



# The urban poor under threat and in struggle: options for urban development in Zimbabwe, 1995-2000

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**SUMMARY:** *This paper describes the development of savings schemes by urban poor groups in different urban centres in Zimbabwe and their negotiations with local authorities to allow them to develop their own homes and neighbourhoods. It also describes how these savings schemes developed into the Zimbabwean Homeless People's Federation (now with 20,000 members), and the constant inter-change between different savings schemes as they learnt from each other (and from leaders of federations from other countries) and encouraged new savings schemes to be set up. Despite very difficult political circumstances and economic problems, there are housing and income generation schemes underway in many Zimbabwean urban centres, organized and managed by urban poor groups' own savings schemes. The larger ones are inevitably those where local authorities have recognized their potential and provided appropriate support.*

## I. INTRODUCTION

THE POOR IN Zimbabwe are facing increased hardship as a result of rising prices for food, shelter, education, transport and health care. The country has been hard hit by the AIDS pandemic with at least 25 per cent of the population estimated to be infected with HIV / AIDS. In addition to the loss of family breadwinners and the costs of medical and funeral bills, hundreds of thousands of AIDS orphans remain. Some have been cared for by extended family members while others have been abandoned on the street. It is usually women who bear the added social and financial costs of looking after sick relatives or supporting additional children, as social services in Zimbabwe are very limited and in order to gain any state assistance there is a long bureaucratic process for the few who may be eligible.

Zimbabwe is experiencing its worst economic crisis since independence. The refusal of the IMF, the World Bank and many donor countries to release funds to Zimbabwe because of its economic policies and involvement in the war in the Democratic Republic of Congo (DRC) has resulted in an extreme shortage of foreign exchange. The domestic deficit has grown to US\$ 1 billion<sup>(1)</sup> while the government is still committing approximately US\$ 3 million per day to the war in the DRC. Inflation reached a high of 70.4 per cent in October 1999 (since the previous October) and has remained at around 60 per cent for the greater part of 2000. Recent increases in fuel prices of over 40 per cent for petrol and

1. Zimbabwe Independent Company Digest, April 20, 2000.

diesel and 101 per cent for paraffin, an energy fuel used by poor households in the urban areas, has meant that the incomes of the average poor urban family have been further eroded. Transport costs between the squatter holding camps in Harare and the city centre went up on average by 100 per cent between January and August 2000. The fuel crisis has been brought about in the main by corruption at the government-owned National Oil Company as well as dwindling foreign exchange reserves and has reached endemic proportions with long queues now being commonplace. There are evident and serious consequences for the economy.

At independence in 1980, the white minority owned over half the land, including most of the country's fertile land. Nearly 20 years later, the white minority (approximately 4 per cent of the population) still owns nearly 50 per cent of the land. As the rural population grows, it is increasingly difficult to support more people on poor land and families are unable to sub-divide their plots for married children. Although the government has made commitments to redistribute land, to date only a very small percentage has changed hands.

From 1999 onwards, the invasion of approximately 1,000 white-owned commercial farms by "ex-combatants" has put the country in disarray. Clashes between supporters of the ruling party Zanu PF and the opposition Movement for Democratic Change (MDC) in the run-up to the election in June 1999 left 38 people dead, of whom four were white commercial farmers. More recently, the government, in its fast-track resettlement programme, has gazetted the acquisition of over 3 million hectares of commercial land for the resettlement of the invaders and landless rural people. The process of resettlement is itself fraught with politics as Zanu PF ministers and governors seek to make good a promise made to their mainly rural supporters. This hurried process of resettlement is likely to have further ramifications on the economy as no adequate preparation has been made to ensure that there would be no loss in productivity. Those most in need of land are likely to be marginalized in favour of those with political connections and proven loyalty to Zanu PF.

Prior to and throughout this period, the urban and rural poor have carried on with their lives. This paper follows the story of one initiative in grassroots development that has grown from an initial few groups in Victoria Falls in 1995 – when an urban poor group from South Africa encouraged a number of urban residents to start savings schemes to bring together their own resources to address their development needs – into a movement with 20,000 members living throughout Zimbabwe's urban areas.

Despite national political and economic difficulties, groups of the urban poor in the urban centres of Harare, Bulawayo, Beitbridge and Victoria Falls are now actively involved with their local authorities in renegotiating options for urban development. For years, officials in local and central government have insisted that they know better than the poor, and local authorities have been proposing traditional solutions to the lack of housing and services for the urban poor. For those unable to afford land costs, full service costs and two-roomed concrete blockhouses, there was no space in the city. The favoured state solution was "holding camps", many kilometres from the city centre, and the poor who had no land tenure were evicted from the city centre and dumped in wooden huts with limited services. Over time, other squatters came to settle alongside these holding camps. Transport costs to the urban areas have always been high

and the poor are forced to spend a high proportion of their income on transport (if they have jobs in the city), on medicine (due to ill-health as a result of the poor environmental conditions) and on temporary housing. In addition, the city economy has had to bear the costs of not having an easily accessible workforce.

The process of incremental housing is well known to urban development professionals and the poor alike. The savings schemes in Victoria Falls spread rapidly and, by 1998, they had grown into the Zimbabwean Homeless People's Federation, reflecting their prioritization of the need for housing and land. The Federation argued that the poor could afford the costs of incremental housing but what was required was that local authorities change their attitude and become willing to work with the poor.

Initially, the savings schemes were sceptical about the willingness of local authorities to listen to what they had to say. But members found that state agencies were not homogeneous and their words appealed to officials and politicians who could recognize the inadequacy of the present arrangements. Moreover, the mounting political pressure on central government during the second half of 1999 and 2000 has had multiple effects on local government. In particular, politicians have felt greater accountability to the electorate and have become interested in addressing the needs of their constituencies. Traditional ways of solving problems are being questioned and new alternatives are being considered.

As a result, the savings schemes that belong to the Federation have been able to secure land, together with new options for community involvement in infrastructure. In Beitbridge, the Federation secured 50 plots and started building houses in 1999. In 2000, Victoria Falls municipality offered the Federation 565 plots in a new greenfield development and Bulawayo council is offering 200 plots in an initial pilot. Plots have also been made available to federation groups in Harare, albeit on a more conventional basis. The Federation now believes that it can negotiate for land in a number of other towns. At the same time, the savings groups that make up the Federation have been experimenting with income generation lending and emergency loans to assist members in times of crisis.

The process by which this institution has developed and grown during this period of political change in Zimbabwe is described in the pages that follow.

## **II. 1995 TO 1998 – NEW ALTERNATIVES FOR THE URBAN POOR: ASSET-BASED APPROACHES TO URBAN DEVELOPMENT**

THE ZIMBABWEAN URBAN poor first came into contact with the idea of savings for housing and other development when the South African Homeless People's Federation visited Victoria Falls in 1995. The early exchanges were exploratory and gave the community members from South Africa a chance to explain alternative forms of community organization. The local savings schemes in Victoria Falls worked closely alongside the Zanu PF political structures. Ten savings schemes were formed which were based around district wards and existing Zanu PF groups. Whilst daily saving activities took place, there was no strong nurturing of local initiatives and it was easy for council officials to dominate discussions.

From the beginning, the groups were clear that they were saving for housing. For some time, they had tried to register as a housing cooperative. Cornelius and Junior, two local leaders, tried to provide support but the council was generally hostile to any independent initiative.

In 1996, a group of community leaders, together with two councillors, accepted an invitation from the South African Homeless People's Federation to a celebration of the first five years of savings schemes in South Africa. The meeting brought together federations of community organizations from Brazil, Cambodia, India, Namibia, Thailand and Zimbabwe. On that occasion, an historic decision was taken to network these national federations, with a programme of exchanges and solidarity. The Zimbabwean group participated in these events but the community leaders were unclear as to how this networking objective could be realized within their own country. They had little contact with the urban poor in other cities and limited opportunities to reach out to them. They faced a government that was hostile to autonomous community organizations and indifferent to the situation faced by squatters, and they were struggling to find out how they might obtain land and housing in Victoria Falls.

The city authorities in Victoria Falls were for the most part more concerned with containing the poor and keeping them out of sight rather than with finding ways in which they might be included in urban development activities. Housing cooperatives, sometimes suggested as an alternative to private development, were difficult to initiate. Their structure and regulatory bye-laws made it very difficult for women – who, in the large part, are the most affected – to participate meaningfully in decision-making. It was virtually impossible for those employed in the informal sector to obtain mortgage finance even if they did join a housing cooperative.

The situation in Harare was particularly difficult. Some 20 kilometres from the city centre, holding camps had been established for squatters evicted from the city centre at the end of the 1980s. Although at first these were thought to be temporary, nothing further was provided. Those who first moved to the site were provided with small wooden huts, public boreholes and washing facilities. Many others later joined them, believing that they would be safe from eviction at the holding camps, and lived in small shelters made from mud, wood, plastic, cardboard and other low-cost materials. And, as elsewhere in southern Africa, women had their own needs and realities and played a major role in family livelihoods and security.

During the second half of 1997, the People's Dialogue on Land and Shelter, the NGO that supports the South African Homeless People's Federation, actively began looking for professional support for the savings schemes in Victoria Falls, to help the community groups break out of their isolation. Misereor, a German NGO, expressed their willingness to consider support. Joel Bolnick, director of People's Dialogue, made links with Housing People of Zimbabwe, a local NGO with strong links to the Canadian housing cooperative movement.

In May 1997, a staff member from Housing People went to South Africa with a group of community leaders. The four community leaders, Rufaru Jumo, Rosemary Masimba, Shadrack Tondori and Shanangu Chimbuya, all went on to become national leaders of the Federation. Two months later, Patrick Magabula, president of the South African Homeless People's Federation, came to Harare with two women federation members, Sweetness and Mama MaKhosi from Durban, and started a savings scheme in

Dzivarasekwa Extension, one of the holding camps. Dzivarasekwa (15 kilometres from the city centre) was created for families whose homes were demolished in preparation for the Commonwealth conference in 1992. Other families had arrived in the intervening period and all were making their living in the city of Harare. Transport costs to the settlement are high, there is one make-shift primary school and, for a long time, there was no clinic. The residents had to cope with limited toilet facilities and few roads, and the poor drainage resulted in flooding during the rainy season when sewage from the few toilet blocks overflowed into the houses.

Nine hundred people in the community rushed to join the first savings scheme. They all placed considerable trust in the leaders who had emerged and were reluctant to join a group that did not include these leaders, fearing that they would be left behind if they formed other groups.

In Hatcliffe Extension, another holding camp, 12 savings schemes started during this first exchange with the South Africans. The savings schemes caught on quickly because people were waiting for something different. They saw savings schemes as a real option for housing improvements. They enjoyed talking about how they could help each other through savings but the real excitement came when they shared ideas about housing. By July 1997, the South African Homeless People's Federation were close to building 1,000 houses and the Zimbabweans never tired of hearing their stories. Federation groups do not believe in committees and rules and a large number of people who had previously rejected formal organization were drawn into the process. The process of mobilization itself, of telling stories, of bringing together cents and dollars and of seeing savings grow drew into the process some of the poorest residents in the community.

At about the same time, Beth Chitekwe Biti, a Zimbabwean planner who had spent some time working for the Namibian Housing Action Group, an NGO undertaking similar work in Namibia, expressed her interest in supporting savings schemes. Gregor Meerpohl from Misereor met with Beth in December 1997 and agreed to fund a support NGO to the savings schemes in Zimbabwe for six months. The new organization was tentatively called Dialogue on Shelter for the Homeless in Zimbabwe Trust and the funds made it possible to assist the Zimbabwean savings schemes to travel around the country sharing ideas with new communities and reducing their isolation.

Dialogue on Shelter started to work with the community leaders who had emerged from early organizing initiatives in the holding camps of Hatcliffe and Dzivarasekwa. Beth and the leaders agreed that an initial strategy should be to better understand how poor urban people secure their livelihoods and manage their problems. Together, they established four teams with people from the new savings schemes and started their work in Harare. In January 1998, in addition to the thriving savings schemes in Hatcliffe and Dzivarasekwa, new schemes started in Mbare (an inner-city area with many council-rented rooms and backyard shacks) and Epworth (another holding camp). The following month, the four teams, now with five people each including one of the national leaders, began their journeys around the country. They all went in different directions to try and find out who was doing what: Shadrack went east, Shanangu north, Rufaro south and Rosemary west. The purpose of these trips was not to start savings schemes but to link up with local grassroots

organizations in whatever form. A second purpose was to contact local authorities, to see who might be sympathetic to approaches based on community-managed development.

These journeys were followed up by another trip in June 1998. This time, the community leaders explained how residents could form savings schemes in order to pool their scarce resources and strengthen local organizations. From a position of strength, they could engage their local authorities and begin to put in place alternative urban development strategies that worked for them. The new savings schemes made contact with those that had been established years before in Victoria Falls. Suddenly, after months of relative inactivity, the Victoria Falls savings schemes realized that they were part of a growing national movement.

By the end of the initial six-month period for which the establishment grant had been offered, Dialogue on Shelter for the Homeless in Zimbabwe Trust had become a formal organization. More importantly, the urban poor were being offered alternatives that addressed their urgent and desperate need for action. The savings schemes that had been established were organizations owned and driven by local people and based within their local communities. Whilst substantive gains with respect to land and housing would take time, savings groups could be established quickly, enabling people to have new options for development and reducing vulnerability.

One of the groups started during the journey around the country was in Beitbridge, a small town just on the Zimbabwean side of the border with South Africa. When the community leaders and Dialogue on Shelter arrived in Beitbridge in June 1998, they knew no-one and simply wandered around Dulibadzimu, Beitbridge's low-income settlement, which consisted of plastic shacks and mud huts around a few formal houses. For the next few hours, they worked their way through the political hierarchies, explaining their interest and making personal contacts. *"We will be back tomorrow,"* they said, *"please bring together any people who might be interested in sharing experiences."* When they returned the next day, they found a big group of people awaiting them. Within an hour, a savings scheme had been established. Within a year, this community had been offered land and became the first savings scheme in Zimbabwe to begin building houses.

### **III. JULY 1998 TO DECEMBER 1998 – FROM EXPLORATION TO FEDERATION: THE LAUNCH OF THE ZIMBABWEAN HOMELESS PEOPLE'S FEDERATION**

IN THE IMMEDIATE aftermath of their establishment, the savings schemes around Zimbabwe were interested in working closely together. Community-to-community exchanges were important to savings schemes both for the excitement of visiting other groups and in order to support each other in developing strategies to secure land and housing. In addition to local exchanges, the leaders were eager to bring all the groups together so that they could all see for themselves the size and scale of the movement that had been started. A big meeting was planned for August 1998, at which a number of community leaders wanted to propose the launch of the Zimbabwean Homeless People's Federation. It was suggested that this Federation should be modelled on the South African

Homeless People's Federation, a loose structure of affiliated savings schemes.

Dialogue on Shelter recognized that the launch was important for many reasons. It would provide inspiration, solidarity and confidence to the savings schemes around the country. It would be a chance to inform government agencies of the existence of the savings schemes and be a first step towards securing the legitimacy needed to negotiate for state resources. Finally, it would begin to change the nature of the community leadership itself, moving their consciousness from one of individualized and localized struggles towards an understanding of the situation of the urban poor within the global economy, of the strategies used by government to further their own agenda and of the options open to low income citizens.

The community leaders were anxious that those attending the launch should be drawn from homeless communities in urban areas throughout Zimbabwe. Community leaders and Dialogue on Shelter began to return to communities, to see how the savings schemes were progressing, and to share ideas about the launch. At this point, Homeless International, a UK NGO, also started to fund Dialogue on Shelter in order to support community-managed development interventions in Zimbabwe.

Dialogue on Shelter was anxious that local activity would not be reduced despite the focus on the national event. Together with the Victoria Falls savings schemes, an enumeration (a socioeconomic census of local residents) was planned for October 1998, the first in Zimbabwe. An exchange came from South Africa so that local savings schemes could be shown by the urban poor themselves how to develop a questionnaire and go from house to house collecting information as they went. The survey, it was agreed, should aim to find out how long people had been living in the area, what their income was, and what type and standard of accommodation they were living in. The choice of Victoria Falls was strategic: links had already been made with the council and it was hoped that these early links could now be built upon. Box 1 summarizes the information collected during the survey, which was then presented to the council.

**Box 1: Victoria Falls – “Mosio Tunya” – the smoke that thunders**

- Over 3,000 families live in backyard shacks and squatter settlements in the Chinotimba area.
- There are over 15,000 people living in shacks.
- On average, one toilet serves 507 shack dwellers.
- One water tap serves 1,350 people.
- On average, these “informal settlement dwellers” pay Z\$ 4 million per annum in rentals to their landlords.
- Victoria Falls is the prime tourist destination in Zimbabwe with an annual tourist turnover of close to a million people.
- Over the past three years, nine savings schemes have been established in Victoria Falls, which have saved over Z\$ 500,000, given out over Z\$ 100,000 in loans to members for crises and income generation and recently acquired land for 400 plots on which members will build their own homes.

The excitement of the national event was felt by savings schemes and community groups throughout the country. This was quite unlike any previous national initiative as these had focused on party groups or on the better-off within the settlement. Women in many low-income communities began to plan their visit to Harare. Dialogue on Shelter contacted

government ministers and officials. They explained the purpose of the meeting and the importance of the government's contribution. Staff emphasized that this was not a party political process and that it was neither aligned, nor a threat, to Zanu PF. It was an autonomous movement of the urban poor who wanted to improve their own situation in collaboration with government agencies wherever they were placed.

The national meeting of the savings schemes took place in December 1998 at Prince Edward School in Harare. There were 200 people from 15 different towns and communities around Zimbabwe. In addition, there were guests from grassroots federations in Cambodia (with local authority members) India, South Africa and Namibia. The community leaders from Harare put the idea of a national federation of savings schemes to the people attending the meeting. The idea was enthusiastically received and the Zimbabwean Homeless People's Federation was born.

For a long time, low-income communities had been conscious that there was no one who would listen to them. The official attitude had been to push them out of sight and then pretend that they didn't exist. The people's greatest joy was to see the Minister of Local Government and National Housing attend the meeting. The presence of international guests had been successful in making the minister recognize that the urban poor were important and should no longer be ignored. The visitors from overseas gave the Zimbabwean urban poor a legitimacy that had been denied them by their own national institutions. The minister promised to listen to a proposal from the Harare savings schemes for land for housing and an office. (As it turned out, some months later he said that support was not possible but by then the new federation had opened other doors.)

For the Zimbabwean urban poor, the event was an opportunity to come together and share issues. One woman from the town of Matare talked about what it meant for her to bring up her family in such crowded conditions. (Many families lived in one small room measuring 12 square metres or less.) There were many instances of incest, of fathers raping their children, consequently she was afraid of leaving her own 14 year-old daughter with her father. The meeting offered an opportunity for people to come together and share their experiences. Conventional NGOs often organized meetings for professionals; they might even invite the community leaders they were working with to attend, but the poor themselves did not get a chance to come together on their own terms, defining and filling their own agenda.

For the emerging leadership of the Federation, the meeting was an opportunity to see how much they had achieved in the short time that they had been working together. Stories of the progress of the South African and Namibian federations gave them grounds for hope, energy and excitement.

Some of the benefits of the meeting, in terms of better contacts between the newly born Federation and government agencies, were immediately apparent. The government had already called a housing convention to launch the start of a new housing policy discussion and the Federation was invited to attend. At this meeting, Shadrack stood up and told public and private sector officials that there could be no meaningful housing policy without the involvement of the people who are the recipients of the intended policy. His presentation made an impact on those attending the convention, and the Federation, together with Dialogue on Shelter, were invited to sit on the national housing task force for housing policy



formulation. Their first task was to convince the committee to change its name from the Squatter Control Committee to the Informal Settlements Committee.

The international exchanges were important for more than just reasons of legitimacy. Jockin Arputham, president of the National Slum Dwellers Federation in India, visited Mbare, a low-income, inner-city area in the centre of Harare. A large retail and wholesale market selling all kinds of goods has attracted a large number of the urban poor to settle in the area. Accommodation is provided in high-rise and medium-rise council owned apartment blocks, most of which contain one-room units with communal toilets and washing facilities. Many others live in shacks on small areas of open ground or in the backyards of the ground-floor apartments. Jockin was convinced that savings and credit would assist the people living there to have more control over their lives. Some savings schemes had been established but they were very cautious about giving each other loans. *"You cannot trust people in Mbare,"* they told Jockin. Jockin had heard that message many times before. For him, it was a continuous challenge to demonstrate to the poor that they could set up institutions that worked for them, that enabled them to trust one another and support each other to have more and better choices in their lives. Together with the local federation leadership, he started planning an ambitious enumeration in Mbare. The Zimbabwean Federation would survey all 30,000 residents and in so doing mobilize them into the new federation.

#### **IV. JANUARY 1999 TO DECEMBER 1999 – FROM PLANS TO PRACTICE: BUILDING ON SAVINGS AND LOAN ACTIVITIES**

AS NOTED EARLIER, savings schemes were initiated in Beitbridge in June 1998. Some months later, in January 1999, a group from Harare went to assist the Beitbridge groups. The savings schemes in Beitbridge were facing opposition from one of the councillors who was very suspicious of their activities. Whilst the local people were unable to convince their own councillors of their good intentions, the "outsiders" from Harare were successful. The councillor asked the Federation to write a letter explaining who they were and what they wanted. He then passed this onto the council who invited the Federation to meet with them.

In April 1999, Rosemary Juno and the director of Dialogue on Shelter went to Beitbridge. Together with local community leaders they met with the chief executive and other local groups. After hearing about the Federation in more detail, the chief executive was so enthusiastic that he told them that they could have land for the Federation members living in plastic shacks and could start building the following Monday.

During this week, most of the other Federation leaders were in Mbare. The enumeration had started at the beginning of April with the help of the Namibian Federation. On most days, more than 40 Federation members from around the country would gather in a small office borrowed for the duration. Several groups took questionnaires around the blocks of flats. One group of some ten people remained in the office, collating the results by hand and aggregating the findings. Residents came out to find out what was happening; they were curious about the questionnaires. Many were excited when they found out that this was being done by residents like themselves and they were anxious to be included.

Nightly meetings introduced residents to the idea of savings schemes and explained how they too could organize themselves. Within two weeks, 12 savings schemes had been formed.

By June 1998, the first phase of the Mbare enumeration was complete. Five thousand families had been surveyed and over 36 savings schemes had been started. The Indian National Slum Dwellers Federation and Mahila Milan (cooperatives formed by women pavement dwellers in India) arrived to celebrate the completion of the first phase. The intention was to launch the enumeration with a demonstration of the kinds of houses that the residents of Mbare wanted to build. The Indians came to show the Zimbabwean Federation how full-scale model houses could be rapidly and easily made from timber and cloth, so all could see and discuss the kinds of houses that they were proposing to build. Members of the South African Homeless People's Federation who had building skills also came to assist. Two houses were designed and constructed: a one-storey two-roomed house with toilet; and a two-storey two-roomed house with toilet and a small verandah. At the launch, more than 3,000 people came, including three members of parliament and several city councillors. People lined up for hours to have a look at the model houses.

### **Box 2: Mbare hostels and backyard shacks**

- There are 30,000 people living in the Mbare backyard shacks and 40,000 people in Mbare's hostels.
- 14 years is the average period of residency in Mbare hostels.
- Over 40 people in the Mbare hostels share each toilet.
- Six people live in each room.
- 50 per cent of local families are on the council waiting list and on average they have already been waiting almost nine years.
- Almost 100 per cent of the people on the waiting list first signed up between the ages of 28 and 33, meaning that they have spent their adult years on the list.
- 93 per cent of those surveyed are working.
- Average monthly incomes are Z\$ 790 for women and Z\$ 1,500 for men.
- More than 95 per cent of the people work within two kilometres of their homes.
- In the six weeks after the start of the enumeration, 1,000 Mbare residents joined the Zimbabwean Homeless People's Federation, the number of savings schemes grew from one to 36 and over Z\$ 80,000 had been saved.

In June 1999, a South African exchange visited Beitbridge, together with the Harare savings schemes, and they helped the community work on designs and costings for the new development. There was little accommodation for the guests in Dulibadzimu itself; the small size of the huts combined with large families meant that the guests had to be accommodated just outside the settlement. But apart from this, the exchange carried on as usual.

The design of the houses was not the same as in South Africa. Without the government subsidies available to South Africans, the residents could only afford two roomed houses. The preferred design was one where the two rooms were at either end of a rectangular building, with a shower and toilet situated between them and a small verandah along one side. Cooking took place in the open air in a designated area in front of the house.

Negotiations with the council had resulted in 56 stands ranging in size from 300 to 450 square metres. The savings schemes had already started

to re-plan the land so that stand sizes were smaller and hence more people could be accommodated. The land was not serviced and the Federation planned to work in partnership with the Beitbridge rural district council to provide minimal services to the plots. The savings schemes began the production of building materials in order to bring down the cost of each housing unit. The standard loan for Beitbridge was planned at Z\$ 20,000 per person to keep the repayments down to under Z\$ 200 a month. Loans were small as average incomes for the Beitbridge group members were about 30 per cent lower than incomes in the larger cities. Members in Beitbridge were therefore encouraged to take out a maximum Z\$ 20,000 first loan, pay this off and take out a second loan to upgrade their unit. In the costing exercises that the group completed, a 24 square metre two-roomed unit would cost about Z\$ 25,000. The group's challenge was therefore to work out how to reduce this cost.

At this time, the poor health suffered by the Zimbabwean urban poor, which was to weaken the Federation over the forthcoming period, began to show. Davious Muvindi, one of the leaders to have emerged from the communities in Hatcliffe, fell sick with tuberculosis.

Meanwhile, activities throughout the country were being followed up with a regular pattern of visits and exchanges from community groups. In Victoria Falls, the groups felt the changing political trends more than most. The hegemony of Zanu PF was already starting to weaken considerably as inflation was rising, Zimbabwe had entered the war in the Democratic Republic of the Congo and the constitutional reform process was offering a constant if low-key challenge to state control of the governance process. As a result, the savings schemes in Victoria Falls that had found it impossible to organize autonomously in 1995-97, now found themselves in an increasingly open political environment. By July 1999, just over six months after the presentation to the council of the results of the enumeration in Chinotimba, the Federation had its first indication that the council might be prepared to offer land.

The second half of 1999 was a period of consolidation for the Federation in Zimbabwe. A lot of new initiatives had been started and there was a need to follow them through.

In the smaller towns such as Mutare, savings schemes were growing in number and in strength. Visits from communities outside of the town concentrated on encouraging groups to save daily and to offer members loans from their growing pool of savings. As significantly, the Federation grew in the larger cities and several savings schemes were formed in Bulawayo.

In Beitbridge, construction work started. The local savings schemes (three of them) began to learn the skills needed for building, including the purchasing and storage of materials, the identification of skilled building workers and the provision of unskilled labour, and the management of local authority concerns around standards and building regulations. Each member (mainly women) contributed unskilled labour, Z\$ 10 a week for food for the unskilled labour, and Z\$ 5 for the skilled builders.

The start of building required the new national Federation to establish and begin to manage a revolving loan fund for housing. Thus the Gungano Fund was set up in 1999. Capitalized by Misereor, the first donor for Dialogue on Shelter, the Gungano Fund had immediately to start work in a high inflation country. There are difficulties in managing a loan fund in Zimbabwe; by the second half of 1999, inflation was running at 60 per cent with no signs of decreasing. Dialogue on Shelter took the decision

that it either had to offer subsidized loans to the urban poor or it had to walk away from the Federation's poorest members despite their need. The decision was taken to offer subsidized loans. This was not an easy decision because the Federation set great pride by its self-reliance. Subsidizing loans would limit the scale of lending and would mean a continuing need for external donor finance. But without subsidies, the poor could not afford to take part. Monthly household incomes of Z\$ 1,000-1,500 were common and, even at 15 per cent annual interest rate, monthly repayments on a loan of Z\$ 30,000 equalled Z\$ 450.

Dialogue on Shelter recognized that it was operating in a situation of considerable social, political and economic flux. Federation members could afford to pay interest at 15 per cent a year, a hopelessly inadequate rate with inflation running at 60 per cent but more than sufficient in a more stable economic situation. (Throughout this period, lower-middle income families in Zimbabwe were being offered mortgages at 15 per cent through the building societies within a scheme subsidized by USAID.) Regardless of the financial feasibility, here was a political opening. By 1999, the local authorities and government agencies that had been indifferent or hostile to the urban poor for so long were now willing to look at alternatives. Either the Federation could seek to meet them half way, working with them to show what was possible and offering to jointly fund improvement projects, or they walked away from this opportunity, without knowing when it might arise again.

The Federation was committed to a process that would open up urban development options for the urban poor and introduce community-managed development to Zimbabwean towns and cities. In this context, it was agreed that it would go ahead and offer Gungano loans with the following terms and conditions:

- each housing loan would be a maximum Z\$ 30 000;
- interest would be calculated on the basis of 1.25 per cent per month (15 per cent per annum);
- loan repayment periods would not exceed 15 years, with a series of smaller, shorter-term loans being encouraged. After repayment of half the loan, people would be eligible for further housing loans for further improvements to their houses.

At the same time, the Federation maintained its commitment to the principles of self-reliance. Savings schemes members were urged to contribute to the fund and a recommended monthly contribution of Z\$ 5 was requested from each member. Late in 1999, the Federation agreed that savings schemes could also use Gungano funds for income generation. By 2000, total Federation contributions had reached Z\$ 500,000.

Throughout this period, the Federation had to cope with high levels of HIV infection and subsequent AIDS-related deaths, in addition to other health problems that are common where there are high levels of poverty. In October 1999, one of the national leaders, Rosemary Masimba, died. She had been active in the Federation ever since she had heard about savings schemes in 1997 and had worked throughout the country setting up schemes and assisting with problems when needed. Within a year, a second of the early leaders, Rufaro Jumo, would also have died from ill-health. In addition to difficulties associated with the rapid turnover of leaders, there were other problems which were the result of high levels of mortality, for example numerous orphans and rising numbers of dependents when family members were unable to work; the inability of existing health facilities to cope with the situation; and the scale of funeral costs.

## V. THE FEDERATION IN 2000 – CONSOLIDATING CHANGE WITHIN OPENING OPPORTUNITIES

IN EARLY 2000, the Federation continued with ongoing activities. In Victoria Falls, the council offered the savings schemes an area of land that was relatively well located on the periphery of the town. A layout was agreed and plans submitted to the appropriate national authorities. At the same time, Harare groups continuing to negotiate for land despite the failure of national and local government agencies to respond to the requests that had been made following the national meeting in December 1998 and the Mbare launch in June 1999.

Early in the 1990s, the local government in Harare had planned to give land to those families it had placed in holding camps some years previously. Twenty families, members of different savings schemes in Hatcliffe Extension, were allocated stands in Dzivarasekwa in 1998. More families in Hatcliffe Extension and Dzivarasekwa filled in forms to lease state land at the invitation of local government staff. However, officials were not forthcoming with details as to who exactly would be moved and when they would be moved, so the situation remained insecure. Federation leaders were themselves very sceptical as to whether this process would amount to anything, as officials from the Ministry of Local Government refused to give any information about the details, such as the price of the land. At the beginning of 2000, the 20 families that had been allocated stands submitted their building plans for approval, tentatively forming themselves into a savings scheme called Mavambo (meaning “beginnings”). They took a loan from Gungano and started to make concrete blocks in preparation for their homes.

In Beitbridge, the first 11 houses had been completed by the end of 1999. The opening ceremony was held on 14 January and included federation members from South Africa and Zimbabwe together with the deputy minister of local government (Tony Gara), the mayor of Mutare (Lawrence Mudehwe), the town clerk of Bulawayo and officials and politicians from Beitbridge. The houses had cost more than the original costing due to the rising price of building materials. The final cost of the two-bedroomed house with a bathroom and water and sanitation connections was Z\$ 41,000.

By March 2000, political conditions in the country were such that nearly all savings schemes were abandoning their activities. The general election was being contested by an opposition party, the Movement for Democratic Change, and Zanu PF, the party that had dominated the Zimbabwean parliament since independence in 1980, began to feel that its majority was being threatened and its hold on the country weakening.

In low-income settlements, any organizing that was not centred around Zanu PF's election campaign became very difficult and was fraught with danger. At worst, meetings would be broken up violently. At best, vying political parties would pressurize Federation leaders into making a commitment to supporting that party. In this situation, the party political neutrality that the Federation sought was impossible. Savings schemes stopped meeting and stopped savings activities. A few savings schemes members, particularly around Harare, became peripherally involved with the land invasions, buying plots (for between Z\$ 200-1,000) from the groups of war veterans who had taken control of the areas. However, none ended up securing plots of land.

Following the general election, the political climate in Zimbabwe

remained in a state of flux. Whilst Zanu PF won the general election, the problems remained. Continuing farm invasions and state-coordinated redistribution of listed farms disturbed agricultural production and the confidence required for longer-term investments. Economic difficulties continued as investment in non-farm activities ground to a halt. Rising prices were encouraged by a long-overdue devaluation and continuing inflation. Lack of foreign currency (as export earnings fell) meant that Zimbabwe had difficulty buying energy, there were long queues for petrol and diesel and there was electricity rationing. A shortage of government funds (due in part to Zimbabwe's continuing involvement in the war in the Democratic Republic of the Congo) resulted in public service industries raising their prices and in state-managed grain-purchasing agencies having insufficient funds to buy up the stock of small and medium-sized farmers. Zimbabwe moved into a major economic recession, with additional factors compounding unemployment in both urban and rural areas.

After the election, the Federation was no longer nervous of organizing, and savings scheme activities picked up quickly. At a local level, the political situation eased considerably. Whilst there were isolated tensions in a few settlements, this invariably involved local leadership struggles that were being played out in the wider political dimension and did not generally appear to be instigated by external political forces.

The Federation did not benefit directly from the land invasions but the political situation was considerably more open after the election. In Harare, Mavambo savings scheme started building houses in November 2000. The whole group had still not received building approval but they decided that they would not wait. The designs were very similar throughout the group. It is not yet known if the building inspector will cause problems when the time comes to approve the house-building but the Federation are confident that they can manage the process.

In Beitbridge, the inexperience of the group showed when the time came to choose the second group to build. The leaders first chose their friends and family and, when Federation leaders from outside the community sought to challenge this choice and instead put in active local members, the power brokers inside the settlement blocked further development. As a consequence of this, there was open discussion within the savings scheme about using a better identification system within the community and, as a result, the community prioritized the needs of the poorest and enabled them to join the second group. The first group has since become active in organizing their own repayments, have been helping each other to complete the infrastructure on their houses and have been managing collective water accounts.

In Victoria Falls, the council consolidated their earlier promise with the allocation of 565 stands. The area still needed to have infrastructure installed and the Federation is at present negotiating with officials to be allowed to have a community input into the design and management of the infrastructure and into its construction. This development is taking place shortly after the council committed itself to removing all the shacks from the city of Victoria Falls and the Federation development is seen by the council as an illustration of how it can develop alternatives whilst at the same time continuing with forced removals and holding camps some distance from the town. Dialogue on Shelter hopes that the development will illustrate that traditional solutions are not needed and that the poor in the city can be accommodated close to jobs and within the existing town boundaries.

In Bulawayo, the council has offered the Federation groups 50 plots in a new development. The challenge is for the Federation to demonstrate how cost-effectively it can build houses. The Bulawayo municipality, along with others in the country, is determined to find new solutions to the problems of urban poverty. With the opening up of national politics, local politicians have a greater sense of accountability to the electorate and a greater confidence in their wish to find new and better strategies. Some years ago, consultation and participation with the poor would have been unheard of. Now, councils invite Federation members to discuss their plans and programmes.

Alongside the efforts to secure land and housing, the Federation has continued with income generation lending. For the most part, loans have been managed at a savings scheme level along traditional lines and individuals have borrowed from the scheme for a range of activities. In some cases, the initiatives have been successful and the borrowers have repaid their loans. In other cases, they have foundered and the group has had to struggle with default. In a number of the weaker groups, leaders have taken out loans and members have struggled to deal with the related issues of accountability and control.

In September 2000, one group in Mbare designed a new strategy for income generation lending. The group selected 20 of its most involved members who were also working in the market at Mbare. Together, they took out a loan for Z\$ 40,000 and this was used to buy additional stock for their stalls. The participants were expected to keep precise details about the additional income they earned and each Monday they had to pass all this income back to the coordinator of the group. The group made a weekly repayment (designed to pay off the loan in two months) and used the additional funds to buy more stock. At the end of the two-month period, all the funds had been repaid and an additional Z\$ 38,000 had been generated that was used to buy new stock for the members. The members now keep the additional income they earn but they are expected to repay the cost of the stock each week, prior to receiving a further round of stock. What is notable about this strategy is that members work together to ensure that the funds are sufficient to repay the loan and the benefits of the additional capital are shared by all, regardless of the return earned on the stock.

## VI. CONCLUSIONS FROM THE FIRST FIVE YEARS

THE ZIMBABWEAN HOMELESS People's Federation and the Dialogue on Shelter for the Homeless in Zimbabwe Trust began their work at a time of immense political change. As in any context, there are threats and opportunities. In many ways, the methodology used by the Federation has been tested. With respect to income generation projects, it is difficult to launch new micro-enterprise activities when the economy is in decline, incomes are falling and confidence is low. The explorations of the Federation have been made more difficult by this environment. As discussed above, strategies for income generation lending have often been unsuccessful and it is only recently that stronger models have been identified.

At the same time, high inflation means that savings lose value as real interest rates are rarely positive. Thus, there is little financial incentive to save. Members save primarily for social reasons, in order to strengthen collective processes or reduce the financial risks inherent in a difficult

economic environment. In general, members of savings schemes have been more eager to save than to give loans from their local funds. Proud of their rising balances, they have been cautious about lending even to themselves.

Equally problematic is that, in periods of high inflation, market interest rates are beyond the means of the poor, especially for activities such as housing where higher value loans are taken out for longer periods. If Federation members had to pay current bank lending rates on their housing loans, these would be unaffordable. Hence, the Federation agreed to terms and conditions for housing loans that are not financially viable in today's inflationary conditions. In this context, members who take out loans are consuming financial resources that will not be available for future members. They are doing this with the understanding that their task is to strengthen the movement so that more funds can be secured.

However, it would be wrong to overstate the difficult circumstances facing the Zimbabwean Homeless People's Federation. They have grown in strength at a time of immense political opportunity. Old traditions and affiliations have been breaking down, especially in urban areas. Whilst alternative party loyalties are being tried, others believe in the power of more locally controlled participatory development. There may be limited openings at a national level but local authorities and municipalities are interested in engaging with organized groups of the urban poor. It is at this level and towards these opportunities that the Federation has been concentrating their efforts. As national political debates continue to be contested and controversial, there is the potential for practical local interaction around specific projects and programmes. The challenge for the Federation is to use this space to best advantage in order to ensure that the poor are heard and are able to explore and reflect on strategies that address their poverty.

Looking more generally at the lessons emerging for other groups within Shack Dwellers International, the launch and formative years of the Zimbabwean Homeless People's Federation demonstrate the importance of grassroots networks. Such networks put pressure on government and local authorities to recognize the presence of the urban poor; they also provide an organizational form that international donors recognize and can support. In many cases, local authorities recognize that existing policies and procedures are not effective in addressing the needs of the urban poor, however, all too often this recognition does not extend beyond token statements. It is the organized presence of the urban poor themselves that helps state officials and politicians take the risks that need to be taken if new models are to be developed.

As has been shown here, concentrated efforts in a number of cities are likely to produce diverse activities towards a common goal. No one city will swiftly develop a new and better solution to address the needs of the urban poor. Rather, a group of cities find themselves cooperating with the urban poor in a process that redesigns solutions incrementally. Each contributes something to the development of a better policy for the urban poor, as government and people's organizations work together to address local need. Inevitably, as local contexts differ, it is easier for some to advance some issues in some places. The loose network of the Federation provides a structure through which the gains achieved in one place can be transferred to another, with further needs being identified and supported.

What does this process need? In Zimbabwe, there have been four necessary conditions. Cohesive local organizations around local issues are



essential for the process to be grounded in the urban poor themselves. Without strong local organizations, in this case organized around savings, little can happen. The national federation has provided important support to local initiatives although there is a continuing danger that the national leadership seeks to control too much in its anxiety to be effective. Appropriate professional support in working with councils and raising donor funds is also essential. In their interaction with officials and politicians, grassroots organizations can achieve many things but without professional support around urban development options, their choices may be too constrained. Donor support is needed to support community-to-community exchanges and other networking events, to pay for professional support costs and to provide funds for innovative activities in, for example, infrastructure and housing design. It is such activities that demonstrate to an often sceptical audience that the poor have something of value to offer to their own development. Finally, the loan fund itself has also been critical. It has encouraged local authorities to engage with the poor as equal partners in development. Together, these factors have resulted in reason for hope. Despite the difficulties that Zimbabwe faces, there are now ongoing and meaningful activities to realize the needs of the urban poor in many of the towns and cities.

