

# Uniting Divided Cities

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When South Africa's apartheid regime toppled 10 years ago, it captured the imagination of the world. No other country had plunged so deep into the twentieth century governed by laws that brutally divided, by skin color, all of its cities, towns, and villages. A decade into a new era, Johannesburg, South Africa's largest city, still has a long way to go to overcome this history. Sandton, its prime northern suburb, is a vision in concrete, chrome, and glass—its skyline punctuated by gleaming five-star hotels, office complexes, and upscale shopping malls. Soweto, the best known of the townships erected by blacks not permitted in the “official” city, remains for the most part dusty and ramshackle. All of Johannesburg's white population had a toilet in their home in 1995; only half of the black population did. And as of 1998, only 13 percent of households in Johannesburg's black township of Alexandra had one. This disparity in neighborhoods is echoed in grossly inadequate access to education and health care for the black majority.<sup>1</sup>

While South Africa's history of racial divi-

sions enshrined in law is unique, its cities are not the only ones that need to be united. Cities divided into rich and poor, healthy and unhealthy, “legal” and “illegal,” are all too common worldwide. In some sense, this is nothing new. Plato observed around 400 BC that “any city, however small, is in fact divided into two, one the city of the poor, the other of the rich.” Centuries of technological innovations and social progress have done little to close the gap. Priced out of the “legal” real estate market, hundreds of millions of people seek shelter in the most precarious places, on steep hillsides or floodplains, living not only with the constant threat of possible eviction but also more vulnerable to natural disasters, pollution, and disease from lack of water and toilets. More than half the people in Cairo, Nairobi, and Mumbai (formerly Bombay), for example, lack adequate housing—living in slums or even on the pavement.<sup>2</sup>

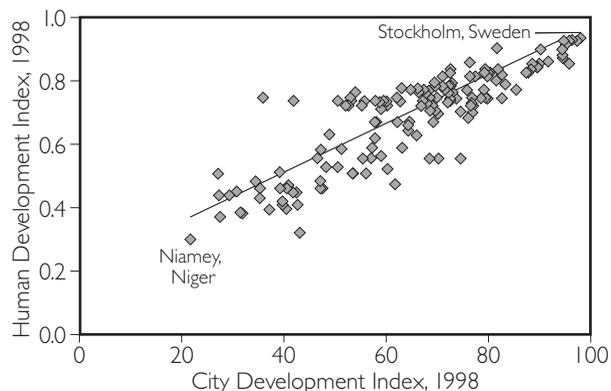
Slum residents have not gained much from society's intense use of key resources over the last century, a use that has pushed the

planet's support systems to their limits. One group of scientists has estimated that people have transformed half of Earth's land surface through agriculture, forestry, and urbanization; contributed to a 30-percent increase in atmospheric carbon dioxide concentration since the beginning of the Industrial Revolution; and today use more than half of all available surface fresh water. The benefits of all this activity, however, have accrued to a relatively wealthy minority. In 2001, 52 percent of the gross world product went to the 12 percent of the world living in industrial nations—the same group responsible for a disproportionate share of industrial timber consumption, paper use, and carbon emissions. These inequities are perhaps most glaring in the world's slums, where the poor are exposed to the worst environmental conditions, including pollution from the wealthy.<sup>3</sup>

While the inequalities of wealth, power, opportunities, and survival prospects that hobble humanity are crystallized in cities, these places will have an important role to play in any shift toward development that does not destroy the environment. At the root of sustainable development—which can be defined as meeting the needs of all today without endangering the prospects of future generations—is the challenge of improving the welfare of billions of people without further undermining Earth's support systems. Cities are where most of the world's people will live and where an even greater share of key planetary resources will be used in the coming decades. Key global environmental problems have their roots in cities—from the vehicle exhaust that pollutes and warms the atmosphere, to the urban demand for timber that denudes forests and threatens biodiversity, to the municipal thirst that heightens

tensions over water.<sup>4</sup>

Cities will have to be the building blocks of development that values nature and people—and they do hold enormous potential for both environmental and social progress. When people are concentrated in one place, they ought to be able to use fewer materials, and to recycle them with greater ease, than widely dispersed populations can; at the same time, they should be more easily linked to schools, health care, and other key services. Compared with higher forms of government, city halls are closer to people, so organized citizens theoretically have a better chance of changing the status quo on matters of environmental and social concern. Throughout history, higher levels of health and education have come after periods of urbanization; today, the countries that rank highest in surveys of freedom and human development are also the most urbanized. City-level investments in water infrastructure, waste provision, health, and education match up with national rankings of human development that take into account life expectancy and literacy. (See Figure 7-1.) Many cities perform better or worse in these measures of “development” than could be explained by income alone,



**Figure 7-1. Link Between Human Development and City Development, 150 Cities, 1998**

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suggesting that municipal policies can make a big difference.<sup>5</sup>

By ensuring that their poorest slum dwellers feel secure in their own homes, can make a living, and are healthy, the world's relatively poorer cities could leapfrog their wealthier counterparts in the North, creating an urban model that values both people and nature. Cities typically are responsible for granting titles to property, providing water and waste disposal, organizing public transportation, and making building codes and land use rules. These activities could be carried out in a way that makes it easier for poor people to survive, while also having environmental benefits for the whole city and the world. Local governments can, for instance, promote metals recycling, organic waste composting, and urban agriculture, can give priority to cheap public transportation, and can allow people to run small businesses out of their homes. Such activities have the potential to green cities, create job opportunities, and reduce the demand for materials from logging, mining, and industrial agriculture, all of which take an enormous environmental toll.

Urban centers in the developing South now dominate the ranks of the world's largest cities, so they are well positioned to capture the public's imagination. While most of the world actually lives in smaller cities, towns, and villages, big cities command special attention. Many people either know of or have been to large metropolises, which often serve as national capitals, financial hubs, sites for major airports, and centers of commerce and media. The cities of the industrial North were center stage in this regard for just a brief moment in history, claiming all the slots in the top 10 in 1900. By 2001, however, only Tokyo and New York remained on that list. (See Table 7-1.) Demographers expect that by 2015, Los Angeles and Shanghai will be

bumped from the top 10, as Karachi and Jakarta move up. Why shouldn't some of the cities that lead us toward a more equitable and environmentally friendly model of development be some of these behemoths of the twenty-first century?<sup>6</sup>

In many cases, municipal reforms that benefit the poorest people and nature will be more likely if city halls become more open and accountable. Local governments usually do not boldly address the needs of their poorest people in ways that would yield wide-ranging environmental benefits because people who have more money and influence—from real estate developers to leaders of polluting industries—often push a different agenda. In the last decade, some cities have started to include their poorest citizens in decisionmaking, often with national and international support. From slum dwellers federations worldwide to an innovative budgeting process in many Brazilian cities, poor people's voices are rising in open political arenas. If they are to help unite divided cities, governments will have to work even more closely with large numbers of poor urbanites, many of whom live in slums.<sup>7</sup>

## Poverty and Inept Government in an Urbanizing World

Slums are an intensely local phenomenon with growing global significance. A neighborhood-by-neighborhood look at the world's cities would reveal that not all poor people live in slums, and that not all slums are uniformly poor. As urban poverty concentrates in slums, however, these neighborhoods offer government officials distinct places on the ground where they could find and work with some of their poorest constituents.

Although "slums" are generally under-

**Table 7-1. World's 10 Largest Urban Areas, 1000, 1800, 1900, and 2001**

1000		1800		1900		2001	
(million population)							
Cordova <sup>1</sup>	0.45	Peking <sup>3</sup>	1.10	London	6.5	Tokyo	26.5
Kaifeng	0.40	London	0.86	New York	4.2	São Paulo	18.3
Constantinople <sup>2</sup>	0.30	Canton <sup>4</sup>	0.80	Paris	3.3	Mexico City	18.3
Angkor	0.20	Edo <sup>5</sup>	0.69	Berlin	2.7	New York	16.8
Kyoto	0.18	Constantinople	0.57	Chicago	1.7	Mumbai <sup>7</sup>	16.5
Cairo	0.14	Paris	0.55	Vienna	1.7	Los Angeles	13.3
Baghdad	0.13	Naples	0.43	Tokyo	1.5	Calcutta	13.3
Nishapur	0.13	Hangchow <sup>6</sup>	0.39	St. Petersburg	1.4	Dhaka	13.2
Hasa	0.11	Osaka	0.38	Manchester	1.4	Delhi	13.0
Anhilvada	0.10	Kyoto	0.38	Philadelphia	1.4	Shanghai	12.8

<sup>1</sup>Cordoba today. <sup>2</sup>Istanbul today. <sup>3</sup>Beijing today. <sup>4</sup>Guangzhou today. <sup>5</sup>Tokyo today. <sup>6</sup>Hangzhou today. <sup>7</sup>Formerly Bombay.

SOURCE: 1000–1900 from Tertius Chandler, *Four Thousand Years of Urban Growth: An Historical Census* (Lewiston, NY: Edwin Mellen Press, 1987); 2001 from U.N. Population Division, *World Urbanization Prospects: The 2001 Revision* (New York: 2002).

stood to be urban areas with miserable living conditions, they vary dramatically from place to place and are described by a universe of overlapping terms—some of them are colorful; many of them, like “slum,” are frankly negative; and few are synonymous. “Squatter settlements” are formed when poor people build shelter on land that does not belong to them. Such settlements may also be called “illegal” or “informal,” terms that are often used interchangeably when describing the off-the-books nature of some slums. Other development authorized by landowners that is not in the squatter category may still be illegal or informal because the land is not zoned for building, or because it has been unlawfully subdivided into smaller parcels, or because the dwellings are not up to the standards of building codes.<sup>8</sup>

All these terms can give a false impression of the character of communities without conveying the basic problem of insecurity. Law-abiding people often live in “illegal” housing. Many “squatter settlements” are packed with rent-paying tenants. Neighborhoods settled

by squatters decades ago may no longer be slums. And some illegally built or subdivided neighborhoods may be upscale from the outset. As every city has its own history, culture, economy, and real estate peculiarities, each slum has its own look and feel—whether it’s a *kampung* in Indonesia, a *favela* in Brazil, a *gecekondu* in Turkey, or a *bidonville* in parts of francophone Africa. Despite the tremendous variation, one common characteristic of slums tends to be the insecurity that residents feel in their own homes, which often thwarts them from improving their living conditions and reaching their full potential.<sup>9</sup>

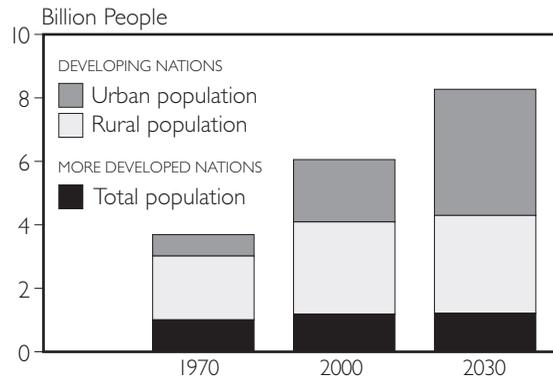
The United Nations estimates that 712 million people lived in slums in 1993 and that their ranks swelled to at least 837 million by 2001, with slum dwellers accounting for 56 percent of the urban population in Africa, 37 percent in Asia and Oceania, and 26 percent in Latin America and the Caribbean. These rough numbers, drawn from surveys and census data that may be incomplete or out of date, give some sense of the scale of the global slum population, although they may

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well underestimate it. Another U.N. study suggests that more than 1 billion people worldwide live in slums.<sup>10</sup>

Urban growth is meeting up with poverty and inept governments to fuel the current proliferation of slums. World population increased by some 2.4 billion in the past 30 years, and roughly half of that growth took place in cities. Over the next three decades, the industrial North is not expected to expand in total population very much. In contrast, demographers believe that in many developing countries, urban migration and growth combined with high birth rates will mean that between 2000 and 2030 nearly all of the 2.2 billion people added to world population will end up in urban centers of the developing world. (See Figure 7-2.) While the size and growth of the urban population in developing nations dominates global population projections, there is always a lag between censuses, and all nations have their own definitions of “urban” that tend to change over time, so these estimates are rough.<sup>11</sup>

Poverty may be even harder to measure on a global basis than population size is, but various studies do point to greater numbers of urban poor. One U.S. dollar will buy far less food in Jakarta or São Paulo than in Dacca or Nairobi—and it will buy even less in New York. For that reason, the international standard of a \$1 a day income to denote “extreme poverty” or lack of money to meet basic food needs invariably underestimates poverty in cities. Still, the World Bank suggests that some 1.2 billion people worldwide were extremely poor as of 1998, with rural sub-Saharan Africa and South Asia hardest hit. Martin Ravallion of the World Bank estimates that the urban share of extreme poverty is currently 25 percent worldwide, and likely to reach 50 percent by 2035. By then the



**Figure 7-2. World Population Growth by Region in 1970 and 2000, with Projection for 2030**

urban share of world population is likely to have grown from nearly 50 percent today to more than 60 percent.<sup>12</sup>

While rural people tend to have less access to cash, education, clean water, and sanitation than city dwellers do, the deficits cause more severe problems in an urban setting. People are less able to grow their own food in cities, so they must rely on the cash economy for survival. Urban jobs tend to require higher levels of education. And inadequate sanitation brings infectious disease to more people in cities, where dense populations make it easier for disease to spread. Addressing the World Bank in April 2002, economist Jeffrey Sachs noted that too often the fact that most of the poor live in rural areas is used to argue for only a rural-led growth strategy to end poverty. “We need a better urban-based strategy as well,” he pointed out.<sup>13</sup>

Slums take root when local governments fail to serve large numbers of poor people. Many cities in Africa, Asia, and Latin America have housing laws and codes copied from those written in nineteenth- or twentieth-century Europe that make little sense in their current context. Poor people, by building their own shelters, have become the devel-

oping world's "most important organizers, builders, and planners," in the words of researchers Jorge Hardoy and David Satterthwaite. Yet most codes are written not for these local builders but for engineers or architects in a different time and place. In Nairobi, for example, Kenyan codes call for the building materials standard in the United Kingdom.<sup>14</sup>

Even if appropriate housing codes were on the books, the larger problem of governments being unable or unwilling to enforce laws and provide needed urban services would remain. In many countries, national governments have given local governments more responsibility for providing services in the last several decades, but have been slower to give cities money from national tax revenue or to allow local governments to raise the needed funds themselves. Moreover, the disparity between the budgets of rich and poor cities is striking. A survey of 237 cities worldwide shows an average municipal revenue per person of just \$15.20 in Africa, \$248.60 in Asia, \$252.20 in Latin America, and \$2,763.30 in Western Europe, the United States, Japan, and the rest of the industrial world. The ratio of city budgets in Africa to those of the industrial world, 1:182, is far higher than the 1:51 ratio of per capita income between sub-Saharan Africa and high-income nations.<sup>15</sup>

As money buys political influence virtually everywhere in the world, bribes and kickbacks often keep cash-strapped local officials in developing nations from operating in the interests of their poorest constituents. The nongovernmental organization (NGO) Transparency International, in a ranking of 102 nations, found corruption rampant in many nations with large or growing numbers of urban poor, including Bangladesh, Bolivia, Indonesia, Kenya, Nigeria, and Uganda.<sup>16</sup>

The available data on population, poverty,

and corruption, while patchy, thus suggest that the conditions for large and growing slums exist in many parts of the world. The areas of particular concern include sub-Saharan Africa, South Asia, and parts of Latin America. (See Figure 7-3).<sup>17</sup>

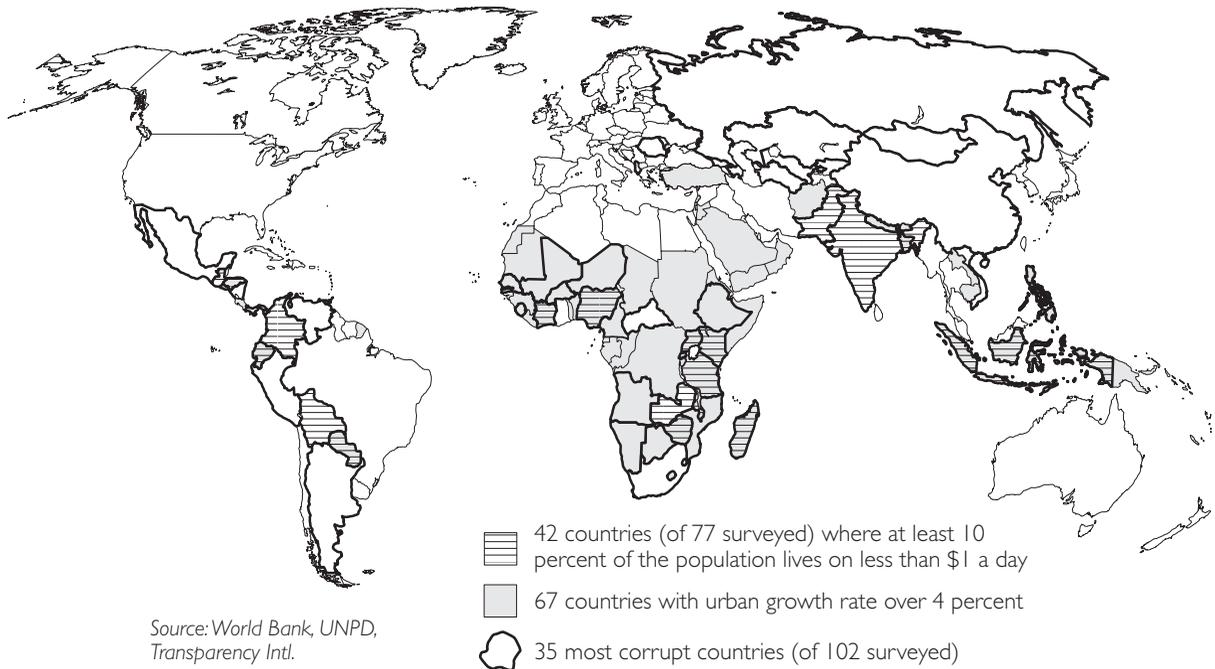
## The Paradox of Slums

A slum can demonstrate both the very best and the very worst in society, showing the ingenuity of poor people in desperate circumstances as well as the failure of government to make the most of this human energy. People who are not born into informal settlements may find their way there because their other options are far bleaker. While the energy that people in slums may invest in securing a better future for their families shows the resiliency of the human spirit, if government were functioning well, people would not have to try so hard to achieve a decent standard of living. Mtumba, an informal community in Nairobi, is one place where it is easy to see both the good and the bad aspects of life in a slum. (See Box 7-1.)<sup>18</sup>

All over the world, people move to new places for better opportunities, and when they choose informal settlements in urban areas it is often because these slums, shantytowns, or squatter settlements offer the best chance for them to survive. In some cases, slums may offer the most affordable lodging close to jobs, even if the location still requires a very long commute. In general, the "off-the-books" nature of informal communities confers certain advantages. People can skirt zoning laws that separate residences from businesses, and can set up shop inside their home or just outside. Plus they face low short-term costs: low rent and no property taxes.

But the same informality that may help poor people gain a tenuous toehold on the

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**Figure 7-3. The Overlap of Poverty, Urban Growth, and Corruption**

ladder toward economic security can also prevent them from moving up that ladder. As informal settlements legally do not exist, people who live there often lack not only money and political power, but any legal means of solving problems. The owners of slum dwellings can more easily get away with charging exorbitant rents. Although the share of residents who are owners versus renters varies among communities, the proportion of renters is often higher than commonly thought (people assume that most, if not all, inhabitants are recent migrants who have built their own accommodation). The shacks can be lucrative investments, but their owners do not typically reinvest their profits by repairing them or hooking them up to electricity or water, and tenants have no way to hold landlords accountable.<sup>19</sup>

A related irony is that the poorest urban

residents often pay the highest price for essential goods and services that are delivered by government at much lower cost to wealthier residents. In some cases, this is because a household without a formal address does not qualify for hookup to the public water system, entry into public schools, or other essentials. In Mumbai, for example, pavement dwellers have trouble obtaining the cards that qualify poor people for food aid and health care. What makes informal settlements so cheap in the short term is that the cost of urban services are not factored in from the beginning, as they would be in the formal construction sector; in the latter case, the government provides streets and services and someone buys the land at the outset, then the buildings are constructed, and only afterwards do people move into finished houses. In contrast, informal settlements begin with people mov-

**BOX 7-1. LIFE IN MTUMBA, A NAIROBI SLUM**

The view from a mound of dirt and rubbish on the edge of Mtumba, a Nairobi neighborhood, is striking. To the south, acacia bushes dot the grass plains of Nairobi National Park as far as the eye can see; to the north lies the dense collection of one-story shacks that constitute Mtumba—5–6 hectares where roughly 6,000 people crowd into 800 makeshift structures that are cobbled together with mud, wattle, plastic tarps, and iron sheets. Priced out of the “formal” real estate market, like 55 percent of Nairobi’s residents, the people of Mtumba have settled in “informal” housing—and this can be both cheered and despaired. Many have fought hard to make it to Nairobi, and surmount daily challenges not only to survive but to improve their community. If government worked properly, it would tap this human potential rather than squander it.

On paper—in local maps and laws—the borders of the National Park’s 11,700 hectares are well defined, helping to protect the rhinos and giraffes that live there. What does not show up on any map is Mtumba. This means that its residents are endangered, receiving no protection from the law. Mtumba’s families have moved twice, landing in their current location in 1992, where they have had their homes completely demolished once and been threatened with eviction several times. “Every day we are waiting for the demolition squad,” says George Ng’ang’a. “We are refugees in our own country.”

Ng’ang’a, like others, came to Mtumba because it offered a respite from rural violence and a closer proximity to jobs. He says his family’s land was taken by the colonial Kenyan government in 1952 to build a golf course. “My

father was a businessman,” he says, “so we went to different places, like nomads.” Ng’ang’a continued the itinerant lifestyle, always looking for better opportunities for himself, his wife, and their children. “We came to the Nairobi slums, even though I have an education.”

For several years in a row the people of Mtumba have chosen George Ng’ang’a to be the leader of the community’s governing council in informal elections. Residents have elected a committee that has built a school, where four teachers juggle morning and afternoon shifts to teach more than 400 children. On Sundays, community leaders convene committee meetings in the school, Mtumba’s sturdiest structure, with a wood frame and corrugated metal walls and roof.

Even with this concerted effort, Mtumba remains ineligible for basic urban services. Residents share three pit latrines and two water taps. “It’s expensive,” says Tom Werunga of the water that private companies truck in and hook up to the taps. “A family needs 100 liters per day for drinking and cleaning.” This costs 25 Kenyan shillings, nearly half the earnings of someone who makes 50–60 shillings per day, as Werunga does. Nairobi’s slum dwellers pay more than residents of wealthy housing estates for water—as a result, they use less than enough to meet health needs. The under-five mortality rate is more than 151 per thousand births in Nairobi slums, far higher than the average for the city as a whole (61 per thousand) and 25 percent more than in rural Kenya (113 per thousand).

SOURCE: See endnote 18.

ing onto land, then building homes and businesses over time, and only later, if at all, negotiating connections to urban streets, water systems, and electricity grids and obtaining title to property.<sup>20</sup>

As a result, poor people often end up

building their own schools and latrines and purchasing water, at a very high cost, from private vendors. The price of water in the slums may be 7–11 times the tap price of piped water in wealthier areas in Nairobi, 12–25 times the tap price in Dhaka, 16–34

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times the tap price in Tegucigalpa, 20–60 times the tap price in Surabaya, and 28–83 times the tap price in Karachi. Toilet stalls, generally operated by governments rather than private vendors, are not as pricey but far less common. Pointing to deficiencies in data supplied by governments, researchers at the UK-based International Institute for Environment and Development (IIED) have estimated that as much as two thirds of the urban population in Africa, Asia, and Latin America has no safe way to dispose of human waste.<sup>21</sup>

Water that is too expensive for slum dwellers to use in adequate amounts, combined with few toilets, leads to disease. When asked at an international conference to sum up the worst environmental health threats to poor people in cities of the developing world, IIED's David Satterthwaite showed a slide with a single word: "shit." At a later meeting, renowned epidemiologist Sir Richard Doll provided a more thorough summary: "bugs and shit." Slum dwellers pay more for each liter of water they consume than wealthier residents hooked up to municipal water mains and sewers, and they disproportionately suffer from water- and waste-borne pathogens—from diarrhea-causing *E. coli* and rota virus to roundworm. "Put bluntly," writes health researcher Carolyn Stephens, "the poor pay more for their cholera." Gullies filled with stagnant water often serve as cesspools in slums, and attract mosquitoes, so slum residents are also more vulnerable to malaria. (See Chapter 4.)<sup>22</sup>

Furthermore, the money slum dwellers spend on water, kerosene, or other key items from private vendors does not reach public coffers, where it could then be used to extend public services, from water pipes to health clinics, into slums. In Mumbai, local authorities are beginning to understand that bringing slum dwellers "onto the books" will help

the city, and they are now working with the National Slum Dwellers Federation and its partners, other NGOs. "From sanitation to access to policymaking—when poor people are allowed these things, government has an easier job," says Sheela Patel, who directs an NGO in Mumbai, the Society for the Promotion of Area Resource Centres (SPARC), that works with slum dwellers.<sup>23</sup>

Slums can also breed disease that threatens broader public health. While pathogens travel quickly in crowded slum conditions, they do not stop at the gates of wealthier enclaves. By weakening people's immune systems, the AIDS virus makes people more susceptible to other communicable diseases, speeding the transmission of airborne pathogens such as the tuberculosis bacteria. Both HIV and tuberculosis are spreading rapidly in urban centers of the developing world.<sup>24</sup>

Moreover, economic inequality, in the form of glaring disparities between poor slums and posh gated enclaves, may itself be a drag on public health. Researchers comparing U.S. metropolitan areas found a higher level of premature deaths in the places with the highest income inequality, while in 13 industrial countries there were lower levels of premature deaths from certain diseases in more egalitarian countries. One theory to explain these findings is that cities or countries with high levels of inequality may be underinvesting in important physical and social infrastructure, such as education, that could serve to prevent some diseases. Another possibility is that high levels of inequality contribute to social tensions that stress people; as the immune system takes cues from both body and mind, people under stress are more susceptible to illness.<sup>25</sup>

The persistence of slums in an era of unprecedented prosperity may also contribute to tensions that threaten local, national, and even global security. Slums do not create criminals, but the lack of policing in bad

neighborhoods allows criminals to victimize a city's poorest people. Following the September 2001 attacks on the United States, *New York Times* columnist Thomas Friedman wrote that in an increasingly interconnected world, it will be impossible to ignore the problems of people living in desperate conditions at home or abroad: "If you don't visit a bad neighborhood, a bad neighborhood will visit you." The educated and relatively wealthy young hijackers who used planes as weapons on September 11 did not come from the slums; however, the contrast of poverty in the Middle East with wealth in the United States and Western Europe appears to have been at least one factor motivating their actions.<sup>26</sup>

## From Bulldozing to Upgrading

Governments around the world have taken various tacks to address slums over the years, with spurts of change as urbanization transformed the United Kingdom and other nations of the west from the mid-nineteenth to early twentieth centuries, then Latin America in the mid-twentieth century, and then much of Asia and Africa in recent years. Whether razing blighted neighborhoods or building giant public housing projects, governments have been slow to consult poor people when making plans to improve their living conditions. Over time, the potential for organized citizens to transform their own neighborhoods has become much clearer.

Individuals working in Latin America led the way in showing policymakers the contributions of poor people. John F. C. Turner, a British architect, helped secure a major World Bank loan in 1958 to work with communities to rebuild after a devastating earthquake in Lima, Peru. He says that he and his colleagues "soon realized that our professional assumptions of design, construction and man-

agerial superiority were exaggerated, to say the least. We soon learned that we needed our supposed clients' own knowledge and the skills of local builders—and how badly our own bright ideas ignored their realities."<sup>27</sup>

Turner drew on his experiences working in Lima and elsewhere to give a scathing critique of prevailing government policy in 1976: "Comparing the cities that the poor build with the 'redevelopment' schemes built to 'rehabilitate' the poor, one could paraphrase Churchill: Never in urban history did so many of the poor do so much with so little; and never before did so few of the rich do so little with so much." That same year, U.S. scholar Janice Perlman published the findings of her research in the *favelas* of Rio de Janeiro in *The Myth of Marginality: Urban Poverty and Politics in Rio de Janeiro*, which found that policymakers' assumptions about *favelados* were "empirically false, analytically misleading, and pernicious in their policy implications," as these poor people gave much more to the city than they got in return.<sup>28</sup>

To better support the efforts of poor urbanites, governments and NGOs adopted two general tactics. One was to set aside land for them, and in some cases equip that land with water taps or other services. This became known as the "sites" or "sites-and-services" approach. Governments were not always able to find suitable land to do this, however. With the second method, "upgrading," governments worked with residents to extend streets or sewers into existing communities. A few countries launched into this on a national scale. In many other cases, community groups or NGOs took the lead.<sup>29</sup>

Indonesia was one of the first of just a few countries to make a national policy of helping slum residents upgrade their neighborhoods. As urban populations grew in the mid-twentieth century, local governments there responded by evicting people who set-

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tled on land not designated for housing. But by the late 1960s, government officials also began to focus on improving conditions in existing informal settlements, or *kampung*s. With the first Kampung Improvement Programmes, city governments provided concrete slabs and gutters on demand to *kampung* residents in Indonesia's two largest cities, Jakarta and Surabaya. People used these to construct paths and drains. In the 1970s, as these efforts attracted the support of national government and international agencies such as the World Bank, Asian Development Bank, and the Government of the Netherlands, the program was extended to hundreds of cities and towns.<sup>30</sup>

**Activists from Mumbai have been at the forefront in mobilizing a global push for the rights of slum residents.**

Initially, the program in Surabaya was seen by some as proceeding too slowly. The Surabaya Institute of Technology helped to broker extensive agreements between the *kampung* communities and the local government, which made the process more time-consuming. People in Surabaya's *kampung*s ended up with more ownership of and responsibility for the improvements they made—which is often given as a reason that improvements in Surabaya's *kampung*s continue to be made to this day. As of 1990, the living conditions of some 1.2 million people were improved; a more recent annual review done by the Surabaya Institute of Technology in 2001, found that the bulk of low-income people had benefited in some way.<sup>31</sup>

In the slums of Cairo, NGOs have helped to strengthen the capabilities of industrious residents—in particular, the Zabbaleen, a marginalized social group who survive as

wastepickers (*zabbaleen* is Arabic for garbage collector). In the 1940s, this group started collecting garbage to bring back to their settlements, where they would sort out the recyclable, nonorganic material and use the organic waste (food scraps and so on) to feed animals they bred in their homes for milk, eggs, and meat. By the 1970s, Cairo's burgeoning population was creating more waste than the collectors could handle. In 1981, an NGO called Environmental Quality International received a Ford Foundation grant to work with the Zabbaleen—in particular, with Zabbaleen Gameya, a group formed in the 1970s to focus on the welfare of garbage collectors.<sup>32</sup>

Over the next decade, the resulting Zabbaleen Environment and Development Programme helped improve both the living conditions of the Zabbaleen and the waste collection capacity of the city. In 1984, technical advisors working with the Zabbaleen set up a composting plant in the community of Mokattam, where many of them lived. Residents could take waste from any animals they bred to the plant, removing a health hazard from their homes. The income from the compost sales supported the start-up of rag and paper recycling, another income source, the proceeds of which were used to launch literacy classes and health projects. In 1986, the garbage collectors' group introduced some low-cost technologies that made recycling nonorganic waste much easier. As a result, Mokattam became Cairo's main trading post for plastic, paper, cardboard, and metal.<sup>33</sup>

Although the program has fallen short of some of its goals, the Zabbaleen have made real gains, building water and wastewater systems, schools, and health clinics—and they could do better still with government support. Between 1979 and 1991, infant mortality decreased from 240 per thousand to 117.

Today, about 40,000 Zabbaleen work in the daily pickup and recycling of some 3,000 tons of household trash, about one third of the city's total garbage output, at no cost to the government. As Cairo moves toward contracting with private companies for waste services, the city risks destroying the Zabbaleen's door-to-door system that generates seven to eight full-time jobs per ton of waste and recycles 80 percent of the waste it collects. While NGOs have taken the lead in working with the Zabbaleen, the city government could now step in, using the funds it would spend on a large international waste contractor to partner with the Zabbaleen and improve their working conditions.<sup>34</sup>

In India, since 1987 the National Slum Dwellers Federation (NSDF) has partnered with social workers, researchers, students, doctors, and other professionals in the Society for the Promotion of Area Resource Centres, as well as with a collective of women's groups called Mahila Milan ("women together"), to engage government officials as partners in improving the living conditions of poor people in Mumbai. Some 40 percent of people there live in slums or other forms of degraded housing, while perhaps another 10 percent live with no roof above their heads, on the pavement.<sup>35</sup>

The coalition of NSDF, SPARC, and Mahila Milan, known as the Alliance, has organized communities around a project of common interest—say, improving working conditions or building a toilet—and then used that project to negotiate with officials and to give local authorities, national government, and international agencies an idea of what might be accomplished with greater support. Refusing to deliver slums as "vote banks" to local politicians, the Alliance instead offers to work with whomever is in power.<sup>36</sup>

Among other achievements, this coalition has shown that when poor people have set-

tled in places that are not safe, communities and government officials must cooperate to figure out a better solution. Many of Mumbai's poor people made their homes in shanties on the land alongside the rail lines, where they are ineligible for basic services and risk being hit by trains. With the Alliance, these shanty dwellers began to organize themselves in the late 1980s, conducting a census, starting a savings group, and approaching the government with proposals for relocation. They made some headway in the mid-1990s, when the government began to negotiate with the World Bank on a major project that would expand Mumbai's rail network and construct new roads—and in the process displace many families. The government invited railway communities to participate in organizing their relocation. When rail authorities started illegally demolishing shacks in February 2000, the Alliance documented the activity, forcing the bulldozers to stop. The next month, some 4,000 families moved into new accommodations.<sup>37</sup>

Activists from Mumbai have also been at the forefront in mobilizing a global push for the rights of slum residents. In 1996, the National Slum Dwellers Federation of India, partner NGOs, and the Asian Coalition for Housing Rights joined forces with the South African Homeless People's Federation to forge Shack/Slum Dwellers International (SDI). Today, SDI boasts members from Argentina, Cambodia, Colombia, India, Kenya, Madagascar, Namibia, Nepal, the Philippines, South Africa, Swaziland, Thailand, Zambia, and Zimbabwe. Through this network, slum residents are organizing themselves and learning from each other. Communities collect data on their neighborhoods, set up savings accounts that eventually can be turned into revolving loan funds, and negotiate with officials to change government policies in their favor.<sup>38</sup>

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The importance of local governments working with their poorest citizens comes through in these stories from Indonesia, Egypt, and India: extensive consultation with neighborhood residents in Surabaya helped the government improve slums there; in Cairo, NGOs helped the wastepickers develop their living areas—an improvement that could be lost if government does not join in now; and Mumbai’s slum dwellers, together with NGOs, are showing government officials how they would gain by better partnerships.

### Securing Homes and Jobs

Policymakers often describe “slum upgrading” in terms of discrete projects—but that mindset will not yield the kind of systematic changes in land rules, city services, and access to finance needed to encourage and build on the work of communities. Surveying papers on the performance of “aid” projects, the editors of *Environment and Urbanization* found poor urban people puzzled, and in some cases angered, by the activity in which they had little chance to participate and that fizzled out when the advisors left. Governments could better use their power to be effective partners with slum dwellers in two broad areas: helping residents secure their homes and improving their prospects of making a living.<sup>39</sup>

A central problem blocking wider adoption of “self-help” solutions is that—in the eyes of the law—residents of informal settlements do not belong on the land they live on. People have difficulty convincing themselves, let alone anyone else, to invest in improving their neighborhood if there is a widespread perception that it all could be bulldozed the next day. In the Mokattam settlement of Cairo and the *kampung*s of Surabaya, in contrast, people had a sufficient sense of security that they would not be summarily evicted.

And in Mumbai, activists negotiated deals with local governments before proceeding with upgrading projects. Thus governments could take steps to ensure that more poor people feel safe in their own homes.<sup>40</sup>

The most obvious way for a family to secure their home is by getting a title to the property. If governments were to grant people in informal settlements this legal recognition, it theoretically could open up new opportunities for development, and even credit—a point made most famously by Peruvian economist Hernando de Soto, who describes buildings without titles as “dead capital,” useful only for whatever shelter they provide. Buildings with titles, in contrast, can have a whole other “life” in capital markets, where their owners can leverage them. De Soto was instrumental in prompting Peru to undertake a massive titling program that formalized some 1 million urban land parcels between 1996 and 2000, first in the *pueblos jóvenes* of Lima, and then in other cities.<sup>41</sup>

Evidence from various cities, including Lima, suggests that titling may not be a “one-size-fits-all” first step, however, as it is not just red tape but murky questions of land ownership that separate the informal from the formal world. In Lima, as in many Latin American cities, numerous informal settlements took shape as groups of settlers planned “invasions” of unused public land. Switching the title from the state to the residents has therefore been fairly straightforward. Lima’s land titling operation has been criticized for starting with these easy cases and avoiding settlements on private land, where the ownership situation may be much more complex.<sup>42</sup>

Indeed, in much of Africa and Asia, many informal settlements are on private land, and sorting out ownership can be complicated by a mix of colonial land laws and indigenous, customary laws. Shlomo Angel, who surveyed housing indicators in more than 50

cities worldwide for a joint World Bank/UN-HABITAT program in the 1990s, argues that the formal land market simply has not worked well for poor people in these places, so that even if governments could formalize every parcel of land quickly, this would raise prices and ultimately not serve the interests of many poor people.<sup>43</sup>

Rather than two clearcut categories of “legal” and “illegal” settlement, a continuum exists with varying degrees of security, as intermediate forms of tenure confer some of the advantages of property rights to people who lack legal titles. Some ad hoc arrangements have arisen over time and become widely accepted, whereas others were introduced by governments. Reviewing more than a dozen examples of non-title means of achieving secure tenure from around the world, British development analyst Geoffrey Payne concludes that governments should “maintain a wide range of statutory, customary, and non-statutory tenure options, so that all households, especially the poor and vulnerable, can obtain access to land, shelter, services and livelihood opportunities in ways that meet their short- and longer-term needs.”<sup>44</sup>

Over the years, policymakers have more widely recognized people’s right to secure housing. UN-HABITAT launched a new global campaign for secure tenure in 1999, helping national and local governments change laws and policies to promote housing rights and oppose forced evictions. Heads of state meeting in New York for the United Nations Millennium Summit in 2000 pledged to achieve a significant improvement in the lives of 100 million slum dwellers by 2020, with the two measures of “improvement” to be access to better sanitation and security of tenure—a goal initially set forth by the Cities Alliance, a joint effort of the World Bank, UN-HABITAT, associations of local author-

ities, and bilateral aid agencies launched in 1999.<sup>45</sup>

When asked how improved security will be measured, Billy Cobbett of the Cities Alliance acknowledges: “It’s tricky.” Many governments do not count slum dwellers in their censuses, let alone measure their sense of security. Nonetheless, says Cobbett, this goal is forcing national governments, local authorities, and the World Bank to begin to realign themselves to better serve the needs of the poor.<sup>46</sup>

The second area where governments need to take action is in improving the livelihood prospects of the poor. Most people come to cities seeking a better life, holding out the hope of finding a job. Indeed, the top concern of mayors worldwide, according to one survey, is jobs. Many cities, in their quest for economic development, look outward rather than inward—trying to lure large companies to set up shop within their borders, for example. Some mayors will overlook lax environmental standards or poor working conditions as long as companies bring much-needed jobs to their people. But cities could do much more to match the desire of poor people for employment with work that would actually improve the local environment. One local government that has just started to make strides in this area is the tiny county of Cotacachi in Ecuador. (See Box 7–2.) While national governments often retain control of education, which is central to boosting job skills, cities can carry out many of their duties in ways that widen poor people’s access to employment. Key areas for cities to target include water and waste services, urban agriculture, transportation and land use decisions, and small-scale credit operations.<sup>47</sup>

Mounds of refuse and inadequate water and sanitation in poor urban communities suggest jobs in construction and service provision that desperately need to be filled. To

**BOX 7-2. GREENING LIVELIHOODS IN COTACACHI, ECUDAOR**

In Cotacachi County, Ecuador, a local government is working with an umbrella organization of NGOs and some 37,000 citizens to transform the economy so that people will be making a living in ways that do not harm the environment. Cotacachi County lies between the western slope of the Andes mountains and the Pacific Ocean, in Ecuador's largely rural northern province of Imbabura. While Cotacachi is small and relatively rural, even the world's biggest cities could take lessons from the way its local leadership is striving to create green jobs for poor citizens.

"One of the significant driving forces for the creation of the ecological county was our encounter with some typical faces of unsustainable development," writes Carlos Zorrilla, president of an environmental NGO called DECOIN. Since the 1960s, land reform policies had encouraged small farmers to farm mountainous areas covered by tropical forests unsuited to the task, while the World Bank, Mitsubishi, and others had proposed large mining projects.

In 1996, the county elected a new mayor,

Auki Tituaña, who introduced annual participatory assemblies. The next year, members of DECOIN proposed the creation of an "ecocanton." Over the course of three years, citizens and local authorities hammered out a new ecological ordinance, which clearly states things that are not to be done: no mining, no logging near water sources, no farming of genetically modified crops, and no industries that could introduce toxic elements, such as cyanide, mercury, lead, or other heavy metals, to the environment. But it also provides measures for positive change—from requiring garbage to be separated and recycled, to financial incentives to owners of native forests for sustainable management, to promotion of organic farming. To pursue less damaging businesses, the county is studying the flower industry, researching cleaner technologies for leather crafting, and seeking markets for "green products" such as shade-grown organic coffee. In 2002, UNESCO awarded Cotacachi a Cities for Peace Prize for these and other efforts.

SOURCE: See endnote 47.

this end, municipal authorities could partner with slum dwellers who need both wages and cleaner streets. The system of garbage collection and recycling in Cairo discussed earlier is an example of an opportunity for municipal authorities to partner with people in low-income settlements for mutual benefit. Starting in 1997, the municipality of Santo Andre in São Paulo, Brazil, started a program that employs people, many of whom previously could not find work, to collect and recycle garbage.<sup>48</sup>

City governments could also do much more to link water and waste services to urban agriculture, which by itself stands to provide both jobs and nutrition. When com-

posted, organic trash—paper, food scraps, and even human waste—turns into a valuable resource that could be used on crops within or around cities. Rosario, a city of more than 1 million in Argentina, is one place where people are nourishing farms and gardens with urban compost, reducing the problems and costs of waste management while growing food. People in Rosario's Empalme Graneros, a *villa miseria* or slum, separate organic waste from trash they collect, compost it, and sell it as fertilizer or use it on their own gardens.<sup>49</sup>

While composting offers a natural link between sanitation and agriculture, some cities in Latin America have introduced a

“human-made” way of connecting the two. Since 1991, Curitiba, Brazil, a city whose metropolitan region includes some 2.5 million people, has taken the money it would have paid waste collectors to fetch garbage from hard-to-reach slums and has spent it instead on food from local farms on the urban periphery. For every bag of garbage brought to a waste collection site, a low-income family gets a bag of locally grown vegetables and fruits. In Juiz de Fora, a city of about 600,000 inhabitants in the Brazilian state of Minas Gerais, families receive a liter of milk for each 10 kilograms (22 pounds) of garbage.<sup>50</sup>

In the first global survey of urban agriculture for the U.N. Development Programme, Jac Smit and colleagues at The Urban Agriculture Network estimated that 800 million urban farmers harvest 15 percent of the world’s food supply in a variety of ways, from growing vegetables on rooftops or in market gardens on vacant plots to raising fish in wastewater filtered through aquatic plants. Tilapia and carp cultivated this way in Calcutta provide safe food and a source of income. In Dar es Salaam, Tanzania, policies to promote urban agriculture have been in place since 1982; today, some 90 percent of leafy vegetables come from urban agriculture, which employs 20 percent of residents, ranking as the city’s second largest source of employment. To bring more poor people into urban agriculture, city governments worldwide could include space for farmers’ markets in land use plans, grant temporary leases for gardens in vacant lots, link urban farmers to sources of credit, and promote organic farming methods that use local compost and eliminate the need for chemical fertilizers and pesticides.<sup>51</sup>

Other municipal decisions that affect the job prospects of the poor include those concerning transportation and land use. Whether or not someone can find a job in a city is inor-

dinately influenced by the famous real estate maxim: location, location, location. The best locations for people who do not have extra money to spend on transportation are those that are not far from places of business. Zoning laws that separate homes from businesses discriminate against the poor, as do decisions to invest in infrastructure for private cars rather than dedicated bus lanes, cheap paratransit (such as mini-buses), safe pedestrian walkways, or bicycle paths.<sup>52</sup>

Jeff Maganya, former East Africa Transport Program Manager of the Intermediate Technology Development Group, notes that politicians and policymakers in Nairobi, as in other national capitals, generally have cars themselves and are often out of touch with the transportation realities of Nairobi’s car-less population. “More than 95 percent of money that is meant to tackle transport issues in Kenya goes to motorization, while less than 5 percent of Kenyans actually own cars,” says Maganya. “Most people who make decisions,” he adds, “have only seen bicycles as a pastime, as something they buy for their kids. So bicycles have been seen as recreational things, and have been heavily taxed.” Indeed, for many years, a large fee for registering bicycles prevented poor people from buying them. When Kenya reduced its tax on bicycles from 80 percent to 20 percent between 1986 and 1989, bicycle sales surged by 1,500 percent.<sup>53</sup>

Curitiba, Brazil, launched a public bus system in the 1970s that showed that giving higher priority to the transport and location needs of the less affluent majority paid city-wide dividends—and some other cities in South America have followed suit. In Curitiba, several main roadways radiating from the city’s core serve as express busways. Bus stops are futuristic glass tubes where people pay in advance while protected from the elements, and then quickly step directly

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onto the bus without having to walk up steps—all elements of a subway system at a fraction of the cost. Before the buildings along the transportation corridors were fully developed, the city bought up strategic land and set it aside for affordable housing. In 1998, Mayor Enrique Peñalosa started similar transformations in Bogotá, Colombia. The city commissioned a fleet of cleaner, more efficient buses, invited bus operators to bid on them, and gave the buses their own lanes to circumvent traffic. Electronic ticketing makes transferring between buses easier, and satellite-based communication boosts safety, as bus drivers can call for help when needed. Lima, Peru, is planning a similar system, and activists in Santiago, Chile, are also pushing for one.<sup>54</sup>

A final area where governments could do more to help the survival prospects of the poor is credit. Even in the United States, which has a long tradition of credit, it took a spate of bank mergers in the 1990s to make banks take note of a pioneering 1977 law, the Community Reinvestment Act. This required banks proposing to merge with another company to prove that they had met the credit needs of low-income people in their communities. The effect was dramatic, write Paul Grogan and Tony Proscio in *Comeback Cities*: “It was as if the flat earth of retail banking had suddenly found its Columbus. Banks by the hundreds were planting new flags in the former terra incognita of the inner city.” Total lending in poor U.S. neighborhoods averaged \$3 billion a year between 1977 and 1989; it soared to \$43 billion in 1997.<sup>55</sup>

Finance is important in slums because the lack of affordable credit prevents people from building infrastructure into poor settlements from the beginning. In much the same way that intermediate forms of tenure may offer people enough security to improve their living conditions, smaller-scale financial insti-

tutions may allow people to take a step toward working themselves out of poverty. From India to Brazil, small-scale lending or “micro-credit” is growing in significance as a source of loans for shelter and small business in poor urban neighborhoods. (See Table 7–2.)<sup>56</sup>

Just as titling programs might not be a practical first step in securing tenure for many people, a loan is a long shot for most of the world’s urban poor. People need to be able to document their solvency before they can contemplate taking out a loan. For this reason, Shack/Slum Dwellers International makes group efforts to save money the cornerstone of its approach. In South Africa, slum communities that have joined the South African Homeless People’s Federation have established savings groups. They pooled their savings to start a revolving loan fund, which opened for business in 1995 and attracted the support of the South African government. Slum residents in Cambodia, India, the Philippines, Thailand, and Zimbabwe have launched similar savings groups. Assessing the results of community-savings schemes worldwide, one analyst concludes that “when money goes into community savings, it circulates many times—helping build houses and start small businesses; helping people in crisis; paying school fees and doctor’s bills—generating more assets and options for people’s future.”<sup>57</sup>

## Opening Up City Hall

Finding ways for poor people to feel secure in their homes and make a living are things governments should place at the top of their “to do” lists—but too often do not. Opportunities to meet the needs of the poorest urban residents while making cities more verdant and vibrant places are rarely seized, as the wealthy, even if a small minority, have greater political power, especially when politicians

**Table 7–2. Selected Microfinance Institutions Operating in Slums****Self-Employed Women's Association (SEWA) Bank, Ahmedabad, India**

SEWA, which started in 1972, opened a bank in 1974. It now has 35,936 clients and nearly \$11 million in outstanding loans, half of which are for housing. All SEWA members are self-employed women, and 70 percent live in urban Ahmedabad. They make monthly savings deposits, held as lien against defaults, and have a 96 percent repayment rate. The municipal government and the private sector match savings of SEWA members to provide infrastructure in slums through the Parivartan slum upgrading project, which has helped reduce serious illness in slums.

**Payatas Scavengers' Association Savings and Loan, Quezon City, Philippines**

The association started in 1993, and loans began in 1997. It has 5,953 clients and \$1.3 million in outstanding loans. Payatas is a village of 300,000 on a 15-hectare municipal dump outside Manila. Scavengers' association members are wastepickers in the bottom 30 percent of the national income distribution. About 80 percent use their homes, made of scavenged building materials, for sorting trash to sell, reuse, or recycle. Members make weekly savings deposits and can take out loans for small businesses, land, or housing. Women receive 98 percent of all the housing loans. The government has asked the Payatas community to consult on housing issues.

**uTshani Fund, for members of the Homeless People's Federation, South Africa**

The organization started in 1990, and began loans in 1995. It has 70,000 clients and \$2.7 million in outstanding loans. Homeless People's Federation members are shack dwellers in the bottom 20 percent of national income distribution. Some 80 percent live in cities and 15 percent in peri-urban areas; 60 percent use their home for sewing, selling fruit, carpentry, or other micro-enterprises. Some 10 percent of members are homeless and 60 percent live on land with no secure title, which is needed to receive housing subsidies from the South African government. An NGO called People's Dialogue helps members secure title and receive the subsidies, while uTshani provides loans. There is a repayment rate of 95 percent for enterprise loans and 93 percent for housing loans. Women receive 90 percent of loans, and all the housing loans.

**Banco Palmas, Palmeira District, Fortaleza, Brazil**

The institution started in 1998 and had 900 clients as of 2001. Palmeira is a *favela* of 30,000, including 1,200 street children. With an initial loan of 2,000 reales from an NGO, the Palmeira Residents Association started Banco Palmas to guarantee micro-loans with low interest rates without proof of income (neighbors serve as guarantors of good credit) and to issue credit cards, which are now used by more than 500 families. Between 1998 and 2000, local business sales increased by 30 percent and generated 80 new jobs. Bank clients have worked through a solidarity network to pave streets, clean drainage canals, and construct a school. Some 65 percent of all bank clients are women.

SOURCE: See endnote 56.

can be bribed. Since the 1990s, poor people have gained some measure of political power as slum dwellers have united within cities and even across national borders, as a number of Brazilian cities have opened city budget decisions to public scrutiny, and as various cities worldwide have started to truly engage citi-

zens in setting local priorities. National governments and international agencies must do more to support these efforts to open up city halls around the world.<sup>58</sup>

In 2002, Patrick McAuslan, an expert on urban land law at the University of London, reflected on his decades of experience advis-

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ing policymakers: “I began to wonder whether one of the problems that we’ve had in dealing with land issues is that we’ve never addressed sufficiently the politics of land. The fact is that the current land tenure situation generally accommodates the elites.” McAuslan also noted: “I think the single most important thing is to ensure that the poor have a voice.”<sup>59</sup>

Government corruption not only muffles the voices of slum residents, it also exacts a price. “When you take a complaint to a local authority employed by the government,” says Isaac Mburu, who lives in Nairobi’s Mtumba slum, “if you go without cash, you won’t be served.” A recent study by Transparency International–Kenya found that 67 percent of the interactions that people had with public officials required bribes, but that the poorest and least educated encountered bribery in 75 percent of their interactions with public institutions. “Corruption is a tax on the poor,” says Transparency International’s Michael Lippe.<sup>60</sup>

The emergence of Shack/Slum Dwellers International and the national federations of slum dwellers that constitute it have helped to amplify the concerns of poor urban residents. In Phnom Penh, Cambodia, to take just one example, poor people formed the Solidarity and Urban Poor Federation in 1994 to save money and convince the municipal government to stop evicting people from informal settlements. Through SDI, sidewalk slum dwellers from Mumbai helped Phnom Penh’s poor start their first savings groups. Pooling \$5,000 in savings that attracted matching funds from aid agencies, in 1998 the Cambodians opened a fund that provides loans for housing and small businesses and that has served 1,500 families so far. Today, the government has stopped evictions and works with the federation to secure alternative land for families displaced by development

projects.<sup>61</sup>

Another positive sign comes from Brazil, where local authorities have pioneered “participatory budgeting.” Several municipalities tried different approaches to consulting more actively with their constituents in the 1970s and 1980s. Then, in 1988, a new national constitution devolved more power to sub-national governments and introduced several instruments that could be adopted at the local level, including participatory budgeting—a process that requires elected officials to engage citizens in setting public priorities and to show clearly how funds will be allocated, bringing democracy closer to the people.<sup>62</sup>

Porto Alegre, a city of 1.3 million in the south of Brazil, began to gain international fame after it adopted participatory budgeting in 1989. In the early 1990s, Brazil was rocked by scandals that pointed to private money buying political influence and public funds being used for politicians’ private enjoyment at every turn. In 1992, President Collor was impeached on charges of influence peddling and graft; in 1993, the same lawmakers that had hounded Collor came under fire themselves for taking bribes to dole out federal funds to construction companies, charities, and municipal governments; and in 1994, politicians were among those implicated in a major organized crime ring. The huge gulch between rich and poor—the wealthiest 10 percent of Brazil claims 48 percent of the nation’s output, whereas the poorest 10 percent has less than 1 percent—only heightened public outrage. Yet in the midst of all this, Porto Alegre was trying to change its local politics so that votes would mean more than bribes.<sup>63</sup>

Local officials in Porto Alegre now present information about the city budget in a first round of public meetings in each of 16 districts. More than half the budget typically

goes to salaries of city employees, while other funds may be earmarked to service municipal debt. The share that is set aside for infrastructure to be determined through the participatory process varies from city to city and year to year, but it is generally 10–20 percent of Porto Alegre’s total budget. After the initial assembly, each neighborhood within each district holds an open meeting to rank their most pressing needs—for instance, do they need better water supply or a paved road first?<sup>64</sup>

Then the jockeying for specific projects begins in earnest. In a second round of district meetings, citizens elect delegates to represent their district on a city-wide budget council. These representatives take the neighborhood concerns and negotiate among themselves to agree on district-wide priority lists to bring to the municipal budget council. That council, which also has members elected in city-wide elections, then decides how to distribute funds among districts.<sup>65</sup>

This experiment has amplified the voices of Porto Alegre’s poor. Between 1992 and 2002, citizens have directed more than \$700 million to needed projects. A survey done after the first year of participatory budgeting revealed that most of the city’s poor people wanted clean water and toilets, whereas the government previously assumed that their top priority was public transport. Today, 85 percent of the city has sewer connections, compared with 46 percent in 1989. Street paving is another high priority in the poorest neighborhoods; 30 kilometers of streets are now paved, drained, and lighted each year.<sup>66</sup>

In 1994, another Brazilian city, Belo Horizonte, took the same basic approach, adapting it over time to the particular concerns of its residents. Once district representatives are elected in Belo Horizonte, for instance, they take a district-wide bus tour to see firsthand the top priorities identified by each neigh-

borhood and to get a better sense of the relative needs in each place. Housing quickly emerged as a priority of many neighborhoods, and the issue was popularized by the Homeless Movement. In response, the city created an additional participatory budgeting process to address housing needs, allocating about \$8 million in 2001–02.<sup>67</sup>

**Porto Alegre was trying to change its local politics so that votes would mean more than bribes.**

Today, people in more than 140 cities in Brazil are benefiting from participatory budgeting. In July 2001, the government enacted a national City Statute that requires municipalities to include citizens in urban planning and management through participatory budgeting, among other measures. Only a bit of the budget is up for grabs, and invariably more needs are identified than there is cash to address them. But the process does get important issues on the agenda and thwarts corruption. Even if only a small share of a city’s budget is open to the participatory process, local authorities have to explain where the rest of the money is going.<sup>68</sup>

Another way that some local governments have been engaging citizens is by adopting a local version of the *Agenda 21* for environment and development that national leaders endorsed at the 1992 Earth Summit in Rio. At the urging of an association of local authorities, the International Council for Local Environmental Initiatives (ICLEI), delegates in Rio included the goal that “by 1996, most local authorities in each country should have undertaken a consultative process with their population and achieved a consensus on a Local Agenda 21.”<sup>69</sup>

To draft a Local Agenda 21, each gov-

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ernment must consult extensively with citizens to survey existing social, economic, and environmental conditions and to draft a list of local priorities. By 1996, some 2,000 municipalities worldwide had introduced some version of a Local Agenda 21, and by 2002 the figure reached 6,416 local governments in 113 countries. Mayors in mostly northern countries initially dominated the effort, with Leicester in the United Kingdom and Hamilton-Wentworth in Canada being early pioneers, but southern cities are now emerging as strong leaders. For example, once citizens became engaged in Porto Alegre's budgeting, the city revamped its environmental planning to include greater citizen involvement. Manizales in Colombia and Nakuru in Kenya are also showing the way.<sup>70</sup>

Mayors, local leaders, and citizens are very much on the front lines of reconciling the needs of poor people for a better standard of living with the health of the environment—and they need support from their national governments. In 2001, local authorities engaged in developing Local Agenda 21s with their citizens identified three areas where they could use such help: sufficient funds to implement new efforts; political support by heads of state and other national leaders; and revision of a wide variety of national taxes, regulations, and standards to reward sustainable development practices. By granting more power to local governments while allowing citizens to elect local officials, some national governments have allowed the poor to have more say than ever before. Richard Stren, Director of the Centre for Urban and Community Studies at the University of Toronto, points to national laws enacted by Brazil, India, the Philippines, and South Africa in the last decade or so that have helped open up city halls.<sup>71</sup>

A whole chapter of South Africa's 1996 constitution focuses on local government

and has opened the way for more inclusive governance in Johannesburg and all its cities. In 1999, Johannesburg's local government laid out a three-year plan, *iGoli 2002*, to begin to make up for the imbalances between services afforded to wealthy white neighborhoods and poor black townships that became entrenched through years of apartheid. While the plan represents a step forward, a great deal of debate has centered on whether services will be provided by government or private contractors, and it is still too early to measure success.<sup>72</sup>

International agencies could also be more effective advocates for the urban poor. One challenge the World Bank has in supporting urban development is that its negotiations have to be with national, not local, governments. In February 2002, the Bank solicited the advice of Jane Jacobs on this point. Jacobs rose to prominence in the 1960s by analyzing policymakers' approach to slums in the United States, but much of what she observed 40 years ago in New York City resonates with people familiar with slums in many other parts of the world today. Writing in *The Death and Life of Great American Cities* in 1961, for example, she noted: "Conventional planning approaches to slums and slum dwellers are thoroughly paternalistic. The trouble with paternalists is that they want to make impossibly profound changes, and they choose impossibly superficial means for doing so. To overcome slums, we must regard slum dwellers as people capable of understanding and acting upon their own self-interests, which they certainly are. We need to discern, respect, and build upon the forces for regeneration in real cities. This is far from trying to patronize people into a better life, and it is far from what is done today."<sup>73</sup>

When queried by the World Bank in 2002, Jacobs similarly pulled no punches: "If you really are serious about supporting cities, you

should be able to lend directly to cities and negotiate directly with them....If you are intimidated into dealing only with national governments, your intended help for cities will be inefficient at best and perhaps self-defeating." With the formation of the Cities Alliance mentioned earlier, the World Bank is still not lending directly to local governments, but it has taken an important step toward building stronger relationships with them.<sup>74</sup>

International agencies can lend some measure of political support by bringing local authorities to the table to figure out how to make urban development work for people and the planet. There is no legally binding treaty that compels nations to improve the living conditions of their cities while at the same time reducing the demands that urban areas make on Earth's resources. But in 1976, in Vancouver, delegates from national governments did zero in on the role of human settlements in the international push to reconcile environmental and development concerns. Twenty years later, at a Cities Summit in Istanbul, hundreds of local governments and NGOs joined representatives of 171 countries in endorsing a Habitat Agenda to work toward a better urban future.<sup>75</sup>

The United Nations agency charged with carrying out the Habitat Agenda is UN-HABITAT. For much of the 1990s it struggled without a permanent head, solid management, or stable funding to raise the profile of its twin goals: to ensure adequate shelter for all people and to make cities, towns, and villages greener and more equitable places to live. But in the twenty-first century, UN-HABITAT has turned a corner, led by a charismatic new Executive Director, Anna Tibaijuka, who has inspired the confidence of national governments to give the organization needed funds.<sup>76</sup>

For local authorities, the run-up to the

World Summit on Sustainable Development held in Johannesburg in August-September 2002 was somewhat similar to the reception they received in Rio 10 years earlier. The fact that local authorities and NGOs were engaged at all in the talks was a big step forward. But UN-HABITAT, ICLEI, and other advocates of good urban governance faced an uphill battle in trying to focus national leaders on the importance of cities to the future of sustainable development. They had to fight to include in official documents acknowledgement of the important role that cities could, should, and must play in charting a course for development that takes into account the needs of the poorest as well as the finite capacity of the planet.<sup>77</sup>

**South Africa's 1996 constitution focuses on local government and has opened the way for more inclusive governance in all its cities.**

But if the negotiations and discussions at the World Summit were not as useful as they could have been for local governance and the role of cities, the backdrop of Johannesburg, South Africa, provided a compelling image of a divided city that had thrown off the yoke of apartheid—and might, just possibly, begin to unite itself and chart a course for urban development that put its poorest people and their need for a healthy environment first. In the coming decades, with most of the world's people living in cities for the first time in history and at least one in six people mired in extreme poverty, uniting divided cities will become an even greater global challenge. To rise to the task, governments must combat corruption and open city halls up to all their citizens, especially the poorest ones.