Grassroots-led Urban Development: Potentials, Achievements, Limitations – Experiences in Malawi

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ABSTRACT
With the devolution initiatives in the past two decades, there is a growing recognition of the role of grassroots organisations, individually or in alliance with urban, national governments or NGOs, in addressing urban related problems. In poor countries where resources are limited governments see the resources generated through grassroots organisations federating and networking as a necessary relief for speedy implementation of development strategies. Evidence of achievements from several countries suggests that grassroots organisations have potential, when given space and external support (from city and national governments, NGOs, international organisations, professionals, politicians), to contribute to urban development. However, the experience in Malawi suggests that despite the high potential to bring about urban change at scale effectively and efficiently, various problems (including loan defaults, undemocratic tendencies, limits of land and funds, government paternalism) stand in the way of sustaining and scaling achievements. This questions the extent to which grassroots organisations can be relied upon in major urban development initiatives. This paper outlines the growth and discusses the potentials, achievements and limitations of the Malawi Homeless People Federation, through which the urban poor network, negotiate with authorities, learn skills and pool resources to access land and build decent houses. It is suggested that for grassroots organisations to make effective and efficient contribution to urban development at

1 The paper uses significantly material from the paper, ‘Mchenga-Urban Poor Housing Fund in Malawi’ submitted for publication in Environment and Urbanisation of October 2007

2 Chairperson of board of trustees of CCODE, the NGO supporting the Malawi Homeless People Federation.
scale, access to land and external financial and moral support must increase and that
the organisations must within themselves promote democratic ideals to sustain the
trust of members and external sources.

**KEYWORDS:** grassroots, urban development, federation, vetting, housing finance,
savings schemes, urban poor, exchanges.
I. INTRODUCTION
In the past two decades or so calls for adequate and improved lives for urban citizens including squatters and slum dwellers were made at the International Conference on Population and Development, Istanbul Human Settlement Conference and Millennium Declaration (UNFP, 2007: 1-2, Payne & Majale, 2004:13). But similar calls were made even in the 1970s e.g. health for all by 2000, quality water by 1990 etc. While most people agree on the need to improve lives of slum dwellers, debate has centered on way to do it. But I am impressed with the prescription of a two-pronged approach: upgrading and developing new housing areas to meet MDG 7. (Payne and Majale, 2004). Whatever the debate, it should be recognised that activities (including the N-AERUS conference) and outputs must have the effect of improving lives of people in slums. However, hope is not lost as the past decades have also been the time of globalisation, democratisation and decentralisation in which the role of grassroots organisations, individually or in alliance with urban, national governments or NGOs, in addressing urban problems has been recognised.

In poor countries like Malawi, where resources are limited, national governments also see the resources generated through grassroots organisations federating and networking as a necessary relief for speedy implementation of development strategies. Evidence of achievements from several countries suggests that grassroots organisations have potential, when given space and external support (from city and national governments, NGOs, international organisations, professionals, politicians), to contribute to urban development, sometimes faster than city or national governments.
However, the experience in Malawi suggests that despite the high potential to bring about urban change at scale effectively and efficiently, various problems (including loan defaults, undemocratic tendencies, limits of land and funds, government paternalism) stand in the way of sustaining and scaling achievements. This questions the extent to which grassroots organisations can be relied upon in major urban development initiatives. This paper outlines the growth and discusses the potentials, achievements and challenges or limitations of the Malawi Homeless People Federation (MHPF), through which the urban poor network, negotiate with authorities, learn skills and pool resources to access land and build decent houses. Therefore, for grassroots organisations require increased external financial (and moral) support and to promote democratic ideals to sustain the trust of members and the external sources.

Table 1: Malawi population growth, 1966–2020

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Annual growth rate (%)</th>
<th>% urban</th>
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<tbody>
<tr>
<td>1966</td>
<td>4,039,583</td>
<td>3.3</td>
<td>6</td>
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<tr>
<td>1977</td>
<td>5,547,460</td>
<td>2.9</td>
<td>8</td>
</tr>
<tr>
<td>1987</td>
<td>7,988,507</td>
<td>3.7</td>
<td>11</td>
</tr>
<tr>
<td>1998</td>
<td>9,933,868</td>
<td>2.0</td>
<td>14.5</td>
</tr>
<tr>
<td>2000</td>
<td>10,475,257</td>
<td>3.2</td>
<td>15</td>
</tr>
<tr>
<td>2005</td>
<td>12,341,170</td>
<td>3.3</td>
<td>20</td>
</tr>
<tr>
<td>2010</td>
<td>14,553,011</td>
<td>3.3</td>
<td>n/a</td>
</tr>
<tr>
<td>2015</td>
<td>17,101,849</td>
<td>3.2</td>
<td>n/a</td>
</tr>
<tr>
<td>2020</td>
<td>20,119,830</td>
<td>3.3</td>
<td>n/a</td>
</tr>
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2 THE CURRENT SITUATION OF URBAN DEVELOPMENT

Malawi is small country covering 118,000 sq. km (20% covered by lakes) with per capita GDP of less than US$ 200, of which 40% is contributed by the agricultural sector. Although between 1990-1994, the economy was close to hopeless at a growth less than 0.6%, there are signs of recovery as figures for 2007 show a growth rate of 8%. Poverty is widespread though. According to the Second Integrated Household survey (IHS2) of 2004/05 (NSO, 2005), 52.4% of the people are while 22.4% are ultra poor. Malawi is ranked among the 10 poorest countries of the world.

The national population of about 10 million in 1998 (Tables 1 and 2) is expected to reach 17 million by 2015 and 29.5 million by 2050 (NSO, 2000; UNFP, 2007; 90). The percentage of the population living in urban areas, though low, is increasing: 15
percent in 1998 and currently estimated at 18%. However, the annual urban growth rate is very high at 4.7% making Malawi one of the fastest urbanising nations (UNFP 2007:90). It can be mentioned that in Africa countries with higher or similar growth rates except Burkina Faso (5.1%) have experienced civil strife. The rapid growth in Malawi, largely due to high natural increase (TFR 5.7) and rural-urban migration occurs despite persistent anti urban policies.

The urban population is concentrated in the four centres of Blantyre, Zomba, Lilongwe and Mzuzu. The 1987 and 1998 censuses showed these centres accounting for 76% of total urban population, or 11% of national population. The other towns accounted for just 3% of national population (Table 3).

### Table 2: Malawi Population Indicators

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<tbody>
<tr>
<td></td>
<td>13.5</td>
<td>29.5</td>
<td>2.2</td>
<td>18</td>
<td>4.7</td>
<td>103</td>
<td>272/162</td>
<td>41.2/40.3</td>
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Source: UNFP (2007:86-90)

### Table 3: Malawi urban population growth, 1966–2020

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<tbody>
<tr>
<td>Blantyre</td>
<td>109,461</td>
<td>219,011</td>
<td>333,120</td>
<td>502,053</td>
<td>554,578</td>
<td>711,233</td>
<td>884,124</td>
<td>1,068,681</td>
<td>1,274,564</td>
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<tr>
<td>Lilongwe</td>
<td>19,425</td>
<td>98,718</td>
<td>223,318</td>
<td>440,471</td>
<td>498,185</td>
<td>669,114</td>
<td>863,538</td>
<td>1,077,116</td>
<td>1,324,314</td>
</tr>
<tr>
<td>Mzuzu⁴</td>
<td>8,490</td>
<td>16,108</td>
<td>44,217</td>
<td>86,980</td>
<td>99,095</td>
<td>134,399</td>
<td>175,061</td>
<td>220,346</td>
<td>270,423</td>
</tr>
<tr>
<td>Zomba</td>
<td>19,666</td>
<td>24,234</td>
<td>43,250</td>
<td>65,915</td>
<td>74,915</td>
<td>101,423</td>
<td>131,628</td>
<td>164,899</td>
<td>202,076</td>
</tr>
<tr>
<td>Others</td>
<td>102,958</td>
<td>200,929</td>
<td>269,492</td>
<td>298,016</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Malawi</td>
<td>260,000</td>
<td>539,000</td>
<td>853,390</td>
<td>1,435,436</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>


Rapid urbanization amid anti urban policies in the form of conceiving development programmes in the context of ‘the poor rural masses’ implies that the needs of the urban poor are neglected both by design to prevent rural urban migration and default because of lack of knowledge of the situation of the urban poor concentrated on small parcels of land with inadequate infrastructure and services. Consequently, legal and affordable land is scarce forcing many disenfranchised urban poor to invade public land. According to analysis of the poverty situation undertaken jointly by Malawi and

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³ IHS2 found that only 8.3% of migration is rural-urban, the majority, 74.6% was rural –rural. In fact urban-rural migration was higher than rural-urban migration at 10.9% (NSO, 2005).

⁴ Mzuzu had been the fastest growing city, with an annual growth rate of 10% up to 1998. However, some small urban settlements also had high growth rates, for example Mchinji (7.7%) and Kasungu (7.4%).
United Nations in 1993, urban poverty was estimated at 65% compared to 60% for rural areas (Un/Malawi Government, 1993:3). Recent studies have indicated that over the past decade Malawi slipped five levels backwards in her human development index (HDI) from 161 to 166 while the Poverty and Vulnerability Assessment Report of 2006 found that there was no progress on poverty reduction. \(^5\) IHS2, conducted to derive indicators for monitoring the MDGs, found that rural poverty of 55.9%, despite all the investment, was still higher than urban poverty at 25.4%. The ‘distorted’ improvement in urban welfare since 1993 is due to problems related to survey methods (NSO, 2005: 149)\(^6\)

Since, government policies neglect the urban sector, few interventions are implemented in urban settlements. Some of the interventions that have been implemented include the following:

a) **Government initiatives**

Four housing delivery strategies have developed over the years:

i. The creation of traditional housing areas (THAs), \(^7\) since 1957 are intended to provide a planned framework for the urban poor to build their own houses according to their own tastes and financial standing. The approach was adopted “…to facilitate the provision of as many houses as possible, as quickly as possible and as cheaply as possible. (Norwood, 1973). Minimum building standards under the Public Health Ordinance (Government Notices No 10 and 120) of 1960 were strictly followed. Due to cost-recovery conditions of the World Bank, which later supported the initiative, the initial allocation criterion of “first come, first served” was abandoned in favour of financial capability. For example, in Blantyre, a 1999 $1.6 million World Bank low-income housing project in Chilomoni township was re-targeted to middle- / high-income earners to recover costs quickly (Blantyre City, 2006).

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\(^6\) The IHS1 of 1998 found national poverty of 65.3% while the IHS2 found 52.4%. NSO says the difference is due to changes in survey instruments and methods of calculating poverty rates. The poor are those individual earning less than K1, 347 per person per month while the ultra poor are individuals earning below Mk 836 per month. $1 =MK 140 at current rates. If a comparison is made between 1998 and 2005 surveys using 2005 instruments poverty in 1998 should be 53.9%. As such the only 1.5% poverty reduction was achieved between those years.

\(^7\) “THA” is the local term for what are internationally known as sites and services schemes. “Traditional” does not necessarily mean as opposed to modern, or European-type, houses but makes allowances for traditional materials (such as grass thatch) and minimum sanitary measures (such as pit latrines). See Manda, M A Z (2004), *Glossary of Urban Planning Concepts in Malawi,* Alma Consult, Lilongwe.
ii. The Malawi Housing Corporation (MHC) was established to undertake the development of housing estates by constructing conventional houses ready for occupation. Since inception in 1964, slightly over 10,000 units have been built countrywide.

iii. Mortgage loans were provided through the New Building Society (NBS) for people to build their own houses on allocated plots. In the first 20 years of establishment the NBS provided less than 1000 housing loans. The loans were largely shunned because of high interest rates and bad publicity resulting from client experiences of seizure of houses after loan defaulters.

iv. A public sector home ownership scheme was introduced in 1994 to support employees purchase MHC or other houses and construct new ones. A budget provision was made, but the scheme benefitted mostly top ranking official who despite set regulations got more than one loan. The scheme has since been affected by defaults and limited budgetary support.

v. Upgrading programmes of informal settlements have been undertaken in selected towns: as projects supported through German funding of the Secondary Centres Development Programme (SCDP), and World Bank directly to the cities of Lilongwe, Zomba, Blantyre and Mzuzu. These projects have been discontinued because of government prioritization of rural development.

In 2002, the Malawi government approved a national land policy that promotes secure tenure and the provision of basic infrastructure services. As part of a land reform programme, initiated to implement the land policy, a national housing policy was prepared in 2006 and, through it, government recognizes problems of slum dwellers, and proposes measures for their resolution. For example, the government announced its intention to launch a national slum-upgrading programme. It is not clear yet when government will begin this programme to meet the MDGs, as there are no political or budgetary commitments.

b) Local government initiatives

Until 1992, local governments were only responsible for development control. They obtained the mandate for low-income housing with the transfer of THAs from the MHC to the cities of Blantyre (1995), Lilongwe (1992) and Mzuzu (1995), and the town of

8 "THA" is the local term for what are internationally known as sites and services schemes. “Traditional” does not necessarily mean as opposed to modern, or European-type, houses but makes allowances for traditional materials (such as grass thatch) and minimum sanitary measures (such as pit latrines). See Manda, M A Z (2004), Glossary of Urban Planning Concepts in Malawi, Alma Consult, Lilongwe.
Liwonde (2007). The central government also handed over all squatted land to local governments, which now face the challenge of upgrading them. Despite the grave situation, one local authority, Lilongwe city, has shown that there is the potential to perform.

Lilongwe City Assembly\(^9\) received under transfer from the MHC and the Lands Department a total of 5,000 hectares of land. About 23,000 plots for THA were delivered in three categories: 3,000 THA–normal, 1,500 THA–basic and 12,000 THA–layout, plus 6,000 plots in upgraded areas.\(^{10}\) An additional 500 plots were developed for shops, maize mills and churches. The main problems experienced were an increasing urban population, inadequate funding and a tendency for the MHC and the Lands Department to transfer only land that had been squatted on, retaining all prime undeveloped land. This gave the impression they were merely running away from the problems of the urban poor (Mumba, 2005).

c) Non-governmental organizations (NGOs)

Until the emergence of CCODE, the only NGO involved in housing development was Habitat for Humanity (HFH), which, since 1986, helped build nearly 6,000 houses in both urban and rural areas. HFH operates revolving funds that provide interest-free building materials (i.e. cement) loans. Land for housing development is acquired from local governments as a block lease, and plots are allocated to beneficiaries by HFH. Although loan defaulting is rampant in Malawi, HFH boasts an 82 per cent repayment rate, with urban residents doing better than rural residents (HFH, 2005). However, to enforce repayments, defaulting households might have doors and windows removed from their houses until repayments are settled (Phiri, 2004). Although this ensures commitment by beneficiaries, it also scares others away. The cement loan is also caught up by price rises through inflation, costing beneficiaries more than agreed as

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\(^9\) Lilongwe, the capital since 1975, is a city where 34 per cent of people live in squatter areas, 44 per cent in THAs (that are fast becoming slums) and the rest in conventional planned housing areas. The conventional housing areas occupy nearly 80 per cent of the land but comprise only about 20 per cent of the population.

\(^{10}\) THA–normal means plots based on existing planning standards of THAs, averaging 400 square metres and with a high level of service infrastructure provision (paved roads, brick-lined drains, gravel surface secondary roads, full water reticulation, clear land tenure, etc). Allocation is made only on payment of development charges. THA–basic refers to smaller plots, averaging 225–350 square metres, with basic services such as pit latrines and communal water points; development charges are spread over a period of not less than 10 years. This category was meant to benefit the lowest-income earners with proof of regular income, such as pay slips or official letters. THA–layout involves the provision of non-serviced plots in the hope that services would be provided when funds become available. The main principle was the provision of title to plot holders to ensure security and enhance investment. Like the basic scheme, low-income people with irregular incomes were targeted. This was implemented in areas where community development committees had been elected and were encouraged to work with an NGO for infrastructure development. The only NGO working in the housing sector was Habitat for Humanity. Squatter upgrading was launched to improve lives and title provision in informally settled areas. Only settlements 15 years or older were targeted, while recent ones would be demolished to avoid setting precedents.
they have to pay for the cement at higher prices and therefore increasing the loan amount. It also appears that access criteria include the ability to pay application fees, which benefits higher-income groups. HFH also faces delays in accessing land from local governments. For example, in Lilongwe, funding was sourced in 1994, but land was only allocated in Area 49 Sector 6 in 2005, even after HFH had offered to meet surveying costs (HFH, 2005).

d) International organizations

International organizations are involved through loans or grants to the MHC and government for housing, service provision such as water supply, the development of schools, waste management and livelihoods programmes. Such organizations include the following:

i. British DfID (formerly ODA) in the 1970s financed the development of THAs in Lilongwe. Policy conflict with the Malawi over their location close to the city centre led to Dfid withdrawal from the housing sector, when developed plots in Area 47 were replaced with medium-density housing under presidential order.

ii. German KfW funding of SCDP since 1985 went towards implementing a decentralized urbanization policy by supporting small and medium-sized towns with infrastructure, facilities and upgrading initiatives, to direct migration away from Blantyre and Lilongwe. Over 10,000 plots have been developed in nine towns.

iii. The World Bank provided loans and grants through government to MHC. In 1987, the MHC first World Bank urban housing project introduced a range of affordable housing designs; options for purchase with mortgages from NBS, based on full cost-recovery principles. Since the plots were unaffordable, the approach was re-adjusted, emphasis shifted to indigenous materials (sisal tile sheets, door frames from the local market, the use of sun-dried bricks for internal walls, the use of mud mortar for brick work and the use of mud plaster)(MHC, 1998). The project was implemented in Blantyre’s Chimwankhunda and Kameza townships and in Lilongwe's Gulliver township. Houses were later demolished at Kameza, and the plots consolidated by presidential order. Beneficiaries later sold the houses as they failed to repay the loans, which kept increasing due to interest charges. Other World Bank projects have been implemented at Malabada in Ndirande and Chilomoni in Blantyre.
3. EVOLUTION AND GROWTH OF THE FEDERATION

Rural bias in Malawi occurs despite evidence of no clear divide between rural and urban sectors and the significant role of the urban sector in rural development (cf. Satherthawaite and Tacolli, 2003). Any interventions including those by the state and aid agencies targeting urban areas are conceived in the context of rural development and tend to marginalize the poor. Therefore two main factors encouraged the formation of the CCODE and the federation:

- According to Hasan et al (2005), intervention in the past failed to address the needs of many people in poor countries because of failure to consult and work with the urban poor even though they were the targets and their plight justified the same initiatives. Therefore, it was felt that in Malawi, without a people-driven approach prioritizing the needs of the poorest, greater polarization would emerge. Unity among the poor and partnerships, first in information gathering and later in the implementation of strategies, would help authorities understand and appreciate the plight of the poor. Therefore, even in the context of a weak national economy, resources would be identified. The federation, through savings schemes, would be providing the first alternative source of revenue that would require leveraging.

- Additional impetus came from the success of federations in other countries, including South Africa, India and Thailand (Anzorema et al, 1998), which saw improvements in the lives and living conditions of the urban poor in many

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1 For example, the Secondary Centres Development Programme, clearly an urban development intervention targeting small and medium size towns, was in fact under the rural development section of the Ministry of Local Government and rural Development. In fact there is no government ministry directly responsible for urban development.
respects, including access to secure tenure and relationships with government institutions.

Specifically, the federation efforts are directed towards contributing to the realization of Millennium Development Goal Number 7 target 11 on improving the lives of slum dweller and improving access to safe water and basic sanitation.

MHPF was formed in 2003 as a social movement comprising a number of savings groups in slum communities. Federation initial members were mostly women renting houses in slums (Mk 300–2,500 (US $2.10–17.60) a month). Renting in such places was not by choice but because of lack of access to land for housing, a situation that increased their vulnerability. The federation was established to undertake basic community organization and mobilization, with a focus on increasing access, initially, to land for housing and, progressively, to other resources at the local and national level. To date, there are over 100 such groups, with a combined membership of more than 100,000, in the main urban centres of Blantyre, Lilongwe, Mzuzu, and other urban centres.

The federation is supported by the Centre for Community Organization and Development (CCODE), a non-governmental organization, in reaching out to professionals and policy makers, ensuring there is adequate information on the poor, and promoting their in the formulation of interventions on housing, water and sanitation, employment opportunities and other initiatives. This enables the poor to develop their own initiatives and contribute to policy development. Specifically, CCODE was founded in order to support the federation in the following ways:

- Creating and supporting grass-root organizations (savings groups), to advocate and lobby for the rights of the urban poor
- Undertaking training to strengthen the collective leadership and capabilities of the savings groups;
- Ensuring that women and men have an equal right to participate in decision making;
- Creating an information base, through participatory research, on the poor and their problems to create a basis for dialogue, planning and action for change considering that statistics on the urban poor are scarce;
- Facilitating access to affordable, adequate, hygienic and secure shelter for the urban poor; and
- Strengthening the capacity of the urban poor to participate at all levels of development.

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12 The term “slums” is used here to include villages incorporated into city boundaries, squatter areas and overcrowded traditional housing areas (THAs), where sanitation is poor, tenure is unclear or distorted, and house structures are mostly dilapidated. THA is the local term for sites and services schemes.

13 The CCODE is a registered trust that began work in April 2003. It has a board of trustees that is tasked with policy formulation, and its members are Mtafu A. Z. Manda, Esmie Kainja, Sr Margaret Lupiya, Mike Moyo, Mrs Milanzi, Chimwemwe Thole and Mrs Jumbe. The CCODE director sits in as an ex-officio member.
4. THE POTENTIAL OF FEDERATIONS

The potential of federations to bring about change at scale lies:

- **Exchanges** where they network, share skills and build solidarity,
- **Saving schemes** where they pool resources, learn to handle own and collective funds
- **Enumerations** which they undertake because of on-ground knowledge and help authorities in properly targeting intervention
- **Vetting** to choose beneficiaries transparently.

**Savings schemes**

A savings scheme (group, centre) comprises women and men saving whatever money they can each day. Each savings group involves about 30 to 70 people in a neighbourhood, and each runs its own resources. One township might therefore have more than 10 or 20 autonomous savings schemes.

The autonomous savings schemes were discontinued in 2005 when they were reorganized to operate township by township. This worked better for pooling savings, as often there were few active members. In Lilongwe city, for example, instead of having more than 110 savings groups in 15 townships all were merged and 15 larger groups were established. Savings schemes were also established in 10 townships in Blantyre, 6 in Mzuzu, and 5 in Zomba (see map). It is worth noting that, initially, these groups were comprised mainly of women. Men started joining after seeing early progress on housing development and income-generating loans. Men were integrated as a gender relations measure in line with inclusive nature of savings groups.

Savings scheme members meet regularly (once a week for most groups) to manage the finances. During the meetings, many ideas and problems that affect the whole community emerge. Through collective dialogue and interaction, problems are resolved. If the problems affect a whole community, dialogue with relevant authorities is initiated.

These savings groups serve several purposes, principal among which is their operation as a crisis credit scheme, whereby members borrow for immediate financial needs such as school fees, funeral expenses and hospital bills. They also serve as a mobilization tool. In addition, by managing their own funds, members gain skills and confidence in handling cash. Individual savings are recorded in savings books kept both by the federation office and the individual member to ensure the recording is correct. Older groups impart their skills in managing the schemes to newer groups and, in some cases, newer groups have taught lessons to the founding groups. This process creates trainers from the poor communities, who voluntarily train others at scale during exchange visits.

Savings therefore unite the urban poor thereby developing capacity in prioritizing issues and become a platform for engaging formal institutions like government departments and professional institutions for policy changes. Without a federation of
such grassroots organizations, their contribution to development be isolated and would never be recognized.

Since establishment, four fund management mechanisms evolved from the savings schemes, towards which each member must contribute:

i. The Makhodo (coins) fund is an income-generating activities (IGA) fund, to which members contribute daily any amount they can afford, usually the change from daily shopping. Individual groups first amass enough capital, say MK10, 000 before giving out loans of MK500 to MK1, 000 for opening or expanding small-scale businesses such as selling firewood, tomatoes, charcoal, baking buns etc. The revenue from these activities is for daily expenditure and for paying school fees. Test loans worth Mk 100,000 were given out in 2004 to four groups. Repayments were 100 per cent within two months, which suggested that the fund was viable. Most of the rural members joined largely to participate in this fund. The interest is about 5% per month. Usually repayments are through within the month or the second.

ii. A bereavement or funeral fund allows members to withdraw money in times of bereavement. If a spouse dies, the member gets Mk 4,000, and if it is a child, they get Mk 2,000. In extreme cases, the funds are used to procure coffins and transportation to the deceased’s home village.¹⁴ Each member contributes Mk 50 per month on behalf of the household. The challenge of the fund is the high frequency of deaths (possibly due to the high HIV/AIDS prevalence in the country). This has resulted in strict regulations; for instance, those who fail to contribute do not get assistance. New members are required to pay arrears from April 2004, when the fund commenced. Any member who pays up and later discontinues is assisted only in proportion to what was contributed. In general, the fund is very successful and is a major attraction for slum dwellers joining the federation.

iii. The Mchenga Zimbudzi (pit latrines) fund is an Mk238, 000 revolving fund for the construction of pit latrines in Lilongwe. The fund was set with financial support from Water Aid Malawi in 2005 but was only meant for Lilongwe projects.

¹⁴ In urban Malawi, a person’s roots are still in the village they came from. People are rarely buried in the city; a person buried in the city is considered “not known” or, indeed, to have adopted foreign culture, which would prevent burial in the village. Some may even be total strangers in the village because they never supported relatives. The cost of transporting dead bodies is quite high, as the deceased’s family has to meet even the food costs for the escorting party. The escorting party is usually large because some of the deceased’s city-dwelling colleagues from the same village take it as an opportunity to visit the village at no cost.
iv. The Mchenga Fund is a housing finance arrangement for the federation. Its name expresses the fact that, as an individual, the poor can rarely change their circumstances; but if they unite collectively they can change their livelihoods. The fund was established following demands from members, who found that loans from IGAs fund were inadequate to support both business activities and housing requirements. It was agreed that a fund be established solely for housing development. Members contribute Mk 20 (US$0.15) per month towards this revolving fund, the main objective of which is to provide group loans to finance housing construction for federation members. It has indeed worked as leverage, or a form of hidden collateral, for support from external sources, including central and local governments, international organizations and NGOs, who see the savings as representing the members' commitment to supporting their own cause. Although members' contributions are small, and the fund is largely supported by external sources, its importance lies in the fact that the members feel they own it. The fund has since been registered as an independent trust under the Trustees Incorporation Rules.

15 ‘Mchenga’ means sand in local languages. The small individual savings of Mk 20 are like sand grains, which, when put together, are difficult to count. For the urban poor, these small savings, when put together, can achieve great impact. Mchenga therefore emphasizes the importance of unity.

16 In Malawi, several government ministers made contributions to the fund upon seeing the houses under construction or visiting the federation villages.
Enumerations

The relative low level of urbanization in Malawi obscures urban poverty. However, rapid urbanisation implies poverty gets urbanized (Payne & Majale, 2004:9). Authorities lack information and statistics on urban poverty leading to lack of understanding of urban problems. The government emphasis on rural poverty can thus be understood. Enumerations or community censuses play a crucial role in unveiling the circumstances of the urban poor to authorities. They also empower the communities with data about their circumstance to demand and negotiate for services from authorities. The data can be used by different stakeholders to assess the necessary interventions in specific communities, instead of providing generic solutions. The data collected remains with the communities, who update it regularly to track movement or progress of their members. The data from the enumeration is reliable as it does not suffer from sample errors and can therefore be helpful in city wide planning saving the otherwise underfunded local governments’ time and resources.

Exchange Visits

Members of one saving scheme or federation visit another, to share experiences about development strategies, teach or learn from each other various skills at negotiation, conflict resolution, income generating activities, and building solidarity and interdependence (Edwards, 2001). Depending on circumstances, up to or more than a hundred such visits occur locally or nationwide monthly. According to
Boonyabancha (2001), if well supported, the exchanges help solidify networks, and create stronger, larger groupings with a greater capacity to negotiate with external agencies. Since the groups have grown spontaneously and exponentially, the Malawi federation reached even the rural areas e.g. Neno. Some exchange visits are regional and international. Federation members, accompanied by government officers, have traveled to countries within Africa and Asia like India, Thailand, Sri Lanka etc from which various aspects of grassroots led urban development were adapted. After the Asia trip the Malawi government started drafting a national slum upgrading strategy. Following an exchange visit to Stellenbosch in Cape Town, South Africa, the use of low-cost adobe bricks was adopted. Members also learnt loan procedures, the power of savings, record keeping, negotiation with local and central government, income generating activities etc. In short for the urban poor, most with only basic education, exchanges are the mechanism of information transfer and ‘professional’ training. For example, inter city exchanges were instrumental in spreading the gospel of savings schemes and federation from Lilongwe. Within six months of establishment, over 20 such exchanges had taken place and by February 2004 the Blantyre Federation chapter had been established while those in Mzuzu, Mzimba and Zomba followed soon after. According to Edwards, what is special about the exchanges is that the locus of power and authority lies and is kept in the communities themselves rather than in the intermediary NGOs…” (Edwards, 2001).

**The Housing Process**

The housing process cannot commence unless a vetting process has been undertaken to select who get the housing loans and plots first. Since funds available are never enough, several factors are considered in selecting the beneficiaries. Among others, a member must have attended all scheduled savings group meetings, contributed regularly and must live in a poor low rent (Mk300-2500) house in one of the slums. Noteworthy is the consideration that the amount saved matters less than the days savings are made.

Vetting at saving group level is locally done, but at city level members from other cities are responsible to avoid elements of bias. In Lilongwe, there were about 600 members eligible but only 222 housing plots were available. In Blantyre 465 plots were allocated against over 650 members while in Mzuzu only 83 plots were available against over 600 selected members. This makes the vetting exercise essential.

After vetting house construction can start. The members themselves make most of the decisions relating to the housing process through various sub-committees: technical, audit, transport, funeral, IGAs, waste management etc. Within nine months, planning, design preparation, costing, materials procurement and house construction are complete. Since Mchenga fund is basically for transportation and procurement of materials such as corrugated iron sheets, and for payments to builders and carpenters, vetted federation members provide basic labour such as moulding bricks, cutting stone, and providing construction water and assisting builders and carpenters. Each house costs Mk 70,000 and Mk 100,000 (US$750), the differences being a result of distortions due to inflation, terrain and soils. In Lilongwe, each house cost
approximately Mk 77,000, while in Blantyre and Mzuzu they cost about Mk 100,000. In order to save on land, an attempt was made in Blantyre to construct five family flats as a show case, costing over Mk 1 million\textsuperscript{17}. Family flats have since been adopted by Mzuzu federation chapter and are on demand in Lilongwe.

\textbf{5. ACHIEVEMENTS}

\textsuperscript{17} The prevailing 2007 currency exchange rate valued US$ 1 at Mk 139.
(a) Land and houses

Since 2003, land for housing has been acquired from government and city authorities. Lilongwe city provided land for 222 plots and in Blantyre, the government gave land for 465 plots. A total of 450 houses are almost complete (15 plots converted for federation office, flats and workshop). In Mzuzu, land was given for 83 plots. More land has been earmarked in Lilongwe and other urban centres, and the target is to open up 3,600–10,000 plots for over 18,000 urban poor dwellers. The number of houses constructed by the urban poor who are otherwise expected to be ‘beneficiaries of development projects’ in four years is no mean achievement considering that public sector institutions were unable to do so in over 30 years.

Some of the completed houses at Mchengautuwa in Mzuzu City © Ccode 2007

(b) Gender

Most federation members are women, making them major house owners. In fact the federation was mainly the initiative of women; they were only persuaded to allow their spouses to join to avoid marital problems. The women have gained significant respect from their spouses for their struggle to house their families, for owning houses and indeed for being at the fore in establishing the savings groups. This achievement is no small matter. In Malawi, even in largely matrilineal communities, property ownership is male dominated (Ngwira, 2002).
(c) Community mobilization

Saving schemes are crucial for uniting the urban poor. Federation of these autonomous savings groups provides a platform from which an organised and self-reliant movement of the poor can engage formal institutions like governments, professional institutions and aid agencies. The federation’s power wielded through the large membership, have a voice to demand policy change and capacity to implement own interventions at scale nationwide: Lilongwe, Blantyre, Zomba, Mzuzu, Mzimba, Rumphi, Nkhatabay, Salima, Kasungu, Mchinji, Bangula, Chikwawa, Mwanza, Mangochi, Neno, Thyolo, Karonga, Ntcheu, Nkhota-kota, Balaka, and Likoma. The current estimated membership is over 100,000. The federation has consequently become an entry point for various community based interventions.

(d) Plot sizes

Standard minimum plot sizes for low-income housing in Malawi range between 360 and 1,000 square metres. The CCODE and the federation negotiated with the Department of Physical Planning for smaller plots measuring 150 to 200 square metres. In Lilongwe, this reduction meant that land allocated for only 95 plots actually allowed for 222 plots, enabling more than 1,000 people to benefit. Otherwise large standard plots lead to over-development and the creation of slum conditions due to sub-letting. Furthermore, the tendency for higher-income earners to buy out the poor
decreases as plot size decreases. Access roads were also reduced from the standard 12m to 9m. Thus, city by-laws and standards were lowered to suit beneficiaries’ needs.

(e) Establishment of water users associations (WUA)

The WUA were established in partnership with Lilongwe Water Board (LLWB) and Water Aid Malawi since August 2003 to improve the management of communal water kiosks in squatter in Lilongwe City. The problem of access emerged when LLWB cut supply following the failure of communities to pay bills which had accumulated to over Mk12 million. However, a study initiated by Water Aid and CCODE found that the real problems were more to do with management arrangements than the arrears. Among other issues, it was found that LLWB factored the arrears into current bills without consultation thereby creating more problems of failure to pay as bills were inflated. Community leaders who collected the tariffs never disbursed funds to LLWB and the poor who as a result did not have access to safe water paid more than prescribed as those with individual taps charged extra. The tripartite partnership agreed to adopt private sector principles to improve efficiency. Following the above, several achievements were recorded e.g. (i) kiosk management unit was established at LLWB as a department of the Board to interface with communities to minimize grievances. The unit is headed by manager and supported by three technicians. (ii) Six WUA, a form of trust with own constitutions and board members were established, registered and signed contracts with LLWB. Under this arrangement LLWB handed over the facilities and management including maintenance and revenue collection to WUA at subsidized rates. A mark up was agreed to support overhead costs for the WUA (iii) water meters that were previously exposed to vandalism are secured with meter boxes while a fault reporting and response mechanism is in place, (iv) WUA have reduced their arrears from MK30 million in January 2006 to MK14 million by January 2007. This can be compared with previous figures of Mk17.5 million in January 2005 that had risen to Mk 25.9 million because of non-payment. According to Water Aid Malawi, a World Bank funded poverty and social impact analysis recommended WUA as a form of private sector participation in provision of water services in low income areas that needed encouragement and scaling to national level (Water Aid, 2007). However, WUA concentrate on profit making to pay arrears thereby ignoring sanitation and hygiene, and service to the vulnerable and the poorest.

(f) Environmental aspects

The adobe bricks are an environmental improvement over standard burnt bricks, which contribute to rampant deforestation. Although still under experimentation, skyloo "ecological" pit latrines save space (urban gardens) and ensure that human wastes are turned into manure and used in gardens. Two one-metre pits are dug side-by-side and are brick lined; a sanitary slab (a squat slab made of concrete reinforced with steel) is placed on one of the pits while the other is covered for safety reasons. A handful of ash and two handfuls of sand are thrown into the pit after each use to prevent flies and bad odours. Once the first pit is full, it is covered with soil and ashes and the refuse left to turn into usable compost. The sanitary slab is put onto the
second pit. Compared to pit latrines, skyloos are considered “cleaner”, less energy wasting (pits are short) and have added value of producing manure. So far, 250 skyloos have been constructed in Lilongwe and 200 in Blantyre; and 83 in Mzuzu. A total of over 1000 are targeted by end of 2007. The Federation also plans to connect the skyloos to biogas digesters that will provide households with energy for cooking and lighting. The manure will be collected by the Solid Waste Management Teams (SWMT).

The SWMT, as a pilot at Area 49, currently collect, sort, compost and recycle solid waste charging each household a minimal fee of US$0.15 ($1=Mk140). This initiative will to be scaled to Blantyre and Mzuzu villages.

The Federation has partnered with the Department of Energy Affairs to implement the Promotion of Alternative Energy Sources Programme to promote the utilisation of various market-ready viable alternative energy sources to substitute firewood and charcoal as preferred fuels for cooking and heating. Since federation members live in communities where charcoal is main energy source, they are strategically positioned to supply raw materials, produce, market, distribute and use biomass briquettes as an alternative to charcoal. The programme will also pilot use of biogas to solve the sanitation problems.

(g) Malawi Award for Human Settlements (MAHS)

The MAHS was introduced in Malawi based on the criteria of the Dubai Award of UN Habitat. The initial idea emerged from a practice whereby urban governments learned from each other through presentations on the resolution of major urban problems in their localities. When this best practice in urban management approach was extended to the national level in 2005, the steering committee decided to introduce an award that would help participants, as well as winners, to learn from each other and sustain initiatives. In 2006, when the first MAHS awards were presented, the Area 49 project emerged as the best practice.

(h) Job Creation and Contribution to Economy

The construction of so many houses has enabled many unemployed Malawians to find jobs in carpentry, bricklaying and other labour-intensive jobs. This is a meaningful contribution, given that fewer than 500,000 are formally employed nationwide. These developments are also a learning platform for many local entrepreneurs as well as government officials; only two years ago, the use of adobe was considered primitive technology within the formal building industry. The houses also created demand for furniture like sofas, beds, dining tables etc (house owners have space for these!). The housing process therefore has impact beyond federation members.

(i) Establishment of Shire Lime Company in February 2006
The company was established on 50/50 partnership with a former partner of Lime Company (Limeco) that was supplier to the federation. The decision to establish the company arose after realisation that government tax was a major set back on housing development. A joint financial investment of Mk1, 200,000 implied that federation members would readily access and buy lime from their own company with profits going to Mchenga Fund. On the market a 50kg lime bag costs Mk700, giving a profit of about MK280. Since each house uses 12bags, a total of 6516 bags was required for 465 houses in Blantyre and 83 houses in Mzuzu giving a profit of Mk1,824, 480 to the Mchenga Fund. The company has also contributed to job creation for 25 persons, 15 of them on permanent basis, at the factory located at Lunzu, just outside Blantyre City.

(j) Registration of Mchenga Trust Fund

The Mchenga fund which started with small contributions of Mk20 per month has been registered with the Malawi government as a charity. This means that the work of CCODE will be confined to supporting the federation. A fund manager shall soon be recruited to help manage the funds but also raise additional funding. The trust board includes national and regional federation leaders, one member from CCODE board as well as CCODE director. Mchenga Fund currently has over Mk124 million. The fund gives the federation capacity to own the development process.

(k) Enumerations

Successful enumeration was undertaken in Mbayani (Blantyre) in 2005 to support the cities without slums initiative of UN HABITAT. The data, especially, the process, was an eye opener to city authorities on the plight of the urban poor and their unity. The data was also used to check the data that was later to be collected by consultants preparing the situation analysis report ahead of the commencement of the initiative. Since many studies are undertaken in the area without results being made known residents had become apathetic. The federation process that involved the residents meeting and agreeing apriori the importance of the data undertook the survey without much difficulty. It should be mentioned that studies in the areas were previously indirectly conducted in relation to food distribution which meant that many respondents also had opportunity to exaggerate sizes of their households. The CCODE/MHPF has since become a major stakeholder in Blantyre city development interventions. Another enumeration was done in Chinsapo squatter in Lilongwe where 120 households were identified for upgrading. Implementation of the exercise awaits funding.

(l) Income generating activities:

Members of the federation are involved in various IGAs. The members get involved in fish farming, bead work, hand made goods, urban agriculture, dried flowers, manure production, telephone bureaux, water selling, tree nurseries, cookery, bio-fuels raise income for daily domestic requirements and loan repayments. Gifted individuals are
identified and supported to enhance their skills and talents in, say, landscaping, floor polishing, and fence mending.

(m) Partnerships with institutions

The CCODE and the federation have partnerships and signed memoranda of understanding with various organizations, some of them government, others local and international organizations making the urban poor not beneficiaries of, but partners in, development.

1. **Central government**: The partnership with central government relates to access to land. However, government also takes the CCODE as a major stakeholder in all housing matters, to contribute to policy development. The Ministry of Lands also proposes to disburse Mk 10 million to the Mchenga fund for housing development for lower-ranked civil servants such as drivers and messengers, who cannot access even the government home ownership scheme. The disbursement awaits finalization of accounting and reporting mechanisms. The selection of beneficiaries will be undertaken by government and not through federation criteria. The federation will benefit through job creation for its members, while the CCODE will receive administration fees. The proposal has no real consequences for the growth of the Mchenga fund, but should be seen in terms of the overwhelming support the federation housing process has received from successive housing ministers. This political goodwill towards a civil society organization, which is very rare in Malawi, has enabled the federation to expand its activities to all urban settlements. The government sees resources sourced through federations as relief as itself struggles to house the urban poor. It has also stated Malawi's intention to launch a nationwide slum upgrading programme.\(^{18}\) Recently, government asked federation members to help encourage squatters on MHC land at Area 49 (Dubai) to accept alternative plots for the area to be upgraded. The occupants have agreed to hold discussions with government and the MHC.

2. **Local government**: The partnerships with all four major cities and other urban centres have enabled the federation to build houses with roads already developed. Development charges usually required before development can start were waived. These charges amount to the cost of one federation house.

3. **Partnerships with colleges**: The federation’s technical committee agreed that a builder would be paid Mk 8,000 to complete a house. After complaints by builders it was raised to Mk 12,500. Despite the increase, there was still a shortage of builders and carpenters. The technical committee met Namitete Technical College to involve students. A memorandum of understanding signed in 2005 enabled 22 student builders and 12 carpenters to work at Area 49 site. In Blantyre, there was a partnership with the Polytechnic of Malawi.

\(^{18}\) Henry Phoya, MP, Minister for Lands, Housing and Surveys, speech at the launch of the Mzuzu Mchengautuwa federation housing project.
University for student architects to help supervise construction works. Technical support on the production and use of adobe bricks came from Stellenbosch University in Cape Town, where the Sustainability Institute has conducted extensive research on the environmental sustainability of adobe bricks at Lynedoch Eco-Village since 1999 (sustainability institute, 2005).

4. **Government parastatals:** There are partnerships with water boards that relate to the establishment of water associations and committees.

**Other NGOs/ institutions:**

i. **Water-Aid:** The partnership led to the creation of the revolving Mchenga Zimbudzi fund totaling Mk 238, 000. Water Aid was the first institution to support the federation and administrative costs of CCODE from 2003. The total support reached over Mk 2 million.

ii. **Action Aid International:** The partnership supported savings schemes, exchange visits and capitalization of the Mchenga fund. During October–December 2006, the first disbursement of Mk 6.2 million was made to facilitate exchanges and other activities. Action Aid also financed some of the members to World Urban Forum (WUF 3) and Asia exchange.

iii. **Homeless International and Shack Dwellers International:** These organizations facilitate international exchanges and bring people from other countries to share Malawi experiences. These organizations are the federation’s major financial backers sponsoring almost all internal and external exchange visits and attendance by federation leaders of global fora like the World Urban Forum.

iv. **SELAVIP:** Latin American, Asian and African Social Housing Service have contributed to housing construction through the Mchenga fund. US$ 40,000 was allocated for the Mzuzu 83 houses; and over $230, 000 for 465 houses in Blantyre. SELAVIP also gave support to all the houses in Lilongwe Area 49.

v. Funding from the German Development Service (DED) totaling Mk 705,200 was crucial in holding together savings schemes when the federation had just emerged, in 2003.

6. **CHALLENGES / LIMITATIONS**

   a. **Inadequate land for housing.**
   The number of members is large and expanding. Land allocated for housing cannot meet demand. In Lilongwe only 222 out of a demand for 600 houses could be built; in Mzuzu, only 83 out of 600; and in Blantyre, only 465 out of 650 houses are completed. This affects the morale of members. To save on land, the federation embarked on building double-storey flats and building houses on plot acquired by members anywhere within the cities. Despite the shortage, as UNFP (2007:41) note, the ‘problem is not so much of shortage of land or the number of
the poor urbanites, but rather their restricted access to serviced land and housing because of distorted land markets.’ With regard to the federation accessing land inertia among some authorities still remains a hindrance.

b. **Value-added tax.**
Although each house is valued at between Mk 70,000 and Mk 100,000, the surtax on building materials increases this amount. When approached for a waiver, the Malawi revenue authorities referred the matter to the Ministry of Finance, who indicated that no legal provisions supported such a tax exemption. The Area 49 project cost nearly M 1 million in surtax, enough to buy corrugated iron sheets for more than 50 houses.

c. **Local disputes.**
At Area 49, 17 of the 222 plots were in gardens where local people grew crops to supplement earnings, despite their knowledge of federation plans. The farmers initially refused cash as compensation and Lilongwe City were unhelpful. In Blantyre the land allocated was annually cultivated with by nearby Misesa and Angelo goveya residents. The allocation meant curtailment of farming. This led to negative perception such that any problem (including the bursting of storm water drains) was blamed on the new neighbours. In Mzuzu the land was claimed by chiefs (Chiefs Act section 5 of laws of Malawi explicitly prevents chiefs exercising authority within urban governments) who demanded government compensation. These issues delayed the building process hence some were affected by the rains.

d. **Inadequate funding.**
The main source of funding for housing is the Mchenga Fund, which cannot meet demand because of the overwhelming number of members across the country. It is perhaps a self-made problem in that federation activities spread too wide, too fast.\footnote{It is now generally felt that we should have concentrated efforts in the four major cities of Blantyre, Lilongwe, Mzuzu and Zomba, where the housing problem is critical.} Since Malawi won the cancellation of over 90 per cent of external debt, requests were made to the Ministry of Finance to allocate part of these funds to the Mchenga revolving fund. Despite the political will, technical inertia and the suspicion associated with any government funding threaten this possibility, unless the Ministry of Housing introduces a vote t to allow such an allocation by parliament. Consequently, proposals have been made for the establishment of a national housing fund. But, its success depends on the support of government officials and politicians. None the less external sources have supported the major part of the housing process and exchange visits. Some partners have attached conditions to the support!

e. **House owners versus foremen.**
Houses are constructed with the guidance of foremen employed by the federation guided by CCODE. Each member also has a builder on site and this results in conflicting instructions to builders. House owners, keen to keep their loans low,
give instructions that threaten the durability of the house. For example, some insist on shallow foundations to cut down on the number of bricks used; others instruct carpenters to use fewer roofing sheets, leading to leakages during heavy downpours; and foremen end up with balances that look as if they over-ordered roofing materials.  

f. Some beneficiaries renege on loan repayments. 
In 2007, some federation members at Area 49 started discouraging others from repaying their Mchenga loans arguing the interest was very high and that the loan ought to be only Mk50,000 as most of the work was their own labour contribution valued at over Mk73,000. They also wondered why the loan amounts were equal when some houses used less materials than others. They have since petitioned the Minister responsible for Housing for his intervention. However, there is speculation that men that live in with their spouses have engineered the loan boycotts because they have not understood the rationale of saving schemes. The houses were built with cash contributed by all members and from external sources. The refusal to repay not only threatened the chances of those who remained un-housed, but violated their trust. Since the income-generating activities fund has not faced similar problems, there is speculation that members dread the long repayment period. Defaulting was also experienced by HFH in their home improvement loan scheme introduced in 2002. An evaluation of the HFH scheme found that beneficiaries were “…deliberately not [re] paying [even] when they had access to money [after tobacco sales]”. The Rural Housing Programme loan scheme at 8% per year implemented from 1981 collapsed by 1990s because of high default rates with loan repayment ranging between 40% and 60% over the years. Beneficiaries saw the Mk100,000 housing loans as government grants (Manda 2007). A 2005/6 Malawi Rural Development Fund (Mardef) worth Mk5billion set aside by parliament to support small scale businesses through community associations faces similar problems. A Mk70 million youth loan scheme implemented from 1996 at 15% interest had only 34% repayment. Recipients also saw the loans as grants. A proper study is required.

g. Undemocratic tendency
The question of some members refusing to repay loans was heightened by the failure to elect leaders democratically. Those in the interim leadership saw

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20 Discussions with Maxwell Mwale and Hanson Jailos, project foremen, Blantyre federation housing project, 20 January 2007.
21 Area 49 Federation (nthawi group): Petition to the Minister for Lands, housing and Surveys, 11th April, 2007.
22 Lilongwe Federation leaders meeting at CCODE Offices held on 10th August 2007 made this conclusion. They also faulted the initial vetting process at neighbourhood level arguing deserving members may have been left.
24 George Ntonya, ‘Youth Scheme was mess- K30 m down the drain, ‘Nation on Sunday, Vol. 2 No. 32, 12 August 2007
elections that they saw as a threat to capacity building processes. The tendency of leaders looking at elections as unnecessary for sustainable governance of grassroots organizations was observed in the Indian federations during the Asian exchange visit. At Area 49 (Lilongwe) there are long running battles, that distract members from usual activities, are experienced between the ‘genuine’ federation members and a group calling itself ‘nthawi yakwana’ (time has come [to protest]. There are protests, court injunctions/orders and the police have to quell quarrels making the federation village more of a war zone than a residential area formed by people with a common agenda. What is strange is that the nthawi group refuses any discussion. The federation has since resolved to dissolve national and regional committees and replaced them with three interim regional co-coordinators pending elections from neighbourhoods to city to district to region and finally to national levels. At the core of the conflict is the feeling that some members do not benefit as much as leaders from the federation activities (especially international exchanges) while others complain of national leaders’ bullying and ‘we know better’ attitude. Of course there is speculation that politicians are apt to buy favours and already divisions on party, tribal and religious lines are emerging as 2009 general election near. Mitlin (2001) has noted that by giving land, infrastructure and services politicians seek a variety of personal and political benefits.

h. Environmental aspects:
Although adobe bricks are considered environmentally better than burnt bricks, the sheer quantity of materials needed for housing projects of this magnitude implies significant land degradation. Furthermore, despite availability of communal piped water supply in the developed areas, house owners dig shallow wells within their plots, often next to pit latrines, that are flooded during rains.

i. State resistance?
In the initial stages of introducing grassroots led housing development, community mobilization was often affected by harassment and ridicule of the federation recruiters. In Mangochi, leaders were beaten in the presence of policemen; in Nsanje, they were detained until planned meetings were called off. Strong resistance also came from officials within the housing sector, who remained pessimistic about adobe bricks. This is despite that 66-69% (NSO, 2000)25 of all houses is built of similar materials. These initial bottlenecks did not deter the enthusiasm of federation members, who were well coached in advance by the chairman and director on all technical issues such that government and city officials often found no grounds for challenging or disregarding them.

j. Government Patronage
On occasions the general public is informed that houses built are actually the initiative of government that allegedly procures all building materials with members only providing labour much to the surprise of federation members.

25 Traditional materials mean use of grass thatch or sun dried bricks. Sun dried bricks are only a small type of adobe. IHS2 found that 66% of the houses are traditional in Malawi.
Members grumble at their meetings only, knowing soon they would need land and other support from the same politicians. The significance of such reaction must be considered from fact that in Africa, though elected by universal suffrage, governments are client oriented, serving a certain group of interests while the general public looks to government as some form of benevolent being rather than one that has duties to perform. Too much noise can lead to blacklisting.

**k. Misunderstandings with partners**

The federations are a people movement and their developments are process rather than project based. This approach creates misunderstanding with some partners such as Water aid and Action Aid whose work is project based. The two institutions have operational districts in Malawi while the federation interests are countrywide. The support from Water Aid and Action Aid created problems because of the requirement that funds should only be used in the centre of the country. Undue strictness on expenditure caused unnecessary anguish to members. Water Aid thus stopped funding sanitation and water interventions that had been launched in partnership with CCODE. It was only recently that Water Aid revisited their position. Discussions are underway to resume the partnership even though Water Aid insists their funds must be spent only in Lilongwe. Action Aid for their part demanded a refund of over 50% already allocated funds because some had been used in Blantyre. It appears these local chapters of international NGOs have not become localized.

**I. New ‘villages’ Blues**

Developing the federation villages, meant relocating 1,385 people to Area 49 (Lilongwe), 2700 to Angelo goveya (Blantyre) and 415 to Mechangautuwa (Mzuzu). While this decongested their original locations, beneficiaries lost original networks leading to difficulties to find money. Some are yet to find ‘trusted’ friends. Housing construction has affected their businesses and they have Mchenga loans of MK100, 000 to repay. Many of residents are widows, unemployed, housewives or families earning minimal monthly wages. Residents struggle to meet their basic needs, pay fees or save daily and repay loans. The federations plan to build houses within locations members have lived for long; only recent migrants would go to new locations. It was thus agreed that affected households be involved in masonry work and get paid for their labour. Others would be trained in various skills for them to engage in income generating activities.

**7. Conclusion**

The federation in Malawi has clocked over four years. Over 700 houses have been built. Over 100,000 urban poor communities have been mobilized into savings groups. So many exchanges take place weekly. Several partnerships are operating. The federations have demonstrated that community led urban interventions have potential to effectively and efficiently contribute to citywide development. The networks established through the federation’s exchanges provide a formidable learning process, making it possible to reach out to policy makers. Savings groups operate as effective collateral in loan repayments. The achievements made are also
owed to partner institutions locally and internationally. Grassroots organisations can make effective and efficient contribution to urban development at scale with guarantees of access to land and external financial (plus moral) support from government, politicians, professional, NGO and aid agencies is essential. However, challenges internal to the organization require commitment to the cause and promotion of democratic ideals to sustain the trust of members and external sources. This too requires building capacity of the groups to meet the growing demand for urban housing and since savings schemes are by nature a process of learning from mistakes, strict ‘bank like conditionalities might harm rather help the urban poor. Despite the challenges, as Malawi we are happy that through international networking many blossoming national federations in Africa are also coming to learn, surprisingly from these mistakes.

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