

# CONNECTING THE DOTS BETWEEN SETTLEMENT FUNCTIONALITY, INTEGRATED AND INCREMENTAL UPGRADING AND THE NEED FOR A CAPACITATED NETWORK OF INTERMEDIARY ORGANISATIONS

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## **Abstract**

This paper explores the implications of the ‘settlement functionality’ argument for processes of informal settlement upgrading. It argues that this approach enables the building of communities of practice between state officials, professionals, civil society organisations and community members in order to understand the opportunities and limitations created by the interaction between the functionality of the settlement within the city system and in the lives of local residents, the physical and technical constraints offered by the site, the levels of organisation within the local community and the skills and resources available for the process. It suggests that this only be successfully pursued by a network of individuals and organisations able to play a range of ‘intermediary functions’ between the state and communities. Concludes by arguing that the NGO sector is an important partner in building and sustaining such networks and that the current weaknesses in the sector in South Africa require a coherent response from all stakeholders.

**Keywords:** informal settlement upgrading, settlement functionality, NGO sector, South Africa

## **INTRODUCTION**

The design and execution of housing policy in South Africa has been a complex and fraught process since the advent of democracy. At the end of apartheid the shape and functioning of South African cities were the ultimate example of the state’s attempt at social engineering. The urgent priority for policymakers and politicians alike was to convert them from symbols of elite privilege and middle-class dominance to integrated spaces that would enable ordinary South Africans to reclaim a sense of citizenship and to discover one another's humanity and value (ANC, 1994). While the mainstream housing programme pursued by the state has had some success at achieving delivery targets, overwhelming evidence has amassed indicating that it has largely failed at achieving the key objectives that underpinned its originating rationale: demand continues to grow irrespective of delivery, the state can no longer afford the cost, it has deepened spatial inequality, forced violent showdowns between the state and its citizens over access to land, and has perpetuated the low-densities of South African cities and settlements (with a myriad of social, budgetary and environmental consequences) (Charlton and Kihato, 2006; Harrison et al., 2008; Pithouse, 2009; Misselhorn, 2010; NPC, 2011). Indeed, the shortcomings were acknowledged and formed the basis for a review of housing policy that became Breaking New Ground (BNG) in 2004. This policy acknowledges that despite the “well-intentioned measures” of the original policy, “the inequalities and

inefficiencies of the apartheid space economy, has [sic] lingered on”, suggesting it signalled a “shift towards a reinvigorated contract with the people and partner organizations for the achievement of sustainable human settlements”, placing a particular emphasis on “a phased *in situ* upgrading approach” (DoH, 2004: 5-6). This shift, however, was slow to emerge in practice for a myriad of reasons that, due to limited space, cannot be covered here (see Harrison et al., 2008; Görgens, 2010; Hutchzermeyer, 2011).

Over the past three years there has been increased evidence of a concerted attempt being made to shift the practice of the state towards embracing such a model of informal settlement upgrading. These include the creation and funding of the National Upgrading Support Programme (NUSP), the prominent inclusion of upgrading targets in Outcome 8, the Urban Settlement Development Grant (USDG), the prominent place of human settlements in the coming Cities Support Grant (CSP) and their explicit inclusion in the National Planning Commission's National Development Plan. The challenge for officials, actors in the housing field, civil society organisations and communities is to ensure that the partnership, incrementalist and *in situ* aspects of upgrading are constantly reasserted and systematised in practice to ensure that such interventions result in qualitatively improved and more sustainable less-formal settlements.

This paper will advance two lines of thought to support the emergence of such practice. First, it will explore the implications of the ‘settlement functionality’ argument for building an incrementalist and partnership-based approach to informal settlement upgrading. This approach enables the blending of technical and social knowledges and the systematic creation of a ‘community of practice’ between officials, civil society organisations and residents throughout the planning and implementation phases of upgrading projects. Second, it will argue that the current conceptualisations of state-community partnerships in policy sideline vital role of intermediaries in building and maintaining such partnerships. A functional definition and description of such ‘intermediary functions’ will be proposed. The paper concludes by arguing that the current lack of capacity in civil society represents a serious threat to the progressive implementation of the opportunities currently being created by the state but that a shift in funding patterns and strategic collaboration within a network of practice offer potential solutions.

## **INFORMAL SETTLEMENT FUNCTIONALITY**

The notion of informality as a political judgement with suggestive, negative connotations has been well-established elsewhere (for a comprehensive overview see Hutchzermeyer, 2011). As Gilbert (2007: 700) argues, “[i]f a slum is a relative concept, viewed differently according to social class, culture and ideology, it cannot be defined safely in any universally acceptable way. Nor is the concept stable across time because what we consider to be a ‘slum’ changes.” Therefore, in the face of the dangerous implications of the negative implications of informality (i.e. control or even ‘elimination’), progressive approaches to informal settlement upgrading have long emphasised the adaptive and positive role that such settlements play in satisfying the needs of the urban poor.

Any slum improvement intervention must be sober about what may be beneficial enough to some people to make them want to continue their livelihoods in the context of an informal settlement and not formal housing or a more formalised environment. As slums are currently, they are teeming with life, social networks

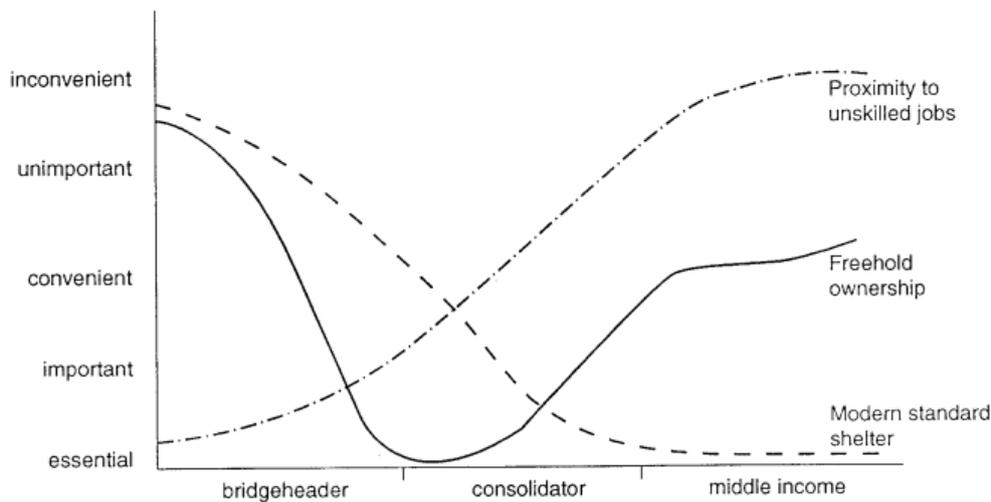
and economic linkages. It is often impossible to recreate these livelihood options and possibilities outside of highly fluid and malleable physical conditions that are best offered by informal areas. It is important to shed light on these aspects of slum life, without romanticising them, because policymakers are often baffled by the resistance that come from some slum dwellers to upgrade proposals. Furthermore, upgrading initiatives must, of course, work with an intimate understanding of the existing livelihood strategies of those affected, as the vast literature on livelihoods and assets-based poverty reminds us (Pieterse, 2008: 57).

While it is difficult to be definitive, Misselhorn (2008: 5) suggest that the functional elements of most informal settlements are usually their ability to offer poor urban residents some combination of:

- Access to employment and other economic / livelihood opportunities (which are often modest or survivalist in nature);
- Access to social facilities (eg: education and health care);
- Access to the political system (access to ward councillors and the space to vote and lobby);
- Access to the legal system (or improved access to it);
- Potential access to housing and infrastructure (e.g. through waiting lists for housing projects or through rudimentary / illegal services and connections available).

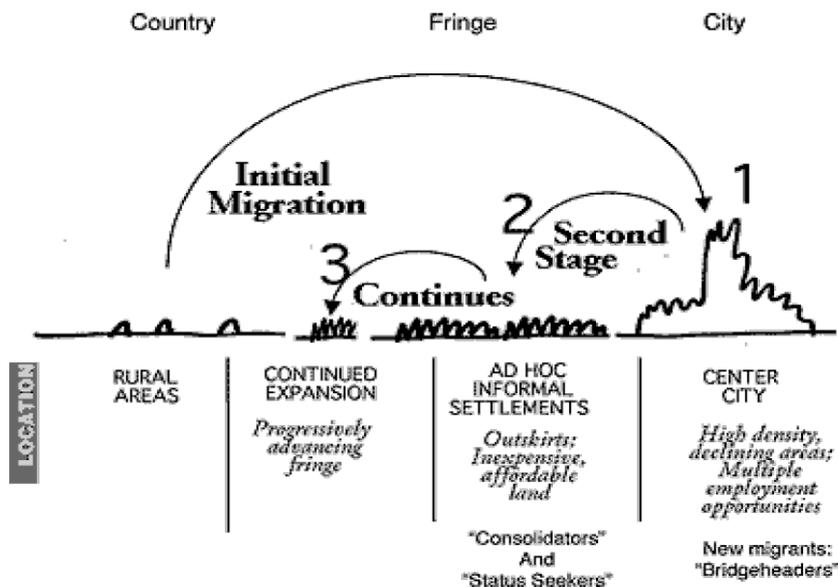
The informality of these spaces offer this access at (relatively) low financial cost, the barriers to access are low, and they offer a wider array of possible livelihood strategies. Research into such informal settlements in South Africa has shown that all of these factors are more likely to be mediated and/or facilitated by social relations and networks (as opposed to financial resources) than conventional, formal environments (Isandla Institute and Urban LandMark, 2008).

The choice about which informal settlement to move is made by households trying to optimise a number of different factors including housing cost, levels of safety, tenure security, quality of shelter, and proximity to work or public transport facilities (Turner and Fichter, 1972). Indeed, beginning in the 1970s driven by the work of John Turner and William Mangin in Lima, Peru, researchers have investigated the links between the key characteristics of the residents and the functionality of informal settlements. In his original work Turner (1986) argues that the priority for new arrivals/migrants in cities is employment and so this group is more likely to live in rental accommodation in difficult conditions to be closer to the city centre (and therefore work opportunities). These are the 'bridgeheaders'. As these individuals become more established, their priorities shift towards investing in the future and securing their place in the city. This is most easily done by moving to land on the margins of the city where acquiring land and building a house is more affordable (and this group was therefore called 'consolidators'). The investment of these families in the improvement of their housing, along with communal activity to access government services, creates consolidated and upgraded settlements that become attractive to more middle-class residents or 'status seekers'. The shift in priorities is graphically illustrated in Figure 1: the bridgeheader is focused on securing employment and is willing to ignore questions of ownership or the quality of the dwelling; the consolidator prioritises ownership or security of tenure over the other two; and then as the family becomes increasingly middle-class their attention switches to maximising access to amenities and quality-of-life.



**Figure 1:** *Income and Residential Priorities for Migrants Entering Informal Settlements* (Gilbert and Crankshaw, 1999: 2383; adapted from Turner, 1986).

As already indicated, this shift is accompanied by a shift in position within the city as illustrated in Figure 2.



**Figure 2:** *Generalised Trajectory of Migration* (MIT, 2001; adapted from Turner, 1986).

While the self-help elements of Turner's analysis has received criticism, largely from Marxist scholars (for an overview see Mukhija, 2001: 214), this general sketching of the value of informal settlements and the relationship between their location within cities and their general function in the lives of urban residents has largely been supported and supplemented by subsequent ethnographic research across the world (for an overview see Klaufus, 2012: 151).

These links between settlement location and functionality have been explored in South Africa. Gilbert and Crankshaw (1999) explored the distorting effect of the structural barriers created by Apartheid for black African families on in migration and self-help housing in urban areas and argued that the advent of democracy would see the emergence of a city form

similar to those in Latin America. Indeed, more contemporary research conducted by Catherine Cross and her colleagues at the HSRC has indicated that there are marked differences between ‘core zone shacks’ and ‘peripheral zone shacks’ in urban centres. Drawing from a randomised survey of informal settlements in Gauteng, Mpumalanga and Sekhukhune in 2008, Cross (2008) traces the difference between ‘core zone shacks’ and ‘peripheral zone shacks’ in urban centres. She argues that ‘core zone shacks’ are likely to be male headed households with a lower unemployment rate than shack settlements on the periphery. However, they also cover a far smaller area of the sample size and therefore have a higher average household size. Crucially, when questioned about why they had moved to the area, residents in the ‘core zone’ indicated that *access to jobs* was their primary motivation, while those in peripheral settlements indicated a clear priority about *access to housing*.

The key implication of this link between location and functionality is the accompanying recognition that upgrading initiatives, almost irrespective of their character, will fundamentally impact the physical characteristics and social systems of informal settlements. The resultant shift in the functionality of these settlements for existing residents is unpredictable and, if not carefully anticipated and communally negotiated, could lead to serious deleterious outcomes. For example, the upgrading or formalisation of inner city informal areas potentially disrupts their functionality (most likely because the area becomes increasingly attractive to higher-earning groups (‘down-raiding’)). No form of more formal housing can offer the advantages to young jobseekers or migrants that well-positioned informal settlements do: ease of access and transaction, low rental/upkeep costs and proximity to transport and jobs. The “most popular areas for households able to sustain permanent housing are the urban peripheries – these are the informal suburbs” (Cross, 2010a: 20). Cross (2010b) points out, therefore, that the priority intervention for these areas is to focus on transport delivery and subsidies – travel costs for these families to access the city centre are often crippling – and the provision of social services that will make these sustainable ‘suburbs’. She concludes:

New planning approaches to preserve temporary access by the poor to the shacks option may prove to be critical. Migration on its own finds well-located land when formal planning cannot. If so, human settlements delivery might need to develop a new framework for spatial planning that engages the shacks. Matching upgrading to the different constituencies shacks attract (Cross, 2010b: 24).

The key question for practitioners from these valuable insights is what would the components of such a new approach to planning be?

## **THINKING THROUGH THE IMPLICATIONS OF SHIFTING FUNCTIONALITY FOR PROCESSES OF UPGRADING**

There are a number of useful guides that have been prepared to aid in the classification of informal settlements and the identification of those most suited to upgrading projects (see de Aristizabal, Lewin, Mendez, and Ziss, 1989; Imparato and Ruster, 1999; and in South Africa PPT, 2010). These guidelines typically focus on the physical characteristics of the site (and therefore its potential to become a formal settlement over time), the presence of key regulatory constraints (such as the ownership of the land), the socio-economic characteristics of the settlement (particularly its heterogeneity and level of need) and the possibility for favourable institutional alignments (such as capacitated local government and active

community organisations). In general, however, they skirt around the questions raised by the functionality argument. Processes of human settlements formation and functionality are inherently non-linear and therefore cannot be planned using conventional Modernist approaches. As Patsy Healey (2007: viii) has argued about recent shifts in planning:

It is widely recognised that the development of urban areas, understood in socio-economic and environmental terms, cannot be 'planned' by government action in a linear way, from intention to plan, to action, to outcome as planned. Even where a government agency controls many of the resources for physical development and acts in an integrated and coordinated way, socio-economic and environmental activities make use of the physical fabric of urban areas in all kinds of ways that are often difficult to imagine in advance, let alone predict... Instead, those involved in spatial strategy-making are struggling to grasp the dynamic diversity of the complex co-location of multiple webs of relations that transect and intersect across an urban area, each with their own driving dynamics, history and geography, and each with diverse concerns about, and attachments to, the places and connectivities of an urban area.

Our approach to planning for and implementing upgrading projects, therefore, needs to pre-configure the flexibility and need for evolving partnerships that such an analysis implies. We would suggest that there are two key features of such a partnership (or collaborative) approach to planning (which we have described in more detail elsewhere as 'networked spaces' (Görgens and van Donk, 2011)):

- First, inherent in any process of upgrading is the negotiation of trade-offs and priorities. Being explicit about which groups are claiming what kind of rights (and potentially at which other groups expense) is an important part of agonistic planning. The differences between deliberative planning and agonistic planning have been thoroughly explored elsewhere. Paraphrasing Mouffe's argument against consensus seeking models which tend to mute disagreement (largely in the deliberative school), Bäcklund and Mäntysalo (2010: 343) explain that "embracing agonism would require active search for such vehicles of expressing opinions that would allow one to present passionate views without being construed as an enemy... This view of democracy paves the way to a culture of planning more tolerant to the coexistence of and conflicts between different meaning systems. In agonistic planning the stakeholders may agree on certain issues, and respectfully agree to disagree on others. Even if the conflicts were to be found as irresolvable, the actors may still come to mutual agreement on the procedure – how the differences in opinion are to be dealt with." This brings us to our second component.
- Second, such an approach has at its heart a conscious effort to build 'communities of practice' to tackle the different aspects of the upgrading process. These processes need to focus on collaborative ways to recognise and share different forms of knowledge, and use these processes to build trust between different stakeholders. For example, forming an appropriate response to an issue such as tenure security requires state planners (who understand the bureaucracy and technicalities of different options), lawyers or planners hired by the project manager or intermediary organisation (to advocate for the interests of the community) and community members who must weigh the potential and implications of the different options. Furthermore, continually returning to the question of functionality enables such partnerships between professionals and community groups to remain grounded in the

lived experiences of residents and constantly in reference to the potential implications of specific choices.

We will return to, and unpack in more detail, the need for intermediaries to advance such a partnership-based approach to planning in the final section.

The substance of the priorities and trade-offs that should be identified and negotiated by the community of practice can be identified as five interacting ‘fields of potential’ that are a part of any upgrading project: (1) its functionality within the wider city-system, (2) its functionality for current residents, (3) the underpinning physical and environmental characteristics of the site, (4) the level and nature of organisation within the local community, and (5) the availability of skills and resources. Between them these five fields of potential represent the functional limits of the decisions that can be made about the future upgrading of a particular neighbourhood. The implications of each for processes of upgrading will be briefly outlined here.

While the functionality argument has largely focused on the settlement’s functionality in the lives of residents, it is also important to recognise that the (capitalist) city-system benefits (and incurs costs) in particular ways from the location of informal settlements. For example, the presence of migrants eagerly looking for work within the city ‘core’ reduces the amount of public funds spent on transportation and increases the supply of available labour (thereby lowering costs for employers etc). As Turner (1986) pointed out in his original work, the functionality of settlements is largely determined by the phase of development that the city-system is currently in (he describes these as transitional, midtransitional and late transitional). The shifting city system will place different pressures and offer different opportunities to informal settlements depending on their positioning in relation to future development. Therefore, in line with the suggestion of authors such as Aristizabal, Lewin, Mendez, and Ziss (1989) and Mukhija (2001), a vital step in ‘surfacing’ the priorities and trade-offs that will characterise the upgrading process is the collation and discussion of the place of the settlement within the existing city-system *and* the medium to long-term planning of the city.

Furthermore it creates a concrete opportunity for different fields of knowledge and stakeholders with expertise to come together to exchange information, debate priorities and trade-offs and build the relationships that will underpin the community of practice that is so vital for successful implementation. As Patsy Healey (2007: vii-viii) puts it,

this means that planners from the planning tradition, with a focus on place qualities, have to encounter analysis and policy makers concerned with other fields organised around other foci of attention... In these encounters, clashes between conceptual frameworks and legitimising rationale are commonplace. Nevertheless, in this reaching out to, and joining up with, those working in many policy fields, efforts in spatial strategy-making are drawn into a widespread endeavour... [of] searching for new ways to do government, driven in part by concerns for greater effectiveness in delivering policy and programmes, but also for greater relevance and connection to those concerns and demands of citizens and organised stakeholders.

Such a space/process of citizen-engaged spatial strategy-making are envisaged in various pieces of legislation and policy (Integrated Development Plans and Spatial Development Frameworks, Housing Development Plans, and the newly introduced Built Environment Performance Plan to mention a few) but have constantly been found to have limited efficacy

at determining patterns of actual development, effectively integrate the interests of different government departments and stakeholder groups in society and, crucially for our purposes, have only passing references to plans for existing informal settlements (Cross, 2008; Harrison et al, 2008; Görgens, 2010; Huchzermeyer, 2011). Such a planning process therefore enables the existing plans (largely the product of the technocracy with some political input) to be tested and reworked in reference to detailed debates about the needs and appropriate responses to specific neighbourhoods, thereby improving city-scale planning occurring as well as inspiring more nuanced responses to individual settlements. This aspect of the upgrading process will involve a number of different steps where the project management team systematically assembles the stakeholders (including representatives from the community itself) and data needed and initiates a series of conversations about the norms and expectations about the process, more detailed process planning (for the rest of the planning as well as the implementation stages) and begins to establish increasingly regularised (/formalised) working relationships between key stakeholder groups (such as key officials, political authorities, professionals, civil society organisations, community leaders and residents).

As has been indicated strongly in the previous section, the next scale is to build a detailed picture of the function that a settlement plays in the life of its residents. A multitude of tools have been created for such processes – typically within the stable of ‘community-based’ or ‘participatory planning’. The focus of such methodologies is typically the mobilisation of community-based knowledge (through processes such as participatory enumerations, community registers and community mapping) to serve as a base from which communities are able to identify their own sets of needs and priorities and organise themselves (Satterthwaite, 2001; Mitlin, 2008). The ‘social technologies’ that characterise such approaches have been most extensively explored by Slums/Shack Dwellers International (SDI) and their local affiliates in South Africa, particularly the Informal Settlements Network (ISN).

For the state to be systematically involved, however, these fields of knowledge need to be systematically blended with the technical knowledge and data needed by the state to initiate and pursue such projects (geotechnical, environmental and civil engineering assessments etc). These technical knowledges present all stakeholders with important information about the current and future limits of the development of the site and are therefore a vital aspect of the planning and decision-making process. It is also vital to acknowledge the suspicion with which such claims are now being treated by many communities across South Africa as they are perceived as a convenient excuse to ignore the claims of particular communities to development (Tissington, 2011; Huchzermeyer, 2011). The open flow of both sets of information, and a concerted programme by all parties to disseminate and digest their implications, therefore, is an essential aspect of the success of such processes (Antonio, 2011). This data provides the opportunity for open debate about different possibilities, priorities and trade-offs and, ultimately, forms the basis for the detailed planning needed for the re-blocking of the settlement, provision of services, provision of administrative tenure security etc. As we have sketched in more detail elsewhere (Görgens and van Donk, 2011), this requires the creation of a series of “networked spaces” throughout the project planning and implementation phases that enable the emergence of a ‘community of practice’. The most explicit opportunity for such collaboration is the possibility, created in the Upgrading of Informal Settlements Programme (UISP), of the negotiation of the standards of engineering services in a particular project based on a range of “appropriate and sustainable trade-offs” (see DoHS, 2009: 37).

Another key aspect often invoked in processes of settlement/project identification (de Aristizabal, Lewin, Mendez, and Ziss, 1989; Imparato and Ruster, 1999) is the existing levels of community organisation. It is generally held that fractured (or factious) communities are to be avoided because of the levels of cooperation and *productive* debate that are required to initiate and sustain processes of informal settlement upgrading. Furthermore, the timing of such interventions, the depth and breadth of the organised groups, the presence of active and accountable leaders and the possibility of an open and incremental process of engagement are all considered key indicators of success for collaborative planning (Fisher, 2001). The three previous aspects of upgrading identified above (city-level functionality, local functionality, and the blending of different knowledges) indicate, there are a range of possible opportunities to encourage and support the organisation of communities during the upgrading process. However, they also support the assertion that a core level of commitment and organisation must be required for the community to be able to be productively involved in planning and decision-making processes. As we point out below, this requires the careful support and positioning of organisations willing to play an intermediary/mediation function between local community groups and leaders and the state so as to capacitate and facilitate productive collaboration.

The final aspect that represents a limit to the possibilities of a particular project is the availability and mobilisation of skills and resources. The source of project funding is a key determinant in the final form that a project will take because of the explicit or implicit limitations created by interests and requirements of the funding agency. Likewise, the availability and recruitment of experienced officials, professionals and practitioners, civil society organisations or community groups into particular projects can make a strong difference to the final outcomes. Examining the experience of the Integrated Serviced Land Project's use of a participatory methodology to deliver 32,000 houses to 30 distinct communities in Cape Town between 1991 and 2005, Adlard (2011) argues that a key aspect of its success was the commitment, positioning and resourcing of progressive consultants willing to recruit, coerce, maintain the peace, and inspire collaboration between political authorities, different state officials and a variety of community groups. However, these levels of resources and skills being made available to ensure the process is effectively facilitated remains an anomaly in South Africa. For example, the UISP places an absolute limit of 3% of the total project costs on community participation and 8% of project costs on project management. These levels of funding represent a key challenge to the efficacy and sustainability of the involvement of civil society organisations or small private sector organisations (Misselhorn, 2008; Isandla Institute, 2012) and definitely militate against the kind of collaborative approach sketched in the previous four elements. Organisations seeking to facilitate participatory approaches are therefore forced to source additional funding (with their own set of requirements and limitations). The emergence of a collaborative approach to informal settlement upgrading, particularly if it follows international examples that have a vibrant sector providing socio-technical support (Imparato and Ruster, 2003; Wakely and Riley, 2010), requires urgent and systematic attention to the funding being provided for organisations seeking to play 'intermediary functions' in informal settlement upgrading.

#### **'INTERMEDIARY FUNCTIONS' IN INFORMAL SETTLEMENT UPGRADING AND THE ROLE OF THE NGO SECTOR**

As has been noted in the introduction, Breaking New Ground was largely greeted as a progressive attempt to reorientate of the approach of the state to informal settlements.

However, as Charlton and Kihato (2006) and Tissington (2011b) have noted, while it explicitly moves away from the previous supply-centred model to a model driven by the needs of those on the ground (i.e. demand driven approach), it places the responsibility on municipalities to determine the *location* and *nature of the housing* that is developed in their areas of jurisdiction. Furthermore, the UISP places municipalities (depending on whether they are accredited and capacitated) and/or provincial government in the role of developers (DHS, 2009: 16). While they can source external support (within the financial constraints indicated above), they are ultimately responsible for the initiation, planning and formulation of applications for projects under the UISP. Where communities want to exert control, the UISP suggests that this participation “should be undertaken through Ward Committees with ongoing effort in promoting and ensuring the inclusion of key stakeholders and vulnerable groups in the process” (DHS, 2009: 15).

Unfortunately this most frequently results in local government officials that are highly dependent on consultants to complete the statutory requirements created by legislation, and communities that experience a deep sense of alienation from any sense of control or understanding of upgrading processes. For example, drawing on the experience of the struggle for the upgrading of Slovo Park in Johannesburg, Tissington (2011a) concludes that “the reliance on consultants in a context of complex technical policies and processes, non-integrated planning and overzealousness of politicians, is a recipe for failure. Particularly as consultants are often ill-equipped to deal adequately with the myriad problems that arise.” Furthermore, from the community perspective,

there seems to be a lack of understanding and clarity... around the roles and responsibilities, legislative imperatives, obstacles and time-frames implicit in these land use planning processes, particularly in relation to the establishment of a new township. Indeed, this is no fault of communities, as these processes as they exist are alienating and inaccessible, as well as being time-consuming and unstreamlined.

A successful partnership-based or collaborative approach to incremental upgrading, therefore, requires a great deal of intermediation between the different stakeholders’ sets of interests, priorities and modes of engagement, and combination of different forms of technical and social knowledge to plan and implement co-productive solutions to problems. In our work, Isandla Institute has suggested that this is achieved by individuals and organisations playing particular ‘intermediary functions’ which, in different ways: support and promote an incremental approach to upgrading; capacitate key actors to play important roles in the upgrading process; and enable the right alignment of institutions and processes to achieve concrete (and mutually agreed upon) outcomes. We intend ‘intermediary functions’ here to refer to those processes that facilitate (but remain relatively distinct) from the technocratic and physical processes of upgrading (eg assembling the grants, installing standpipes etc) that are typically the responsibility of the state as well as those processes of claiming and asserting rights that are associated with beneficiaries of upgrading processes. These intermediary functions, therefore, would include:

- **community mobilisation and support**, which is focused on building a community's ability to identify and advocate for their own needs, and interact confidently with state officials and other professionals;
- **participatory planning**, in which appropriate participatory methodologies are employed to enable community members to be active participants in the design and development of their communities;

- **capacity building and training (in communities)**, which may involve the design and implementation of training or capacity building opportunities for community members to enable them to be full participants in all the aspects of informal settlement upgrading (and so may focus on a variety or combination of technical, project management or community organising skills);
- **capacity building and training (with the state or with other stakeholders)**: the intermediary organisation initiates/hosts training or capacity building opportunities for state officials or other professionals to build their capacity to understand and execute an incremental, participatory approach to upgrading;
- **project coordination and management**: the intermediary organisation either initiates and manages all the aspects of the upgrading process, or plays a key part in coordinating the actions of stakeholders to achieve desired outcomes;
- **research, knowledge management and advocacy**: research and learning are grouped with advocacy to stress the importance in all these activities of producing evidence-based policy recommendations that are communicated in a meaningful way to targeted stakeholder groups;
- **litigation** can either compel shifts in policy, the allocation of state resources to particular programs or the defence of rights of particular communities.

It is important to stress, however, that it is impossible to predetermine the appropriate individuals, organisations or institutions that should play these intermediary functions. While civil society often plays these roles in upgrading around the world and in South Africa, they may well be played as effectively and progressively by individuals or organisations within the private sector, the community or the state – depending on the particular context in which the upgrading process is occurring.

Given the diversity of intermediary roles and the complexity of the upgrading process outlined above, it seems likely that these intermediary functions will be played by a spectrum of organisations (engaging in different ways and to different degrees with stakeholders) rather than all of the intermediary functions in located within an individual organisation. In line with international experience (e.g. Imparato and Ruster, 2003), we believe the NGO sector has a vital role to play in building and maintaining such networks of individuals and organisations that are committed to advancing an incremental and partnership-based approach to informal settlement upgrading. In a review of the priorities for the promotion of an incremental approach to housing provision, Wakely and Riley (2010: 48) conclude that:

Capacity building of community-based organisations and local NGOs to support incremental housing processes is next in importance to that of formal local government in the league of priorities for capacity building in support of incremental housing processes. The emerging role of neighbourhood and community groups, as a new tier of local governance that comes between individual households and municipal authorities, is almost without precedent. Although urban community organisations are rightly taking on many of the traditional management functions of municipal authorities, it is important that they remain ‘non-governmental’ so that they can maintain an independent watchdog role over municipal authorities, holding them to account and guarding the demands and interests of their constituents.

So what is the current state of the South African NGO sector, particularly with regards to its ability to play this complex balancing act between managerial functions and a watchdog protecting the interests of communities? The formal NGO sector in South Africa has a long history of playing such a role, especially with regards to community-based housing

initiatives, and new forms of ‘social movements’ and ‘organisations of the urban poor’ have increasingly become involved. Unfortunately the sector is limited in its ability to be active role players in all of the intermediary functions outlined above. A recently completed piece of research, commissioned by Isandla Institute, conducted across the NGO sector working on housing or related issues (and with other stakeholders) about the current level of interest and state of capacity of organisations in the sector to play intermediary functions within the upgrading process has concluded that “the NGO sector is weak and lacks coordination; there is a severe lack of funding in the sector; NGOs are specialised in specific areas; NGOs are poorly positioned with regards to the state; [and] there are differing views about what the priorities in informal settlement upgrading are” (Isandla Institute, 2012: 12; see Misselhorn, 2008: 26 for a similar diagnosis of the sector).

As is outlined in the introduction, there are a range of important opportunities being created within the state to shift its practice towards the progressive upgrading of informal settlements. However, given the target of 400 000 households by 2014 that was set in Outcome 8 signed by the Minister of Human Settlements, there are no guarantees that this focus will embrace or be able to sustain an incremental or partnership-based approach to upgrading processes. This requires the capacitation and proactive positioning of a network of progressive individuals and organisations seeking to play the ‘intermediary functions’ between the state and communities. The current weaknesses in capacity and positioning than the NGO sector is experiencing are strongly influenced by the lack of resources available for these organisations to sustain a programmatic (as opposed to project-driven) approach to informal settlement upgrading (with the resultant weakening of capacity as experienced staff move into other sectors) and lack of collaboration and systematic learning between organisations. While these represent significant warning signs for the progressive implementation of an incremental and partnership-based approach to informal settlement upgrading, they do not represent insurmountable hurdles. Isandla Institute is currently in the middle of a two-year process that brings together organisations seeking to play such intermediary functions to strengthen collaboration and encourage mutual processes of learning (in close collaboration with NUSP). However, it is also imperative that other key partners, such as the state and local and international funders, begin to formulate a systematic response to the weaknesses created in the sector by current approaches to funding. Finally, it is important that as the new approach to informal settlements is institutionalised across different state structures, the need to build partnerships that satisfy the different ‘intermediary functions’ in upgrading projects is stressed.

## **CONCLUSION**

This paper has traced the implications of the ‘settlement functionality’ argument for processes of informal settlement upgrading. It has argued that this requires the building of communities of practice between state officials, professionals, civil society organisations and community members in order to understand the opportunities and limitations created by the interaction between the functionality of the settlement within the city system and in the lives of local residents, the physical and technical constraints offered by the site, the levels of local organisation and the skills and resources available for the process. This can only be successfully pursued by a network of individuals and organisations able to play a range of intermediary functions between the state and communities. Finally, it suggests that the NGO sector is an important partner in building and sustaining such networks and that the current weaknesses in the sector in South Africa require a coherent response from all stakeholders.

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