

KICK STARTING HOSTEL REDEVELOPMENT

Residents' booklet



Urban Sector Network & Development Action Group
2003

ABOUT THE BOOKLET

The booklet is a training tool to be used along with the KICK STARTING HOSTEL REDEVELOPMENT training manual.

The booklet contains some of the important and complicated information that is shared in the training programme. Residents can use the booklet to assist them to remember some of the many aspects of redevelopment that must be taken into account when taking decisions about redeveloping their hostel.

ACKNOWLEDGEMENTS

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THE WORKSHOPS

WORKSHOP ONE

What's been done - see a video and read about hostels that have been redeveloped

Who you are - getting to know more about each other

Your future hostel - thinking about your future hostel

Brief overview of how you can rent or own the redeveloped hostel

WORKSHOP TWO

How residents are making ends meet now and how redeveloping the hostel can make this better

WORKSHOPS THREE

Where you are - looking at the way hostel is now

Design options - thinking about what can be done

WORKSHOP FOUR AND FIVE

Tenure options - how you're going to own or rent your unit and the hostel will be managed

WORKSHOP SIX

Getting finance - what subsidies are available, using savings and loans

WORKSHOPS SEVEN

How you will run your hostel - communication, leadership and participation

WORKSHOP EIGHT

Bringing together: design, tenure, finance and participation

Making choices about the redevelopment of your hostel

GOVERNMENT HOUSING POLICY: THE RIGHT TO ADEQUATE HOUSING

The right to adequate housing is in the South African constitution

The right to housing is a socio-economic right, like the right to food and the right to work. It is not a right that can be put into practice immediately, but a right that has to be worked towards.

The Constitution states that:

- Everyone has the right to have access to adequate housing.
- The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realization of this right.
- No one may be evicted from their home, or have their home demolished, without an order of court, made after considering the relevant circumstances.

The RDP White paper defines housing as follows:

"At a minimum, all housing must provide protection from weather, a durable structure, and reasonable living space and privacy. A house must include sanitary facilities, stormwater drainage, a household energy supply ...and convenient access to clean water. It must also provide for secure tenure in a variety of forms."

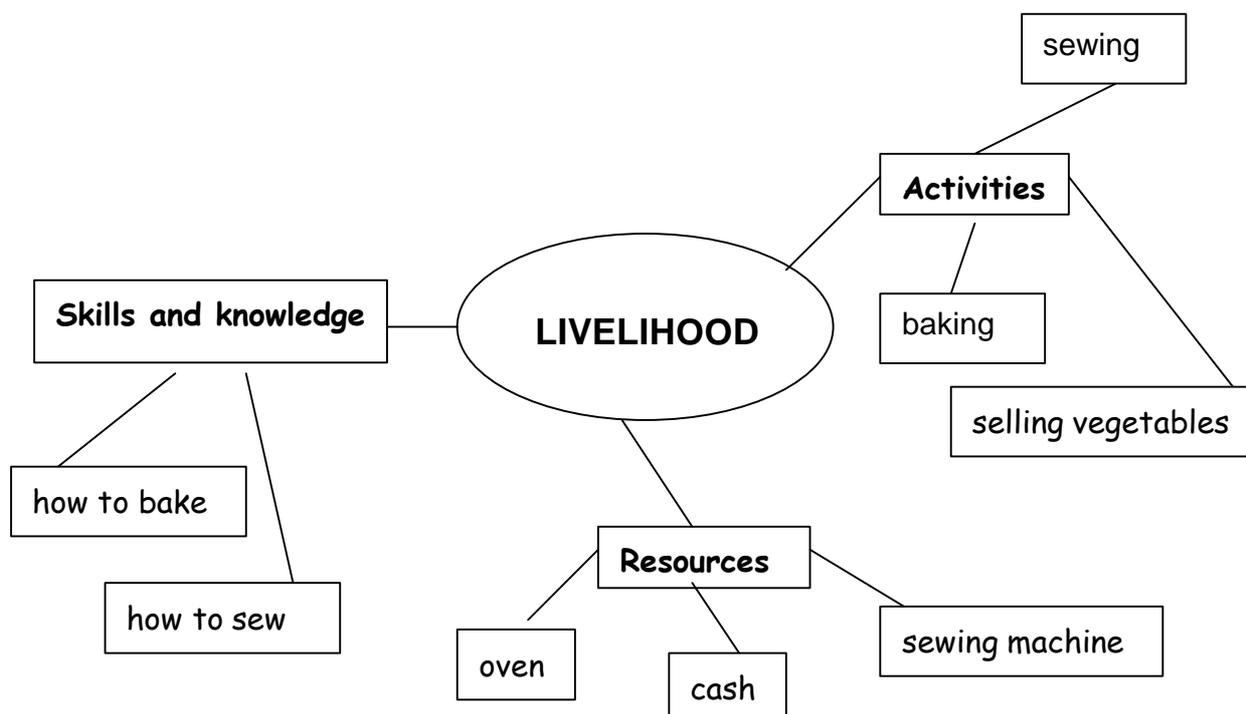
HISTORY OF HOSTELS REDEVELOPMENT

- The single sex hostel system was a result of the migrant labour system which was a key element of apartheid
- During the 80's hostels were a source of conflict and were used to destabilize many of the surrounding communities throughout South Africa
- The National Hostels Coordinating Committee was formed in the 1990's to address this problem.
- In 1994 more than 400,000 households lived in hostels. In order to address this problem, the Committee met with the government
- Together they decided on a set of guidelines for the redevelopment of hostels.
- The purpose of the hostels redevelopment plan was to improve the living conditions of hostel residents.
- They wanted to Include hostel residents, the neighbouring community, the municipality, and everybody who would be affected by the decision about the hostel redevelopment

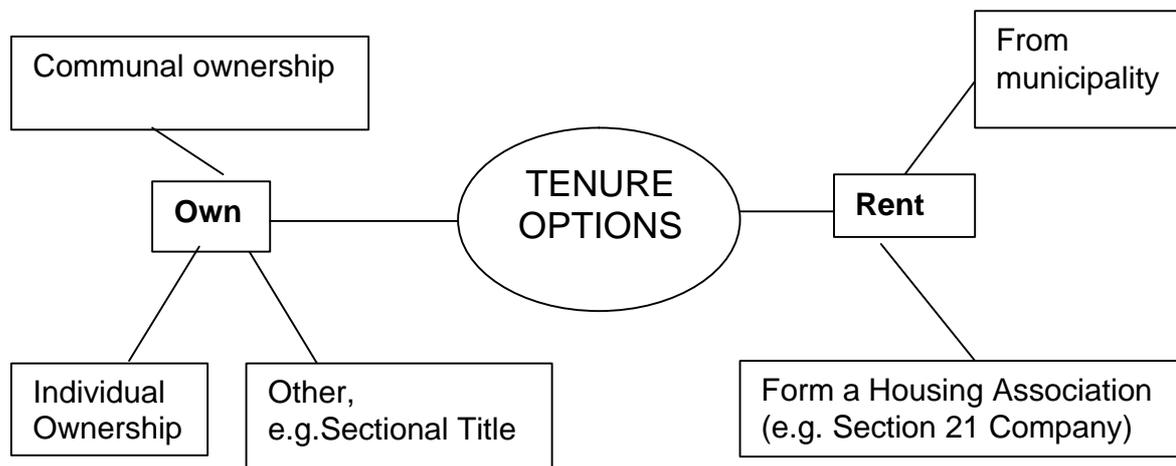
HOW LIVING CONDITIONS CAN BE IMPROVED

- Repair building defects (e.g. cracks & leaks)
- Improve access to services like kitchens, bathrooms & toilets.
- Install prepaid electricity and water meters
- Increase privacy
- Increase the amount of space
- Improve communal spaces

Livelihood is about people in a household using their skills, abilities, knowledge and resources in activities to make a living or put food on the table.



Tenure options means the way in which you can rent or own your home.



There are three different kinds of hostels:

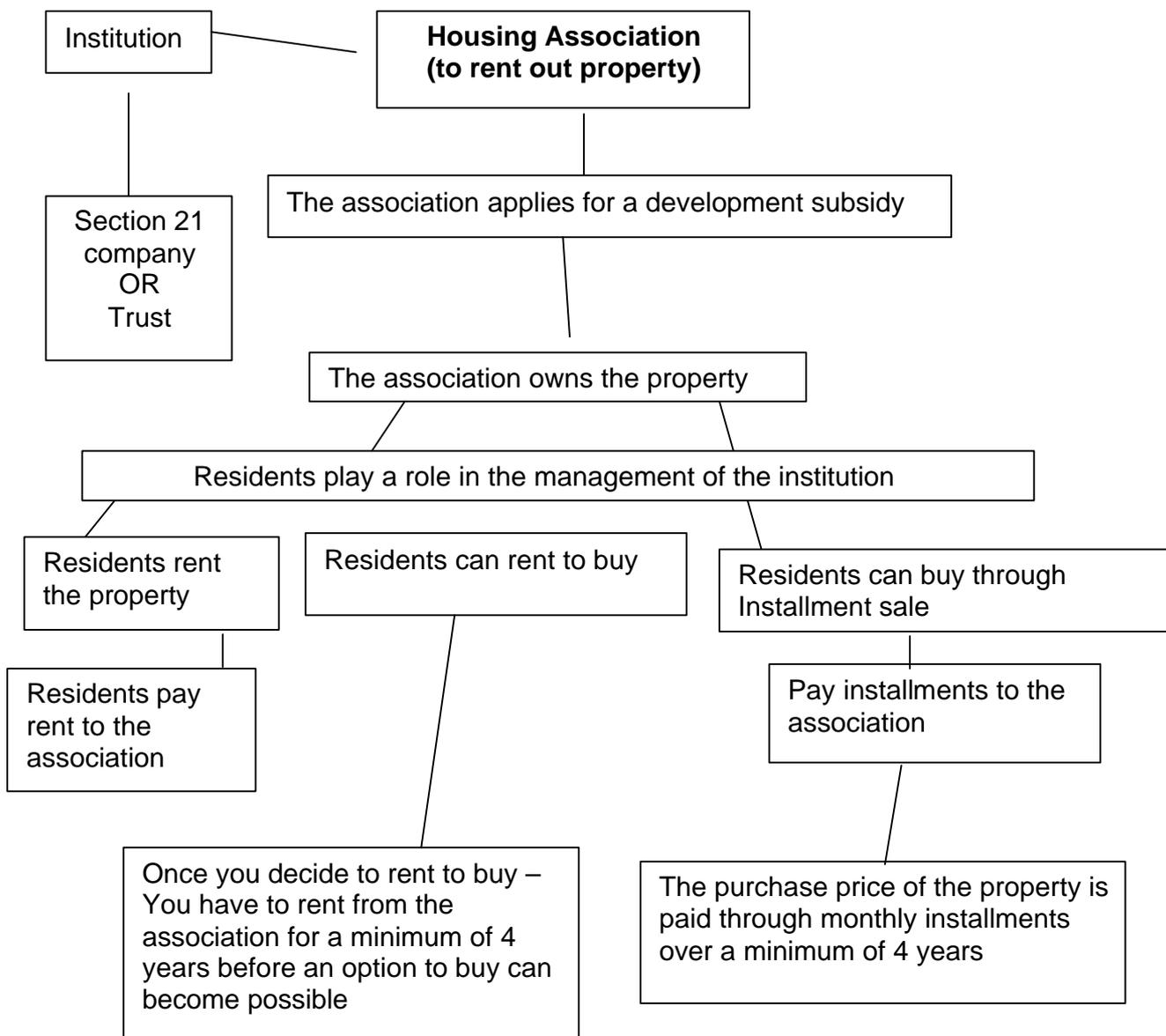
- Those owned by employers, usually companies are located on land owned by the employer - these are called **private sector** hostels
- Those owned by employers, usually companies and which are located on government land - these are called **grey sector hostels**
- Those owned by government, usually local authorities and which are located on government land - these are called **public sector hostels**

ADVANTAGES OF RENTING FROM THE MUNICIPALITY

- Residents just pay rent and do not have the responsibility of managing the property
- Residents could place pressure on the municipality to maintain the property
- The municipality could take responsibility for redeveloping the hostel e.g. installation of prepaid or individual meters for water and electricity
- Residents would not have to evict people who are unable to pay
- Additional administration and insurance costs would not be required

DISADVANTAGES OF RENTING FROM THE MUNICIPALITY

- Municipalities have a bad history of not maintaining the hostel properties
- Hostel residents have a bad history of non-payment of rent
- People will not be taking responsibility for their living environment
- The municipality could at any point in time deprioritise hostels in their housing programme - leaving residents vulnerable
- Residents in the surrounding community may not accept the hostel residents
- Residents in the surrounding community may abuse facilities at the hostel e.g. water
- The hostel may be vandalized as it is seen as the property of the government
- If it's a grey sector hostel, the municipality may not want to take full responsibility for the hostel



SUBSIDIES FOR INDIVIDUAL OWNERSHIP

R 20,300 for beneficiaries with a joint income of up to R1500 per month.

R 12,700 for beneficiaries with a joint income of R1501 to R2500 p.m.

R 7, 000 for beneficiaries with a joint income of R2501-R3500 pm.

All of these amounts can be increased by 15% for difficult site conditions.

Beneficiaries are required to pay a financial contribution of R2479 before they can get a subsidy - unless residents do the building themselves.

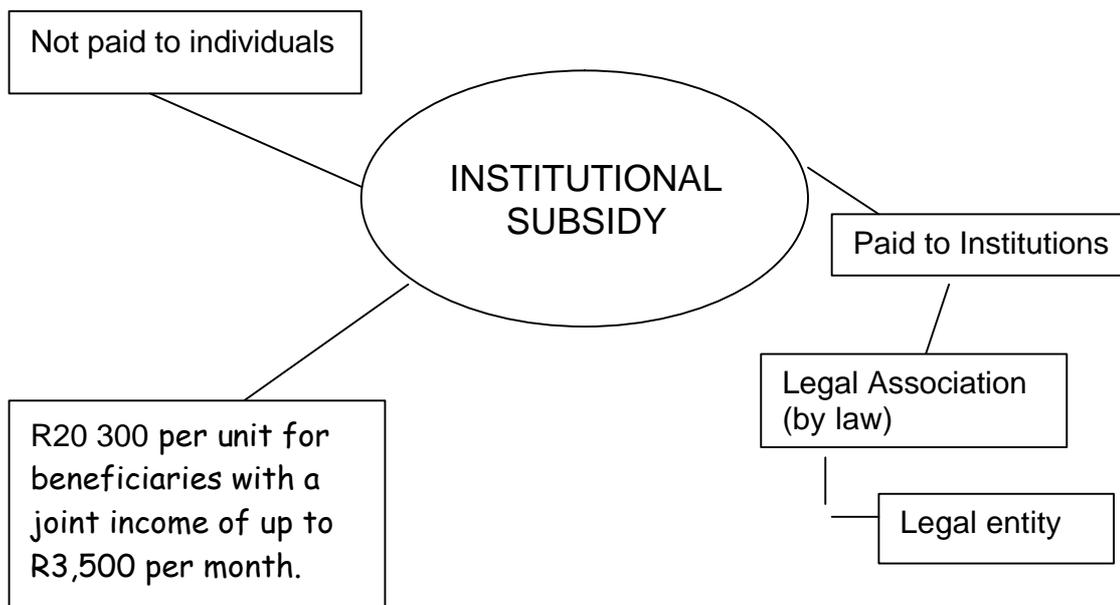
Disabled, aged and indigent (unemployed and women headed households) people, do not have to pay R2479 in order to get a subsidy.

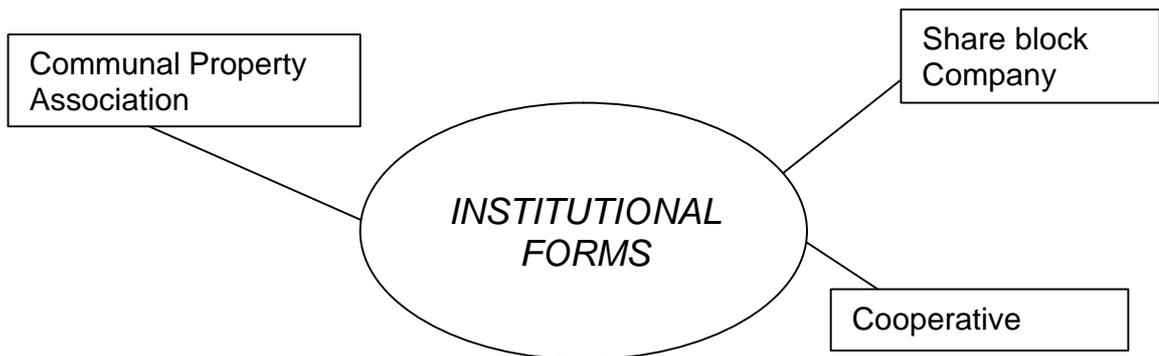
ADVANTAGES OF INDIVIDUAL OWNERSHIP

- Tenure is secure - no-one can take the property away from you
- You can leave the property to your heirs
- You can sell the property if you want
- You can use property as co-lateral for loans - in other words if you need a loan from the bank and you own the property, then the bank will lend the money because if you don't pay back the money, they can take your property
- You can make improvements to the property
- You can decide to make no improvements to your home if you don't have money
- You do not have to pay any institutional operating costs
- You may be able to get a rebate on rates if the property is below a certain value
- You can get some free basic services (e.g. water)

DISADVANTAGES OF INDIVIDUAL OWNERSHIP

- You will have to pay rates - if the value of the property is above R50,000
- Selling the property is expensive and complicated and it involves lawyers
- Although the property can be registered in two names, it is often only registered in the name of one person, the male 'head of the household'
- This can be bad for women and other members of extended families, and can result in members of the household losing their accommodation
- The value of the property will drop if the owner decides to make no improvements and the property becomes run down





Communal property associations

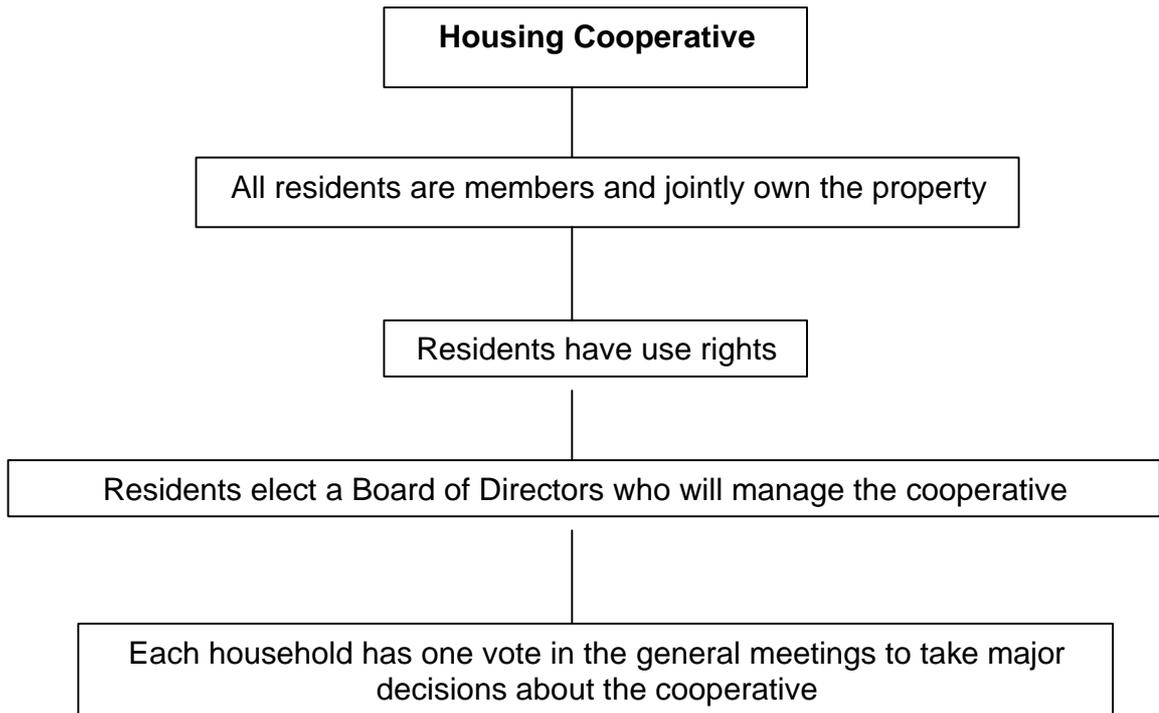
- Community Property Associations (CPAs), which are legal entities set up to own and manage immovable property in common on behalf of communities.
- The Communal Property Associations Act, No. 28 of 1996 regulates CPAs
- CPAs can take a variety of institutional forms, e.g. a Section 21 company, Trust or voluntary association, but their constitutions have to follow the set of principles in the Act and they have to be registered.
- CPAs are intended for disadvantaged communities which have had land donated, sold or transferred to them.
- CPAs need to have a defined group of beneficiaries at the beginning of the project.
- CPAs were intended for use with communities in rural areas. They are therefore seldom used in urban areas.

Share block companies

- The property is bought by a company and people acquire the right to use sections of the property by acquiring shares in the company.
- The property is owned indefinitely by the company. The Share Blocks Control Act, No. 59 of 1980 imposes certain conditions on share block schemes.
- Directors are appointed by members, but there is a relatively low level of participation.
- They are therefore not ideally suited to the communal ownership of redeveloped hostels, where a high level of participation is essential.

Cooperatives

- Residents do not own each unit, instead, the property is owned communally.
- Cooperatives are widely used internationally and they follow the basic principles of the International Cooperative Alliance, which includes the principle of one member - one vote.
- As members of the cooperative, residents have the rights to use the units.
- These rights are called use rights.
- Residents also pay a levy to the cooperative.
- The levy covers the cost of running the cooperative.
- Cooperatives do not make profit.



QUESTIONS AND ANSWERS ON HOUSING COOPERATIVES

WHAT IS A HOUSING COOPERATIVE?

- It is where residents jointly own and manage their own housing.

ARE THERE LAWS WHICH COOPERATIVES HAVE TO FOLLOW?

- Yes. Cooperatives have to comply with the Cooperatives Act, which sets out the things that cooperatives have to do.

IS COOPERATIVE HOUSING MORE OR LESS EXPENSIVE THAN INDIVIDUAL OWNERSHIP?

- Cooperative housing is more expensive than individual ownership because the residents have to pay for the running costs of the cooperative.
- These costs include maintenance, insurance, auditors' fees and administration.

WHAT IS HOUSING STOCK?

- Housing stock is the number of housing units under the control of the cooperative.

HOW DOES MEMBERSHIP OF THE COOPERATIVE WORK?

- Each person/head of household pays money to be a member in the cooperative.
- The person is then called a member of the cooperative.
- Each member will make a payment to register as a member. The amount will be agreed in advance by the members of the cooperative.
- Each member of the cooperative will have one vote in general meetings.
- Each member will have a use agreement entitling them to live in a unit.

HOW IS THE BOARD OF DIRECTORS ELECTED?

- Members of the cooperative elect the directors.
- The directors serve on the board for a period of three years.
- The Provincial Housing Development Board will have the right to appoint one director to sit on the Board if it wants to.

HOW MANY DIRECTORS SHOULD BE ELECTED?

- The cooperative will be managed by a Board of at least three directors.
- At the first meeting after every Annual General Meeting, the Board must elect a Chairperson and Vice-Chairperson.

WHAT HAPPENS IF YOU WANT TO LEAVE THE COOPERATIVE?

- You have to apply to the Board of Directors if you want to transfer your membership to someone else and for the right of that person to take over your unit.
- The Board must approve the new member of the cooperative.
- The new member must pay the membership amount to become a member.
- Members who leave the cooperative will receive a payment of the membership amount plus the costs of improvement and effort put into the unit, plus interest.

HOW IS THE INTEREST WORKED OUT?

- If money is put into upgrading the unit, then the cooperative will have to calculate and agree on how much the value has increased. This could be based on interest rates at the bank over the period that the member lived at the hostel.

HOW IS EFFORT ACCOUNTED FOR?

- If somebody has put labour into the unit to improve it, then they are entitled to get payment, after the amount for their labour has been agreed upon.

CAN MEMBERS LEAVE THEIR MEMBERSHIP OF THE COOPERATIVE TO THEIR HEIRS?

- Members can leave their membership of the cooperative to a relative in their will, but their relative will have to meet the requirements for members of the cooperative.
- The requirements will be agreed to when the cooperative is set up and will be written down in the cooperative's legal documents (the statutes). For example, the statutes could say that members of the cooperative have to have an income of less than a certain amount.
- Their relative must be approved by the Board.

WHAT KINDS OF RULES DOES A COOPERATIVE HAVE?

- Members will jointly decide on a housing user agreement.
- The housing user agreement covers issues like having to pay rent regularly, and how common space must be used.
- The Board can expel a member from the cooperative if they do not follow the rules.

WHAT HAPPENS IF A MEMBER EARNS MORE MONEY AND WANTS A BIGGER UNIT?

- The member can stay in the cooperative and wait until a bigger unit becomes available.

HOW MANY MEETINGS MUST THE COOPERATIVE HOLD?

- The cooperative must hold an Annual General Meeting every year to deal with annual financial statements, to elect Directors and deal with any other issues.
- The cooperative can also hold other general meetings - at least two Directors or at least five members can call these meetings.

HOW DO YOU MANAGE THE COOPERATIVE?

- The cooperative needs to have an office with a postal address and sufficient office equipment, e.g. telephone, fax, computer.
- The cooperative will need to get a part-time bookkeeper to look after the cooperative's financial affairs. The accounting records must meet the requirements set out in the Cooperatives Act
- The bookkeeper must regularly report to the Board of Directors.
- All members of the cooperative must follow proper procedures, for example, all cheques must be signed by two of the Directors.
- The cooperative has to appoint an auditor to draw up annual financial statements at the end of each financial year. The auditors draw up the financial statement which is a list of income and expenditure. They do this after they have checked the financial records and have seen proof of the income and expenditure.
- An auditor makes sure that the financial matters of the cooperative are accurate and in order and that the accounting procedures satisfy all the legal requirements for cooperatives.
- The cooperative has to insure its property.
- The cooperative has to maintain the property, for example, cleaning the yard, or hiring plumbers or electricians to fix problems.
- The cooperative has to keep the following information available for all members to inspect:
 - Certificate of incorporation and copy of the statute (the legal papers of the cooperative)
 - Minutes of all Board meetings
 - A register book to be signed by Directors attending Board meetings
 - Minutes of all general meetings
 - Accounting records Register of interests of Directors as set out in the Cooperatives Act

QUESTIONS AND ANSWERS ON COSTS OF A COOPERATIVE

HOW CAN THE MONTHLY RENTALS BE REDUCED?

- Residents can play a bigger role in the running the cooperative
- Residents can play a bigger role in maintaining the land and buildings
 - Many maintenance tasks could be done by residents themselves.
- The cooperative can try to get additional funding or support
 - Some cooperatives receive grant funding and/or support in the form of accounting and training in skills to reduce maintenance costs. For example, an NGO called COPE in Johannesburg does accounting as a service to cooperatives at reduced rates.
 - Residents could be trained to do the bookkeeping.
- By sharing services (for example, a cooperative can share a book-keeper and auditor with other cooperatives) so they can negotiate better prices.
- By negotiating with the Local authority for an exemption from rates.
- By negotiating with the Local authority for support in running the cooperative.
- By getting support from the Social Housing Foundation and the National Cooperatives Association of South Africa.
- By reducing the cost of redevelopment so that loan repayments are lower.

WILL BANKS GIVE LOANS TO COOPERATIVES?

- Banks may be a bit nervous about giving loans to a cooperative.
- In South Africa banks often prefer to make loans available to other kinds of institutions such as Section 21 companies.
- Laws have been put into place to get banks to be more active in the low cost housing sector (Home Loan Disclosure Act and Community Reinvestment Bill). These laws make it more attractive to give larger loans to a group than to give small loans to many individuals.

HOW CAN YOU REDUCE THE COST OF THE BUILDING?

- By changing the design so that less money needs to be borrowed (loan repayments will be lower)
- By residents providing as much of the labour for the redevelopment as possible (sweat equity)
- Using a design that is easy to construct
- Keeping structural changes to a minimum e.g. changes to the roof
- Wasting as little as possible of the material during construction
- Negotiate and purchase materials on a large scale
- Good workmanship when building will reduce the need to correct mistakes
- Provide a high level of supervision of building works to reduce mistakes

HOW IS ELECTRICITY PAID?

- Electricity can be installed as part of the redevelopment process if there is no electricity currently provided to the site
- Electricity is supplied by the local authority or by a private service provider
- There might be one bulk meter - then the cooperative must pay for electricity in bulk
- Individual meters could be installed which record the usage per household so that the cooperative can charge each household for its usage. Otherwise each household would have to pay an equal portion of the electricity cost
- Alternatively prepaid meters could be installed. This is the most common solution. Each household would have to purchase its own electricity before usage
- Installing individual meters or prepaid meters costs money

WHAT ABOUT WATER PAYMENTS?

- Bulk water supplied and will be paid directly to the local authority by the cooperative
- Individual meters could be installed which record the usage per household so that the cooperative can charge each household for its usage. Otherwise each household would have to pay an equal portion of the water cost
- If the total water usage is below 6000 litres per unit, meters may not be required because each unit will be entitled to 6000 litres of freewater
- Installing individual meters costs money

CAN THE COOPERATIVE SET UP BUSINESS PREMISES OR BUILD ADDITIONAL HOUSING?

- Yes
- The cooperative can also have business premises or housing units that it rents out to non-members
- This income can be used to spend money on communal areas like a laundry, basket ball court or park etc.

ADVANTAGES OF COOPERATIVES

- Members make decisions collectively.
- If you leave the cooperative you can be refunded the money that you spent on your unit.
- You have inheritance rights - someone can inherit your property.
- Members can develop leadership, financial, maintenance and managerial skills.
- Members can work together to reduce the operating and maintenance costs of the cooperative.
- Members learn to work together and form bonds with each other. This builds a strong sense of community.
- Members can work together to improve their environment, for example, making a communal vegetable garden or dealing with inadequate garbage collection.
- By seeing the value of working communally, members can use a group approach to resolve issues such as unemployment, savings and credit, crime, childcare, consumer issues like purchasing monthly food items in bulk to lower prices.

DISADVANTAGES OF COOPERATIVES

- It can be difficult to find information on cooperatives.
- Some institutions and people do not easily accept cooperative ownership. This is a cultural problem, the only popular cooperatives in the past were the Boere Korporasies.
- Some banks may feel uncomfortable about giving a loan to a collective and not to individuals, but new legislation is aiming to change this.
- Some residents many want to have their own property, rather than being a member of the cooperative.
- If all members do not actively participate and fulfil their responsibilities, then the cooperative will suffer or could fail.

TABLE: DIFFERENCES BETWEEN THE SOME TYPES OF TENURE

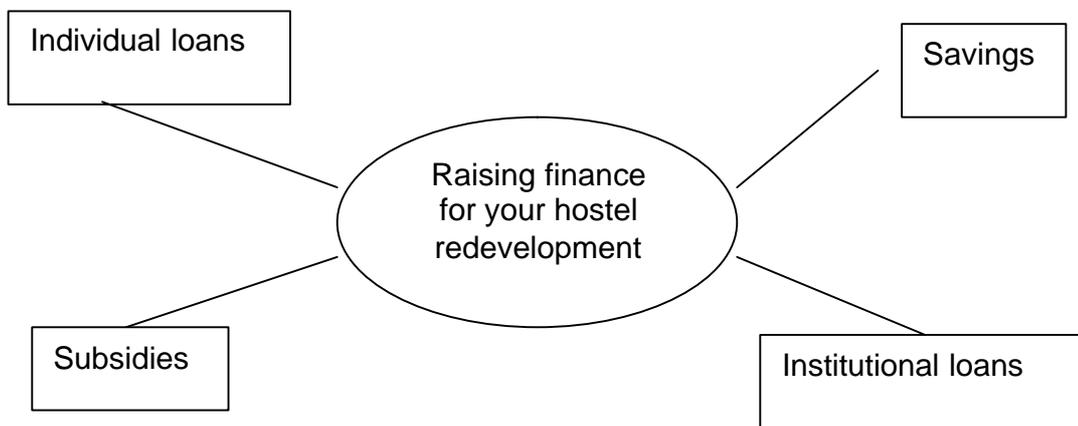
TYPE OF TENURE	WHO OWNS THE PROPERTY	WHAT USE RIGHTS RESIDENTS HAVE	RESIDENTS' PAYMENT	OWNERSHIP / POTENTIAL FOR OWNERSHIP
Rental (lease)	Local Authority (municipality) / the institution (Housing Association)	Exclusive and private use of unit for lease term	Paying monthly fee (rental)	None
Rent-to-buy	Local Authority (municipality) / the institution (Housing Association)	Exclusive and private use of unit for lease term	Paying monthly fee (rental)	Residents may exercise option to <u>buy</u> in the long term (after 4 years)
Installment sale	Local Authority (municipality) / the institution (Housing Association), until transfer to resident	Exclusive and private use of unit Ownership within agreed time-frame	Paying monthly installment and levy	The date of the transfer is decided at the beginning Residents take ownership when full purchase price is paid
Individual Ownership	Individual	Exclusive and private use of property indefinitely	Paying rates, water, sewerage and electricity	Resident takes ownership up front
Communal / cooperative	Institution / Cooperative (which is owned by the residents).	Exclusive and private use of unit for as long as the cooperative exists	Paying co-op membership and monthly levy Plus water and electricity	Residents own communally up front

TYPE OF TENURE	WHO OWNS THE PROPERTY	WHAT USE RIGHTS RESIDENTS HAVE	RESIDENTS' PAYMENT	OWNERSHIP / POTENTIAL FOR OWNERSHIP
Communal / communal property association	Institution (which is owned by the residents).	Exclusive and private use of unit for as long as the CPA exists	Paying CPA a monthly levy	Residents own communally up front
Communal / Share block company	Institution / Share block company (which is owned by residents) shares are in the company	Exclusive and private use of unit for as long as the company exists	Paying for shares and monthly levy	None.
Sectional Title	Residents own separate sections (unit) & jointly with other residents (Body Corporate) owns communal areas	Exclusive and private use of section which they / shared use of communal areas	Pay a monthly levy to the Body Corporate	Resident takes ownership of the section up front

Interest is the cost you pay for using someone else's money.

A budget is a plan that shows where you will get all your money from - **your income** - and what you intend to spend the money you receive on - **your expenses**.

A good financial plan should include **short, medium and long term goals**.
For example: a **short term goal** would be: we need money for food every day.



SUBSIDIES AVAILABLE FOR HOSTEL REDEVELOPMENT

Paid to the **institution** (cooperatives and associations) - for each beneficiary with a joint income of R3, 500 per month or less:

R20 300 per unit

For **individual** ownership paid to the household:

R 20,300 for beneficiaries with a joint income of up to R1,500 per month.

R 12,700 for beneficiaries with a joint income of R1, 501 to R2,500 per month.

R 7, 000 for beneficiaries with a joint income of R2, 501-R3, 500 per month.

Beneficiaries are required to pay a financial contribution of R2479 before they can get a subsidy - unless residents do the building themselves.

Disabled, aged and indigent (unemployed and women headed households) people, do not have to pay R2479 in order to get a subsidy.

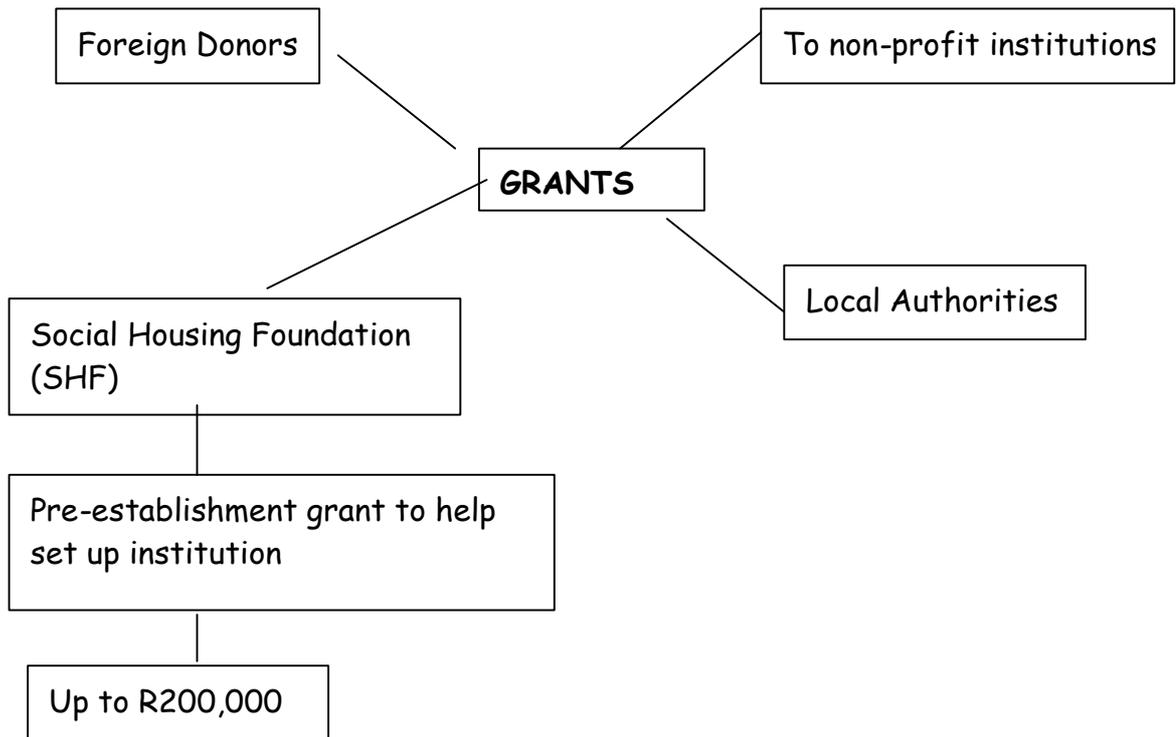
Paid to the municipality for upgrading: **R5,075** per bed

Paid to the municipality for converting: **R20,300** per family unit

Amounts can be increased by 15% for difficult site conditions.

RULES FOR GETTING A INDIVIDUAL HOUSING SUBSIDY

- You must be a lawful resident of South Africa (citizen or permanent resident)
- You must be a single person over 21 years of age with dependants; or have a partner - either be married to someone or live together with someone
- You must have a monthly household income of R3500 or less per month (combined income of head of household and spouse or partner)
- You must not have owned property or received any form of government housing subsidy before, except where the previous subsidy was an institutional subsidy.



FOR INSTITUTIONS

- Loans for housing institutions can be obtained from the **National Housing Finance Corporation (NHFC)**.
- The NHFC will lend to an institution and not to individuals. They will charge less interest than a bank would. For example, NHFC may give an institution a home loan to be repaid over 20 years and/or a capacity building loan to be paid over 10 years.
- The institution needs to submit a detailed business plan (similar to a funding proposal) demonstrating their financial sustainability.
- The NHFC prefers to provide finance to large housing institutions that have 600 or more units.
- Loans for housing institutions can be also obtained from the **Social Housing Foundation's (SHF) Housing Institution Development Fund**.

WHY IT IS IMPORTANT TO SAVE?

- Savings give you the opportunity of investing money
- Savings help you to build up your own funds so that you can avoid taking loans or other credit
- If you save, you may be able to pay for emergencies without taking loans
- Having savings for emergencies gives you peace of mind
- Savings give you independence from family, employers and moneylenders
- If you have enough savings, then when you pay cash you can sometimes get discounts on certain items

INDIVIDUAL SAVINGS

ADVANTAGES

- You have easy access to your money
- Only you have control over when and how you use the savings
- If you don't save in a bank account - you will not pay service fees

DISADVANTAGES

- If you save in a bank you have to pay service fees and you don't get a lot of interest on your savings
- You need to motivate yourself and ensure that you don't withdraw your savings
- If you don't put money in an account you might use the money or it could be stolen

GROUP SAVINGS

ADVANTAGES

- The group can open one bank account
- You can save on bank charges and on the costs of travelling to the bank to deposit and withdraw money
- Group savings will be more than individual savings accounts, so more interest will be earned
- Saving in a group helps you save regularly because other people encourage you to keep saving
- It is not so easy to use your savings as you have to wait for a meeting to ask if you can withdraw your savings
- You get to know other people
- You don't need to have formal employment to save in a bank account when you're a member of a group savings club

DISADVANTAGES

- You do not have the same amount of control over your group savings as you have over your individual savings
- You do not have easy access to your savings as you have when you save individually
- You have to wait for a committee or general meeting to ask if you can withdraw your savings
- You have to trust other members of your group to work with your money

SAVINGS SECRETS

- Pay yourself before you pay anyone else
- Make saving automatic
- Ask your bank to do it for you - take an amount every month and deposit into a savings account for you
- Be careful where you invest your money
- Property is a good investment
- Save 10% of your earnings monthly [R10 out of every R100]
- Pay off any loans as quickly as possible

WHY WE DO NOT ALWAYS HEAR WHAT OTHERS SAY

- We don't always listen
- We don't make sure the other person understands what we are saying
- People don't always speak clearly
- We don't tell people when we don't understand what they are saying

WHY WE DON'T ALWAYS LISTEN

- We have something else on our minds
- We're impatient
- We're not really interested
- We want to get OUR view across

WHY WE DON'T MAKE SURE THAT THE OTHER PERSON UNDERSTANDS

- We assume that the other person understands
- The other person does not say that they don't understand
- We have something else on our minds
- We're not focusing on the person we are speaking to
- We're in a hurry
- We're keen to get our say in

WHY WE DON'T SAY THAT WE DON'T UNDERSTAND

- We're scared to seem foolish
- We have something else on our minds
- We're not really interested
- We assume everyone else understands

INDIVIDUAL RIGHTS

- I have the right to be treated with respect as an intelligent, capable and equal human being.
- I have the right to say "I don't understand" and to ask for more information.
- I have the right to express my opinions and values
- I have the right to change my mind about something
- I have the right to make mistakes if I take responsibility for them
- I have the right to say what I think and feel, instead of what others say I should think and feel
- I have the right to ask for what I want, instead of waiting

Respecting individual rights + self awareness = good communication

TYPES OF DEMOCRACY

REPRESENTATIVE DEMOCRACY:

- members elect representatives to make certain decisions
- sometimes reps do not report back or do not report back often enough
- a few people make decisions for the majority

PARTICIPATORY DEMOCRACY

- all members are participants in all decisions
- works well if the organisation is small
- through participating people learn skills
- not possible in large organisation

COMBINING PARTICIPATORY AND REPRESENTATIVE DEMOCRACY

- the most important decisions are made by everyone
- other decisions are delegated to elected representatives (like a committee)
- they report back to members on a regular basis

3 STYLES OF LEADERSHIP		
Authoritarian	Strong open leadership	Collective
<ul style="list-style-type: none"> - leader makes a decision and announces it - leader does not feel the need to give members the reasons for decisions he/she makes - leader does not feel any real accountability to members -s/he presents a decision rather than discussing a problem - leader announces a decision and invites questions of clarification from the members 	<ul style="list-style-type: none"> - leader presents a decision and says that s/he is open to discussion - leader presents the problem situation, gets input from the members and makes the decision - leader is open to suggestions - leader makes decisions after consulting the group or sometimes asks the group to make the decision 	<ul style="list-style-type: none"> - leader defines the limits e.g. finance available for a project - and calls on members to make decision - leader calls on members to explore the situation and make a decision - leader never makes a decision; the group always takes decisions together

TO LEAD COLLECTIVELY MEANS TO

- study questions jointly
- find their best solutions
- take decisions jointly
- benefit from the experience and intelligence of each person
- ask that people take responsibility within their abilities
- co-ordinate the thought and actions of everyone in the group

WAYS OF REACHING AGREEMENT

CONSENSUS

- is agreement
- involves some compromise or a combination of ideas
- groups need to listen to people who disagree, discuss their ideas, and find a way to compromise
- takes time
- takes commitment
- is more possible in small groups
- requires that you acknowledge differences of opinion and encourage debate rather than trying to get everyone to agree

MAJORITY VOTE

- can be combined with consensus
- best way to make decisions after issues have been discussed in smaller groups
- one may lose the support of the minority which voted against the final decision
- members need to accept that it is not always possible for everyone to get what they want

7 STEPS FOR REACHING DECISIONS BY CONSENSUS

1. What are we trying to decide?
Describe and define the problem so that it's clear to everyone
2. What are all the different possibilities?
Brainstorm ideas
3. How may each of these possibilities work?
Discuss the advantages and disadvantages of each possibility
4. What approach should we follow?
This could be one of the possibilities or a combination of different possibilities
Ask those who disagree to suggest alternatives
If a decision cannot be reached - decide on a course of action to help resolve the disagreement
5. What do we need to do to carry out the suggestion/s?
Identify what needs to happen next
6. Who will do what, when, where and how?
Agree on each activity and assign responsibility to someone or a group of people
Discuss how and by when it must be done
7. How realistic are our goals?
Check that the goal/s is realistic and achievable

