives. Over time, three leaders rose to the top: Rose Molokwane, a former union activist; Patrick ‘Magubela’ Hunsley, a popular local leader; and Patricia Matolengwe, an ANC activist. Each was charismatic, intelligent and ambitious. They were formidable organic intellectuals in Gramsci’s sense and credible veterans of the anti-apartheid struggle. They were a perfect proxy vanguard.
‘Micro-finance’ as ideology: Savings as a pre-condition for housing finance

In keeping with the neoliberal paradigm upon which the Alliance rode, microfinance, in the form of ‘daily savings’, nsukuzonke, (meaning ‘every day’ in isiZulu), became the SAHPF’s core activity. As mentioned earlier, community savings groups are not new – stokvels are ubiquitous in South Africa. What was new was the SAHPF model of tying savings to housing. Backed by government and foreign funding this combination appeared to be a fast track to formal housing for the poor and was the perfect lure for getting shack dwellers to subscribe. Housing savings-and-loan schemes were implemented as a ‘ritual’ (interviews 2000) for social cohesion, uplift and agency. These individual savings schemes were meant to link together across South Africa, and the world, building a transnational movement of the urban poor. For the SAHPF (and in due course, SDI), savings is not simply a financial issue, but is the key device to build social capital. Arputham explains:

Saving is breathing, the need for money is the one thing that binds all these communities with so many differences. Savings activity is the glue that holds together the community groups, and underlies their other activities. Savings is not one separate activity, but the breathing that keeps you alive: inhale savings exhale credit! Savings can give life to people. (ACHR 2000: 2)

By linking stokvels to housing, the Alliance turned it into a predatory praxis for absorption. Baited with the promise of homes, SDI savings gains access to a key resource of the poor: their collective agency around financial independence from corporate circulation and government scrutiny. Microfinance operates as both a material and ideological weapon against the underclass. It draws out the hidden financial reserves of informal banking systems and in formalising them, possesses them. Furthermore, it converts the independent logic of the poor into a capitalist cliché – a reifying, fetishised ritual – that the affiliated poor are obliged to practice in order to access reward. Savings becomes conflated with the production of social capital to gain the benefits of funding and formalisation, and the many small fiscal collectives of the toiling masses are drawn in as unconscious Fifth Columnists, their war chests of resistance broken open and given back to the structures of oppression. ‘Savings’ clearly demonstrates how liberal intellectual manipulation of the term fulfils the ideological imperative of neoliberal practice, fusing material and normative elements to seduce the poor. Arjun Appadurai proudly defines the ideological overlay:

Creating informal savings groups among the poor (now canonized by the donor world as ‘micro-credit’) is a major world-wide technique for improving financial citizenship for the urban and rural poor throughout the world, often building on older ideas of revolving credit and loan facilities managed informally and locally, outside the purview of the state and the banking sector. But in the life of the Alliance (SDI), ‘savings’ has a profound ideological, even salvational status. (Appadurai 2001: 32)
For the women of the SAHPF, despite its foreign flavouring, the pragmatism of saving for houses worked. Within the structural milieu of poverty and homelessness, turning stokvels into housing savings schemes proved a winning drawcard to the SAHPF. For the Alliance, using saving as the primary vehicle to create a movement was opportune as it built upon already existing grassroots saving practices. By honing these to match the Grameen-style micro-finance structures that dominated development discourse, the creators of SAHPF were assured both government and international support.

The South African alliance is born

The fledgling SAHPF, following the Indian methodology, set about developing relationships with government and media, embarking on a campaign of publicising its efforts by inviting politicians, bureaucrats and the press to see what it was doing. This strategy soon bore fruit, as revealed in the overview of the SAHPF on the SDI website:

Late in 1994 Joe Slovo, the late Minister of Housing, a popular and people-oriented veteran of the liberation struggle, agreed to make a grant of R10m (US$2.3m) to the Federation’s emerging uTshani Fund. He had met with the Federation and was impressed with its work; he also realised that his Ministry’s own housing policies were heavily biased towards formal private-sector delivery as a result of the political influence of big business. (http://www.sdinet.org/static/upload/documents/overview_of_the_sahpf_peoples_dialogue_south_africa.pdf)

Using this and funds from overseas donors, PD began making housing loans to SAHPF for the construction of low-cost housing that resonated with the De Soto project of incorporating the poor. As word spread about SAHPF’s work, the tide turned and the R10 million grant was finally put into effect in March 1996. Around the same time, the National Department of Housing created the People’s Housing Process (PHP). Instead of construction-sector delivery, PHP provided a mechanism for the poor to build larger, higher quality houses for the same subsidy amount by decreasing the labour cost through ‘sweat equity’.

With the introduction of PHP, the R10 million grant and the 80,000-member clientele, the SAHPF added a fourth institution to serve as a bank for its construction programme: the uTshani Fund. It used the Slovo grant to set up a revolving fund to pre-finance PHP housing and then draw down the subsidies to reimburse the fund. Loans were issued to SAHPF savings schemes to build houses on the understanding that recipients would repay a nominal amount until their subsidies retired the loans, after which another round of households would benefit, and so on. The influx of accessible external money made the SAHPF very popular. By April 2000, the SAHPF had grown to be a nation-wide movement with 80,600 active households. Its membership was 85% female and average household income was under R700 per month (interviews 2009).
Co-production or co-option? Sleeping with the enemy

Housing saving schemes hit the mark for a developmental South African state, following the Hernando de Soto (2000) model of giving every poor family a title deed and ‘starter’ house to use as a step up into the neoliberal market. It offered the government what appeared to be a ‘win-win’ solution to ineffectual state and market provision while seemingly engaging with the poor. Successive housing ministers were very willing to have their photo taken with a ‘genuine’ poor people’s movement that facilitated the distribution of land and housing, brought in huge amounts of donor capital, and became the poverty-tourism destination for the Clintons, Brad Pit and many others. Although de Soto’s bootstrap-style development had already proved ineffective in countries throughout South America, it continued to be a popular model for the ANC government. The original low-income housing policy made no provision for informal settlement regularisation or in situ upgrading, relying instead on construction companies to build greenfield developments on large tracts of land on the periphery of South Africa’s cities. The housing policy, therefore, continued to facilitate dispossession and marginalisation, moving those few households who did make the top of the housing waiting list to the urban edges, effectively sustaining the apartheid city.

Discursively, intellectuals in the Alliance authored an optimistic nominative for bootstrap development, namely ‘co-production’ (Mitlin 2008). This advocates the poor’s direct involvement in the relations of urban production, together with support professionals, government advocates and foreign donors. Co-production echoed De Soto’s promise that the poor are capitalism’s greatest beneficiary (de Soto, 2000:190). It was not long before the SAHPF/SDI Alliance was sharing the same hegemonic platforms as De Soto and Madeleine Albright. As De Soto and Albright declared in Time magazine,

We are also working with partners like Sheela Patel of Slum Dwellers International, who is helping to relocate more than 23,000 households in Mumbai by organizing communities to present their demands directly to state and municipal governments. The challenge is to replicate that experience globally. (http://www.time.com/time/magazine/article/0, 9171,1640435,00.html)

The discourse of co-production is strikingly reminiscent of Joseph Huber’s (2000, 2004) subsuming ecological modernisation that emerged with respect to environmentalism. Environmentalists/the global poor are advised to have faith in the liberal hegemonic triad of civil society, market and state, and as civil society agents to enter into pragmatic relationships with the other two actors. As with ecological modernisation, social movements that maintain their oppositional position are dismissed as irrelevant. This similarity reveals the deep ideological cohesion that prevails across discourses riding upon global neoliberal production: their role in the intellectual and moral legitimising of this hegemony and their disciplining function to preserve it from contestation. Co-production is a corporatist answer to the failure of neoliberalism. Housing, microfinance and social capital, each wrested from
their organic forms among the underclass and absorbed into liberal hegemony, find their place within it. The logic of subsumption and incorporation reveals that co-production is the paradigmatic form of bootstrap development. Its purpose: to draw the poor into the burden of social provision, making them co-responsible for their own development. The normative claim of the co-production paradigm is that it empowers squatter-citizens and deepens citizenship. Yet co-production is a key mechanism for defusing discontent in the underclass (a historic aspect of corporatism) and providing objects for their aspiration. Pragmatically, co-production fills in the failings of neoliberal capitalism, thereby absolving it from structural change.

Co-production was most clearly expressed in the creation of the uTshani Fund, devoted to operationalising the participatory alliance between the poor and the state, through revolving loan finance for housing. However, co-production and uTshani were never easy bedfellows. By 1997, the SAHPF had built 4,000 houses and groups began to lobby for subsidy releases. This worked to some extent in the Western Cape, where members were able to repay uTshani with the state subsidy, but in Gauteng no funds were released. A highly differentiated pattern emerged, with some SAHPF members being able to repay loans with subsidy funds and others not. In time, the state became uTshani’s primary debtor, with over R32 million (US$4 million) still to be repaid in subsidies to members who had already built houses. These members, who had been promised ‘free’ housing by their government, conflated the uTshani loans with the state subsidy and refused to pay back. The uTshani fund thus began to fail because it linked loan finance to a constitutionally guaranteed right, a national entitlement. We will return to this issue later in the paper.

**From rags to riches: the rise of Shack/Slum Dwellers International**

By 1996, many of the early federations supported by SPARC and PD had entered into co-production with their governments. The favourability of this model – with governments and funders – suggested there was room to franchise their network to other countries in the global South, with SPARC nurturing movements in Asia and SAHPF in Africa. Across local and the global arenas, the partnership between community organisations and support NGOs forged an international alliance around issues of security of tenure and shelter that would lever greater funding from donors and institutions, as well as facilitate access to land from states capable of privatising public assets. The co-production model franchised easily. Under neo-liberal practice, political engineering was still necessary to the growth of the city and for courting external investment. However, under the liberal paradigm, evictions could no longer be used to move the poor off prime pieces of land. By working with ideologically appropriate representatives of the homeless poor (and their advocates), poor communities could be ‘relocated’ from prime public land to land on the urban periphery, in exchange for private title. The value of negotiated resettlements was powerful currency, particularly when facilitated by exchanges for key state officials granted to other countries where the methodology has been successful.
In keeping with the rising historical logic of a globalised networked society, the ground was set for formalising these fledgling struggles into a unified platform, creating a transnational confederation of participating poor that would have leverage for funding and negotiation. And so, during the five-year anniversary meeting of the SAHPF in 1996, the Alliance established a transnational network of slum dweller social movements, SDI, that could act co-productively at the global level. Playing on the ambiguity in populist notions of the International, the name seems to be a detournement, that is, the deliberate decontextualising of a familiar term to conjure up the long social history of the Left through the likes of the Wobblies and the Communist Internationals. Ironically, however, despite its acronymic proximity to the leftwing Situationists International (who coined the term ‘detournement’), the real ideological roots of this International lie more appropriately in the Liberal International as laid out by the Oxford Manifestos of 1947 and 1997.

In this way, globalism as de-territorialised-apparatus-of-rule-coming-into-being could incorporate the poor directly, allowing the various NGOs, governments and others parasitic to systemic poverty to ride in its slipstream. SDI grew quickly: beginning with the representatives of six Asian countries, four African countries and one Latin American country, by 2005 the confederation had spread to 28 countries and by 2010, 33 countries were affiliated. The formation of SDI globalised local movements into a broad alliance of the Southern poor for strategic purposes: access to funds, and to bottom-end real estate.

The bottom line
Dovetailing with globalisation’s extensive project, SDI appears deliberately shaped by the Alliance to capitalise upon the strategic possibilities provided by the vehicle of a globally inclusive social movement. Ideologically, the formalisation of SDI gave the impression that participating communities were part of a common agenda that interwove their various struggles into a unified one. This was consolidated through the ongoing funded exchanges whereby various federations travelled around the world to learn from each other, effectively homogenising the SDI methodology across its territories of operation and ensuring internal coherence and discipline. Normatively SDI claimed to be, as shack dweller, Nonkangelani Roji observed, ‘...one big family of the poorest of the poor’ (interviews 2003). This contrivance is not exactly true, as the familial inclusion only went as far as those entrepreneurially inclined or sufficiently opportunistic to benefit from the social capital the SDI network provided. The real poorest of the poor, those too abject or incapable – too disabled, illiterate, dissipated, criminal, foreign or different, or those too militant to belong to a savings group – were not included or did not join. In building a civil society actor appropriate to match state and market, SDI rewarded those that were malleable to its methodology and excluded those that failed. This divisive aspect rooted in instrumentality would be a constant feature of the SAHPF and ultimately lead to its discontent and division with SDI.
Antithesis: Trouble in Paradise Lost

What is this help? Why do we fly these rich politicians around the world on the poor people’s money? I see a lot of mafia in what I am doing. I told them... I will resign. (Interviews 2009)

Global versus local, beggars can’t be choosers

The break up of the SAHPF/SDI Alliance was due to the failure of a development ideology externally imposed by middle-class activists to overcome the structural production of poverty in South Africa. This failure was a dialectical process. The thesis of the Alliance was that ‘co-production’ between stakeholders – the poor and their allies, the state and capital – could produce a win-win outcome for the homeless. The antithesis lay in the structural conditions of poverty, which precluded any bourgeois ideology from transcending class struggle. In creating the SAHPF, the Alliance had fashioned its own class antagonist. Though the fog of cross-class social capital obscured this for a time, no amount of rhetoric could overcome South Africa’s material reality. For the SAHPF, this class conflict expressed itself as a many-layered failure of participation and was accompanied by systemic material failure.

Trouble was present from the outset. The coalition between the Alliance of middle-class activists and dispossessed South African women was problematic, enduring only as long as the instrumental returns exceeded the contradictions. These benefits were great for both sides: the middle-class activists had an authentic but pliable grassroots social movement located in the Rainbow Nation that was the apple of every funder’s eye, while the homeless women of the SAHPF had a ready source of income, access to overseas travel, and most importantly, through uTshani, a workable system of building houses themselves. The pay off for the women of the SAHPF was enormous. One very public example of this strategy of co-production was reported by Niren Tolsi in a 2008 Mail & Guardian article. SDI and South Africa’s National Housing Department hosted an international conference exclusively geared toward SDI affiliate organisations. It paid airfares, accommodation and per diems for up to 100 international SDI members and, in some cases, government officials from their countries, to endorse the pre-written ‘Durban Declaration’ to be presented at the World Urban Forum in Nanjing. As Niren Tolsi pointed out:

While talks about talking with the ‘poor’ contain a layer of sincerity, the foul taste of a jet-setting NGO class which travels the world eating up donor funds for talking is difficult to wash out of one’s mouth. (http://www.mg.co.za/article/2008-10-20-slumming-it-with-the-ngo-jetset)

Suddenly, homeless women were among the ranks of the privileged – doors were open to them, politicians wanted to be associated with them, information and knowledge was
available to them and land and housing that had been denied for centuries were freely available. For the first time, African women were in the pound seats. Through the SAHPF/SDI-Alliance, they had power, and through the uTshani Fund and their savings structure, nsukuzonke, they had easy access to other people’s money. This, in the context of the structural production of poverty in South Africa, was a major fault line. The overarching contradiction lay in placing large, but structurally insignificant, sums of money in proximity to the historically dispossessed, accompanied by rhetorical promises. In 2002, Bay Research identified a number of risks within the South African Alliance, including,

Misappropriation of Funds: The most elemental risk arising from the Federation nsukuzonke system is the misappropriation of funds by treasurers and leaders.
Nepotism, Bribery and Corruption: A related risk is that of nepotism or corruption in making loans and handling nsukuzonke savings. (Bay Research 2002: 65)

Problems manifested in allegations of wide-scale fraud, corruption, clientelism and graft within the SAHPF. In 2001, Western Cape uTshani bookkeeper, Xoliswa Tiso, opened a case of fraud (Wynberg SAPS case no: 443-09-2001) against members who were apparently falsifying claims for building materials. As she describes,

Each group had its own account. There was confusion and no oversight.
People would make quotes and forge signatures on the quotes. Materials were being bought on account with other people’s money. I opened a case with the Wynberg Fraud Branch. But the case was so slow. (Interviews 2011)

By 2006 the issue of financial control came to a head, as uTshani executive director, Ted Baumann observes:

In return for this ‘delivery’, these ‘champions’ could extract rewards: power and material benefits for themselves. Sometimes this fight could be very dirty...
By being too free with subsidy prefinance loans and other NGO resources, therefore, we had unconsciously reinforced the very conditions we sought to overcome. (http:/ /www.pmg.org.za/docs/2007/071107utshani.pdf)

Though these problems alone did not cause the breakup, they were symptomatic of the class divide between the middle-class activists and the social movement. Despite all the benefits that the Alliance offered them, a core group within the SAHPF felt that the only way forward was to become truly independent. When the opportunity arose, they asserted their independence and registered a Section 21 Company. It was this act that led in 2005 to the disbanding of the SAHPF from the SDI-Alliance (Baumann 2006). This cut them off from external funding and compelled them to become a class-based movement, reliant on their
own resources and agency. Through interviews done in 2009–11 with some of the SAHPF members – Patricia Matolengwe, Veliswa Mbeki, Rose Maso, and Nonkangelani Roji – we can begin to understand the ideological contradictions that led this group of SAHPF members to alienate themselves from the very lucrative SDI-Alliance.

Charismatic gatekeepers versus democracy-from-below

For these women, there were a series of irreconcilable contradictions, including the methodology of activism inherited from the Alliance, the inability to forge authentic relationships with the global poor and the material failure of the uTshani Fund. The first of these contradictions was the most significant for Matolengwe, who felt that the leadership should not be ‘selected’ for their charisma and loyalty to the NGO, but ‘elected’ and reflexive to the grassroots (interviews 2007). As explained above, despite their discourse of democracy and citizenship, the middle-class co-ordinators relied upon selected and salaried local activists to achieve their ends. This ruse smashed against the legacy of mandate politics that had imbued the anti-apartheid struggle. Matolengwe, as an ANC activist under apartheid, felt this contradiction strongly:

I always felt I represented the community. I had to answer to them first. I didn’t understand why there had to be a bigger politics than community interests…Our community could never get answers to why the community came second to the larger political picture. Whenever we asked questions about community needs we weren’t satisfied, we were told to be patient and to do what (the Alliance) advised…what kind of bottom up is this? This was not what the community wanted, it was what the white man or the Indians, who knew more, told us we needed. It was the same as apartheid. (Interviews 2009)

From Matolengwe’s quote, it appears that SDI’s success relied on tight control over the tactics of the grassroots locally, achieved through the disbursement of money to key leaders, who would then ‘look up’ toward the coordinators, instead of ‘looking down’ toward their constituency. By deliberately avoiding the lesser politics of locality, the SDI coordinators could bypass national constraints and engage at the global level, providing persuasive international perspectives that could be taken up in the domestic realm. This strategy impressed the government and donors; however, it did not sit so well with the grassroots leaders. The Alliance that had co-produced the SAHPF was on a collision course with the local historical reflex that had made the SAHPF a genuinely popular social movement. Artifice contradicted authenticity, and a crisis was imminent.

Lost in translation: the failure of participation

The second contradiction for the women of the SAHPF was their inability to forge real relationships with other federations. Despite SDI’s rhetoric of ‘horizontal exchange’, professional interlocutors mediated dialogue between the transnational communities. The
gatekeeping of social solidarity by these interlocutors was a deep contradiction, notes Rose Maso:

I never made friends with the Indians (pavement dwellers). If I try and communicate, I always need a translator, so Celine, Jockin, or Sheela, did the talking, not the pavement women. (Interviews 2011)

This is echoed by Matolengwe:

I have problem with the Indians because we never interact directly, but always through their translators. The translators were always people from the NGO... Although we saw them a lot, we never got to know them, we never actually knew what they were saying. So no real bridges were built between us at the grassroots. (Interviews 2009)

The issue of translation for the SAHPF was compounded by the selective nature of who went on exchange – again, contrary to SDI rhetoric of participation:

The question of the few Indians that go every time is a big problem for us. Why do they send the same ones all the time if this is supposed to be from the grassroots? Instead you have these same three ladies who we don't understand. We asked ourselves, why did they only send these three when many others could speak English? It sounds like they were using these people for their own purposes. (Interviews 2009)

The SAHPF found working with the Indians difficult. This appears to have been a problem with the professional interlocutors rather than the slum dwellers, for unable to communicate directly with their homeless peers, the professionally mediated interaction led them to perceive the Indians as a closed, exclusive group, arrogant and juvenile. Having spent their entire lives suffering and resisting apartheid, this offended the women of the SAHPF.

The Indians acted like we were stupid and knew nothing, that only their way was best. They were arrogant. They made light of our struggle. As if apartheid was nothing and that we were like children. But they were the ones like school children, they were always mocking people, giggling, talking to themselves and making fun of us and others. They were always talking badly about their 'friends' in Hindi. Hearing them gossip like that made us very suspicious of them. (Interviews 2009)

The Indians appeared to pay scant regard to the local context, insisting that the formula they used was the only one possible, an idealism that conflicted deeply with the Africans' judgement of conditions:
They were also forcing issues against our better judgment, like digging trenches for an exhibition house when the ground was hard like rock, like cement. We could not break the ground. But they forced us. They forced us to dig, like prisoners sentenced to hard labour. We did not have a choice. (Interviews 2009)

What the SAHPF women describe as either a ‘translation’ or a ‘judgement problem’ is actually the failure of the notion of participation. In the absence of the collective life of reproductive struggle, this unity is false. The social capital of the middle class relies upon productive networks of reciprocity, while its practices of participation are mainly instrumental. In contrast, the collective agency of the underclass is reflexively class conscious (Marx 1956), possessing the visceral intelligence rooted in their local livelihood struggles. The attempt to use participation rooted in the currency of social capital, created and mediated by professional gatekeepers to bridge both international differences in the underclass and the broader class divide, failed. Participation as such, only succeeds in an alienated form, when it is materially beneficial for some of those below to play the subaltern in order to tap into bourgeois networks of power. This instrumentality collides with the broader class-consciousness of the poor, and must be well lubricated with charm, friendship and trust. When this social capital is bankrupt, when it is mediated by professional gatekeepers, participation fails – as happened with the relationship between SAHPF, the Indian slum dwellers and their middle-class counterparts.

The collapse of the illusion
The third contradiction was the seemingly imminent failure of the uTshani Fund. As stated earlier, with the poor disbursement of subsidies by the state, the uTshani Fund expected the repayment of housing loans by SAHPF members.8 However, beneficiaries were largely unwilling to repay these loans because they understood housing to be their constitutional right. As early as 2002 in a paper for Homeless International, Bay Research and Consulting observed:

Although Utshani Fund is supposed to be a bridging mechanism for the housing subsidy, in the face of slow subsidy delivery, it has become a proxy for the subsidy itself – an entitlement. Until recently, Alliance leadership has found it difficult or politically inexpedient to counter this tendency. This, plus the subsidy system’s failure to deliver, has caused a cash-flow crisis for Utshani Fund…An Utshani loan is thus tainted with the same brush of ‘entitlement’ that marks the subsidy. This is compounded by the structural tendency for some Federation leaders to mobilise on the basis of access to this entitlement, as well as the knowledge that Utshani Fund equity comes from grants, by European donors as well as the government. (Bay Research 2002: 7–65)
And later, as uTshani’s Baumann stated in 2006,

Utshani Fund has been in the doldrums for the last few years, with little progress on housing delivery. Why? In the 1990’s Utshani fell into the trap of becoming an alternative to the state housing subsidy system for a privileged minority of SAHPF members. Encouraged by certain SAHPF leaders, these households found it easier to demand loans from an NGO (Utshani) than to work patiently with government to secure state entitlements under a complex and people-unfriendly housing subsidy system. For such households, Utshani loans gradually became an alternative entitlement that made the state housing subsidy unnecessary. But without subsidies flowing back to replenish Utshani, we eventually ran out of money. This – plus consequent conflicts in the SAHPF over diminishing resources – led to Utshani’s slowdown. (http://www.pmg.org.za/docs/2007/071107utshani.pdf)

What the conceivers of uTshani had ignored was the class conflict at the heart of the problem. Not only did the SAHPF not repay these housing loans, but they also began using uTshani money (in part donated by overseas aid organisations in their name; interviews 2010) as they saw fit: for salaries, income-generation ‘loans’ and funding for non-housing needs (Baumann 2006). The corrupting synthesis produced by the contradiction between the intentions of the middle-class activists associated with money and the structural reality of the poor is revealed in a very telling passage by Joel Bolnick:

The tyranny within, in many ways, is more odious than the tyranny from outside the social movement itself. The tyranny from within hides behind the Federation’s egalitarian vision. In fact, it uses an ideology of people-centred development to mask the most blatant divisions within the movement instead of trying to change their substance. Nothing in my life has depressed me more than the fact that the SA Federation has given rise to leaders who are arrogant, unmerciful, intolerant and hungry for privileges. Actually, the Federation leaders who corrupt the goals of the process for their own ends are seldom tyrants (there most certainly are some). They are more like Chinese Mandarins, for whom financial benefits are a minor consideration compared to the other advantages they derive from their positions of influence and power. (Bolnick 2000)

This impulse was impossible to contain and the SAHPF became bogged down in internal conflict around its financial structures. Without subsidies or community repayments flowing back into uTshani, the fund ran short of money and without real capital holding it together, the social capital of the Alliance went bankrupt, donors began demanding explanations and the poor started clamouring for the homes that they had poured their savings into.

In 2000, Bolnick resigned as head of PD and Aninka Claassens, a respected researcher on land and dispossession, was nominated as director. Claassens immediately enacted a programme of restructuring intended to shift from selected to elected leadership and to implement
systems for financial transparency and accountability. A salient feature of the restructuring document was the requisite that the SAHPF set up as an independent Section 21 Company. When Claassens took over, there was, as Matolengwe remembers:

...immediate chaos. We had all become corrupted. This was shocking to us. The old leadership felt threatened by the new leaders. I was very worried. People were grabbing what they could to empower themselves, while others were getting behind the new leaders so they could get from them. Factions appeared, deep divisions. It was a rush for everyone to get what they could, the divisions fighting each other for resources and control. (Interviews 2009)

All the SDI’s axioms of savings, exchange, social capital, transparency, and co-production came to nought in the free-for-all that erupted when the homeless savers realised the limitations of the system to which they had been contributing. Tragically, the SAHPF became a civil war between the dispossessed, fighting to be allied to the font of funding. With the ideology revealed as a sham, a scramble for limited resources ran amok.

In this mêlée, Matolengwe and her supporters seized the moment and did what Claassens had advised: they registered the SAHPF as a Section 21 Company. It was this act that led to them being expelled, as revealed in the minutes of the uTshani Annual General Meeting of January 2006:

...to remove from Utshani Membership two individuals who had been involved in the secret formation in 2004 of a Section 21 Company called the ‘South African Homeless Peoples Federation’, which claimed to have inherited all the assets, projects and other rights of the original SAHPF, and of uTshani Fund. (http://www.pmg.org.za/docs/2007/071107utshani.pdf)

This expulsion goes right to the heart of the matter. Repeated claims by the SDI Alliance of building community-driven actions for addressing need, giving women a primary role in community-based structures and creating space for the poor to control their own development, did not allow them to be financially independent. The refrain of the Alliance that they were giving finances and resources directly to the poor was not true; absolute financial autonomy, of the type of an independent not-for-profit company, would have meant the loss of strategic control over the movement. The autonomy that the Alliance spoke of should be seen as mere lip service to donors, who wanted to hear the narrative of social entrepreneurship. As a result, when things began to unravel in the SAHPF and certain members followed the logic of self-preservation by making a bid for financial autonomy, rather than endorse this as the ‘natural evolution’ of the SAHPF, the uTshani Board removed them.

This removal broke open a fault line that split the SAHPF, revealing a power play between the middle-class activists and their attendant leadership and those leaders who claimed loyalty to their constituencies. Those allied to the SAHPF-Section 21 found themselves ostracised from the Alliance and its raft of benefits. When listening to Matolengwe
and others, one gets the impression they were surprised by the final outcome, suggesting that they were outmanoeuvred in this political game. Rather than capitulate and return to the fold, they stubbornly persisted in trying to go it alone. Whether this was a gamble that went sour is unclear. What is clear, however, is that it revealed the class antagonism that the rhetoric had hidden: inclusion hinged upon being a dependent (and dependable) subaltern.

**Synthesis – independence and authenticity**

We measure our achievements in terms of post-separation, as before we were independent we were dependent on the SDI Alliance NGOs: Peoples Dialogue, COURC, Utshani, and they directed us, we were not in control. Now we have no NGO support, no funding, no outside help or resources, instead we organise ourselves, we are self reliant and we are in control of our destiny. This self-reliance is our first achievement. (Interviews 2009)

**The price of freedom**

The SAHPF faced many challenges after their expulsion from the SDI Alliance, the most obvious of which was the lack of external funding. In setting up an independent Section 21 Company, they had alienated themselves from the SDI Alliance. Not only did they lose the financial draw-card that had brought so many poor savers to their ranks in the hope of a free house, but overnight they went from being globetrotting activists with comfortable salaries, travel allowances and ‘company’ perks, back to being among the unemployed.

**Reflexivity = authenticity**

The expulsion of the SAHPF-Section 21 split the ranks of the social movement and while some members took advantage of the fracture and followed the foreign funding to join the Federation of the Urban Poor (FEDUP), a significant number, particularly those based in the Western Cape, rallied around Matolengwe. Though originally there were some indications that without money SAHPF would have to close shop, the historical momentum behind the movement forced the leaders to continue. Matolengwe recalls that people were ‘still asking for houses, they were still asking for savings, we had to continue’ (interview 2009). Matolengwe and other prominent leaders re-evaluated their relevance for their communities and, despite the adversarial conditions, decided to stick with the developmental methodology they were taught. Within two years, their determination and tenacity paid off. The women of the SAHPF used their own money to build houses in the Western Cape and provincial government started to take notice:

After 2007 we built 136 houses in site C. We are proud that we did it all ourselves. We improved in everything after the responsibility shifted from NGO to individuals and SAHPF:
we improved the quality of house through better construction, materials and stronger social movement. Because of our improvements and membership we’ve had some success in re-establishing relationships with most provincial and national authorities in housing, but we have problems still in some provinces such as EC and KZN. (Interviews 2009)

What they found was that the bootstrap development ideology promulgated by the Alliance worked even better with their own money, making them ensure that the subsidies came through for each development. Under the Alliance, saving was mainly an ideological tool to discipline the poor, as Zimbabwe activist, Beth Chitekwe-Biti, points out: ‘Actually, saving in Zimbabwe does not make sense! Inflation is too great. If you save money it loses value. So for us in Zimbabwe, savings is a ritualistic effort of coming together’ (interview 2005). The mantra of savings was critical to access pro-market funders keen on supporting microfinance structures, as Arjun Appadurai enthuses:

Creating informal savings groups among the poor (now canonized by the donor world as ‘micro-credit’) is a major world-wide technique for improving financial citizenship for the urban and rural poor throughout the world, often building on older ideas of revolving credit and loan facilities managed informally and locally, outside the purview of the state and the banking sector. (Appadurai 2001: 39)

Now, however, for the SAHPF, their ‘urban poor fund,’ called Inqolobane (meaning ‘granary’) became real: through their commons of shared savings, all members contributed to the housing fund, with no outside contributions, and this became their only means for continuing as a movement. Though Matolengwe cites the lack of funds as one of their greatest challenges, she also recognises it as one of their greatest strengths:

Our challenges can be reduced to having no resources, no support, no access to government. We operate and run without external resources. Nothing except the heart. We are volunteers, it’s a voluntary organisation. We also have some volunteers from other countries for human resources. For financial resources we depend on Inqolobane, the granary of our savings. We share our little savings with each other to do all our work. How do we make a living? Well, we do get small stipends from Inqolobane, R600 per month or sometimes R1,500 per month, but not always, so we make our own living. I have a spaza shop. Others do other things. Kangi sells Handy Andy and bleach. This takes away our focus, but we have done well anyway. We are today, plus minus 250 groups across South Africa, ranging from the smallest group of 40 people to our largest savings group of 1,600. So far, more than 100,000 families have benefited from our movement. (Interviews 2009)

The financial limits disciplined their practices and honed their responsiveness to community demands. They could not afford to dictate to communities any longer; they were compelled
to be responsive. There were no professionals to hide behind. The SAHPF was therefore forced by material necessity to shift the impulse of agency from the Alliance’s agenda to their members’ agenda. And so, contrary to the desires of its previous sponsors, the SAHPF reverted to the practice of mandate politics that had driven the successful anti-apartheid struggle.

As a result, the SAHPF no longer swallowed the Alliance’s developmental methodology uncritically. Now, the SAHPF leaders had a mandate to respond directly to their communities, and what they discovered was that their communities were interested in much more than just housing. As Matolengwe recalls:

> We also want to make sure about integrated development that is targeting a spectrum of needs, business, home, work and even farming. Previously, as a result of SDI setting the agenda, we only linked to developers and housing, we did not do integrated development. We now find it practical to do so and it makes sense to work hand in hand to secure jobs, education, and homes. We feel we need to be inclusive in development. Just building a home is not enough. We want to create work near the home environment. (Interviews 2009)

In response to community needs, the SAHPF has identified six focuses born of local conditions. According to Matolengwe these are housing, youth education, health, job creation, domestic violence and abuse, and a ‘skollie’ programme:

> Housing is our top priority. Although we struggle to get support from national government, we work with some of the provinces, because we are still the ones building houses…
> Youth education is very important for us now. Both before matric and after. We help the students to prepare for entry to the university and college. Since 2007, through the Department of Education, we have got bursaries for our matriculants. (Interviews 2009)

The SAHPF have evolved a two-tiered approach: at the grassroots, they mentor their prospective students for enrolments and interviews, and at an institutional level, they have built a working relationship with the Department of Education both provincially and nationally. Occasional acts of philanthropy see some of their young getting financial support for university and college.

Matolengwe continues:

> Health is a big issue for us. When we realised that HIV/AIDS was a problem amongst our members, we began a programme to educate our members about HIV/AIDS risks and prevention. We train unemployed people in home-based care. Almost all of our trainees have been absorbed by clinics and are working. (Interviews 2009)
With 28% of pregnant women in South Africa testing positive for HIV, this is critical for the SAHPF. In a context of 40% unemployment, job creation is a pressing issue:

We also do the job creation. From our experience in building houses, many members are skilled and have been able to start their own businesses doing contracting...Domestic violence and abuse is of great concern. Many of our members suffer from abuse. We help abused women and children get access to social workers and safe houses in times of crisis...We also have a ‘skollie programme’ because of the high crime in our areas. They are given jobs to do around the settlement, like cleaning up, or doing labour, and we pay them a little to be useful. It helps integrate them into us, and things are better for the whole community. They feel that they belong and we feel safer. (Interviews 2009)

Taking the bad with the good

It is not smooth sailing to be a movement of the urban poor operating in the middle-class milieu of funding and development. The logic, discipline and practice of development are located in the intellectual lexicon of the ruling class. Having to negotiate with donors and government officials, enter into contracts, draw up plans and even using email and faxes leaves the movement wide open to exploitation and their own folly. Ironically, without the protection of the middle-class activists in the Alliance, the women of the SAHPF are sitting ducks for all sorts of cons targeting the naïve. In 2009, they fell for a Nigerian email scam that used their earlier links to the Kenyan SDI affiliate, Muungano, to deceive them. Likewise, their exploration of for-profit real estate development associated with mixed development saw them enter into a foolhardy scheme with a group of fast-talking businessmen that resulted in the Stokvel Homes debacle in Malmesbury (http://www.iolproperty.co.za/roller/news/entry/delay_looms_for_housing_plan). This scheme saw the SAHPF pay out R438,000 for a 20% portion of land to a purported shareholder, Great Force Investments, trading as Stokvel Homes. In the mistaken belief that this was a bona fide project, the SAHPF advertised and collected money from shack dwellers, mainly from the Du Noon settlement, on the expectation of government subsidised housing, which did not materialise as the land had not been allocated subsidies. The SAHPF has taken legal advice to resolve the issue, but this does not help them, nor does it help those who paid their deposits to get their money back.

Need and vulnerability plagues the SAHPF and their response is often understandably crude. As one of the women threatened, ‘If that white guy is dodgy, I’m going to hit him’ (interviews 2009). It is this that locates their agency firmly in their class: the dispossessed. Without middle-class intellectual and legal backing to protect them, their only recourse lies in the strength of their hands. And in the era of litigation this is a very weak approach. Without recourse to the professional resources of the ruling class the SAHPF are fundamentally hamstrung. This flaw reflects the way in which the relationship was constructed as
them and the professionals who nurtured them for the purposes of bootstrap development. Utilised as sweat equity to draw in donor funding, the SAHPF were left completely untrained in dealing with the mechanisms of law and auditing. This was the prerogative of the Alliance professionals, and this neglect meant that the SAHPF was ill equipped when it had to continue alone. This fault reveals the fundamental fiction of participatory development: rather than equal partners in co-production, the poor are still only the labouring subaltern mass legitimising the conversion of slums to formal housing under neoliberal hegemony.

On the positive side, Secretary of State Hillary Clinton’s visit in 2009 to the SAHPF’s flagship Victoria Mxenge development was very helpful to them, for it showed the outside world that they still existed. This was Clinton’s third visit to the housing development. As First Lady, she volunteered in 1997 with her daughter Chelsea and returned in 1998 with her husband, then-President Bill Clinton, to lay bricks with the women of the SAHPF. ‘I am very proud to see the progress that you have made, and to know that because of your efforts and this model, there are 50,000 houses built like this across South Africa...’ Clinton told community members ‘... [Every person wants to] have something that is their own, and so the more we can empower that, the better’ (http://www.america.gov/st/business-english/2009/August/20090809110416esnamfuak0.9586908.html). Her visit galvanised the US Embassy into paying attention to the SAHPF, according to Matolengwe:

The US embassy is very good because they are trying to link our programme to their contacts to see how they can help us. The good thing about them is after everything they follow up and check on progress. We are working through them on a relationship with Standard Bank. (Interviews 2009)

All this remains tentative and fragile, fraught with the problems of translation and misinterpretation. The reality of being a movement of the poor is the class contradiction between you and those that wish to help you. And it is this contradiction that leads to our conclusion.

Conclusion: Eluding the missionaries of absorption

As the missionaries, who, with the best of intentions, paved the way for the brutal relations of early frontier capitalism and colonialism, so the development practitioners of the liberal fold pave the way for neoliberal capitalism. Participatory development, via the vectors of housing, microfinance and social capital capture grassroots tools of survival and turn them into weapons of absorption. In this way, the disparate masses of flexible labour spread across the South find their ranks divided and compromised. The pressure of revolt is released in a structurally appropriate way: those of the poor who participate will be rewarded, while those who do not have only themselves to blame. Citizenship is deepened and once deep enough, turned around as a mechanism of compliance, converting a key sector of the mass of uncivil slum dwellers into dutiful members of civil society. For the rest, those that do not prosper,
their failure is a failure to fully embrace their citizenship and take up their role in civil society. As such it is their democratic choice to be poor. This non-malleable mass, these recidivists, are thus legitimate targets of exclusion, for surely they have been given the chance to participate? What is not addressed is what the poor are invited to participate in – their co-option into the system of their own oppression through co-production.

Funded initially by liberal and moderate patrons like Misereor and Western national donors like DFID, CORDAID, IBIS and SEDA, the SDI Alliance emerged at a critical historic moment, when the Left had been decapitated and the liberal bloc was consolidating its hegemony. The leaderless masses needed to be incorporated as rapidly as possible lest a new, more appropriate historical impulse was synthesised upon the anvil of history. And so it was that something as familiar as Graham Greene’s Third Force appeared at a global level to subvert such an actor from emerging. With great discretion and intelligence, the Alliance created a development process, ‘co-production’, that dovetailed with the emerging neo-liberal world order. In this way, the poor could be corralled and directed, using the lure of participation – citizenship, houses, donor money – into fulfilling the agenda of the market, self-evicting from key real estate, moving to the periphery, and accepting the laws of the market as a blameless neo-apartheid: separate development of the poor by their own endeavours.

The contradictions inherent in this origin story are profound and resonate across many areas of crisis. When the symptoms of this subsumption began to reveal themselves as delivery failure, corruption and inadequate social capital, the SAHPF struck out on their own, reverting to their class and thus breaking the ties of their overt absorption. Today, the SAHPF continues to make progress at the grassroots level: houses are being built, victims of abuse are receiving help, jobs are being created, students are attending tertiary academies, HIV/AIDS victims are being helped and skollies are being brought back into the fold. The movement may be struggling but at least this time, the struggle is their own.

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**Notes**

1. The author worked for SDI from 2003 to 2008 and continued interviews with the SAHPF for the purposes of this research.

2. As co-chair of the Commission on Legal Empowerment of the Poor, together with former US Secretary of State, Madeleine Albright.

3. It can be argued that collective conservation practice is a direct corollary of *gattungwesen*, produced logically by the human collective capacity to imagine the future (Podlashuc 2007). Conservation and commonwealth are integral to conceptions of the commons. Savings groups de-individualise surplus, and by collectivising, that suggests a commons approach to material scarcity. As a group formulation, saving has always provided a solution to scarcity overcoming individual material and temporal limitations.


5. Included in this international mix of concerned civil society were many prominent individuals: Father Jorge Anzorena, Ramon Magsaysay Award winner; David Satterthwaite, co-author of the seminal development studies textbook, *Squatter Citizen: Life in the Urban Third World* (1989) and his then wife, Diana Mitlin, co-editor with him of the sequel, *Empowering Squatter Citizen: Local Government, Civil Society and Urban Poverty Reduction*; Arif Hasan, Netherlands Urban Heroes Award; Srilatha Batliwala, co-founder of the Society for Promotion of Area Resource Centers (SPARC), now at the Hauser Center at Harvard University; Sheela Patel, a wealthy Indian social worker, wife of the CEO of Procter and Gamble, and co-founder of SPARC; Arjun Appadurai, social imaginist and academic, close friend and advisor of
Standard terms and conditions rapidly emerged. Members were allowed to borrow up to R10,000 from uTshani with a deposit of five per cent and a monthly interest rate of one per cent. Repayments were more or less agreed at R120 a month with a notional repayment period of 15 years, assuming that subsidy funds were not received.

Central to global capitalism’s legitimacy is its myth that the enlightenment project of rationality and order has become extensive, unbound to its Eurocentric landscape, and is now universal. Its narrative suggests a world of possibility and connection, of order, democracy, human rights and international law. It posits a world beyond history (Fukuyama 1989), where all social and economic ills can be resolved through the invisible hand of state, market and civil society. In short, for justice to prevail, civil society must be strengthened and key to this is the building of citizenship.

As Bolnick commented on reading this, ‘UF never relied on the repayment of loans. Repayments were expected as part of the recovery process but it was always understood that in a subsidy environment, loan repayment was a mechanism for accountability not full recovery.’ (Comments to paper, 2011.)

Based on its sample of 33,488 women attending 1,415 antenatal clinics across all nine provinces, a South African Department of Health Study estimates that 28% of pregnant women were living with HIV in 2007 (HSRC 2008).