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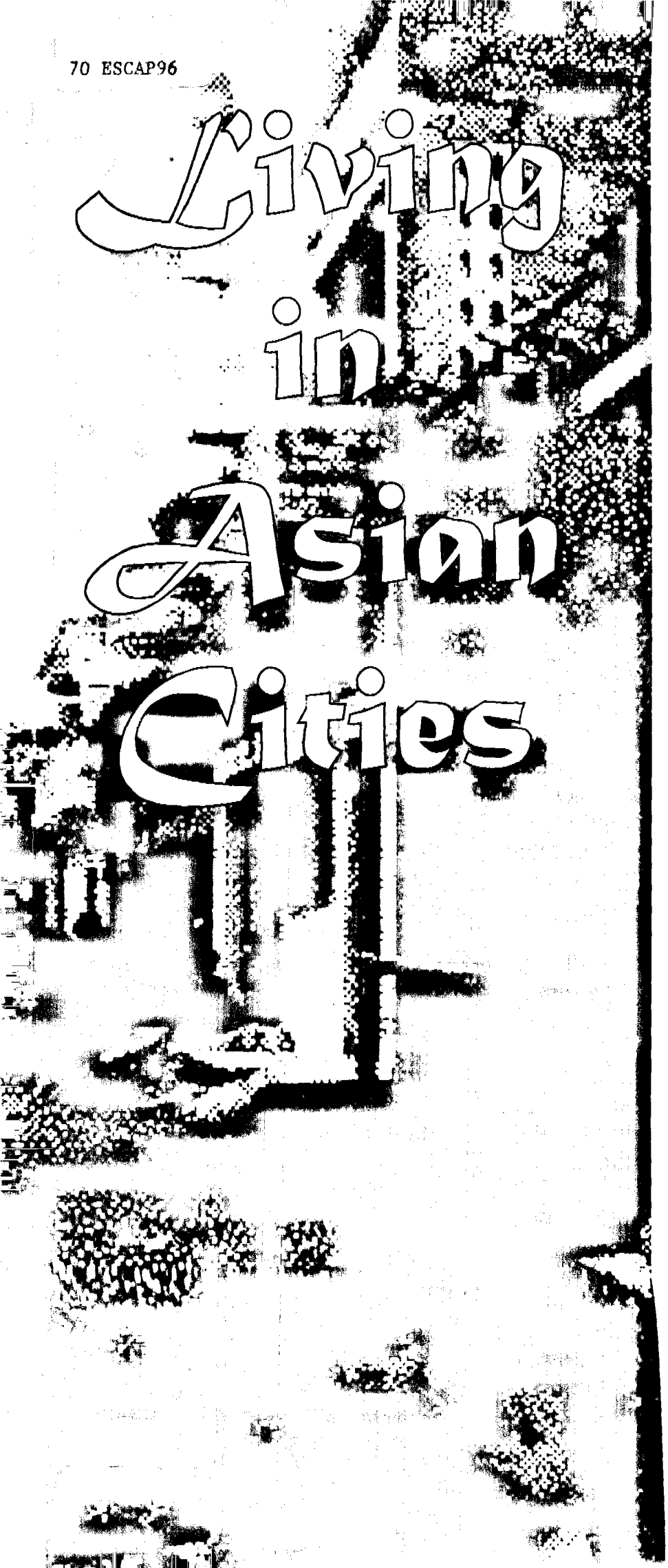
Living in Asian Cities



ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC

LIVING IN ASIAN CITIES

The impending crisis
- causes, consequences and alternatives for the future

Report of the Second Asia-Pacific Urban Forum

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Preface

The Ministerial Conference on Urbanization in Asia and the Pacific held at Bangkok in November 1993, was also the setting for the first Asia-Pacific Urban Forum. This was the first attempt at bringing together representatives of all actors with an interest in urban issues for the purpose of creating a consensus document outlining actions necessary to address the impending urban crisis faced by many countries. This document was called the Regional Action Plan on Urbanization, and it was subsequently adopted by the Economic and Social Commission for Asia and the Pacific. The Regional Action Plan called for the convening of a regional urban forum every two years and consequently the second Asia-Pacific Urban Forum was held at Bangkok from 11 to 15 March 1996. It was attended by representatives of national and local governments, multilateral and bilateral agencies, non-governmental organizations (NGOs), academic institutions, and the private sector from 33 countries of the region.

Participants were invited to mount an exhibition of projects or ideas that they felt would be of interest to other participants. In an attempt to capture the sensation of life in Asian cities the more than 30 exhibits were displayed amidst a bazaar organized by various civic groups in which handicrafts and other goods prepared by disadvantaged communities were available.

Discussions at recent meetings had indicated that the economic and social transformation that was taking place in the region, the problem of extensive and growing urban poverty and the need for a reappraisal of the role of government were among the concerns that member countries felt should be the focus of the Forum and, about a year prior to the Forum, the secretariat convened a brainstorming session to determine the content of a discussion paper for the Forum. The group comprised some of the region's most prominent thinkers on human settlements and housing issues, including people from governments, multilateral and bilateral agencies, NGOs and academic institutions - largely people who were closely involved in working with the urban poor.

Four papers, it was felt, could set the stage for discussions at the Forum. There was a need for a retrospective look at "Where we have come from: a historical perspective and major trends" followed by an examination of "How cities function and the need for a new approach to policy formulation." Current macroeconomic changes and their impact on the poor would be the subject of the third paper and the fourth would be a forward-looking paper dealing with institutional change "The new urban contract". Four primary authors were identified in the group and others offered to serve as sounding-boards who would review drafts and contribute concrete examples to illustrate the text. This group met three times during 1995 to discuss, refine and articulate the issues that it felt should be covered in the discussion paper "Living in Asian Cities".

The authors of the papers were given a free hand to express their own and the group's views on urban issues, with the intention of developing a coherent and forceful set of papers which would generate discussion at the Forum.

Despite the rich experience and variety of political and economic outlooks represented in the group, the four papers do not present a situation that can be termed representative of a region as large and varied as that of the ESCAP region. Nor can it be said that they are without bias. It is clearly a view of urban life seen from the perspective of people living in poverty, and these constitute an unfortunately large share of the urban population in Asia. The purpose was to bring a series of issues that had not been given the attention

that they deserved, and the four papers do that with an engagement that perhaps makes up for their lacunae.

"Living in Asian Cities", comprising the four papers is placed at the beginning of this document as it served as the primary discussion paper at the Forum. In addition to their verbal interventions, participants were invited to contribute their reactions and criticisms to the four papers in writing. It was clear that in a region as diverse as Asia-Pacific, with so many different stakeholders, it was impossible to come to a consensus, without such a consensus becoming a lowest common denominator. It was also deemed valuable to convey to the reader an impression of the debate that took place at the Forum.

Twelve specific issues were drawn from the discussion papers as subjects for "focus group discussions" during the Forum, with an option for participants to add more. This resulted in a total of 14 group discussions that are summarized in the second part of this document. Four subregional urban forums also provided a platform for examining urban issues in a subregional context, and these are summarized as well.

After the debate of the main issues, the international agencies with urban programmes had an opportunity to present their current and future activities and to receive comments from a number of panelists as well as at the plenary, and many of these were both critical and constructive, as can be seen from the section reporting on that segment.

One of the fruitful results of the Forum was the concept of building partnerships between the concerned actors. The media found new interesting topics for features on current urban innovations, the private sector realized that it had important roles to play in creating better living environments and governments were exposed to a series of potentially beneficial partnerships with NGOs and other civic groups.

The Forum did not conclude with any resolution or declaration but it took note of some of the more significant statements, particularly those made in the focus groups and the subregional forums. As was the intention, it had its value in the professional exchanges that took place during its five days of animated interaction.

This report is therefore a reflection of current debates on issues raised by the dramatic changes that rapid urbanization has brought to bear on the citizens in the Asian and Pacific region.

Acknowledgements

The reflections on the present urban crisis, its causes and its consequenses, as well as approaches to addressing these, were extensively discussed in a series of meetings and extensive exchanges over a period of a year. Those directly involved were: Jorge Anzorena, Asian Representative, SELAVIP Tokyo, Japan — Somsook Boonyabancha, Deputy Managing Director, Urban Community Development Office, Royal Thai Government, Bangkok, Thailand — Nathaniel von Einsiedel, Regional Coordinator, Urban Management Programme, Regional Office for Asia and the Pacific, Kuala Lumpur, Malaysia — Arif Hasan, Orangi Pilot Project, Karachi, Pakistan — Mitsuhiko Hosaka, Chief Technical Adviser on the UNCHS/DANIDA Community Training Programme, Colombo, Sri Lanka — Maurice Leonhardt, Project Coordinator, Asian Coalition for Housing Rights, Bangkok, Thailand — Om Prakash Mathur, Professor of Housing and Urban Economics, National Institute of Public Finance and Policy, New Delhi, India — Denis Murphy, Urban Poor Associates, Quezon City, Philippines — Lyndsay Neilson, Deputy Secretary, Commonwealth Department of Housing and Regional Development, Canberra, Australia — Kirtee Shah, President, Habitat International Coalition, Ahmedabad, India — Tim Sharp, Journalist, Chiang Mai, Thailand — Clarence Shubert, UNDP/UNCHS Urban Management Programme, Kuala Lumpur, Malaysia — Johan Silas, HSL/ITS, Surabaya, Indonesia — Susil Sirivardana, former Chairman, National Housing Development Authority, Colombo, Sri Lanka — Terry Standley, Programme Adviser, UNCHS (Habitat) Technical Cooperation Division, Bangkok, Thailand — Patrick Wakely, Director, Development Planning Unit, University College London, United Kingdom — Yap Kioe Sheng, Professor, Human Settlements Development Programme, Asian Institute of Technology, Bangkok, Thailand.

Equally important were the contributions received indirectly through this group of professionals from community workers and the residents of urban slums and squatter settlements throughout the region, who provide both the inspiration and much of the factual information for any serious review of "Living in Asian Cities".

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Report of the Asia Pacific Urban Forum

Introduction

A common view of global economic development prospects identifies the 21st Century as the "Asia-Pacific Century". The World Bank, for instance, expects developing countries as a whole to surpass the developed countries' share of world economic output before 2000. By 2020, it has suggested, seven out of the world's ten largest economies measured by GDP at purchasing power parity — China, Japan, India, Indonesia, the Republic of Korea, Thailand and Taiwan Province of China — will belong to this region. The other three will be the United States of America, Germany and France.

However, when these global economic projections are translated to regional and national scales and placed in wider social and environmental contexts, their extraordinary promise is quickly transformed into equally dramatic peril. To cite just one example, there is growing awareness that such regional growth will be physically impossible without zero or near-zero wastes. The International Institute for Applied Systems Analysis (IIASA), for example, has already shown that by 2020 the air over large areas of China would be literally unbreathable — twice as bad as in the notorious Black Triangle in Eastern Europe at its worst — if it continued to use its abundant supplies of high sulfur coal to fuel its development. Similarly, water shortages are increasingly common in many parts of Asia and can only become worse as both populations and lifestyles expand. Roughly twice the present demand for water by 2020 is a conservative projection, but where will it come from?

From this more gloomy regional perspective, three core issues stand out. The first two are water resources and waste management. The third is urbanization. It is now increasingly understood that if the many enormous challenges presented by each of these three issues cannot together successfully be managed, the next century could well mark Asia's decline rather than its ascendency. Given that the region is expected to become predominantly urban in the next few decades, that its urbanization is occurring much faster and on a much grander scale than at any time in history, that virtually all of its expected population increase of 1.1 billion by 2020 will be urban (requiring, very roughly, another complete set of Asian cities of the same overall size as the present one within 25 years), and that both of the other two issues will be strongly urban, one can easily see urbanization as the pre-eminent issue. From this perspective, the whole of the region's foreseeable economic and social development could for the first time in its history easily either succeed or fail depending largely on the effectiveness of its urbanization. While other regions have made this broad transition before, none has had to deal with the prevailing vastly different scales and pace or urbanization, nor with the crucial constraints imposed by both the environment and the competitive global economy.

This perspective of course adds another dimension to any discussion of the problems of living in Asian cities. Crucially, however, it does not diminish them in any way. On the contrary, the ability to make rapidly expanding and developing Asian cities livable would necessarily incorporate all the larger issues. Thus the primarily social focus of urban 'livability' is actually at the cutting edge of the entire development debate. Very simply, if Asian societies cannot produce livable cities now, then there may be a real sense in which all their thousands of years of history and development may have been for nothing.

The prognosis is either desperate or hopeful depending on whether one believes in the established order or change. The raw truth, as author after author in this book shows, is that the establishment has utterly failed, whereas burgeoning change — and most crucially of all, the dawning

awareness in the minds of the establishment of the need for radical change — offers not only the only hope there is, but even eager anticipation of what could conceivably be if only the right kinds of change can be identified and implemented.

One of the most powerful indicators of just how fundamental this change must be is provided by the charts on the following pages. These show that over the past half-century, a continuous stream of vigorous efforts have been made at all levels to solve urban and particularly low-income housing issues in this region — only to arrive at the present failure. While it is true that the circumstances have been exceptional, it is also the case that they are as nothing compared with what seems almost certain to come. A completely fresh approach, perhaps almost unimaginable from conventional perspectives, is thus urgently needed.

As befits this crisis, this is not a stodgy book, though it is learned. It pulls no punches, though it is merciful. It is for people who care, not the casual. Its central purpose is to promote vigorous open-minded debate, not lay down the law. With these ends in view, the authors have been given a completely free hand. Their views may not necessarily reflect those of the United Nations. Behind them lies a lengthy collaboration that called on the expertise of the region's foremost urban development professionals. The central message is very clear: that in whatever direction, there must be urgent radical change. All earlier strategies have failed and there is now no more time.

Paper 1. Where we have come from: historical perspective and major trends

Patrick Wakely and Adnan Aliani

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I. Introduction

European ideas have strongly influenced Asian development...

Taking a broad historical perspective, most countries have, to varying degrees, been influenced by the political, economic, social and cultural heritage of Europe. This influence has been the predominant force in shaping the present world and continues to this day. For example, the political ideals of democracy and nationhood; economic philosophies of capitalism, socialism and communism; concepts of human rights, including gender equality and freedom of speech; and technologies and styles of management are all influenced by Western thought. Thus, the lifestyles of most people in Asia and the Pacific have been affected. Often what is considered modern and progressive is European or, by extension, American in nature.

...through colonialism, the concept of the nation-state and the Cold War

Most countries of the region have been directly influenced by the West through colonialism. But even countries that were never colonized have been shaped by the same forces. Three factors in particular have influenced post-colonial Asia, namely the colonial legacy, attempts at nation-building, and the cold war. Countries that were not colonized still adopted Western forms of government because these were considered essential to a modern nation-state. Although some countries broke from the colonial past by creating new socialist societies, these largely replicated the model of the former Soviet Union.

These factors have distorted Asian urban development.

Colonialism has had two major adverse impacts on national development in Asia. First, it shaped the governments in terms of the forms of political system and attitudes towards politics, law and the bureaucracy. Second, it helped to create and perpetuate an elite and middle class who are in tune with and aspire to Western culture and ideals, but most of whose members are consequently unable to understand or react to conditions in their own cities. Hence, too many laws, regulations and practices in Asian government are still based on an ill-suited colonial model. Thus, settlements of the poor are seen as disease-ridden eyesores and dens of crime which need to be eradicated. The approach to the issue of poverty is based on a combination of indigenous and Western notions of charity rather than empowerment. The poor are also regarded as unwitting tools who can be politically exploited for elite and middle-class ends.

Many of these attitudes were ingrained through formal education which is still Eurocentric and theoretical in approach. Not surprisingly, they have been strongly reinforced by donor governments and international lending institutions which are also largely Western. There has thus been a continuing tendency to interpret reality through development models and theories that were conceived in developed countries, rather than investigating the actual situation and deriving pragmatic approaches from that research.

The sections that follow explore the implications of this situation for urban development in the region through three historical phases, namely post-colonial nation-building, the age of disillusion with that approach, and the current emergence of a new development paradigm. These correspond very roughly to the periods from the 1940s to 1970s, from the 1970s to 1990s and the present respectively. Particular attention is paid to the plight of the urban poor and low-income settlements. The following papers discuss the options for future urban development that arise from this analysis.

II. Building the nationstate and centralization of government

The concept of the modern nation-state is rooted in the European Enlightenment, a philosophical movement of the eighteenth century that

believed in the power of human reason and that fostered innovations in political, religious and educational doctrine. It experienced the demise of feudalism and a reduction in the influence of religion in nation-building. Democracy replaced the divine right of kings and nobles. Science and rationalism became the new ideologies. It was thus the precursor of the industrial revolution. The founding of the United States of America was a major manifestation of the new spirit whose concepts were transferred to Asian elites through colonialism and Western dominance.

The concept of the nation-state coerced existing societies...

After the Second World War, Asian elites tried to impose these ideals on their newly independent countries. This period, roughly from the 1940s into the early 1970s, could be regarded as the era in which countries of the region tried to build modern nationstates. Countries with diverse ethnic and social structures, most of which had never formed single political entities before colonialism, started to build nations which were supposed to act as one entity, joined by a common national language and sharing a common ideology and mythology. Even countries that were never colonized underwent this transformation, in some cases even earlier than those which were colonized. In Thailand, for example, King Chulalongkorn the Great decreed around the turn of the century that all citizens should have Thai surnames, presumably to achieve national unity. Chinese, the predominant language of Bangkok's trading community, was banned and Chinese language schools were prohibited. In fact, until quite recently, Thai children could not study at international schools[1]

...required the confection of new myths...

National myths were created. In Thailand, for example, the Thai script was said to have been invented by King Ramkhamhaeng of Sukhothai. Theories of its evolution from the Divanagri script of the Indian subcontinent were either ignored or consigned to academia, far removed from common knowledge. In Malaysia, Indonesia and Viet Nam, scripts based on Arabic and Chinese were abandoned for romanized versions because these were considered "modern and scientific".

The Cultural Revolution in China and the mass depopulation of cities in Cambodia are other examples of attempts to create new, "scientific" societies. Myanmar's attempts to suppress ethnic identities resulted in an ongoing low-intensity civil war in the eastern and northern parts of the country.

Box 1: City structures during the British Raj[2]

The colonial cities of British India had three distinct quarters. These were the Native Quarter, which essentially comprised the old pre-colonial settlement, the Cantonment, which housed military personnel and their dependants, and the Civil Lines, which housed the various civilian and administrative staff. This division led to segregation of administrative, commercial and industrial activities. Most administrative centres grew up in the Civil Lines, together with modern commercial, service and industrial activities. Traditional commercial, service and industrial activities were based in the Native Quarter. Over time, commercial and industrial activities also emerged in the Cantonment areas. With the Indianization of the civil service and the army, the Cantonments and Civil Lines were taken over by Natives who tried to maintain the standards and lifestyles of their former masters. With urbanization, several unplanned Native settlements emerged on the peripheries of these areas to serve their growing commercial and industrial needs, but most infrastructural and urban services investment and coverage ignored Native Quarters. After more than four decades of independence, the same planning and administrative pattern is still in place. The Native settlements and Civil Lines are now governed by municipal councils. Cantonments are governed by cantonment boards.

A similar development pattern can be found in Indonesia where native settlements, or kampungs, were not provided with basic urban infrastructure and services. These settlements still abound around the modern, tree-lined boulevards of Jakarta and Surabaya.

...and demanded strong centralized government.

The creation of a modern nation-state was seen to require strong centralized governments which could create national symbols with which people could identify. Even in countries with federal systems of government such as Malaysia and India, political parties which had won independence from the British retained a strong hold on power at the centre as well as in the states, thereby assuring de facto central control over nation-building. But this approach also required the portrayal of national governments as agents of progressive change. This view was not difficult for people to accept during this period owing to the rapid expansion of the global economy and advances in technology and sciences in which the new nations shared. For instance, this era saw the emergence of television as a tool of mass entertainment and communications, as well as the green revolution in agriculture and rapid, capital-intensive industrialization. In the social sector, the same growth led to increases in nutrition and literacy, decreases in child mortality and increased life expectancy. Thus, the prevalent, easily acceptable idea was that the development models, whether capitalist or communist, had been worked out by the developed countries. All developing countries had to do was to follow the same path.

2.1 Impact on local urban government

Local government was also a colonial "import"

Governance in pre-colonial Asia and the Pacific was shaped by essentially four influences: tribal traditions, divinity and complete supremacy of the monarch, Confucianism and Islamic Shariah. Divine rights of rulers and Confucianism, were based on tradition that all power and authority flowed from the emperor or king, and consequently every one had to look after his interests[3] While the traditions of tribalism and Islamic Shariah stipulated that the rulers had to look after the interests of the society as a whole. Over the course of history all these influences intermingled. In almost all countries the interests of the monarch or the ruler were considered paramount. The tradition of "public service", that the government had to serve the people, was somewhat weak. Even in countries with tribal traditions and Islamic Shariah, these were usually distorted to serve the interests of the rulers and the elite. Moreover, in many societies with tribal democratic traditions, these gave way to heredity rulership. Often governors or local officials were removed not because of their poor record of service to the people but because they displeased the king or the rulers. At the local level, at least in India[4] and in some parts of China,[5] there were formal or informal consultative councils of eminent citizens who advised the ruler of the city. However, the responsibility of governance rested with individual officials who in many cases were in charge of both civic and military affairs. In the early colonial era, the colonizing powers essentially left existing local government structures intact. It was only in later stages, towards the second half of the nineteenth century, that local government structures were formalized, often based on models from the home country.

Such governments were often non-representative. However, towards the end of the colonial era, "native" representation was often allowed in order to meet some of the self-rule demands of the colonized populations. Because of their colonial nature, these governments catered primarily to the needs of the administrative and business elite of the colonizers and their native counterparts. At independence, however, even these nascent forms of representative local government were seen as running counter to the requirement for strong central government. They were therefore often superseded by centrally appointed civil servants who had veto powers over the decisions of local councils. In other cases, local councils were given limited legislative and regulatory powers which were administered by centrally appointed bureaucrats. This pattern still continues in many countries today. In Thailand, for example, cities other than Bangkok have

Box 2: Revenue collection at the local level[8]

In Ahmedabad, there are several bureaucratic and procedural reasons for poor revenue collection from rates (property tax). For example, despite having a fully computerized record, rates demand notices are hand-delivered by two-man teams of Ahmedabad Municipal Corporation clerks who used to handle about 15,000 properties each. However, a recent tribunal has ruled that each team should not be required to deal with more than 5,000 properties.

In addition, some 45,000 rates disputes await court rulings which take many years to settle. During this time, appellants need deposit only 75 per cent of the value of the rate with the courts. In 1991, 80 per cent of the value of arrears and 63 per cent of the value of current defaults, totalling Rs.2.4 billion, were subject to litigation. Non-residential and higher valued properties accounted for most of the amount. Because of the right to arbitration and the low risk and potential financial gain in doing so, recourse to litigation has virtually become "normal practice" for owners of industrial and commercial properties as well as rental housing. The situation could be improved only by amending the Bombay Provincial Municipal Corporations Act (1949).

2.2 Economic and physical development policies and their impact on the poor

National economic development relied on "trickle down"...

The main economic development strategies that were pursued in the immediate post-independence era were rapid urban industrialization, particularly among capital-intensive medium and heavy industries, and increased productivity in the agricultural sector, achieved through land reform, mechanization and the use of agro-chemicals. The basic development philosophy in many countries was that rapid modernization of the industrial and agricultural sectors would create general wealth that would eventually trickle down to the urban poor. Within this general context, urban development policies often concentrated on planning and developing modern cities. Satellite towns and new subdivisions, on the models of developed countries, were built. In some countries completely new cities were established. Le Corbusier, a modern architect-planner, was engaged by the Government of India to plan Chandigarh, the joint capital of Punjab and Haryana states. Islamabad is another example — a city built from scratch, with wide tree-lined boulevards, according to a master plan developed by Doxiades, a Greek consultant. Even today it is known as a city 14 kilometres away from the rest of Pakistan.

These strategies, together with advances in education and health care, had two major impacts on urban areas. First, they led to a rapid increase in urban populations. Second, they concentrated additional wealth among the already rich and, to some extent, the middle classes, at least in the capitalist and mixed economy countries. These developments, together with centralized government and the distinct urban bias in government investment policies, particularly through food and urban services subsidies, then led to the creation of mega-cities. In Thailand, from 1980 to 1990, for example, roughly 70 per cent of total government investment in the urban sector was spent on Bangkok, already a primate city, while the rest of the funds were shared by all other urban centres,[9]

...but it did not occur.

In most cases, the poor were essentially left out of this march towards modernization. Although they were supposed to benefit from "trickle down", centralized government effectively ensured that it did not occur. In these processes, decision-making was dominated by a limited number of politicians, bureaucrats and leaders in the private sector. The urban poor thus found themselves marginalized. Nevertheless, the region's cities still constituted powerful "magnets" so that most of the rapid urban population growth in the 1950s and 1960s was due to rural-urban migration, resulting from both push and pull factors. As cities expanded, another important growth factor was that many peripheral villages became incorporated into

very weak local governments whose decisions must be cleared by provincial governors appointed by the Interior Ministry in Bangkok.

But it soon withered...

As a result of this post-independence focus on developing national political and administrative structures, local institutional and administrative development was either ignored or given low priority. There had in any case never been a tradition of local government which was often seen as a potential source of upheaval against central power. Hence career opportunities in local government were practically non-existent. In many instances, local governments were seen as impediments to rapid national development and their limited powers were further curtailed. Most national constitutions, promulgated after independence, did not consider local government as a legitimate level for popular representation. Provincial or national governments were thus empowered to establish or dissolve local bodies. In Pakistan, for example, a district commissioner who is often a mid-level bureaucrat of the Pakistan Administrative Service, can dissolve an elected local council at the behest of the provincial government[6]

Thus instead of building local capacity to manage rapidly growing cities, top management echelons at the local level were filled by centrally or provincially appointed civil servants. In India, Bangladesh and Indonesia, most local administrative decision makers are members of the national civil service and can be transferred from city to city or between central and local government at the behest of the national government.

...and became progressively less viable.

Local governments were, and in many countries still are, responsible for the delivery of services and the raising of revenue through various forms of property tax, other local taxes and the issue of licenses. However, because their capacities were not developed, local governments became increasingly unable to maintain the local tax system. In many countries, therefore, local revenues were supplemented by central government grants. In Malaysia and Thailand, for example, 35 per cent of local funds are provided by the national government as loans or grants. Most of this money is used for capital investments in urban areas[7]

The ability of municipal governments to raise revenue and provide adequate services continued to deteriorate as city populations grew while their administrations remained trapped in the bureaucratic traditions and staffing patterns of the past.

For these reasons, local government service became increasingly demoralized and underpaid. It offered few career opportunities to capable and ambitious professionals. This compounded the local authorities' inability to provide and maintain adequate services and made it almost impossible to formulate and implement forward-looking development projects.

In addition to these shortcomings, governance in general, and local governance in particular, suffers from a duality of traditions. While formal local governments are a legacy of the colonial era, the traditional forms and attitudes have also survived to some extent. The result has been essentially a duality of government structures, where formal government institutions are set up on the Western model while governance itself is often carried out on a traditional and informal system. One often finds mayors, governors, district officers holding "court" in their offices and dispensing and receiving favours. Decisions are often arrived at through informal channels and through personal connections. This dual system of government results in government institutions being non-transparent and those controlling them averse to change in the status quo.

urban areas. Moreover, in some countries, the struggle for independence also added to urban migration.

Weakened local governments could not handle massive urban growth,

The weak institutional base of local government meant that city planners and managers were unable to cope with this rapid increase in urban populations. There was already in some cities a backlog of non-serviced or poorly serviced land in "native" settlements but these problems were then exacerbated by the influx of fresh migrants. The result was a rapid increase in urban slums, squatter settlements and illegal subdivisions where the poor worked at traditional labour-intensive modes of production.

Similarly, the formal urban economy was unable to absorb the expanding labour force. While the luckier among the poor found jobs in formal sector industries or the public sector, the more enterprising members of the community started small service or manufacturing ventures to meet their own needs as well as those of the lower middle classes. However, these small-scale enterprises were not legally recognized by the government which was, and in most cases still is, biased towards modern, more capital intensive activities. The poor thus developed their own mechanisms for providing housing, employment, social services and finance. Power relations within the community were often defined by patron-client networks. In these, the wealthier among the poor dispensed favours and cash in return for loyalty and various forms of corvée labour.

the urban poor were marginalized...

The formal government response to this unexpected and unwelcome by-product of development was essentially one of denial. The urban slum and squatter communities became classified as an under class that was at best a transient phenomenon which further economic development would soon eradicate. At worst, they were seen as aberrations in society which needed to be stamped out. Thus instead of recognizing the entrepreneurial drive and dynamism of the urban poor and seeking to encourage it, government officials and other elites either ignored or tolerated the slums in the hope that they would eventually disappear. At the other end of the scale, the communities were harassed as being detrimental to the overall vision of the cities.

Hence, policies towards the poor, even where these were explicitly formulated, had a paternalistic air of "government knows best". The poor were considered incapable of taking care of themselves otherwise, it was reasoned, they would not have been poor. This philosophy, together with the notion of a technology-led development that would eventually benefit everyone, was propagated and supported by the international donor community. In terms of shelter, this approach led to the provision of high-rise low-income housing which had appeared to be a solution to low-income housing problems in developed countries. Unfortunately, little attempt was made to understand the socio-economic environments of the supposed beneficiaries in this region.

...and illegal settlements flourished.

These attempts to improve the housing conditions of the urban poor failed miserably. Governments soon found that provision, or purchase or rent, of subsidized housing was too expensive for national budgets. Where such housing was provided at cost, it proved to be unaffordable by the beneficiaries. Furthermore, as the poor depended on petty trade and labour-intensive ventures which often used the house as a place of business, they were unwilling and ill-suited to live in multi-storey apartments. Moreover, the informal settlements had developed their own community-based political, social and economic support systems which government housing, by its very nature, was unable to provide. Thus, many of those who had been allocated apartments sold them and moved back to their slums and illegal settlements. The initial reaction of most government

officials and elites was to blame the poor as ungrateful and opportunistic money-grubbers. This attitude still prevails among many government officials, politicians and the social elite.

III. Disillusion and the rise of socialist approaches to development

The capital-intensive forms of development of the early 1950s and 1960s ensured that only those who controlled the modes of production or had access to capital benefited. This left a sizeable portion of society in poverty. A powerful clique developed comprising politicians, bureaucrats and the rich which made decisions for the rest of the population. In countries with strong military traditions, army officers either formed or joined the cliques.

Growing disillusion fostered socialist alternatives...

At the same time, the cold war was at its peak with both capitalist and communist blocs fighting for the hearts and minds of the people of Asia. Thus, as inequities in the distribution of wealth became more and more evident, and as awareness of socialist approaches expanded among the educated middle and lower middle classes, disillusion with existing development models and with the role of government started to develop. In the socialist countries, the excesses of collectivization of agriculture and industry, as well as forced attempts to rapidly modernize the economy through capital intensive heavy industry, also led to disillusion among the people.

...that were both promoted and repressed by the Cold War.

Consequently, an increasing number of intellectuals started questioning the role of governments as agents of progressive change. This led to demands for redistribution of wealth and a greater role for people in determining policy. However, the cold war caused many unpopular regimes to be propped up, mainly to contain communism. As a result, anti-government armed movements were born, particularly in South-east Asia. The most successful of these led to the reunification of Viet Nam and the demise of unpopular regimes in the Lao People's Democratic Republic and Cambodia. In other countries, a cascade of lesser events emphasized the breadth and depth of popular disillusion. These included the resignation of Ayub Khan in Pakistan and the secession of Bangladesh, as well as the electoral defeat of Indira Gandhi in India and her subsequent trial for abuse of power. In Thailand, the student riots of 1973 and 1976 proved pivotal as were the democracy wall movement in China and the trial of the Gang of Four who had instigated the worst excesses of the Cultural Revolution. The race riots in Malaysia and the communist insurgency in the Philippines also epitomized this sense of disillusion. This era led to the rise of pseudo-socialist governments in capitalist countries which tried to gain greater control of their economies through nationalization and populist rhetoric and policies. In communist countries, slightly greater decision-making powers were provided to lower levels of government, particularly in economic matters.

3.1 National government intervention in local government

Disillusion prompted government intervention...

In response to these broad societal changes, national governments began to try to develop cities on more equitable lines. However, because "equitable" development models were inspired by centrally planned socialist countries, national government interventions at the local level further exacerbated already weak conditions of local governments. The chief means of these interventions was the semi-autonomous parastatal agency or quasi non-governmental organization (quango) that effectively bypassed local government. A range of such agencies responsible for different aspects of urban development were established throughout the region.

...but often through parastatal agencies...

These agencies took several forms, including special project offices that were set up to execute a particular project and then disbanded upon its completion. Invariably, such project offices were for the design and execution of internationally funded projects and were staffed by international consultants who left both the project and the country on its completion. The expatriates usually had local counterparts seconded from other government agencies or departments, as opposed to the local government department that should have been responsible for the project. So the counterparts left at the same time as the foreigners, thereby undermining any possibility of continuity. These circumstances were not confined to projects run by foreign consultants. For instance, the design and supervision of the World Bank-funded North East Lahore Sites and Services project in Pakistan was undertaken by a special project office contracted out to a local firm of consultants. However, this firm was perhaps even more distant from the municipal corporation and the Lahore Development Authority than any overseas consultant could afford to be. As a result, not only did the project drag on for many years, but it incurred substantial losses.

...that further undermined local government.

Another frequent problem arising from the exclusion of local authorities from the design and implementation of urban development projects was the assumption that local agencies automatically had the capacity to absorb the routine management and maintenance functions once the project was handed over to them. Often this was not the case. For instance, the Tondo Foreshore Dagat Dagatan Development Project office was set up in the Philippines National Housing Authority (NHA) specifically to manage the upgrading of the Tondo Foreshore, with the intention that, once complete, it would be closed. However, the project office had to be kept on as a separate management office in the NHA long after the formal completion of works because the metropolitan authorities were unable to absorb the loan recovery and infrastructure management functions that had been planned for them.

UDCs were a common form...

The most significant of the quangos were the urban development corporations (UDCs) or authorities (UDAs) that were established in many cities in the region in the 1970s. For many, the model was the Singapore Housing Development Board which in 1960 emerged from a transformation of the Singapore Improvement Trust which had been in existence since 1924. This style of development authority had a significant capital budget and powers to borrow on the open market. It could also acquire and develop land and enter into partnerships with, or compete with, the private sector. Many UDCs were intended to provide project design, finance and coordination services only. Other agencies, including local government, were to implement development projects.

Another rationale behind the creation of UDCs was that urban growth had exceeded municipal boundaries so that supra-local bodies were needed to develop and plan cities from a regional perspective. However, the more powerful and successful UDCs, frustrated by the inefficiency of the implementing agencies and the complexities of coordinating them, soon took over the implementation and management of projects and programmes as well. A well-known example is the Calcutta Metropolitan Development Authority (CMDA) which was established in 1970 with a staff of 40 and a mandate to coordinate, finance and supervise the implementation of projects by a total of 89 different municipal and state agencies. Because of its inability to co-ordinate these agencies, CMDA gradually took over project implementation and management functions so that by 1985 its staff had grown a hundredfold to 4,200, divided between nine operational directorates.

At the other end of the scale, however, some UDCs were little more than town planning departments with their responsibility confined to the

determination of land uses and the exercise of development controls. Nevertheless, whatever their mandate, UDCs were constitutionally independent of elected local government and in many instances operated with little, if any, reference to it, despite performing many of its traditional functions.

...that achieved some results...

There can be no question that the better resourced UDCs increased the overall level of formal urban development and enhanced the role of appointed public sector professionals. However, in doing so they also contributed substantially to undermining the already weak status, power and skills of elected local government and seriously inhibited processes of participation and local control of development.

...but often at the expense of local government.

Another aspect of this process was that, in addition to the establishment of quangos, central governments in several countries in the region transferred the daily management of local services from municipal authorities to central agencies, rather than attempting to strengthen local capacity. For instance, in Malaysia, federal and state government agencies have assumed direct responsibility for the delivery of local services. In 1975, the Metropolitan Manila Commission was appointed by the nation's President to coordinate the management of local services including fire-fighting, garbage collection and traffic control but it was not long before it assumed de facto responsibility for the daily management of these services.

The strengthening of local government has also often been thwarted by lack of coordination between central government ministries as well as the division, rather than integration, of responsibilities that managerially cohere at the local level. For instance, in the 1980s, the Government of Nepal created a special Ministry of Housing and Physical Planning that was separate from the Ministry of Local Development. An uncommon exception to the usual separation of local government from the major line ministries such as works and housing occurred in Sri Lanka in 1977 when a very powerful Ministry of Local Government, Housing and Construction was created.

Thus, by the end of the 1980s, when pressure was growing throughout the region for both economic and administrative reform (structural adjustment) based on deregulation, decentralization and the devolution of authority to locally accountable bodies, many city administrations were in a weaker position *vis-à-vis* the rest of society than at any time in the preceding 30 years.

3.2 Public sector intervention in low-income housing

Direct government intervention soon failed.

Direct public sector intervention in urban housing grew directly out of widespread and growing disillusion with the initial patterns of national development in the region. It thus began in most countries in the 1960s and 1970s and represented perhaps the single most important attempt by governments to make cities more equitable. It comprised public provision of housing finance, the development of land, or the construction of dwellings for rent or sale. Ministries of housing and government housing departments and agencies were established for the purpose. For instance, in India the majority of the state housing boards were set up in the early 1960s while the Housing and Urban Development Corporation (HUDCO) was established as a "second tier" national housing bank in 1972. The Indonesian National Housing Corporation (Perumnas) and the National Housing Policy Board and Mortgage Bank were constituted in 1974. In the same year, the Thailand National Housing Authority was established as a consolidated public housing agency by merging the Welfare Housing Office of the Public Welfare Department and the Slum Improvement (clearance) Office of BMA.

It therefore gradually withdrew...

However, for the reasons just described, public low-income housing was generally provided by parastatal agencies through programmes that failed. Consequently, the history of direct public sector involvement in urban housing in the region has been that of the initiation of ambitious housing programmes for low income groups, followed by the gradual withdrawal of government agencies. This process of apparent retreat has been occasioned not only by governments' inability to meet their construction targets, but has also been in response to changes in the understanding of the role of housing in urban social and economic development. It can be characterized more positively as a three-stage sequence of increasing involvement of individual households and communities in the production of officially recognized housing, leading eventually to the current "enablement" paradigm of support-based partnerships between government, communities and individual households. At the risk of gross over-simplification, this sequence can be identified within the last three decades as follows:

- the public works tradition of government-built housing and slum clearance programmes that, in the sequential model presented here, is most readily identified in Asia with the post-independence period of the 1960s;
- the organized (or aided) self-help movement that was strongly promoted in the late 1960s and early 1970s;
- sites and services projects and slum upgrading programmes that got under way in the 1970s and continued throughout the 1980s in most parts of the region.

A brief review of these stages of policy development is in order before starting a discussion of the "enablement" paradigm because it provides a useful introduction to the current state of the art. It should be remembered, however, that all stages are still current policy in different countries of the region. Thus, although the passages that will follow shortly are written in the past tense as though the strategies they describe form a sequence that is now behind us, they are in fact in one form or another still very much part of the present situation.

...within an existing skewed regulatory framework.

Before beginning the review, it is important to realize that prior to these policies, governments throughout the region regarded the production of housing for ordinary people not in government employment as a private sector affair. Such activities were influenced only indirectly by government through programmes that regulated in some form or other the investment of resources in the development of land for residential use. The most common forms of such intervention were:

- land use zoning and development controls to secure orderly and compatible land use and to control the environmental quality of different areas of cities;
- property taxation policies to generate local public revenue on the basis of notional differentials in the distribution and consumption of urban services;
- rent control legislation to fix rents charged by private landlords so that low-income households could find affordable housing;
- controls on the extent of individual property holding in urban areas in order both to redistribute the property of large urban landowners to their low-income tenants and to reduce the extent to which landowners could profit from exploiting the demand for housing by lower income groups. This measure was confined to India, Nepal and Sri Lanka.

Inevitably, the impact of such measures on the housing that was built, particularly by the lowest income groups, was determined by the extent to which local authorities were able to enforce them. Thus, while in upper income areas the land use regulations and building controls were relatively easy to enforce, this was not the case in the large and growing low-income neighbourhoods where such public controls were and still are virtually impossible to police. Such was the regulatory framework at the beginning of the 1960s. Bearing in mind the caveats already expressed, subsequent government intervention has broadly followed a three-stage trajectory.

3.2.1 The public works tradition of government-built housing and slum clearance

The first stage, often referred to as "conventional" housing policies, stemmed from the new political need for governments to be seen to intervene in the housing market in support of the lowest income groups. It was also due to a genuine concern for the orderly physical growth of cities and the appearance of the urban building stock. The aesthetic homogeneity of residential areas, to some extent a legacy of the postwar modern movement in architecture, became a symbol of public affluence, good health and social well-being with which governments and city administrations wanted to be identified. It was genuinely believed that governments could provide subsidized housing for all but the very poor.

Public housing was built to unrealistic standards...

The result was the establishment of new public housing agencies or the expansion of existing ministries or departments of public works at the national (or state) level. Virtually no public housing authorities were established at a municipal level. Their first task was to set or adapt standards of space and construction that defined a "minimum standard dwelling" that was deemed acceptable by the professional and political staff of the agency. As these officials belonged to the middleclasses, the standards, although reduced, were still more suitable for middle class steady income earners rather than the poor. These standards became statutory norms for the production of new housing against which the existing urban housing stock could be measured in order to establish the extent to which it needed replacing, for example, "a minimum of 25m^2 of habitable living space, of permanent construction with direct access to a supply of potable water and water-borne sanitation".

The outcome of this exercise, together with estimates of residential overcrowding, constituted a notional "housing deficit" which, when added to projections of future population growth and the formation of new households, provided an arithmetical figure of "housing need". To this calculation was applied an estimate of those present and future households that could not afford even the "minimum standard house" at private sector market prices: typically a very large proportion. This became the basis on which targets were set for the production of subsidized dwellings by the government for the lowest income groups. Such targets were rarely achieved.

Box 3: Housing production targets[10]

In 1972, the Tamil Nadu state government in India set a target to eradicate all slums in Madras and rehouse the slum dwellers in new tenement buildings by 1977. Over the following five years, 17,450 units were built by the newly constituted Tamil Nadu Slum Clearance Board. However, despite this impressive achievement around 190,000 households (900,000 people) remained in unserviced shanties.
In 1972, the Karachi Development Authority set a target to construct 3,040 flats in the Jacob Lines Project to rehouse slum dwellers. By 1980, when the project was abandoned, only some 800 units had been completed.
And so on.

...that did not meet the needs of the poor.

Such public housing programmes are typified by tenement blocks of minimal-sized apartments or individual single storey dwellings of relatively high standard permanent construction with individual utility connections. They were commonly located on the urban periphery where land was available and cheap, but were therefore far from centres of employment and social amenities and with only tenuous and costly transport links. They were designed by government architects and engineers whose aim was to produce the lowest cost structures that could meet both the standards set by the by-laws and the professionals' view of "how the urban poor should live". There was rarely any attempt to study the particular needs of the intended users, let alone consult them. The beneficiaries, who were officially qualified by having incomes below an established ceiling or who had been displaced by a slum clearance programme, had no part in the decision making that determined the location, design, standard of construction or management of their housing. There was therefore little chance that it could respond to the individual needs, demands or aspirations of any of its occupants, and no chance that it could respond to those of all of them.

Official controls very often extended to the use of the dwellings themselves, for example: No commerce; No tenants; No animals or market gardening; No extensions or modifications to the building. These arbitrary restrictions were placed upon households that were invariably dependent on being able to supplement small and irregular incomes through such activities, not only in order to feed and clothe themselves, but also to pay for the housing whether it was allocated by hire-purchase of an eventual freehold or rented on leasehold. And, despite the subsidies that were built into the housing, many occupants could not afford the rent, even though the housing was supposedly designed for them.

Units were therefore either quickly sold...

A major consequence of this was that many housing units were sold or transferred by their intended beneficiaries to wealthier households for whom permanent accommodation had a higher priority, either as a home or as a capital or income-earning investment. The official reaction to this perfectly rational behaviour was frequently one of "moral outrage" couched in terms of the "ungrateful and mercenary" response of the urban poor in using public subsidies ("government charity") with which to speculate. Rarely was it understood or accepted that for low-income households living close to the breadline, the responsibility for real estate was often low on a list of priorities for survival, particularly when a subsidized dwelling represented a valuable asset to exchange either for a lump sum or for rent.

Box 4: Missing the mark: public rental housing in Bangkok[11]

The National Housing Authority of Thailand (NHA) constructed a total of almost 18,000 subsidized rental housing units, mainly walk-up apartments, before the Government terminated the programme in 1978 as being too expensive. Apartment sizes varied from 25.2 square meters to 57.6 square meters. A recent survey showed that total monthly household income now averages between Baht 9,000 and 10,000, while rents vary from Baht 330 to Baht 1,306 depending on the size and age of the apartment. Meanwhile, average monthly household earnings in low-income apartments built by the private sector are about Baht 7,000 while their rents vary from Baht 1,000 to Baht 2,077 Between one third and half of the NHA residents were either transferees or subrenters. Transferee rents are invariably higher than those of the original tenants but are still well below market rates. Rents paid by subrenters are higher than the transferees' but still below market rates. In fact NHA rents are far below the economic rent, which varies from Baht 1,000 to Baht 1,500 per month, excluding maintenance.
While most transfers have occurred with the knowledge of the NHA, sub-letting is usually informal. The present population in NHA rental housing can no longer be classified as being below the poverty line. It is quite obvious that target groups other than the original one have moved in. Although they can afford higher rents, they are in fact subsidized by the Government.

...or entire projects themselves became slums.

In situations where resale, transfer or subletting were uncommon, usually in rental housing estates which had been cheaply built to save capital costs, environmental conditions tended to deteriorate very rapidly. To a large extent, this stemmed from the occupants' exclusion from any direct involvement in the design of their dwellings, and the consequent perception that they had no responsibility for the maintenance and management of their homes and the common spaces around them. This responsibility was seen to rest with the landlord: the housing authority. However, the public housing agencies were unable to fulfil their management and maintenance functions owing to a shortage of resources. Thus, new, high-cost, slums were created very rapidly. For example, many of the tenement blocks built by the Tamil Nadu Slum Clearance Board in the 1970s were already classified as slums by the late 1980s. Together with more "traditional" slums and shanties, they were high on the priority list for slum improvement by the Board itself.

A slightly different aspect of low-income housing provision was slum clearance. Although the two activities often went hand in hand, slum clearance achieved its own rationale when governments saw it as their responsibility to rid cities of the unhealthy and unsightly slums and shanty settlements that were springing up at an ever-increasing rate. Slum clearance programmes usually concentrated on the removal of self-built shanties instead of dealing with overcrowded, run-down central area slums in old buildings which presented much more difficult problems involving complicated ownership networks and issues of design and construction in or close to central business districts. A notable exception was Bombay, which in 1970 set up a Buildings Repairs and Renewal Board to improve sanitation and structural safety in old central city tenements (chawls). These provided single-room accommodation for thousands of low-income families.

Associated slum clearance also solved few problems.

In general, slum clearance programmes solved few problems. They effectively depleted a large proportion of the urban housing stock and destabilized and alienated some of the more vulnerable communities involved in urban development. For example, as Seoul prepared for the 1988 Olympic Games, world attention was drawn to its long history of evictions and slum clearance to little real effect involving millions of low-income citizens. Similar accounts involving the destruction of hundreds of thousands of modest but affordable dwellings abound across the region. In Manila, 90,000 people were evicted and their dwellings demolished in a single three-month period in 1964. A 1985 study found that some 272,000 people in Bangkok were under threat of eviction. In 1975-1977 more than 150,000 people lost their dwellings in Delhi as part of a city beautification programme.

Rehousing either often did not occur...

Despite ambitious intentions to rehouse slum clearance victims in new public housing, very few were actually rehoused. Even then, they were often moved to new sites on the urban fringes or beyond where land was cheap and they were "out of site". Such locations were far from centres of employment offering work suitable for semi- and unskilled people who then had to spend a large proportion of their low and usually unstable incomes on transport. In addition, such new low-income housing areas, typically populated by young and migrant populations, were often underserved with basic health and educational facilities. Thus, slum clearance tended to be merely slum relocation as households were forced to start the painful and alienating process of once again illegally setting up their homes in a different place, while waiting for the next round of slum clearance to catch up with them. There were occasional reversals of these programmes where communities were sufficiently organized or assisted to be able to resist them.

Box 5: Manila's Tondo foreshore[12]

By 1970 it was clear to the thousands of poor families in the Tondo foreshore area along Manila Bay that, despite their many protests, the Government intended to demolish their homes and relocate them 40-45 km from the city. At this point, a group of both Catholic and Protestant priests who had worked with the people for years, helped them to form the Zone One Tondo Organization (ZOTO), a federation of neighbourhood organizations that would be democratic and strong enough to be taken seriously by the government.

ZOTO borrowed much of its spirit and methods from the labour unions, using tactics available to the poor such as marches and rallies. It tried to educate people through workshops and reflection sessions but believed that the best learning came in and through action.

The people's actions centred on opposing government plans for the foreshore area which were to convert it into a support base for a new international container pier, with upper income housing units, commercial buildings and small-scale industry. The 180,000 residents on the narrow strip of land behind the inter-island piers were to be relocated. ZOTO was able to drive a wedge between the government and the founders of the project, namely the German Government and the World Bank. A compromise was worked out by which only those in the immediate vicinity of the new pier, accounting for some 15-20 per cent of residents, would be relocated to a site just north of Tondo at Dagat Dagatan. The remaining families would receive land titles and have their neighbourhoods upgraded.

...or were politically unpopular.

At a different level, public housing projects put a major strain on the construction and building materials industries. These were already under pressure from other national and urban development efforts. This strain was aggravated by the perception that investment in subsidized housing for the lowest income groups was not economically productive. At best it was classified as a politically necessary social overhead. Even in mixed economy countries, it was not considered to be a basic welfare function of the state, such as health care or education. There was therefore constant pressure to reduce the costs of public housing programmes or to curtail them in order to release resources to the more obviously productive branches of the construction sector such as civil and agricultural engineering, transport and industry.

This led to pressures to cut costs.

There were two common responses to such pressure. These were either to reduce the subsidies or to cut the costs, or both. The reduction of subsidies meant recovering a greater proportion, if not all, of project costs from the beneficiaries. But this, in turn, meant accepting higher income groups as beneficiaries, effectively excluding the previous lower-income target group from the project. For example, in 1988, the Indian Housing and Urban Development Corporation (HUDCO) merged the two lowest income categories in its classification system for loan eligibility, thereby effectively releasing state housing boards and development authorities from having to construct housing for the poorest groups.

Cutting costs meant either reducing space and construction standards below those previously set and politically accepted as "minimum", or reducing the cost of construction.

3.2.2 The organized self-help movement

The attempt to reduce construction costs was the main reason for the introduction of organized self-help programmes (aided self-help). These programmes constitute the second stage in the sequence of housing policy development in the region. Essentially, the goal was to organize the beneficiaries of new low-cost housing projects into work units to build the project. Although project management varied widely, it was generally agreed that dwellings would not be allocated until the end of the project, thereby ensuring that an equal effort was put in by all to all of its parts. People could

thus not concentrate their energies only on the house that would eventually be theirs. As an approach to public housing provision, it was less used in this region than in other parts of the world, notably Latin America. However, it was an important component of the Philippines Land for the Landless programme in Mindoro and Palawan, and in the Indonesian Transmigration Programme in Sumatra in the 1970s. It was also the basis of the Building Together project in Bangkok and the Sri Lanka Hundred Thousand Houses Programme from 1977-1982.

Perhaps beneficiaries could build their own projects...

The principal argument behind the organized self-help movement was that by using its beneficiaries to build the project, labour costs could be reduced, thereby reducing overall costs. It was also often argued that, in addition, this approach would obviate the need for private sector contractors, as building materials and construction supervision (the "aid" to the self-help) could be supplied direct from the public works agency. Thus, all contractors' overheads and profits would also be saved. This would, in turn, relieve pressure on the formal construction industry, which could then be employed more productively in other sectors that demanded higher skill and technology levels than the low-cost housing sector.

As for the beneficiary households, it was argued that their collective involvement in the construction of their own homes and neighbourhoods would foster a commitment that would reduce the degree of speculative resale to higher income groups. It would also help to develop a community spirit in an otherwise heterogeneous assembly of low-income families. As a bonus, householders, many of whom were recent migrants to urban areas with few urban skills, would learn a productive trade through the construction of their own houses. Though much was learned and developed from the organized self-help experiments of the early 1960s, the expectations for the approach as a solution to urban low-cost housing problems were shortlived. There were several very basic reasons.

Management difficulties...

Principal among these was the dependence on complex and sophisticated management processes, not only of often quite large construction sites and sequences, but also of the social interests of participating households. To be at all operable, projects had to start with a period of social preparation which often meant little to the participating households whose ambitions were only to gain legal access to an acceptable and affordable piece of real estate. Even having gone through this process, many rivalries and resentments arose over the extent of one family's labour contribution in comparison to that of others, or because of a period of unanticipated slow progress in construction, or a delay in the delivery of building materials. This often reduced morale and cooperation to the extent of killing the project before its completion.

...and small cost savings...

The aim of cost reduction through the employment of beneficiary householders as unpaid labour also proved dubious. In countries with relatively low wage rates, the total labour component of total project cost of even very low quality permanent construction is rarely, if ever, more than 20 per cent. The unskilled labour component is about one third of the total. Hence, only minimal savings were generated by the use of community labour. In addition, the use of skilled manpower (carpenters, masons, bricklayers, plumbers, etc.) to organize, supervise and train totally inexperienced labour was far less productive than if it was part of a conventional construction team. Moreover, the time available to householders for building rarely fitted the regular working hours of the employed technical, training and managerial staff because communal house construction assumed a lower priority than wage employment, or the search for it.

...undermined the approach.

Furthermore, the obligatory nature of participation in organized self-help was often resented, especially when compared with the fortunes of those who had received fully constructed, subsidized housing at no or little additional cost. For despite their role in digging trenches and laying bricks, organized self-help project beneficiaries rarely had more access to the fundamental decisions over location, design or cost of their dwellings than the occupants of prebuilt blocks of flats.

But social aspects had been considered for the first time.

Even so, despite the problems and failures of the approach as a whole, organized self-help made an important contribution to understanding the link between public housing production and community development. For the first time, the engineers and architects in the housing authorities were joined by social workers. Their duties were to mobilize and manage the work brigades but their work often took them well beyond this into the wider realms of community development and local environmental management.

3.2.3 Sites and services and slum and squatter settlement upgrading

The experience gained in organized self-help, together with several other significant events in the 1960s and early 1970s, came together to launch the third stage in this coarse chronology of direct public sector intervention in the provision of urban housing, namely the development of sites and services projects. Broadly, this approach entailed a division of responsibility whereby government provided those components that could not easily be found or assembled by individual low-income families such as land (sites) and basic infrastructure (services). For their part, each household assumed responsibility for building the superstructure of their dwelling. Thus, for the first time, it was possible for beneficiaries of public housing projects to take responsibility for more than the most marginal decisions concerning the production and management of their dwellings and domestic environment.

Sites and services offered real cost savings...

The main advances of the period derived primarily from fresh studies by such people as John Turner of the mechanisms by which slums and squatter settlements grew. These, in turn, were driven by the high urban growth rates in Asia in the 1960s which had caused such highly visible solutions to the provision of low-income shelter to proliferate in the first place. For example, in the intercensorial period of the 1960s, the population of Bombay, then a city of some 7 million people, increased by some 900 new households each week while Jakarta and Manila were each adding close to a quarter of a million people a year. By the end of the decade, more than half the population of many cities was living in illegal structures on land to which they had no title. Not only had they received no official recognition or assistance in housing themselves, but they had often been harassed by eviction orders and slum clearance programmes in the process.

John Turner's now famous paper at the United Nations conference in Pittsburgh in 1966 laid bare the mechanisms by which these expanding settlements grew and were managed. It is regarded by many as the starting point of a new understanding of low-income urban settlements. It was followed by studies of informal settlements in many different cities of the Third World in the late 1960s and early 1970s which further developed understanding that, together with a new vocabulary, gradually found its way into official policy.

...householder participation...

The main advance was a recognition of the ability and resourcefulness of urban low-income households to produce (or procure) and manage their own shelter and domestic infrastructure. It was demonstrated that home construction is often a lengthy sometimes never-ending process that corresponds to the changing demands and fortunes of the owners and users. Although many squatter households did not actually construct their own

dwellings using family labour, highly cost-effective solutions were achieved because they kept a very tight control on the acquisition of building materials and the management and supervision of construction by the tradesmen and artisans they employed. Perhaps most crucially, the importance of security of tenure to land (not necessarily freehold title) as a precondition for individual investment in residential development was reinforced.

...and integration of the informal sector.

At the same time, a change in the perception of the role of housing in the process of urban economic development was beginning to take place, together with refinements in the economic and political arguments for public investment in low-income housing. Not only was the relationship between good environmental health and productivity being made more explicit but, with the development of a better understanding of the "informal sector" as a major contributor to the urban economy, the importance of domestic housing as the site of manufacturing and commercial activity became more apparent. Increasingly it was observed that, given security of tenure to land, even minute household savings were invested in its development. Thus, it was hypothesized that the development of recognized housing in place of illegal settlements would ultimately generate new contributions to property taxes which are a basic source of municipal revenue throughout the region. Furthermore, it was thought that a sense of domestic security would enhance political stability as hitherto disfranchised people gained a recognized stake in urban real estate and hence a commensurate status in urban society.

Slum clearance gave way to upgrading.

Nevertheless, these observations and arguments were accompanied by a growing awareness of the extent of environmental deprivation in the expanding slums and squatter settlements. This could not only threaten the health and safety of slum inhabitants, but also those of the formally recognized and wealthier neighbourhoods of the region's cities. Thus, slum clearance programmes maintained a high priority on the official agenda but, in view of the arguments just outlined, they gradually gave way to slum improvement and environmental upgrading projects rather than outright clearance.

The basic ingredients of slum upgrading were the award of legal rights to the land upon which squatters lived, and the provision of access to safe water and waste disposal. Such programmes often went hand in hand with sites and services projects in order to provide new land for those households who had to be moved to clear space for public amenities and use, and safe access.

Sites and services still have problems...

However, there has been a very wide interpretation across the region of adequate plot sizes and acceptable levels of service provision in sites and services projects. These range from, for instance, the Dakshinpuri project in Delhi where little more than a plot of ground demarcated by four pegs marking the corners and access to communal water and sanitation points was provided, to the Bekasi and Medan projects in Indonesia in which substantial core houses were built by Perumnas. The vast sites and services projects in the World Bank financed Madras urban development projects at Arambakam and Mogapair provided individual water connections and waterborne sanitation to every plot. However, in order to reach the lower income groups with minimal subsidies, the smallest plot sizes were as little as $33m^2$.

...mainly related to planning assumptions.

Since 1972, the World Bank has played a major role in developing and promoting sites and services and slum upgrading programmes throughout the region. It has in this way extended the principles of replicability (similar projects should be able to be undertaken without outside technical or financial assistance) and full cost recovery (no hidden subsidies) to the shelter sector. Although these measures have certainly brought acceptable housing within the reach of many low-income households previously excluded from the formal market, there are aspects that have been

questioned. One of these concerns financial responsibility for the capital cost of service provision. In many sites and services projects, the infrastructure (roads, drains, main water supply, public open space, etc.) installation cost has been recovered directly from the beneficiaries, whilst in the higher income areas in the rest of the city the cost of new service installation has been spread across the whole urban population through the local taxation system (rates). On occasion, in order to design projects that were affordable to very low-income target groups without any form of subsidy, plot sizes have been so small that any future development has been virtually impossible. This was the case in the Madras urban development project already mentioned. The Delhi Development Authority has designed plot sizes of $20.4m^2$.

However, perhaps the most serious, but common, failure in sites and services projects has concerned the assumptions made of low-income households' ability and willingness to pay for housing. Early World Bank-financed projects assumed that some 25 per cent of household income would and could be devoted to housing. This frequently proved to be far too high. Twelve to 15 per cent or even less is a more likely proportion when up to 80 per cent of an urban household's income may have to be spent on food alone. The Indian Housing and Urban Development Corporation (HUDCO) established and applied a working standard of 7.5 per cent for the lowest income groups. However, often, having established a figure for ability to pay, projects have been designed that consume the whole of this amount in the cost of land and infrastructure, leaving nothing with which to build the dwelling. Even where the use of traditional and secondhand building materials is permitted, the construction of a house still requires substantial capital and recurrent payments. And in many projects the design of the dwellings and construction standards were stringently controlled. The use of impermanent and second-hand materials was not allowed for fear that a new, government-sponsored "slum" would be created.

Box 6: Karachi Development Authority's experience in sites and services[13]

In 1974, UNDP helped to design the Karachi Master Plan. A two-pronged approach was used to address the chronic problem of low-income housing in the city. Under the Plan, existing squatter settlements on government land were to be upgraded. Sites and services schemes were to be developed for those whose settlements could not be upgraded. From 1974 to 1980, a total of 90,891 serviced plots were developed. However, as of 1988 only 701 plots were occupied. The main reasons for lack of occupation were speculation by middle income groups, and the lag time from the time of payment by the owners to the time of delivery of plots, which in some cases was as long as four years. The real poor, in immediate need of shelter, clearly could not afford to wait that long and were forced sell their plots to middle income households who already had shelter in the city and who could afford to wait and allow land prices to increase. In spite of this record, government-implemented sites and services programmes continue to be the main policy of the Karachi Development Authority.

Scheme	Year initiated	Total plots	Plots occupied in 1988
Metroville I	1974	4,133	700
Shah Latif Town	1979	43,891	1
Deh Surjani Town	1980	47,000	0

Advantages include householder autonomy...

Notwithstanding this array of problems with many of the first generation of sites and services and slum upgrading programmes, the approach represented a significant advance. This was particularly so in terms of householder participation when compared to the centralized approaches of the conventional public works tradition and the organized self-help movement. In the most progressive sites and services projects, households were officially allowed to make and implement significant decisions concerning the design of their dwellings: the extent and rate of their investment in the construction of their houses; the process by which they would be built,

extended and modified, and who would do the work — either themselves or a contractor appointed and supervised by them. However, even with these advances, householders still had little if any choice in the location of their housing, the size of land for which they had to pay or the level of services to which they had access.

...and security of tenure.

The beneficiaries of slum and shanty upgrading programmes also gained the security of officially recognized tenure to the land they occupied and, in the best programmes, financial and technical assistance for improvements to their dwellings. Upgrading projects provided a range of infrastructure and services such as water, sanitation, street lighting, paved access ways, surface water drainage and garbage removal. However, residents' participation was generally limited. In many instances, slum dwellers were not consulted on the type or level of improvements that were being installed and were not involved in its management. Thus, it was not uncommon for public amenities to deteriorate very rapidly or even to be vandalized. This occurred in many of the earlier hutment upgrading projects undertaken by the Tamil Nadu Slum Clearance Board in Madras. Quite clearly, "public participation" still meant the participation of low-income households in government housing projects rather than the other way round.

In nearly all countries, sites and services and upgrading schemes continued to be viewed as distinct projects rather than becoming a basis for policy covering all public housing. Indeed, as described in the previous section, special project offices that were independent of the established housing authority or ministry were often set up to manage sites and services and slum upgrading projects.

The Sri Lanka Million Houses Programme, launched in 1983, was the first national housing strategy explicitly aimed at devolving decision-making to the users of public housing. The National Housing Development Authority changed from being a highly centralized design and construction management department to become a decentralized agency for the provision of credit and technical support to low-income households and communities. It was the first coherent experiment in the implementation of the fourth and current stage in this chronology of public housing policies, namely the "enablement" paradigm. This will be discussed in full in the next section.

3.3 Emergence of NGOs

For the moment it is important to note another major product of the period of disillusion, namely the formation of non-governmental organizations (NGOs) and their advocacy of alternative forms of development that were more in tune with the economic and social conditions of the poor. NGOs assumed so many different sizes and forms that a generally acceptable typology has yet to emerge. However, an almost universal theme within the NGO community was and still is dissatisfaction with the status quo. Since this reflects the received opinions of the establishment, NGOs were essentially anti-government in many countries, with those involved sharing a deep mistrust of government.

NGOs have played a major role in the emergence of the informal sector.

Within this context, NGO interventions on behalf of the poor have taken two main directions. The first strand was strongly leftist and activist. It opposed the powerful cliques in society on behalf of the poor who were organized to fight evictions, campaign for better working conditions and for redistribution of the benefits of development. It was ideologically driven and often did not focus on actions beyond resisting the establishment. The work of Youth for Voluntary Action in India, Urban Poor Associates in the Philippines, Society of Community Organizations in Hong Kong, and the Korean Coalition for Housing Rights are examples. However, in recent years many such NGOs have realized that cooperation with the government and organization of the

poor to meet their own needs is perhaps a more sustainable solution to the housing problem than outright protest. Some have even moved into the sphere of policy advocacy and, at least in India and the Philippines, have been instrumental in changing government policies towards eviction.

Box 7: Fighting against eviction: the case of Bolante[14]

Bolante, Barangay Pinagbuhatan, Pasig, Metro Manila was the public market garbage dump until poor people began building their shanties there in 1975. They cleaned the area and filled the marsh with earth to build their houses. At present, 350 families live there. Their main source of livelihood is the market place where they work as carriers and vendors. The land is owned by the Gayamat family and measures about 11,000 square metres. There is a long history of legal moves to evict the people from the land. It is a tale of bribes and incompetence at all levels of government and in private lawyers' circles. In June 1992 a Pasig judge ordered the sheriff to evict the people. The sheriff gave the people five days to move out. On June 11 the sheriff personally led the demolition team and seven policemen to begin the eviction. The people put up a barricade and threw stones at the demolition crew. The policemen fired their guns and manhandled an onlooker. Seven houses were demolished. A city councilor, informed of the demolition, rushed to the place and convinced the sheriff to stop, asking for a few days to find a peaceful solution to the problem. The demolition was stopped, but the owner would not negotiate. He said all he would give was Pesos 500 (about US$ 20) to people who would move out.

In July the same judge issued another writ of demolition to the sheriff, who carried out the order a few days later on July 23. This demolition violated nearly all the guidelines of the Urban Development and Housing Act which requires an eviction notice of 30 days, public discussions, compensation and suitable relocation for the evictees. It also requires that police wear identity badges. Although the people had a memorandum letter from the mayor warning police that they were violating the law, the police ignored it. The people pleaded to delay the demolition because of the rainy season. These pleas were also ignored. People then set up barricades and pelted the police with stones. Thirteen houses were demolished. In the ensuing violence, the police shot a boy in the stomach. The demolition was to continue on July 27.

The Urban Poor Associates (UPA), a Manila-based NGO, which earlier had some contact with the community, informed the Institute on Church and Social Issues which was looking for demolition incidents to test the new law in court. UPA community organizers helped to organize the poor and liaised with the lawyers fielded by the Institute. The Institute also informed Cardinal Jaime Sin, the Archbishop of Manila, about the incident. The Cardinal had been instrumental in promoting the passage of the Urban Development and Housing Act through parliament and wrote a strong letter to President Ramos who replied that negotiations at Bolante should be carried out.

The lawyers working on behalf of the community have filed for an injunction against eviction. UPA organized the community to actively participate in the court case and to bear the costs of court fees. They and the lawyers also filed claims of damages against the owner and the police, a criminal case against the police for shooting the boy and for a miscarriage suffered by a pregnant woman during the demolitions, a criminal case involving violations of the housing law and administrative charges against the judge for partiality against the people and gross ignorance of the law. As a result of these moves the threat of eviction has been lifted.

The second strand derived from the tradition of charity. The poor were assisted with the provision of services and infrastructure. The focus was to improve their quality of life through provision of health and education facilities, income generation and credit, and improvement of low-income settlements. While being less paternalistic and more participatory than government, this approach also created a dependency among the poor. Essentially led by middle class activists, this strand was independent of the government but not averse to building collaborative arrangements with it. It has developed towards increasing the capacities of the poor to develop and manage their own situations and also towards mainstreaming alternative development approaches in government policies.

3.4 Entrenchment of the informal sector

However, the poor have been their own best help.

Despite all these activities, the impact of government and NGO interventions on the quality of life of the poor has been minimal. In the main, it has been the poor themselves who have evolved development approaches and coping mechanisms to survive and even prosper in cities. Such approaches epitomize free market ideology and have depended on the emergence of entrepreneurs from within their communities. These people spotted opportunities to meet the needs of the poor and filled them through whatever means were at their disposal. Thus, education was provided through home-based tutorials, health was provided by traditional healers and neighbourhood pharmacists, housing was provided by either petty landlords or land-grabbers' Mafia, credit by moneylenders and other vendors.

Their methods have defied the establishment...

Most of these development and coping mechanisms did not fit the political, administrative and legislative frameworks of the nation state. They were therefore ignored or made unlawful by the state machinery. The result was the entrenchment of the informal sector. Although meeting the needs of the people, this sector became exploitative in nature because it lacked legal protection. For their part, the poor, with no great ideological considerations in mind, dealt with anyone who could help them meet their needs. Thus, if the local policeman demanded money to allow them to set up a vending stall, they bribed him. If politicians and bureaucrats could protect them against eviction or could provide subsidized services, they voted for them and paid them.

...but lack of recognition has brought cities to the edge of chaos.

In the past few years, much research has been done on the informal sector, outlining its linkages with the formal and now international commercial and production economies. In many cities, garments and goods for export are prepared by informal sector subcontractors who operate home-based sweat shops. It is estimated that in some cities as much as 40 to 60 per cent of the labour force is employed in this sector. Yet hardly any government recognized its existence or made planning provisions for it. The sustained failure of governments effectively to manage urban areas has led to cities which have physically and socially deteriorated to near chaos including sprawling slums, traffic congestion, pollution and a backlog in the provision of infrastructure and services. In many cities, a sizeable portion of the population feels alienated and the community and neighbourhood spirit is disappearing. There is increasing crime and corruption. In some cities, government control over its functioning has become marginal. Different types of organized crime syndicates, political machines, legal and illegal private sector firms and individuals actually control the functioning of the city and can bring it to a standstill if it suits their objectives.

Box 8: Ismail: the story of a land-grabber[15]

In 1978 when Ismail illegally occupied land for the first time, he was a clerk in the Pakistan Army. By this time the army had established itself as rulers of Pakistan and had imposed martial law. Ismail, nearing retirement, realized that he did not have a shelter for his family after retirement. He was told by his in-laws that some railway land was vacant near the Hyderabad railway station. An old settlement of *dhobis* (clothes washers) already existed at the site. The land, being near a cleaning shed for railway bogeys, had an abundant water supply. Ismail took his family and constructed a crude reed mat shelter there. Believing in "security in numbers", he invited some other squatters he knew to establish homesteads with him.

The railway officials, barely tolerating the existing settlement, were enraged at this new encroachment. They asked the new settlers to move. Ismail immediately went to his commanding officer and secured a letter "requesting" the railway officials to allow him to stay as long as the older settlement was allowed to remain on site. The railway officials immediately started proceedings to evict the older settlement. The *dhobis* rightfully blamed Ismail for their predicament and started to harass him and his followers. At one point they even threatened to kill him.

Ismail realized that his present tenure was precarious and that the railway officials would inevitably succeed in evicting all squatters in a few years time. He started looking for a new place to settle. By this time he had retired form the army and had lost his powerful connections. He heard about Sikanderabad on the outskirts of Kotri city from a friend and decided to move there.

Sikanderabad is located near the Indus highway about five kilometres from Kotri. It was first squatted upon in the early 1970s by a group of low-level government employees. With time, it increased in population with the addition of Christian sweepers who worked in the city, workers of Kotri's industrial zone and Bihari refugees from East Pakistan. The late Malik Sikander Khan, a powerful rural landlord, was the eminent power broker of the district.

The residents sought his patronage and consequently named the settlement Sikanderabad.

When Ismail came to Sikanderabad in 1980, the population numbered around 500 families. He demarcated a 1,000 square yard plot for himself and with his army retirement fund built a semi-permanent house. Soon afterwards he heard from the Christian families in the neighbourhood that Sindh University had evicted about 150 Christian sweeper families from its land. Ismail decided to resettle them near his plot. Consequently he contacted these families and convinced them to move to Sikanderabad. He asked them to elect a leader who could assist him in resettling them. After having secured the population, he set about securing the land. He contacted the local police and civil officials and came to an agreement with them not to molest the new settlers. Of course this agreement involved a monetary compensation to the officials for their trouble.

He realized that it would be easier for the government to upgrade this settlement if it was laid out according to government planning specifications. Consequently, he laid out three 25 foot wide unpaved streets and demarcated the plots. The families moved in after paying Ismail Rs. 200 for each plot. Ismail extracted an agreement from them that they would grant all construction contracts to him. Furthermore, he charged the bribe money to the new settlers, taking a share from it himself. Thus, he made a sizeable profit on this deal.

In 1982, the martial law administration of Sindh declared that all *katchi abadis* established before 1978 would be regularized. District martial law administrators (DMLAs) were given the authority to oversee the process. The DMLA of Kotri held an open forum to implement this policy. When the question of legalizing Sikanderabad was discussed, Ismail convinced the DMLA that the whole settlement had been established before the deadline, backing his claim by false documents and records. He also convinced the DMLA to authorize the construction of a water standpipe at the edge of the *basti* so that the settlers could discontinue their practice of rupturing the government pipeline passing nearby. The government's promised legalization was enough to ensure long-term security of tenure. Although he promised to see to it that the *basti* dwellers would pay for the land they were occupying, by the end of 1988 he had not fulfilled his pledge and had no plans to follow it through.

A few months later, Ismail led a delegation of about a hundred residents to the Water and Power Development Authority office and staged a demonstration to acquire electricity for Sikanderabad. After bribing key officers, he was able to secure electricity for the population. He also convinced the Christian residents of the *basti* to lobby their church to establish a school. He set aside a plot for the school and contracted his services for the construction of the building. Thus, Sikanderabad now has quasi-legal tenure status, water supply through a public stand post, door-to-door electricity connections and a primary school. Ismail had two main aims in carrying out this work: first to make money; second to gain influence and power in the locality. By exploiting the system he was able to achieve both ends.

IV. Free markets and the retreat of government

All of the policies and activities that have been described so far were implemented within a context in which the nation state and centralized government were taken as given. Whether they were capitalist or socialist was in this sense irrelevant. They represented the only available paradigm. However, during the 1980s, the growing supremacy of free market-based capitalism, the beginnings of the global economy, and the failure in many countries of the centralist-socialist paradigm to achieve any marked degree of either social or economic equity, combined to produce a new hybrid that is still being formed. This is the decentralized free market state that first began

to emerge in the so-called "informal" or "grey" sectors of national economies all over the world, either as overly regulated and therefore taxed citizens opted out of the formal economy, or those who were already excluded such as the urban poor conducted their own affairs.

In response, a new "enabling" paradigm is emerging...

Significantly, this emerging global paradigm is identical in nature to the informal sector in urban slums and squatter settlements in Asia that has just been described. Moreover, the initial response of governments anywhere in the world has always been negative. However, sufficient evidence from formal economics in favour of local and even individual initiative was easy to muster in developed countries. As this accumulated and gained acceptance, it combined with social ideals of persuasion and accommodation as opposed to authoritarian command and control that were a relic of the era of disillusion, to produce what is currently called the "enabling" paradigm.

Evidence of this transition has been visible around the world for some time. One can include, for instance, the economic reforms in China led by Deng Xiao Peng, the elections of Ronald Reagan and Margaret Thatcher and the break-up of the Soviet Union. Internationally, lending and monetary agencies like the World Bank (IBRD) and the International Monetary Fund have changed their policies and have forced many governments to tighten belts and remove subsidies, in effect requiring their devolution as preconditions for further economic assistance.

...characterized by free markets, "small" government...

The rise of free, deregulated markets as the orthodoxy in development has also led to a rethinking of the role of the individual and the government in society. Whereas formerly the government was regarded as the leader, provider and sustainer, essentially the patriarch of society, the new roles assigned to it are primarily those of a facilitator and enabler, essentially a benevolent uncle who does not have the responsibility to provide or sustain. But although its leadership role has been battered, it still remains. Thus, a transformed government is supposed to foster a regeneration in society of individual freedoms and responsibilities. In this view, the individual or groups of individuals and private sector firms are responsible for their own well-being, with the government creating an environment that enables them to be so.

In this region, this view is reinforced by critical reviews of government economic and social policies which have confirmed the inability of governments to meet the development challenge alone. The success of projects like the Orangi Pilot Project, Grameen Bank and SEWA seem to indicate that the poor could provide for their own needs through their own resources without government assistance and in spite of the constraints imposed by unsuitable government regulations and policies.

...community participation...

Another aspect of the new paradigm is that, in contrast to spectacular government failures in meeting the needs of the poor, a growing realization has emerged, even among government officials and politicians, that community participation is essential to poverty alleviation. In certain countries, participatory programmes such as the Kampung Improvement Programme in Indonesia, the land-sharing approach in Thailand and the Million Houses Programme in Sri Lanka showed the advantages of participatory approaches even in government-initiated programmes.

In this view, governments which had failed to deliver are supposed to withdraw from the economic and social responsibilities they had assumed; private sector firms which had long endured government regulations have increasingly become subject to market forces; and the NGO sector which had long been mistrusted by government and had responded in kind are finding a much fuller role. As these organizations are given trusted places in

society, there is a growing realization among them that partnerships with governments are required if their successes are to be multiplied and diffused.

...and greater democratic freedom.

The end of the cold war is another instance of the same process and has contributed considerably to the democratization of governments in Asia and the Pacific. In the new orthodoxy of deregulation and free market reforms, democratization and individual freedoms are to play a vital role in freeing the creative energies of society. Yet another impact of the market-oriented economic orthodoxy is greater attention to institutional issues, particularly the efficient management of urban areas, where much of the industrial and commercial activity takes place.

4.1 Influence of international agencies and donors

Within this still fluid context, the changes in approach to the provision and management of urban land and infrastructure in the region, which is also strongly reflected in approaches to the production of housing that is discussed in greater detail below, were strongly influenced by international pressure. This was clearly dominated by the IBRD and to a lesser extent the Asian Development Bank (ADB), whose urban lending policies by and large paralleled those of the global bank. At a different level and with very different goals, the UNICEF urban basic services programme has also had considerable impact. The bilateral agencies have played an important role, though their style of operation has tended to be more that of supporting recipient government policies within the framework of the donor governments' aid priorities than in setting out to shape them.

Urban development policy has changed accordingly. From 'basic needs'...

Changes in IBRD policy since its first urban interventions in the mid-1970s may be characterized by a progression of preoccupations, starting with sectoral projects that were based on the provision of "basic needs" such as shelter and transport. Examples include the Indonesian and Philippines series of urban development projects and the Thailand sites and services projects. This was followed by "integrated urban projects" that set out to promote greater efficiency and equity in the provision and distribution of basic needs. For instance, the Madras urban development projects that, in addition to financing the vast sites and services and slum improvement projects in the city, also lent for the purchase of buses; the construction of terminals and depots; industrial parks for small-scale and cottage industries; and the rehabilitation of trunk water and sanitation systems. The third leg in this progression was the extension of the multi-sectoral approach of integrated urban projects beyond the confines of individual cities to regional development studies and projects such as that undertaken for the Guangju region of the Republic of Korea.

...to regional strategies.

Studies such as this led to a series of national urban development policy and strategy studies such as those undertaken for Pakistan (1983), Indonesia (1985), Malaysia (1986) and Thailand (1991), which focused not only upon the need for infrastructure investment, but more upon fiscal and other national and local resource management measures that could steer and stimulate private sector investment in urban development.

Thus, by the late 1980s, emphasis had moved strongly away from the funding of basic needs infrastructure projects and on to the wider issues of effective urban management, the stimulation of urban economic development and structural adjustment. This appeared to be a return to the 1960s' faith in "trickle-down". However, the difference with 30 years ago is that there is now a better, though far from perfect, understanding of how urban economies work. This includes the relationship between formal and informal networks; the areas where public intervention *is* required such as in the land and finance markets for low-income housing and enterprise development; the areas where it is not effective such as in the management

of local-level construction and the delivery of some urban services; what social safety nets exist and where welfare support is needed; and so on. There is also a better understanding of the importance of good governance, accountability and transparency of local democratic processes, both at the level of traditional local government and within neighbourhoods and communities.

But "basic needs" is still a crucial element...

For its part, the UNICEF Urban Basic Services (UBS) programme has made an extremely important and seemingly sustainable impact at the level of neighbourhoods and communities. It has stayed with the "basic needs" concept of local development that it entered through its concern for the plight of children and their mothers in the growing slums and shanties of the developing countries. To this it has added the essential importance not only of the participation of women, but of democratic community-level control of the decision-making processes in local development. It also worked with and through established local government structures.

UBS identifies basic needs as environmental health (safe water and waste disposal); access to primary health care; basic literacy and access to educational opportunities for both women and children; access to family planning; and access to income-earning opportunities. By implication and in practice, this range of concerns embraced the improvement of housing and urban infrastructure and services for low-income communities at large.

...especially in low-income housing.

In this way, the UBS programmes provided the foundation and entry point for other important initiatives. For instance, the British Government's sustained slum improvement programme in India, which over the last 10 years has granted some US$150 million in five major cities, was built upon the UNICEF UBS programme in Hyderabad that started in 1981. The Sri Lanka Million Houses Programme both used and helped to develop the UNICEF UBS community-based managerial infrastructure to the mutual and coordinated benefit of both programmes. Thus, UNICEF, through UBS, has perhaps more than any other international agency provided the practical basis and intellectual stimulation for the new approaches to public sector support to urban housing production by the lowest income groups.

4.2 Mainstreaming the "enabling" paradigm

Before examining the implications of implementing a support-based "enabling" strategy for housing, it is important to clarify the arguments and principles that underlie the approach. These have clearly grown out of the sequence of experiences described above but they also borrow from and are part of the wider debates around "good government" and transparency, as well as deregulation, decentralization and the devolution of responsibility and authority. They are directly associated with programmes that seek greater efficiency and effectiveness in the use of resources through the structural adjustment of government administration. And they build upon both the intellectual and the professional understanding of the mechanisms by which urban low-income households and communities house themselves that was outlined in the preceding section.

Three arguments can be made for the enabling paradigm.

The case for the devolution of authority in the production and management of housing to its users, and the provision of appropriate supports that will enable them to exercise that authority effectively, is made through three lines of argument. These are: a) the managerial and political case; b) the social and developmental case; and c) the economic case. Each is outlined below.

4.2.1 The managerial/political case

"If you can't beat them, join them".

This may be summarized by the dictum "if you can't beat them, join them". That is, there is no way that a developing country government can provide adequate subsidized housing for all those families which, through poverty,

cannot gain access to the formal private sector housing market. It has been amply demonstrated over the last 30 years that, with the exception of Hong Kong and Singapore, both of which "graduated" from developing country status in the 1970s, no third world government has the financial, professional or technical resources to take on such a task. It is therefore politically imprudent for governments to continue to proclaim plans to provide housing for the lower income groups. At best, such declarations of intent can only be regarded as a gesture that meets the needs of a fraction of the target group. At worst, they are seen as arbitrary programmes for the benefit of a selection of the politically favoured, as was the case with the Sri Lankan Electoral Housing Programme of 1978-1982, the PPP housing programme in Pakistan and BLISS in the Philippines in the 1980s.

However, governments cannot afford to abandon the poor who constitute the largest section of their constituents and a potential, if not actual, body of political support. Therefore, alternative strategies must be devised that have a high enough profile to be politically exploitable as well as being sufficiently effective and sustainable to attract international recognition and aid. An "enabling" strategy for housing that provides responsive and appropriate supports to the hitherto unaided energies and efforts of low-income households and communities provides such a vehicle. This has been demonstrated by, for example, the United National Party administration's second housing policy in Sri Lanka (the Million Houses Programme).

In summary, by promoting and participating in the private and informal settlement process, instead of making futile attempts to control it, governments use the limited resources available to them for the benefit of many more people. In doing so, the settlement processes that are already in progress and cannot be stopped become much more efficient and effective as does government influence over them.

4.2.2 The social/developmental case

The thrust of this argument can be summarized in a progression of six observations:

- The production and management of housing is a developmental process through which individuals, families and communities can express their identities and advance their status and security.
- Because of the extent to which the housing of an urban family is dependent upon the decisions and actions of its neighbours (for instance, in securing boundaries and access ways), it is a collective process.

Enabling promotes social and political cohesion...

- With appropriate managerial support, collective action can be converted into a process of community decision-making and responsibility for the wider issues of the planning and maintenance of residential areas.
- This process becomes a sustainable catalyst for the introduction of other aspects and programmes of community development such as health, education, enterprise development and income generation.
- With well supported leadership, responsible communities can thus take on many of the functions traditionally assigned to, but rarely exercised by, local government such as the administration of development controls, maintenance of public utilities and the collection of user charges and mortgage repayments.
- Stable autonomous communities are the starting-point for transforming slums and shanties into recognized urban neighbourhoods that do not represent a social or environmental threat to the city, and that no longer

consume disproportionate welfare resources. Indeed, they may eventually contribute to revenue through taxes and service charges.

The basis of this set of observations is that the production and management of housing and the maintenance of the domestic environment is a social process. Therefore, to the extent that it is neither static nor confined by tradition, it is a development activity. As has already been mentioned, the process of housing as a set of activities has become eclipsed in the public domain by the production of houses as purely physical objects. And whilst it cannot be denied that it is difficult to make a home without a house, four walls and a roof do not necessarily make a home. The difference between mere shelter and a home, or a housing estate and a neighbourhood, is to a great extent determined by the degree of involvement, responsibility and control that occupants and users have over their immediate surroundings.

...gender equity...

In all examples of successful community-based housing and local environmental development projects, women play a pivotal role that is invariably of greater significance than that of men. Women have a greater stake in the quality of the domestic environment than men. Not only are they traditionally responsible for the maintenance and management of the home and the children that they wean and bring up, but also, in low-income communities, they have a major responsibility that is often the only one for household income. In the absence of alternative care for children, incomes have to be earned in or close to the dwellings. Therefore, with careful gender planning, support-based "enabling" programmes for housing can be used as vehicles for the greater integration of women in the economic and managerial structure of low-income communities, even in societies that traditionally discriminate against the participation of women in public and economic activities.

...and other social change.

Indeed, the introduction and acceptance of such radical changes as local decision-making in environmental management and development, open many urban low-income communities to other social and cultural changes. The opportunity to exploit this for the social and economic development of the city as a whole is at the heart of "enabling".

4.2.3 The economic case

It is also economically efficient.

The economic argument for devolution of responsibility in the production, maintenance and management of housing rests in nothing more mysterious than the basic principles of economic efficiency in the match between supply and demand. The closer the relationship between the producer and consumer of housing, the more efficient will be its production and the more effective its product.

In a multiple-choice environment...

Underlying the economic argument for "enablement" is the perception that it is unreasonable to presume that all low-income households, struggling to make a living on insecure and often wildly fluctuating incomes, have identical priorities for investment in housing. Even the most cursory observation in autonomous low-income settlements reveals that house building is a continuous stop-start process that may go on for many years, even decades. The construction, extension and improvement of dwellings not only reflects changes in household size and composition but also in family fortunes. For most low-income households, building happens sporadically and often only after long inactive periods during which materials and savings have been accumulated in preparation for the construction of the next room. People only improve their houses when business is good or a run of sustained employment produces a surplus of income over the cost of food and other essentials. Only households themselves can rank expenditure on housing over the other calls on their scarce resources. Only householders can

decide upon the quality of construction or level of servicing for which they are prepared to pay.

...individual households are the most effective level of decision-making...

The discussion of the previous paragraph argues that decisions concerning the design, construction and management of a dwelling can only be effective if they are made by the household itself. In this instance, the household becomes the most effective level of decision-making. Where such decisions are made by a national or municipal housing authority, as is often the case, they must, by the logic of the argument, be ineffective. They are made at too great a distance to be economically efficient. By the same token, the most effective point at which to make decisions concerning the character, extent and management of neighbourhood facilities and amenities is the user community itself. The most effective level of decision-making may thus be defined as the smallest social, administrative or political group (household, neighbourhood community, ward, municipality) that can economically support or claim the exclusive use of a good or service.

...to organize home and neighbourhood construction as they see fit.

It must be stressed that this concept relates to authority and control over resources and actions. It does not mean that those at the most effective level of decision-making are necessarily the most effective in implementing those decisions. Thus, it does not mean that houses must be built by their occupants using their own labour. It does mean, however, that the occupants have authority over whoever does so on their behalf. Similarly, it does not mean that community facilities must be maintained using voluntary community labour. But it does mean that the management, including financial management, of neighbourhood assets is most effective when it rests with the users.

It therefore makes sense to "enable" them.

However, while recognizing the intellectual logic of devolution of decision-making to the most effective level, it must also be recognized that few low-income households, community groups and small local authorities have the capacity responsibly to take such decisions. They rarely have either the technical knowledge to evaluate the costs and benefits of alternatives, or the managerial skills and experience to implement them. Hence the need for a system of "enabling" that ensures that the most effective level can capitalize on its inherent advantage through access to adequate information and skills

4.2.4 Vehicles of support

Enablement requires a three-sector view of society.

In understanding the nature of enablement and who needs support and who should provide it, it is important to recognize a three-part model of the actors involved in the production, maintenance and management of housing. The three parts are the public sector, private sector, and community sector. The last of these, also often referred to as the popular sector, voluntary sector or third sector, has only recently been widely accepted as distinct from the private (commercial) sector. Indeed, it is still sometimes referred to as only a subcategory (not for profit) of the private sector in the usual twofold public/private sector model of the economy and administration. However, the motivations and styles of operation of the private commercial sector and the community sector are fundamentally different, as are their support requirements and their abilities to provide it.

In addition to distinguishing between the three sectors, it is also important to recognize their subdivisions into:

- the public sector: central government and local government;
- the private sector: formal sector and informal sector;
- the community sector: non-governmental organizations and community-based organizations.

The characteristics and capacities of each of these subsectors in relation to their needs for support in the production, maintenance and management of housing and their ability to provide it obviously vary from country to country. Nevertheless, it is still useful to offer a few generalities about them to develop a better understanding of the limits and potentials for change in their roles.

The public sector...

The public sector operates through processes of legal regulation and administrative allocation. By tradition, it does not compete commercially with the private sector, though it may manage monopolistic enterprises for the supply of services.

...national...

Central government, which here includes subnational state or regional administrations in large federal countries such as India and China, embraces central ministries and departments, public corporations and parastatal enterprises, and a variety of special purpose agencies and regulatory bodies. It is potentially the principal vehicle to provide "enabling" support to actors in all the other subsectors. Its legislative and regulatory powers give it unique control over what John Turner has termed the elements of housing, namely access to democratic legislation; trunk infrastructure; land and finance markets; and, to some extent, the distribution of professional and technical resources.

...and local.

Local, district and municipal government generally has similar constitutional powers within its area of jurisdiction. It can raise revenue locally, generally through property taxes and/or trading licences. Its principal responsibilities are the maintenance and distribution of local infrastructure and the administration of centrally supplied services. Through these mechanisms, local government is also a vehicle for the provision of support to lower levels of authority in the housing production process. However, in many parts of the region, local governments do not have the capacity to discharge their current functions, let alone to adjust to a new role of "enabling" others. As pointed out earlier, because local authorities have not been able to keep pace with the increased demands made upon them, they have in many countries been abandoned and allowed to deteriorate to the extent that they themselves need "enabling" support, not only from central government but also from the private sector through such processes as deregulation and administrative structural adjustment.

Effective local government is crucial.

This aspect is of crucial importance to the smooth, effective functioning of Asian cities. The defeat and retreat of national governments and the ascendancy of market economies and participatory approaches have also resulted in rethinking the role of local governments, which should be more aware and responsive to the needs and aspirations of citizens if they are to tap into community resources. Consequently, they need to be strengthened and given more executive and financial power. In India, Nepal, the Philippines and Sri Lanka, the government has passed either laws or constitutional amendments that provide local governments with greater autonomy and power. However, even in these countries, developing the capacities of local governments to manage cities effectively has not been undertaken. Their staff are still being trained in conventional methodologies and are consequently unable to understand or undertake policies which seek to empower the urban poor. While devolution of power to the local level and strengthening of local governments is often discussed, it has yet to materialize in most countries of the region.

The private sector...

The private sector has a single overriding characteristic, namely profit. Private enterprise will only enter the housing market if it perceives it to provide a higher return or/and a lower risk than alternative investments.

Thus, crudely, the only supports that can attract greater private sector investment in low-income housing are financial guarantees.

...formal...

The formal private sector embraces recognized, registered and taxpaying enterprises ranging from large transnational corporations and investment banks to small developers, building firms and service companies. There are a variety of financial, legislative and managerial supports and incentives that can make the building materials and housing production processes attractive to smaller enterprises in particular. Alternative approaches to the establishment and management of mortgage banks and the setting up of formal guarantee funds provide examples of the sorts of support that enable the banking sector to reach further down the scale into the low-income housing market. "Enabling" legislation that allows and encourages partnerships between private companies and public sector agencies for the delivery of services and the management and maintenance of infrastructure is another example of the sorts of support that can improve both the extent and effectiveness of the private sector in areas that are traditionally the responsibility of local government.

...and informal.

Informal sector enterprises operate with the same profit motives as those described above except that the informal sector, by definition, is not registered, taxpaying and regulated. This enables informal businesses to operate with considerably lower overheads and much greater flexibility than is possible for their regulated formal sector counterparts. Thus, in many countries they play an important role in all sections of the economy including the production and maintenance of housing and domestic infrastructure and services. Informal sector enterprises are often able to reach considerably lower down the income scale of the housing market than are registered, regulated companies, despite being characterized by a very low level of managerial efficiency, under capitalization, low levels of technical competence and virtually no quality control. Thus, appropriate training and managerial and capital assistance can have a substantial impact. However, it is often difficult for Governments and international NGOs to provide such support to businesses which are officially illegal. To legalize them would bring them into the formal sector, thereby forfeiting the advantages that made them effective in the first place.

The community sector...

The community sector operates on criteria of voluntary association, sharing costs and benefits within self-defined collective interest groups. They have a great capacity for mobilizing enthusiasm and creativity and can thus operate with lower overheads and more accurately targeted programmes than can the public sector, and at lower cost than the profit-seeking private sector.

... non-governmental organizations...

Non-governmental organizations here fall into two distinct categories: international NGOs and local NGOs. The first embraces a range from the big international relief organizations with multimillion dollar budgets to smaller first world NGOs dedicated to raising funds for individual households and community groups. Many have direct links to local NGOs or "field" branches of their own organizations through which they channel funds and monitor their use. Local NGOs differ from international NGOs in that they are involved as pressure groups and research and advisory bodies that directly support community-based organizations and individual households. As their name suggests, they generally operate at a national or local level. However, international federations of NGOs such as Habitat International Coalition which operates globally, and the Asian Coalition for Housing Rights, which operates continentally, belong more to this category than to that of the international NGOs which are characterized principally as funding bodies. Both categories of NGOs are net providers of support rather than receivers. The majority of their support goes to, or through, community-based groups.

...and community based organizations.

Community-based organizations are the smallest and most local of groupings above that of the household. Where they exist, they directly represent the users of public space, services and amenities at the level of the neighbourhood. They are net receivers of "enabling" support.

Responsive government is essential.

The arguments presented in the preceding paragraphs for the withdrawal of government from the design and construction of dwellings do not imply the abandonment of all government responsibility for low-income housing. Indeed, the reverse is the case. The support role of government in an "enabling" shelter strategy is often considerably more complex and exacting than when building houses, providing serviced sites or improving infrastructure in slums and squatter settlements. It requires fundamental and innovative changes in approach in four broad categories of support for the production, maintenance and management of low-income housing. These are:

- suitable and affordable land;
- affordable and manageable finance;
- environmentally sound infrastructure and sustainable services;
- technical and managerial assistance.

An examination of this new role, including the processes by which support can be provided, how and by whom, in the papers that follow which draw upon the wealth of experience that exists in the region and upon the ideas and hopes of many thinker-activists. They examine the roles, both actual and potential, of the international, public, private and community sectors and argue the case for a much more open, equitable, decentralized approach that has been built up by the experiences outlined in the preceding pages. They also draw attention to the actual and potential obstacles and constraints to improving the processes of living in Asian cities.

The new paradigm presents challenges as well...

It would be inappropriate, however, to close this paper without drawing attention to the possible downside of the current transition to the emerging paradigm of decentralized enabling government. Because its driving force is precisely informal sector activity that has extrapolated itself into formal free markets, and because this loosening of controls over the formal private sector is occurring at the same time as globalization of the economy, national governments are increasingly losing control over their economies and legislation. This is particularly so in relation to trade, labour and finance but the new freedoms, if that is what they are, are now ramifying into other areas of society as well such that developing country governments are now under increasing pressure to bring their social and even environmental norms into conformity with internationally acceptable standards. For example, pressure is already being applied to some countries to strengthen the enforcement of laws against child and prison labour. But this is happening not primarily out of concern for their well-being, but because goods manufactured by such labour are much cheaper and consequently more competitive.

...that may be ominous for the urban poor.

These developments are, somewhat ironically considering their origin, potentially ominous for the urban poor of this region. For example, the money markets of New York, Tokyo and London now impact on all economies, including those of developing countries. Thus, with global integration, recessions in the world's major markets such as the United States, Europe and Japan could have a greater impact on the economies of the developing countries. These same trends also mean that while more people are investing in their economies, they have delegated their control over their investments to a small number of fund managers, who today may even be based in other countries. Deregulation would force hitherto protected

industries to compete with multinationals, which have far greater technological and financial capacities to undercut local competitors in order to gain a greater share of a national market. The analogy could be the disappearance of neighbourhood grocery stores with the advent of suburban supermarkets. This in at least the short to medium term, would result in considerable dislocations in local labour markets. In China, for example, conservative estimates suggest that at least ten per cent of the state sector workforce, 400,000 people, would have to be laid off in order to make loss-making enterprises profitable again.

Coupled with this transformation is the advent of the information age. While it has the potential to considerably enrich those who have access to it, it also threatens to marginalize those who do not. On the positive side, it may also be one of the most powerful forces for democracy.

Ethnic and social strife may also escalate.

Another risk with the loss of power of the nation state is that ethnic and communal animosities will become stronger and will lead to violence. This has already happened among the republics of the former Soviet Union, as well as in Pakistan and India, where with the assassination of Rajiv Gandhi and the loss of a central focus, communal and ethnic violence is on the increase. Thus, people-based development may also lead, again ironically, to increasing social intolerance and intolerance towards the views and rights of the minority.

Local solutions are the answer.

Whatever lies ahead, the lessons of the past 30 years show that this brave new world must include a rethinking of development strategies for the poor. These strategies must be based and build upon prevailing indigenous processes and cultures in their respective countries. Thus, local, rather than Eurocentric, solutions must be found to cope with and exploit the opportunities provided by the changing global environment. The following papers contribute towards this goal.

Notes

1. Bhamorabutr, Abha, *The Chakri Dynasty*, D.K. Books, Bangkok, 1953.

2. Aliani, Adnan, "The incremental development scheme," Masters thesis, Asian Institute of Technology, Bangkok, 1988.

3. Phongpaichit, Pasuk and Piriyarangsan, Sungsidh, *Corruption and Democracy in Thailand*, Chulalongkorn University, Bangkok, 1994.

4. Elliot, H.M., *History of Sind - As Told by its Own Historians*, Allied Book Company, Karachi, 1985.

5. Benewick, Bob, "Political institutionalization at the basic level of government and below in China," in Gordon White ed., *The Chinese State in the Era of Economic Reform: The Road to Crises*, Macmillan, London, 1991.

6. Siddiqui, Kamal, *Local Government in South Asia: A Comparative Study*, University Press Limited, Dhaka, 1992.

7. Conversation with the Honourable Prachhote Akuru, former mayor of Songkhla, Thailand.

8. Bately, R., "Urban management in India," mimeo, University of Birmingham, 1994.

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10. Compiled by Patrick Wakely from his research notes.

11. Yap Kioe Sheng, "Rental housing study of Bangkok," mimeo, Asian Institute of Technology, Bangkok, 1995.

12. Murphy, Denis, *A decent place to live—urban poor in Asia*, Asian Coalition for Housing Rights, Bangkok, 1990.

13. Aliani, Adnan, loc. cit.

14. Murphy, Denis, loc. cit.

15. Aliani, Adnan, loc. cit.

Influential International Events

1945 1950 1960 1970 1980 1990 2000

- UN ECOSOC establishes Centre for Housing Planning and Building (1956)
- Koenigsterber Action Plan for Singapore (1961)
- Charles Abrams "Housing in the Modern World" (1966)
- John Turner paper at UN conference in Pitsburg (1966)
- Publication of John Turner's "Freedom to Build" (1972)
- First World Bank Sites and Services projects (1972)
- UN Stockholm conference on the environment (1972)
- The United Nations Environment Programme is established (1974)
- World Bank Housing Sector Policy paper (1975)
- Publication of Barba Ward's "the Home of Man" (1976)
- United Nations Conference on Human Settlements, Vancouver (1976)
- HIC established (1977)
- United Nations Centre for Human Settlements established, Nairobi (1978)
- ESCAP/UNCHS joint Section on Human Settlements established (1985)
- HIC reconstituted as Habitat International Coalition (1987)
- International Year of Shelter for the Homeless (1987)
- UNCHS/UNDP/World Bank Urban Management Programme Phase 1 (1987)
- Global Shelter Strategy to the year 2000 (1988)
- Asian Coalition for Housing Rights established (1988)
- World Bank Urban Agenda for' 90s (1991)
- UNDP Cities People and Poverty - Programme for 90's (1991)
- Earth Summit Rio (1992)
- Population Conference Cairo (1993)
- Social Summit Copenhagen (1995)
- Women's Summits Beijing (1995)
- City Summit Habitat II Istanbul (1996)

1945 1950 1960 1970 1980 1990 2000

Influential Events in India

1945 1950 1960 1970 1980 1990 2000

- Major policy document on Urban Land Policy stressing social controls over land
- Calcutta Master Plan (1966)
- Integrated Urban Development Projects
- Basti improvement programme, Calcutta
- Sites and services programme
- Slum improvement and upgrading programme
- Establishment of HUDCO (1972)
- Urban Land Ceiling and Regulation Act (1976)
- Environment improvement of Urban Slums
- Integrated Development of Small and Medium Towns
- Task Forces on Housing and Urban Development (1982)
- Urban Basic Services (1985)
- National Commission on Urbanization established (1986)
- Self Employment Programme for the Urban Poor (1986)
- Renaming of the Ministry of Works and Housing to Ministry of Urban Development
- Report of the National Commission on Urbanization (1988)
- National Housing Bank established (1988)
- Nehru Rozgar Yojna
- 65th Constitutional Amendment dealing with Municipalities presented to the Parliament (lost)
- 74th Constitutional Amendment (1992)
- State urban development strategies (1994)
- State Finance Commissions established (1994)
- Mega-cities project (1994)
- Urban Basic Services Programme for the Poor
- Renaming of the Ministry of Urban Development to Ministry of Urban Affairs and Employment (1995)
- Technical Committees: (1995)
  1. Urban perspective
  2. Financing of urban development
  3. Urban planning

1945 1950 1960 1970 1980 1990 2000

Sri Lanka - Housing and Urban Policies

1945 1950 1960 1970 1980 1990 2000

- Independence (1948)
- First Ministry of Housing(1952)
- National Housing Department established (1952)
- Peoples United Front government radical welfare reforms (1956)
- Insurgency by peasants and youth (1971)
- Ceiling on Housing Property law (1973)
- UNP government (centre-right) (1977)
- National Housing Development Department (1977)
- Urban Development Authority (1977)
- Greater Colombo Economic Commission (1977)
- Mahaveli Development Authority and major national development authorities
- Hundred Thousand Houses Programme (self-help and direct construction of houses throughout the country) (1977)
- UNICEF Urban Basic Services programme (1979)
- Million Houses Programme (Devolved "enabling" strategy for housing and infrastructure) (1983)
- Community Action Planning (1985)
- Participatory urban development (1985)
- Gras-roots programme (1985)
- Local government regeneration programme (1985)
- Urban Projects Unit established (1985)
- Ceiling on property law repealed (1990)
- 1.5 Million Houses Programme (withdrawal of subsidised credit for housing) (1990)
- People Alliance government, elected (centre left) (1994)
- Revert to state housing provision by direct construction (1994)

1945 1950 1960 1970 1980 1990 2000

Influential Events and Housing Interventions in Indonesia

1945 1950 1960 1970 1980 1990 2000

- End of WW II
- Declaration of Indonesian independence
- UN recognises Indonesian independence
- First healthy housing congress
- Establishment of the Directorate General for Human Settlements
- Establishment of cooperative housing in 123 cities and towns
- Establishment of the Housing Research Centre
- Establishment of the Regional Housing Centre (UN)
- Enactment of the first housing law (no.1/1964)
- Abortive coup by the communists
- New Order Government assume power
- Enactment of investment law (foreign-domestic)
- Five Years Development Plans initiated (Pelita)
- Jakarta and Surabaya initiate KIP.
- First national housing workshop
- Establishment of the national housing policy board
- Establishment of the national housing development company
- Establishment of the housing mortgage credit
- Junior minister for housing
- IBRD assistance for KIP and core housing
- Windfall profit from oil embargo
- Establishment of the state minister for housing
- Integrated Urban Development Programme
- Law on Condominium housing
- Second national housing workshop
- Minimum core house (RSS)
- Second housing law

1945 1950 1960 1970 1980 1990 2000

Housing Development in Viet Nam Chronology

1945 1950 1960 1970 1980 1990 2000

● Independence
● Resistance war
● Geneva peace talks. Country divided
North Viet Nam: Socialist industrialization and collectivization
South Viet Nam: Consolidation of power, successive coups
● American troops introduced to the South
Destructive air war in the North
● War ended; economic embargo imposed
● Unification
● Reform of economic policy
● Promulgation of a liberal investment law
● Full integration in global economy
● Economic embargo lifted
● Becomes ASEAN member

Urbanization

1945 1950 1960 1970 1980 1990 2000

Low urbanization
Dislocation of population
North Viet Nam: Restrained, planned urbanization; new industrial towns
South Viet Nam: Unplanned urbanization; military installations; processing industries
North Viet Nam: Evacuation; dispersion of settlements; zero or negative growth
South Viet Nam: Refugees flocked to the cities; forced urbanization
Restrained urbanization; population relocation; economic zoning
Urbanization boom
Continuing urbanization

Perceived Nature of Housing

1945 1950 1960 1970 1980 1990 2000

Consumption
North Viet Nam: Non-productive sector; social service
South Viet Nam: Consumption
North Viet Nam: Shelter
South Viet Nam: Shelter
Non-productive sector; social service
Consumption; investment
Consumption; investment;
Speculative means

Main mode of housing production

1945 1950 1960 1970 1980 1990 2000

Private
North Viet Nam: State subsidies
South Viet Nam: Private
North Viet Nam: Destruction of stock
South Viet Nam: Private
State subsidies reduced; work-units housing production
Private
Private

Prevailing Urban Housing Forms Produced

1945 1950 1960 1970 1980 1990 2000

Detached houses; row houses
North Viet Nam: Row houses + high-rise communal housing estates + detached houses
South Viet Nam: Row houses, detached houses
North Viet Nam: Row houses + high-rise communal housing estates + detached houses
South Viet Nam: Row houses + detached houses + squatters
Row houses + high-rise communal housing estates + detached houses + slums + squatters
Row houses + detached houses + slums + squatters

Comments

Both verbal and written comments were made on the paper. The nature of comments vary from direct responses to issues raised in the paper to reflections on country situations based on the issues raised by the paper. Verbal comments are summarized from the notes taken by the secretariat, while written comments are presented with only editorial and grammatical corrections. Not included are a few editorial comments as these have already been incorporated.

Verbal comments:

Some participants felt that the historical analysis was too anti-Western and negative. While colonialism did have adverse impacts on the colonized countries, the colonial powers had also improved living conditions in the colonies, particularly by increasing levels of education, the provision of infrastructure and the introduction of modern technologies. Many countries benefited from the rule of law and the establishment of modern government institutions and centres of higher learning. Similarly, the nation-building experience in Asia and the Pacific had not been all bad. National development policies had led to impressive economic gains and reduction in poverty.

Some participants felt that the paper ignored major past and present trends which have influenced cities, particularly the high population growth rate and the deterioration of both the rural and the urban environments. Others felt that the document as a whole, and this paper in particular, ignored the rural-urban continuum in the historical analysis. A sizeable portion of urban population growth stemmed from rural-urban migration.

Other participants felt that the paper's contention that an enablement paradigm had emerged was not true in many countries. The enablement paradigm, in fact, ran counter to the cultural heritage of East Asian countries which were heavily influenced by Confucianism and Buddhism, which emphasize respect and obedience for those holding positions of power.

At the same time, many participants agreed with the historical analysis, particularly the detrimental impacts of colonialism, the experience in nation-building and the cold war. Participants also agreed that enablement and empowerment were essential for addressing the future development of cities, particularly with regard to poverty alleviation.

Written comments

Professor Yue-man Yeung, Hong Kong Institute of Asia-Pacific Studies, Chinese University of Hong Kong:

"The view of past development is too negative, too ideological. It is almost like an indictment of everybody concerned except the urban poor. This is not an accurate or fair statement ... Reference to Western and colonial influence is too negative. There have been positive aspects as well: new institutions, rule of law, infrastructure, education, health etc."

Hon. Ms Margaret Shields, Wellington Regional Councillor, and former Cabinet Minister of New Zealand:

"Western (influence) and modern nation state are crude labels ... Talk of an Asian model is impractical because Asia is too diverse ... Concepts should be accepted or rejected for their usefulness."

Ms Huey Romduol, Urban Community Development Adviser, SKIP, Phnom Penh:

"Our experience in Phnom Penh shows that a local institution, with sufficient powers on fiscal and physical resources and a political mandate, can become a vital tool to carry out enabling measures for the market, local government and the community. (The process can) sometimes be mediated by a NGO or community-based organization. However, such institutional changes have immense social, political and administrative consequences and involve fundamental shifts in the concept and tasks of NGOs/CBOs. In addition, where the institutions are weak and political conditions remain sensitive, enablement policies cannot be effective (Phnom Penh). In view of this, it is suggested that this (paper) review the specific applications of enablement in practice i.e., market enablement, political enablement and community enablement and explain with brief examples the prerequisites for enablement policies to be effective and sustainable."

Major General (Retired) A. Khan Chowdhury, Vice President, Metropolitan Chamber of Commerce and Industry, Dhaka:

"The solution to urban housing problems and associated environmental stresses has to be sought by looking into the root causes of such problems. In Bangladesh the rate of urbanization has been very high, about 7 per cent a year. The urban population is now about a fourth of the country's total population. The major factor behind this rapid growth has been rural-urban migration as a result of both push (e.g. poverty) and pull (e.g. expectation about jobs in urban areas) factors.

"However, while rural-urban migration initially propelled urbanization and is still important, migration in general has ceased to be the driving force behind urban growth. The urban poor are increasingly born in the urban areas, and urbanization has thus been accompanied by an increase in the number of the urban poor.

"Manufacturing industries, services and commercial centres are located at the core of big cities. Large numbers of the urban poor cluster in slums and squatter settlements around such centres or on the urban periphery putting tremendous pressure on municipal services and causing deterioration of the physical environment. Most of the urban poor live and work in hazardous exposure situations, shunned by the more affluent. They have to contend with bad sanitation, contaminated water or chemical pollution. In other words, the urban poor are affected by water pollution, inadequate sanitation facilities, insufficient collection and disposal of solid and toxic wastes, and indoor and outdoor air pollution.

"Apart from large cities, some new areas in Bangladesh have, of late, been included in the urban category. These are *mufassil* towns and *thana* headquarters where amenities are grossly inadequate. Municipal authorities and local governments are too inadequately prepared and unable to solve these problems.

"The mechanism of enabling and empowering the poor as suggested in this paper has its rationale. The solution to urban problems may be found in accelerating the process of economic growth, strengthening of local governments, rural development for poverty alleviation and administrative decentralization; all of which will lessen the attractiveness of large urban centres by reducing the pull factor. These are not intractable issues, but the political will among governments is badly lacking in most countries.

"Once poverty issues are effectively addressed, the low-income communities will hopefully be able to develop their own housing and urban amenities in their own way and using their own mechanisms and resources. A replication of conventional methodologies tried in developed communities of the West, without support from effective local governments, non-governmental and community-based organizations and, above all, a responsive central government dedicated to the improvement of infrastructure in slums and squatter settlements, is unlikely to improve the living condition in urban areas."

Ms Young Sook Park, Director, Korea Institute for Environmental and Social Policies (KESP):

"Seoul is the last capital city established as a result of ideological confrontation in the East-West cold war. Even though the Berlin Wall is gone, citizens in Seoul still have not been liberated from the threat of war, and this situation has often been used by undemocratic governments as a means to control citizens and this consequently withered urban societies. Seoul, the capital city of the country that had suffered most by conflict and contradictions in world history, also became an object of envy among Asian cities because Seoul showed a rapid achievement of economic growth over the remnants of war.

"Seoul has 12 million people, a quarter of the Korean population, a quarter of Korean universities, and it generates 40 per cent of the national tax. Seoul is the heart and brain of Korea for its financial and market functions. It has a 600-year history as a capital city; however, this gigantic city has the characteristics of the ultra-rapid growth of the national economy achieved in just 30 years, the vitality of a booming city and a confused situation. In one generation, the population in Seoul has tripled, the urban area doubled, the number of cars increased 160-fold, and the financial volume of the city expanded 1,000-fold. Because most economic and cultural resources were concentrated in Seoul, the governmental policy for decentralization of Seoul's population was helpless. During this rapid growth, uncontrollable urban problems also appeared. In this situation, city management in Seoul was bent on taking care of the city's expansion. Large amounts of resources and administration were spent on construction of infrastructure, including houses, schools, roads, waterworks and sewage. Owing to a poor financial situation, urban development had relied on real estate speculation which consequently produced a crowded and condensed city environment, and poor urban classes were marginalized as in other Asian cities, especially in the families headed by women and the elderly.

"Facing the twenty first-century, two huge waves from different directions are crossing the cities in the world. One is the wave of globalization and informationization, and the other of localization.

"Now Seoul is confronted with a transition era of real local autonomy and self-government. Seoul has to heal the scars from the rapid growth and, on the other hand, should deal with the challenges of highly industrialized societies and information in the twenty-first century. It requires a transition in the governmental paradigm. It should be the transition from an administration of external expansion of construction to a city administration having serious consideration for human values. Efforts of the city administration for poor urban middle classes needs to be expanded, and it is good to see the initiation of such a trend.

"From the experience of a bridge collapse in the Han river, the collapse of the Sampoong department store which took away 500 lives, gas explosions, etc., the changes in city administration should protect the lives and safety of

urban citizens, resolve the severe traffic problems, repair contaminated environments, solve the neglected problems in urban poor classes, and promote citizen's welfare. In order to achieve these, administration officers, citizens and all constituents of society should abandon old ways of thinking and behaviour."

Dr. Kulwant Singh, Executive Director, Human Settlements Management Institute (HSMI), New Delhi:

"It is too strong to say that the political, economic, social and cultural heritage of Europe has been the predominant force in shaping the present world, and the Asia-Pacific region in particular. Indigenous forces of feudal social structures, autocratic political systems and Oriental philosophy have equally shaped and distorted the Asian urban development.

"The development of cities coincides with the development of civilization. During the ancient period, cities emerged as a focal point of transport, trade, business, education, religion and governance. On these accounts rivers served as basic infrastructure in the form of inland transport, drinking water, irrigation and drainage potential. The holy cities in India which are considered most ancient, such as Ayodhya, Mathura, Maya (Hardwar), Kashi, Kanchi, Avantika (Ujjain) were located on the bank of rivers. Subsequent development witnessed a gradual emergence of a gap in the demand and supply of municipal infrastructure.

"(With regard to weakening of local governments) ... mention may be made of Kautilaya's Arthshastra (200-300 BC) which provided normative structures with respect to economic development and local administration in ancient India. Many of such doctrines have lost their specific application in a modern state; nevertheless these doctrines still eulogize the ethical and moral norms of political administration. Some rudiments of local government in India trace their origin to this ancient document.

"The governance in the pre-colonial Asia began with the concepts of tribal traditions, divinity and complete supremacy of monarch. However, during ancient India, particularly at the time of Kutilya, Buddha and Ashoka, the emergence of local representatives (Gana) and their elected leaders (Ganapati) is noticed. They used to manage the Ganarajya (republics) mostly in the form of city republics. Subsequently, the "king" became more powerful and eroded the powers of Gana and started ruling through his nominees. This approach experienced a significant shift during the colonial period whereby the city system was used to cater to the business and administrative needs of colonizers and their agents.

"(With regard to the impact of economic development policies on the poor) ... the role of massive rural investments vis-à-vis urban investments in the early post-colonial period needs to be stressed for the neglect of urban areas. Rural areas attracted disproportionately more outlays in development plans for the reasons of self-sufficiency in food, their long neglect during the colonial regimes, abysmal poverty and being massive vote banks. Failure of the growth models and their trickle-down effects to alleviate poverty prompted the national governments to invest in the urban sector to produce high growth economies.

"The post-independence period has also witnessed the emergence of a powerful central government which devised and implemented the policies aiming at massive development through heavy industries and expansion of infrastructure in a larger context of equity, job opportunities and affordability. Five-Year Plans were initiated to achieve national policy goals. This also encouraged the urbanization process and the countries in the Asian region have experienced rapid urban growth.

"The role of city governments in the phase of economic development during the post independence period, however, was not properly recognized and strengthened. The development of infrastructure and services was not assigned to city governments and was carried out by state line agencies (housing boards/water supply boards) or local-level specific agencies (development authorities/improvement trusts). At the same time the revenue authority of city governments also suffered from encroachment of powers by higher levels of governments and the technical capability of city governments was not upgraded to face the daunting task of the provision of infrastructure needed to accommodate a rapid growth of the urban population.

"That public sector interventions in low-income housing provided by parastatal agencies were gradually withdrawn is not correct for all the countries in the region. Rather some of these such as HUDCO (Housing and Urban Development Corporation) in India have widened and strengthened their activities. These agencies still provide techno-financial services in housing and infrastructure to fill the existing gaps.

"The role of HUDCO in the provision of housing is particularly significant. During the last two and half decades HUDCO has approved over 11,500 schemes aiming at the provision of nearly six million dwelling units out of which at least half have been constructed in cities and towns and 90 per cent cater to the needs of poor and low-income households. In order to facilitate low-income households, HUDCO operates on a differential rate policy with the provision of concessional loans for low-income households. It is also important to mention that the lower the cost of shelter, the higher is the loan component e.g. low-income households receive HUDCO loans in a ratio of 85-90 per cent whereas the middle and high-income households have a loan to cost ratio of 60-75 per cent. HUDCO also provides loans for infrastructure, urban employment generation schemes and night shelters. In order to promote structurally and functionally acceptable and cost-effective building materials and technologies, HUDCO has supported nearly 400 building centres across the country.

"One major problem faced by the site-and-services scheme was the filtering up process. Many allotted households sold their dwellings at much higher prices to relatively better-off families (and moved) to squat at another site for a possible benefit in getting subsidized land in the future. As a result, government policies have undergone a shift towards in-situ development of slums and low-income areas and relocation is planned only for the slums situated at strategically important locations.

"The proposed enabling paradigm identifies several actors as vehicles of support. Under the public sectors subdivision, emphasis on promotion of intra-governmental and intergovernmental coordination and cooperation needs further exploration. The mechanism for making several actors responsible and disciplined agents of the enabling mechanism is found deficient.

"The implications of marginalization of city government in the development process are serious. It is particularly visible in the South Asian region where almost half of the urban population does not have access to in-house water connections and safe sanitation. The collection of garbage is only in a range of 50-70 per cent and the regular maintenance of roads is not carried out in most of the cities.

"In the current phase of productivity as the main agenda of national governments in this last decade of the twentieth century, the importance of city government is increasingly realized and initiatives are being taken to enable cities to make the urbanization smooth, productive and beneficial to

the country, city and urban populace itself. The adequacy in the municipal services is important as they provide enabling environments for the productivity of households and firms. In this sense, the agenda on productivity is also linked with the provision of safe environment, human health and equity concerns. The adequacy of municipal services, therefore, assumes further importance.

"...housing has been stressed too much (in the paper) as government intervention in urban development, whereas aspects such as public health, education and physical infrastructure, which are equally important for improving quality of living in the Asian city, have been either ignored or mentioned very casually. Likewise, the issue of land and the role of local and state governments in its development and delivery need greater attention in the discussion.

"CBOs find no mention in the rise of socialist approaches to development. They are the recent addition to the list of non-formal organizations and they distinguish themselves from NGOs for being socially active at the most micro level unit. There are too many examples from Thailand in this and subsequent papers. Case studies from less mentioned countries such as the Lao Peoples Democratic Republic, Myanmar, Viet Nam, Nepal and Cambodia could reduce the bias.

"Urban land management needs to be included in a big way, as this will be the major conflicting issue in the future development and growth of the Asian cities. The role of government in the growth of small and medium towns is lacking (in the paper). Many central and state governments, including those of India, made serious efforts for their sustained growth. Future healthy urbanization in the region will depend on the growth of such towns and hence an evaluation of the government policies towards their growth would have been desirable."

Ms. Ellen Vera Allen, Rooftops Foundation, Toronto, Ontario:

"(With regard to the weakness of local government structures, from a Canadian perspective) ... this may be viewed, in fact, as a strength! This is because it has allowed the growth of the informal sector (with all its flaws). This, in turn, has resulted in the belief of the people that they are capable of providing for themselves, or perhaps are the only ones who are going to provide for them. This has been affirmed by the fact that they are doing so daily by creating their own (slum) communities where they alone are responsible for their own planning and management.

"A weakness of Western culture and politics is that, although it is theoretically very democratic, the people are disempowered by the efficiency of their governments. They trust the Government to provide for them and are mostly incapable of acting for themselves, because of the excessively structured systems. Even activists are more likely to spend effort trying to change government policy rather than doing.

"From what I have seen in my few weeks in Thailand, the inefficiencies, lack of effective policies, etc. on the part of government bodies have in fact empowered people to believe that given the tools, they will do the job themselves. Therefore, the challenge is to provide them with tools, of policy and process (which they can evolve for their own purposes) as a critical enabling process."

Mrs. Chandra Ranaraja, Municipal Councillor, and former Mayor, Kandy Municipal Council:

"The period of weakening seen in local governments could be given in specific years. For instance, the central government could dissolve all local authorities and place them under special commissioners who are centrally controlled so that politically it is advantageous to the government in power.

"In 1978, in Sri Lanka amendments were brought to the Municipal Corporations and Urban Councils Ordinances, thereby changing the election law to allow mayors to be elected directly by the people. The mayor was also made executive head, giving him more authority. The elections were based on the proportional representation system. In 1987 the election law was once again changed. The voters were given three preference votes instead of the list system that prevailed. Mayors were selected by the Party that obtained the highest number of votes. In the mid 1980s local authorities although more powerful and effective, had financial difficulties. The revenue was inadequate to meet the high demand for development. This was taken up by the Minister of Local Government, who agreed to have the salaries paid by the ministry for all categories of employees. Further assistance was also provided by way of funding high-cost projects either by the ministry or the Treasury. Training programmes for local-level officers under the UPU Programme were initiated. Competitions to improve services housing programmes, especially for the poor, were organized. The Government also undertook land regularization.

"Owing to the above meaningful steps, local authorities expanded their services especially for the poorer sectors. Pre-schools, libraries, sports facilities, health clinics, etc. were provided by local authorities. It was possible to assist the poorer segments by providing them with water and electricity on easy-payment terms. The cost was recoverable in several instalments.

"Urban population growth and poverty caused the development of slum and shanty settlements along reservations, waterways, hill slopes and on unused agricultural land. Despite environmental hazards and degradation, these unauthorized settlements have been regularized for political advantage causing further problems to the environment.

"(With regard to national government intervention in local government) ... initially for the purpose of equitable development of cities, various parallel organizations were set up to plan and implement urban development. They have, in practice, turned out to be organs of negative influence. The Urban Development Authority Act of the 1980s supersedes the local authorities ordinances and is detrimental to good governance. The authority of the mayors and councils has been eroded. Needs and aspirations of the local people have been ignored in the planning process. Urban Development Authority laws need to be reviewed.

"In the section discussing public sector intervention in low-income housing, more examples could be cited of successful programmes especially those in slum upgrading and self-help housing, as well as examples of programmes which involve women.

"(In Sri Lanka), upgrading has resulted in land regularization and infrastructure development under the Urban Basic Services programme initiated by UNICEF. Other services such as pre-schools libraries, vocational training centres have been provided as a result of land regularization.

"(In Sri Lanka), although NGOs supplemented local authorities services they tended to be more participatory in their involvement. They encouraged

savings and credit schemes amongst the poor communities which resulted in income generating projects. At the initial stages, these communities tended to depend heavily on the assistance of NGOs rather than building up their own initiative.

"(With regard to free market and the retreat of governments, in Sri Lanka) ... the government's inability to meet the development challenges along with the open economy paved the way for the community to undertake its own tasks. This community participation process was a useful base for poverty alleviation. The influence of international agencies has been remarkable. Not only were basic needs met but they helped to train officials to meet the needs of the day. The poorest of the poor received the highest priority in the development agenda.

"(With regard to the enablement paradigm) ... it should be noted that this goes hand in hand with greater government efficiency and effectiveness through structural adjustments, deregulation, decentralization and the devolution of responsibility and authority in government administration. Enablement creates and promotes social and political cohesion. Women's role in enablement is significant, especially in housing and environment, as individual households decide on planning. More examples of this should have been given.

"The public sector, namely government, provincial and local-level administrations should gear up to meet the needs of people. Awareness, sensitivity and the will to achieve have to be generated. Hence, training and capacity-building for decision-makers at all levels are needed. Infrastructure development needs new technical know-how and allocation of budgets for priority areas identified by a participatory process.

"(Central and provincial government) organizations and arrangements made for urban planning should be reviewed. Are they playing their role or have they weakened the local authorities?

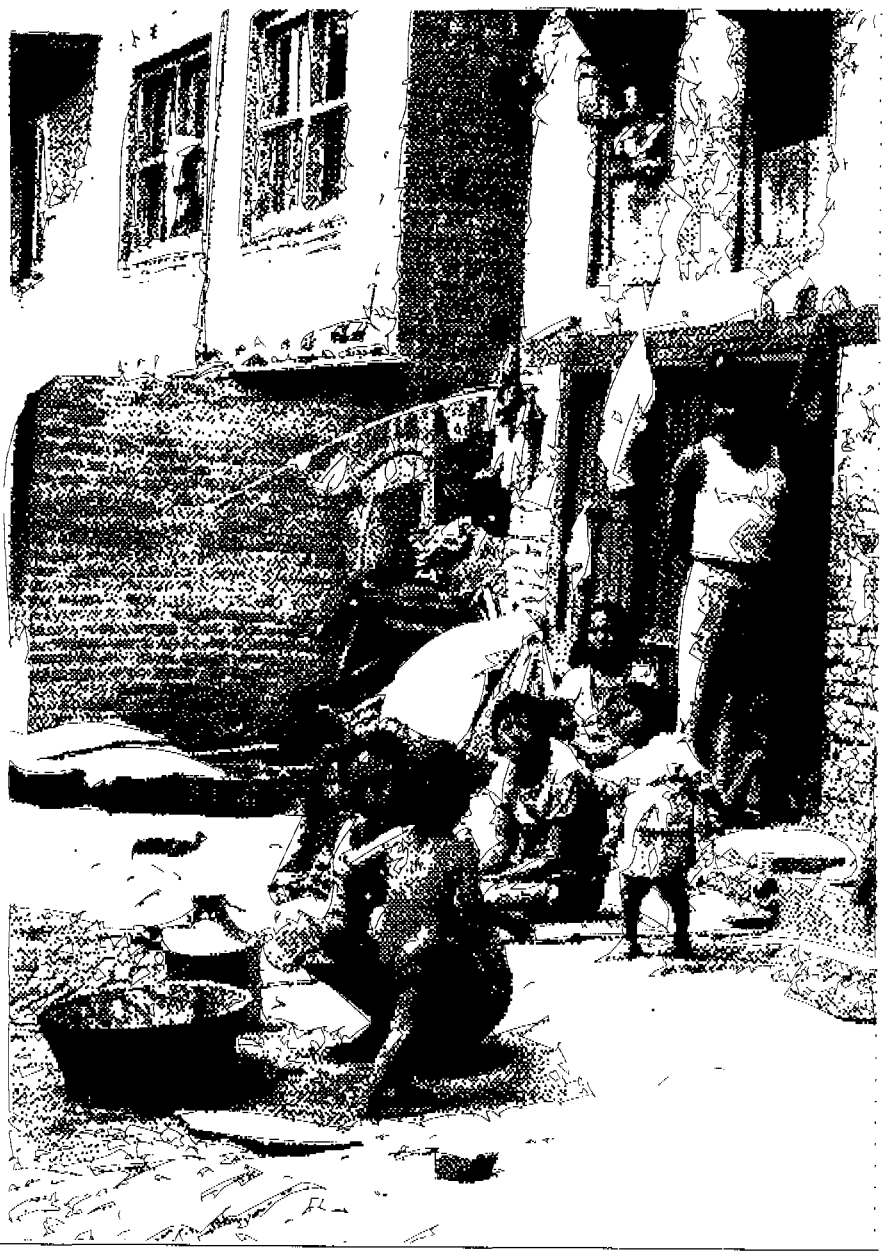
"NGOs and the other informal sector participants should be partners in the development of urban areas, together with advocacy groups and professionals. Indigenous practices in the communities could be mechanics.

"(With regard to the new paradigm) ... improving urban areas is the responsibility of the central governments, provincial governments, local governments and the civic groups. These groups have different roles but must, as far as possible, be participatory through different mechanisms. The central government needs to have urban policies - the cabinet ministries should have short-term and long-term plans for all-round development. Similarly, provincial governments should work closely with local authorities to remove funding and planning bottlenecks and provide technical advice in the planning processes. The devolved and strengthened role of local governments should be recognized by amendments to legislation and by new legislation. There is a need to encourage networking, sister-city exchange programmes for all actors especially decision makers and officials."

Paper 2. Raising the curtain on the urban drama: the need for a new approach to policy

Arif Hasan

Arif was instrumental in the initiation and development of the Orangi pilot project. He is a practising architect and guest lecturer at the Dawood Engineering College. Civic engagement and urban studies have for long been central to his work. He has contributed to his Government's national housing strategy. At the regional level, his contributions to the work of the Asian Coalition for Housing Rights are well known.



I. Introduction

Many conflicting interest groups affect urban policy...

In addition to the pattern of Western-influenced government-led urban development that has just been described, other powerful economic and political interest groups exist who also affect urban policy. For instance, when a government policy would not or does not serve the interests of these groups, they are often in a position either to influence or to subvert it. Such interests often conflict directly with those of the poor. Thus, particularly where establishments are strong and elitist, these groups can be seen as subverting equitable government itself. In these situations, they invariably form part of the establishment and thus of policy-making. This situation prevails in Malaysia, Thailand and the Republic of Korea. In South Asia, where the political culture is more populist and the establishment is consequently weaker, the same groups operate as powerful lobbies and mafias. The mafias not only subvert policies that restrict their activities, but also often exploit the needs of the poor that an inefficient state cannot cater to. Many of the lobbies are formed by powerful trade and business organizations which can play a positive role in policy-making and development, but equally may not do so. There are finally those groups who serve the poor who are so often the victims of both government policies and the disregard of the urban elites alike.

...informal and formal sectors, mafias and NGOs.

Broadly speaking, these actors determine how a city functions. Surveying the full spectrum, they can be classified as the informal sector low-income communities, mafias, NGOs, the formal private sector, and government. This paper considers the roles of each group in relation to the newly emerging paradigm of enablement to derive some broad conclusions that will be followed up in subsequent papers.

II. The informal sector

The informal sector is a major player...

The systemic failure of government in the urban context in Asia has meant that the informal sector is arguably the most important and powerful of the urban actors. Since it is driven by the profit motive that is at the core of the emerging enablement paradigm, it is also, at least in this respect, entirely in tune with the new orthodoxy. Moreover, it alone has been able to serve, however imperfectly, the needs of the region's rapidly expanding cities, particularly their often predominant low-income communities, largely because it is compatible with their culture, sociology and economics. It has thus become crucial to the functioning of most cities, even to the extent that its processes have in most cases been institutionalized.

...but is aggressive and exploitative.

This, however, has been a mixed blessing. The sector is operated by aggressive entrepreneurs. It is highly exploitative and its development work is substandard. On the other hand, where credit and technical support has been provided through pilot projects, as for example in the Orangi pilot project's housing programme in Karachi, its standards have improved and exploitation has been reduced. In this project, credit and technical advice was given to small building component manufacturers so that they could improve their products, reduce costs and increase production. However, the informal sector covers many different forms of activity. The chief ones are outlined below.

2.1 Land and housing

Informal settlements are set up by land-grabbers.

In this crucial area, the overall gap between demand and supply in Asian cities is decreasing in percentage terms, but rapidly increasing in absolute numbers. It is therefore still being filled by the development of informal settlements in the form of squatter colonies, unregulated land subdivisions on

the city fringe, land rental at long distances from the city, and in vertical slums and cages in the more affluent cities. [1] In some cases, the increasingly degraded city centres are also being converted into low-income residential areas. Much of this activity is illegal. It is carried out by toughs, land-grabbers and middlemen who have the support of corrupt police officials and other government functionaries. Finance is often provided by informal sector money-lenders, slum landlords and the real estate lobby. These actors often emerge as local leaders, representatives of the community in negotiations with the state or the landlord, and subsequently as elected councillors and members of Parliament. In the absence of an alternative, most communities come to terms with this situation, even though it is unjust. The democratic process to which most Asian countries are now committed is subverted in the process.

2.2 Economic activity

Employment is poorly paid and "disciplined".

Employment is the main reason for migration from rural areas, but most jobs are generated within the informal sector. Hence, in most Asian cities, the majority of the population works in this sector. In Karachi, the informal sector provides 75 per cent of total jobs. In Bombay, the figure is over 50 per cent and in Jakarta 60 per cent.[2] This sector operates through small workshops and businesses. It serves the needs of low-income groups and also supports the formal sector. This is done through a contracting system whereby middlemen use cheap low-income settlement labour to produce goods required by formal sector traders and manufacturers. This middleman-operated economy is extremely exploitative. Loans provided by the middlemen for production are repaid in cash or kind at an average monthly interest of 10-15 per cent. In addition, women and children are paid half or sometimes less than half the normal wage.[3] This system allows formal sector commercial concerns and manufacturers to bypass laws on minimum wages and work hours. It also prevents the development of labour unions. Much of the newly emerging system of bonded labour in both Southeast and South Asia is an outgrowth of this system. To enforce "discipline" and to protect their financial interests, middlemen and contractors employ toughs and seek police support. A number of labour activists representing the interests of non-unionized labour have either been killed or have disappeared under "unexplained" circumstances in many Asian cities.

Box 1. The wheel of fortune[4]

In the late 1960s, Bud's spirits were high. Her trade in the kampung in the centre of Jakarta was booming. She had an entourage of assistants including her husband, his second wife and some villagers who worked for food, accommodation, clothing and little pocket money. Bud proudly oversaw her stall from late evening to the early hours of the morning. Military officers, policemen and civil servants bought her banana fritters, fried chicken, beef, fish, cashew nuts, beer and numerous other items. She was able to renovate her shanty and buy all the things she had always wanted. She dreamed of obtaining a permanent stall and of her baby daughter becoming a doctor.

But by the late 1970s, Bud's good fortune had turned sour. Within 10 years she regressed from being one of the most successful stall-holders in the neighbourhood to bankruptcy. Her stall was squeezed out by multi-storey buildings, highways, traffic and the city authorities who were keen to make Jakarta a modern metropolis. Her customers had been relocated and access to her shop as well as to her sources of supply, declined sharply as pedicabs were banned from the city centre. Suddenly, her trading area was deemed to be a car park.

Thus, by 1978, she was carting her wares on her hip and head around the streets of Jakarta without being able to find a new location. All the others were either already occupied or subject to frequent raids. Bud was now lucky to find 10 customers a day. Her income had fallen from Rp. 4000 to Rp. 100. About this time, her mother died and Bud began to shrink both mentally and physically. She died in 1987, leaving her 14-year-old daughter, pregnant and unmarried, to fend for herself.

2.3 Waste management

Waste collection is a vital service.

Formal sector solid waste management in the region's cities is poor, in many cases serving only 30 per cent of demand. The cities do not suffocate on their solid wastes because of the informal system that collects and recycles all recyclable materials at very low cost. This activity also generates jobs and provides economic benefits to households who can sell part of their solid waste rather than throw it away. Thus, glass, plastic, paper and metal are all recycled. Rags are turned into fluff by rag-pulling machines for the upholstery business or woven into coarse cloth. However, the recycling processes used are primitive and environmentally damaging. Thus, many city governments have tried to restrict them rather than taking a more positive view and helping to improve the processes through research, credit and technical advice. Much of the recycled material is acquired from state agencies by informally paying government officials.

Recyclable materials collected by informal sector waste-pickers from garbage dumps* (per cent) [5]

Type of garbage collected per day	*Bangkok*	*Bombay*	*Karachi*	*Kuala Lumpur*	*Shanghai*
Plastic/rubber	27	15	12	5	67
Glass/porcelain	48	10	17	8	1
Cloth	1	20	8	2	2
Newspaper/magazines	3	20	11	10	2
Other paper/cards	7	5	28	45	15
Bones	4	5	-	8	-
Wood-based	1	3	-	-	2
Metal-based	9	20	22	30	8
Other	1	2	2	-	1
Estimated total daily tonnage collected by the city	286	525	n.a.	40	90
Recyclables as a per cent of total	5	15	n.a.	2	10

* This does not include recyclable materials collected by itinerant collectors, junk dealers and others.

2.4 Public transport

The informal sector plays an important role in this activity. It provides credit for buses and taxis, uses animal-drawn vehicles and pushcarts which service wholesale markets and ports; and provides contract vehicles to transport labour to and from work where public transport is lacking.

The informal sector finances much public transport...

Research shows that most pushcarts in South Asian cities are rented by vendors or hauliers since they do not have the small capital to purchase their own carts and thus increase their earnings. In the same manner, animals are often purchased on hire-purchase; instalments are so high that purchase is often completed only when the animal is of no more use. Public transport is also often funded by the informal sector. For example, the vast majority of Karachi's 13,800 minibuses have been bought this way. The cost of the bus to the purchaser is about three times its actual cost. By the time he finishes paying for it, he needs another loan to overhaul his vehicle. If an instalment is late, the financier's toughs simply confiscate the vehicle.[5] The financier has full police support in this activity. Meanwhile, government credit schemes for the transport sector are far too small for the demand and invariably fail to recover their loans.

To overcome transport problems, the informal sector has produced a number of innovative solutions. For example, in Jakarta, Bombay and Karachi, neighbourhood groups acquire buses or Suzuki vans on contract to carry them to work and back. The Bangkok solution is explained in box 2.

Similarly, most city governments also have limited capacity to operate and maintain other city functions. As a result, urban traders, shopkeepers and vendors often form organizations that have informally taken over the operation and maintenance of their markets and other areas. They lobby with government agencies for improvements.

Box 2. Motorcycle taxis in Bangkok[6]

One of the major reasons for Bangkok's notorious traffic jams is that the city possesses hardly any secondary roads. Primary roads like Pahonyothin Road, that connects Bangkok's northern suburbs with the rest of the city, are linked by long, winding lanes which sometimes are interconnected. Soi 14 is such a lane. It is connected to sois 2, 4, 6, and 8, as well as soi 4 off Suthisarn Road. This interconnected network of lanes is about 4 kilometres long, is 3-5 metres wide, and serves about 10,000 people. The reason for this haphazard road network is that there was no prior planning. The Government built the major roads and private developers built subdivisions and housing, To keep their profit margins high, these developers subdivided land with a minimum of road space.

Given Bangkok's heat, pollution and the relatively long rainy season, many commuters prefer not to walk from bus stops on Pahonyothin Road to their homes in the sois. The army, which has a large base between Pahonyothin and Viphavadi Rangsit Highway, a parallel road, started a minibus service between its base and Pahonyothin in the late 1970s. However, this service was irregular and unreliable, with commuters having to wait up to an hour for a ride in the right direction. To meet this gap between supply and demand, motorcycle taxis appeared at the mouth of Soi 14 to take commuters from the main bus stop to their houses.

No-one knows who thought up the idea of using motorcycles as taxis in Bangkok. Their appearance in Soi 14 was clearly organized as an enterprise. Drivers own their bikes and are issued with vests with numbers on them. It is rumoured that the organizer is a Sergeant-Major of the Bang Sue Police Station, at the corner of Pahonyothin and Soi 14. He and his colleagues collect a monthly "rent" for allowing the motorcycle drivers to operate in the area. Motorcycle taxis have become such good business that they are carefully, though informally, regulated by the police who allow only 30 motorcyclists to operate in the soi. Those who want to use their motorcycles as taxis have to pay as much as Baht 15,000 for the privilege, in addition to the monthly "rent". Motorcycle taxi drivers make between 30 and 40 trips per day and charge Baht 5 per trip. In addition they also take commuters to other parts of the town to avoid delays in traffic. Depending on the distance and the need of the passenger, fares vary from Baht 20 to Baht 50. Such motorcycle taxis exist in every long soi of Bangkok.

In 1993, the Government decided to pass a law requiring motorcycle riders and passengers to wear helmets. This law would have affected the revenues of the industry as drivers or their patrons would have to supply helmets for the drivers as well as passengers. Moreover, many passengers would hesitate to wear helmets worn by other people. The motorcycle taxi lobby was strong enough to have the law amended to make it compulsory to wear a helmet only when riding on main roads. Thus, most motorcycle taxi operators were exempted from wearing helmets in their daily work.

2.5 Social services

...and some social services.

In most Asian cities, education is increasingly provided by the State. However, in many low-income areas, the informal sector also provides education either for profit or as a social service. Health facilities, on the other hand, are increasingly provided by the private sector and traditional practitioners who operate outside the regulated or recognized system. No attempts have been made by the formal sector to improve these informal sector activities or to link up with them despite their major contribution to urban society. In Orangi, for instance, a squatter settlement of one million persons in Karachi, there are 76 government schools and 569 private ones, the latter set up by "education societies". Their fee structure makes them affordable. In addition, there are 7 private hospitals, 596 private clinics and 38 private maternity homes. However, there are only five government hospitals and four government family planning centres .[7] Similar situations exist in many deprived settlements in Asia.

All this activity is ignored by government planners.

This intense activity by the informal sector, consisting of land acquisition, house-building and its related activities, credit and support for economic activity, solid waste collection and recycling, constant negotiations with government agencies to develop transport systems and manage markets, and the development of social facilities, is not recognized by state planning agencies. Nor does it enter their statistical data, planning and implementation processes. Yet this activity serves the poor, who are considered the major problem in Asian cities. In most cases, it takes place in defiance of government rules and regulations, although it is now increasingly tolerated without being supported.

III. Low-income communities

Insecure communities are served but held captive by the informal sector.

Low-income communities are, in the main, the result of explosive urban growth caused by industrialization and capitalist modes of farming in rural areas. They live mostly in informal settlements that were established by and are the focus of informal sector activities. Where the communities have no security of tenure, they organize themselves to lobby the political and bureaucratic agencies for such security. When these organizations have expert legal, planning and lobbying advice, they often achieve considerable success. When they function on their own, they invariably fail. The greater their insecurity, the greater their exploitation by the informal sector and government agencies, especially law enforcement. A well-known example of successful resistance to eviction, supported by NGOs and concerned citizens, is the case of the SAMA-SAMA organization in Manila.

NGO support offers an escape.

Advice to low-income communities is provided for the most part by NGOs and concerned professionals. However, there are not many of them and they seldom reach more than 5 per cent of the total urban population. In cities with a strong establishment and little or no populist or political culture, these NGOs and concerned professionals have great difficulty as their work invariably brings them into some form of conflict with the establishment. However, NGO and professional intervention not only provides poor communities with the knowledge that they badly require, but also provides access to the corridors of power and technical assistance for their development initiatives. Unfortunately, the number of such NGOs and professionals is not keeping pace with the expanding urban populations who need them.

With help, communities can upgrade themselves...

Communities who have de facto or de jure security invest large sums in their homes and local infrastructure. In a recent survey of 27 Karachi *katchi abadis,* it was found that the communities had invested over Rs 22 million in building their water supply and sanitation systems[8] Similar results have been documented for a number of settlements in Delhi[9] In both cases, the infrastructure was of low quality because of lack of technical and managerial support. However, when such support has been provided, as at Orangi and the Kumpung Improvement Programme in Surabaya, infrastructure design and construction quality are excellent.

Similarly, house construction is usually substandard when it entails high interest informal credit, small contractors and semi-skilled artisans. However, when support to the informal sector entrepreneurs is provided, masons are trained, and the awareness of the community as to design and technical issues is raised, housing quality improves and a more equitable relationship between the actors is created.

...but social issues are a major challenge.

As the second and third generations in low-income communities come of age, major changes are taking place. Links with rural areas are becoming weak and often vanishing altogether, while the rural concepts of community

organization based on clan, tribe or extended family are no longer valid. These developments, together with the adoption of urban values by the younger generation, are changing the relationship between low-income communities and the State. In the absence of rural links and the breakdown of conventional social systems, the younger generation wishes to belong to urban society and to be associated with its civic, cultural, economic and political institutions. When such an association has been possible, there has been a consolidation of this change of values as reflected in the politics, lifestyles and aspirations of the group that has been integrated. When the development of such an association has not been possible, the result has been alienation, anger, violence, crime — and a dependence on mafias for physical and economic survival. The only hope of escape from such a situation then depends on community organizations. Even those that promote sports or a library, dispose of garbage or establish a savings group help to initiate a process of change away from the mafias.

IV. Mafias

Mafias are at the heart of the informal sector...

In the present administrative climate, mafias form the interface between an uncaring, incompetent government and the needs of the low-income communities. They are also at the heart of the informal sector as it currently exists. Such a situation has arisen because governments lack the political will, capability or capacity to meet the needs of low-income communities. They have thus lost their ability to protect the poor and helpless. This state of affairs is exploited by informal sector entrepreneurs and middlemen who settle the poor on government or state land and make them pay for it without offering any long-term security. They also act as job placement agencies and recover a tax for it. They provide loans to informal sector businesses at high rates of interest. They offer protection from police excesses at a cost that they share with the police. To carry out these activities they rely on muscle and their informal links with government functionaries. An important part of their operations, with which they finance their other activities, is drug pushing, prostitution, gambling and various forms of smuggling and black marketing. The manpower for this activity is invariably recruited from the low-income communities themselves whose needs they "serve".

...but they cannot operate without formal sector support.

The mafias cannot function without the support of government functionaries, especially the police. Nor can they operate in affluent areas where people have access to the corridors of power. This often makes them the de facto government in low-income settlements and creates a sharp division between such settlements and the rest of the city. They give financial and organizational support to political parties in the election process, thus ensuring that their activities are guaranteed by the political system as well. Many successful political candidates, except in rare cases when there is a populist upsurge, are mafia members or persons supported by them. Recent research into the political economy of Thailand indicates that candidates belonging to or supported by local mafia syndicates consistently win local elections in secondary cities and towns. Administrations of candidates who manage to win in spite of the mafia are often subverted by officials within the local government, who are in league with the local mafia.[10]

The inability of the State to provide services, employment and access to the corridors of power for the poor thus also leads to a failure to provide justice and protection. This failure introduces and sustains a system of violence, coercion and extortion in urban areas.

Box 3. The Chao Pors of Thailand[11]

Chao Pors, or "influential people", as the press euphemistically terms them, are local mafia bosses who operate in almost every province of Thailand. They are often involved in local politics and often play the role of kingmakers in their realms. They or their henchmen often get themselves elected to local government. Politicians from major parties often pay them homage. The whole Chao Por system is based on the criminalization of the traditional Thai patron-client network. In the days of the absolute monarchy, patron-client networks centred around the nobility. Often retainers or clients of particular nobles would settle around their palaces, thus establishing a patron-client relationship. At the secondary level, those officials, businessmen or relations who had a close relationship with the nobles had their own networks of clients. This essentially feudal system ensured that common people had some sort of protection against the vagaries of bureaucrats. In their times of need they could rely on their superiors for help. An intricate social classification resulted because of this pyramidal system, remnants of which can still be found in present Thai culture.

The abolition of the absolute monarchy resulted in the decline of the powers of the nobility. Their role was assumed by bureaucrats and military generals. These new masters were not guaranteed power and wealth like their predecessors who enjoyed these privileges because of their birth. Moreover, as bureaucrats and generals were often transferred from one post to another, many of them were unable to entrench their clientele in a given locality. This resulted in the creation of a power vacuum in the pyramid of patron-client network.

Thus, while the top echelons of the bureaucracy and the military were able and willing to dispense favours, their linkage with the general public, in the areas where they were posted, was missing This vacuum was soon filled by a new elite who ensured that the new administrators benefited, particularly in terms of wealth, from the favours they dispensed. They also ensured that the status quo, which guaranteed the powers and privileges of the bureaucrats and the generals, remained undisturbed. However, this often meant using illegal means to silence dissent and keep the masses in line. The use of illegal means meant, in turn, that the new local elites either had strong links to or were themselves part of the criminal underworld. In return for their services, they were given more or less a free hand to conduct their rackets which, depending on their locational advantages, included smuggling, extortion, gambling, sex and drugs.

As officials and generals were often transferred from one post to another, these local power brokers became independently strong. Over time they amassed considerable wealth and some of them or their offspring established legitimate businesses and entered politics. With the advent of democracy and elected forms of government they became quite powerful in gathering votes for politicians. The rise of a politically aware middle class, particularly in Bangkok and its surrounding provinces, has led to a decline in their political power but they still play a powerful role in towns and villages outside Bangkok. The Thai press has recently accused some leading politicians from the north of ties to the drug mafia and from the south of smuggling oil from Malaysia.

V. The NGO sector

NGOs are major potential players in the new paradigm...

As noted in the previous paper, NGOs are becoming an important factor in low-income housing and urban development. Their numbers are increasing. Government planning strategies increasingly recognize and promote the concept of involving them in planning and implementation of development. In recent years, multilateral and bilateral aid agencies have been seeking to involve them in their programmes as well. However, NGO involvement with development programmes is on a very small scale. Even where such involvement exists, the NGOs are asked to support government programmes on government terms. As a result, much NGO action that could be effective dissipates itself in uncoordinated and ineffective work.

...but need more support.

Traditionally, the more moderate NGOs have tried to act as a bridge between local communities and government agencies. The major assumption has been that governments can accommodate NGO strategies that have evolved through their work experience. However, government agencies have not gone through the same experience so that even if NGO strategies are accepted, they usually remain limited to a specific area or project. Often a radical or populist government agenda wipes out such projects. In other

cases, NGOs have tried to assume the role of informal sector entrepreneurs and middlemen, thus trying to protect communities from exploitation. However, no NGO can substitute for the informal sector and such attempts have either been too small to make a difference or have been complete failures.

Where NGOs have supported the informal sector and have forced governments to support community-initiated programmes, they have had considerable success. The work of SPARC in Bombay is a case in point. Many such NGO programmes have been taken up for replication by state agencies. However, once they become government programmes they are suffocated by state organizational culture and political exploitation. Either they are discontinued or survive as showcases.

They also have internal problems...

Many NGO activities have, in the past, had a Robin-Hood quality and hence been counterproductive. In more recent years, NGO activity has become increasingly donor-driven and has thus been forced to deal with issues that are not priorities for their communities. In addition, most urban NGOs do not have the technical and managerial capacity to absorb the funds that they are being given. Moreover, such money is often given for only short periods so that the NGO programme may collapse when it is discontinued. Attempts to generate funds locally are seldom made. Technical and social research, which could help NGOs in their work and in developing a more equitable relationship with government, is not undertaken by them or other organizations because of lack of vision, capacity and capability.

...that include righteousness.

A major NGO problem has been its perception of the informal sector as exploitative and evil and hence not fit to work with. Its processes have not been studied or analysed. However, the fact remains that in almost all situations low-income communities depend on the informal sector more than on NGOs or government institutions for employment and services. There is thus a need to establish fresh NGO perceptions and directions that can help to tackle urban issues, especially those related to poor communities. However, this can only be achieved if the positive aspects of existing processes are understood, accepted and built upon, rather than attempting to weed out what are perceived as the negative aspects. This approach would also result in more effective use of the large funds that are currently available. There are a number of successful NGO initiatives. These could serve as models for NGO work in urban areas and as the training ground for other NGOs.

VI. The formal private sector and related organizations

This sector has so far received little notice in this account of living in Asian cities, yet it was a core element of the failed paradigm of centralized government and "trickle down" that the socialist approach responded to. Now that a new paradigm is emerging, it turns out to be a key player here too. Significantly, it shares strong affinities with the informal sector including the profit motive, and is therefore similarly prone to produce its own mafias.

6.1 Real estate developers

Realtors serve the urban middle class...

The most important formal sector actors in the housing drama in Asian cities are the real estate developers. These people cater to the needs of the rapidly growing urban middle class. Since real estate is the safest investment and one that frequently gives the best returns, it is purchased by the middle class. Hence, a far larger quantity of housing and plots is being developed than is required. The removal of global barriers to the movement of capital as part

of the new paradigm has created a boom in this activity. This, in turn, has led to large-scale land purchases by the developers. In most cases, this land could have been used to house the poor because of its proximity to work areas. Indeed, research shows that much of this land has been acquired by evicting existing poor settlers. This has often been carried out illegally through coercion with the active support of state officials.

...and have their own mafias.

As can be seen from this brief description, real estate is big business. Thus, the developers belong to the same class as politicians, top bureaucrats and other policy makers. What they cannot achieve through social and class relationships, they manage by bribing politicians, bureaucrats and mid-level government functionaries. They also finance the election campaigns of candidates for national, provincial and local body elections. They thus have a major say in policy-making and can even subvert approved policies that do not support their activity. In most cities, real estate developers have formed associations that act as mafias. They are the major beneficiaries of government subsidies and loans for built housing. They have a representative on almost every policy-making committee. They do not serve the needs of the poor since profit margins in that sector are too small. Indeed, there is an inherent conflict between the poor and developers because much of the land that they develop, or seek to develop, is acquired by bulldozing low-income settlements.

Realtors simply recycle Seoul's slums...

Many examples of these activities can be given. A study in Seoul by the Asian Coalition fo Housing Rights sums up the situation: "Land prices in Seoul are amongst the highest in the world. A square metre in the central area can cost up to US$ 43,000. In the poorer areas, it can be as much as US$ 8,000. The cost of even the cheapest new housing is beyond the reach of most Koreans. They become renters and the poorest rent in slums. Overall, the number of renting families has grown from 51.0 per cent [of total households] in 1970 to 59.3 per cent today. Moreover, renters live in increasingly crowded and cramped conditions. In 1985, 70 per cent of renters were occupying less space than they had in the past..[12] Increasingly, "slums" on private land are demolished. Their residents are given the option of purchasing a flat in the high-rise schemes that replace the settlements. However, about 60-80 per cent of the new flat owners are likely to be real estate investors or speculators. Only 5-10 per cent of the original owners receive an apartment since the rest cannot afford one.[13] As a result, new squatter settlements and slums come into being but these are far from the city centres so that their "ugly" existence can be ignored for the time being. The Government's public housing programme for 1988-1992 was a major improvement on previous policies. However, it was estimated that even this would not reach 20-30 per cent of the people who were above the poorest 10 per cent in Seoul.[14] In preparation for the 1988 Olympics, 230 "slums" were destroyed, affecting about 3.5 million people. In Kuala Lumpur, similar "relocation" strategies have raised its squatter population from roughly 175,000 in 1976 to about 500,000 in 1994.[15]

...promote urban migration in Thailand...

The real estate boom has reduced housing options for low-income communities in comparatively less affluent countries as well. This can be seen, for example, in Thailand where farmlands have been sold to investors. Between 1987 and 1990, the tax revenues collected on these sales increased from US$ 209.440,000 to over US$ 1,000 million. Much of this land use change has catered to tourism. Although an exact figure of the number of people displaced is not available, it is estimated in the hundreds of thousands.[16] Ultimately, these people find their way to urban areas. Bangkok is the city where land sharing, a solution to eviction, originated. However, people continue to be displaced from central Bangkok since land there is very expensive. There are 1.2 million people living in Bangkok slums; 18.2

per cent of slum dwellers face eviction pressure and 4.8 per cent face an immediate physical or legal threat. People who are evicted are supposed to be rehabilitated through the Land Relocation Project. However, this project has to date been too small to provide serviced land to the evictees and has so far served only 3,000 households. It is estimated that more than 30 per cent of those who have been relocated have sold their land and become renters or squatters again.[17] Although, in addition, various NGO-CBO projects have worked with government agencies, only 26 low-income communities comprising 2,490 households and 13,000 people have so far benefited.[18]

...and have been known to set fires.

Even in politically populist Bombay, there have been evictions as a result of real estate activities. In 1987 alone, over 28,000 people were affected by documented demolitions. Of these, over 25,000 people were displaced because their homes were gutted by fire. It is estimated that twice this number were affected, but these other demolitions were not recorded. It has been suggested that the fires were not accidental as claimed by the police, but were "created" by a nexus between government agencies, builders, real estate agents and big business interests.[19] Discussions with professionals and NGO representatives from various Asian cities show that similar processes are taking place in all cities where squatter settlements exist on prime land in the city centre.

It has been noted that the real estate lobby is not interested in civic issues. Their involvement in improving urban living standards and the environment is related only to profit. In some cases, they do give charity and make major investments in setting up prestigious health and education centres and parks but these almost never serve the poor and are not in their areas. In addition, NGOs and CBOs constantly point out that the real estate lobby has strong financial and political links with the underworld of crime.

Slum and squatter settlement clearance by real estate developers has been effectively resisted by community residents in many cases. Wherever the poor have been successful, it has been noted, they were supported by professionals and NGOs.

Box 4. Squatters on my land[20]

Bernado is the eldest son of a well-known landowning family of Manila. In 1992, he wanted to develop a piece of land in downtown Metro Manila as high-rise condominiums. Because of his father's "soft heart", there were 173 families squatting on the land. Bernado sent some men from his company to ask them to move but, with the help of some leftist priests, the squatters had formed a welfare association which demanded Pesos 50,000 from Bernado's company for each squatter family to move. This meant that Bernado would have to pay Pesos 8,650,000 to get *his* land back! He was outraged and righteously refused.

He met the Mayor of the municipality at dinner at a friend's house and asked him to help him move the squatters. Bernado's family had confidentially paid a sizeable amount to the Mayor's political campaign during the last election. To hedge their bets, they had also contributed a similar amount to his rival's campaign. The Mayor very politely declined to help Bernado's family. His main reason was that it was politically dangerous for him to be seen helping one of the richest families of the city against poor squatters. As the squatters were organized and had links to NGOs as well as the Church, they would be able to resist eviction. The media would play up the incident as a struggle between David and Goliath.

In his father's and grandfather's times, there would have been no problem in evicting the squatters. Both men had maintained small armies of retainers who could have forcibly removed them. Educated in the United States, however, Bernado did not subscribe to these barbaric approaches. Instead, he asked his lawyers to file an eviction suit against the squatters. To ensure a quick and favourable decision, Bernado contributed Pesos 25,000 to the judge's retirement account.

Armed with a court writ, he visited the City Administrator. He explained his problem and bemoaned the unwillingness of the Mayor to lend a hand in a court-authorized eviction.

To ensure that the City Administrator and the City Engineer's office and the local Police Chief's office would carry out their duties, he contributed about Pesos 1,000,000 to their various retirement funds. The City Administrator waited until the Mayor had gone on an extended visit abroad and then asked the City Engineer to take some policemen with him to evict the squatters. As was expected, the squatters resisted. Unfortunately, the police had to open fire when they were pelted with stones and seriously injured a known anti-social teenager. According to the Police Chief, this was justifiable self-defence. The squatters and their leftist allies in the Church, the NGOs and the media exaggerated the incident. They made it sound as if the whole of the squatter population of Manila had been massacred, rather than a known troublemaker.

The media uproar resulted in the involvement of the Archbishop's office as well as that of the Presidential Commission for the Urban Poor. However, the police and the City Engineer's men were able to evict the people who were given shelter at a nearby church. The squatters, assisted by human rights activists, then threatened to file a wrongful death suit against the police, as well as Bernado's family. Their case was based on the fact that provisions of a new law protecting squatters which had been promulgated earlier that year had not been followed. According to the law, 30 days notice had to be given, relocation and compensation negotiated with the squatters, and eviction carried out during office hours and in good weather.

Bernado would of course have won the suit but the negative publicity would have been damaging. It would have portrayed his family as heartless gangsters. They therefore persuaded him to find a compromise with the squatters so that they would not file their suit. Thus, through the Archbishop's office, Bernado offered to allow the squatters to stay on another piece of his family's land and promised not to evict them for at least five years. He also offered each household Pesos 5,000 for damages. After a week's negotiations, during which the Church urged the squatters to accept the offer, the squatters agreed to move for Pesos 10,000 per household.

Bernado's family made a profit of about 200 per cent on the sale of the condominiums. He is now thinking of evicting the squatters from the new piece of land and will follow the letter of the law to avoid negative publicity. However, he does not understand why he has to go through all these hassles and to pay bribes and compensation to get back land which was his in the first place.

6.2 Employers and trade unions

These groups could greatly benefit from the enablement paradigm.

In most Asian countries there are laws which require industrialists and employers to provide housing and social benefits to their workers. In most countries these laws are not implemented because industrialists complain that they cannot afford the cost of land for housing and that government support in the form of credit is not available. Trade unions, who are the bargaining agents for the workers, fail to politicize this issue successfully. This is because their approach to the housing issue is a conventional one, which means that they want their members to be given built housing. This is a hangover from their Marxist origins. The concept of acquiring tenure security where they currently live and improving their homes with assistance from their employers is unknown. Other known unconventional approaches to the housing issue, which can be supported by the employers are also unknown. At the Manchester Forum meeting in July 1994, trade unions along with the NGOs, CBOs and Chambers of Commerce and Industry of major cities were represented. The gap between NGO and CBO perceptions related to housing and those of the trade unions surfaced very strongly and so did their lack of interaction with each other in their own countries.

Trade unions and employers armed with knowledge and awareness of housing issues, policy frameworks and new and innovative initiatives can effectively help to bridge the demand-supply gap in housing for low-income communities. Again, expert technical advice and support to the trade unions is required. In addition, active trade union representation is necessary in all urban policy-making and monitoring forums. Such representation seldom exists, and even where it does, it is symbolic in nature.

However, trade unionism is facing major problems in Asia. On the one hand, there is the growth of contract labour that is restricting the growth of

trade unions, thus eating away at their political power. On the other, support for the concept of political trade unionism by political parties in Asia has declined at a result of their support for the free market economy, which is aggressively promoted by the industrialized world.

Box 5. Women's work in a free trade zone in Sri Lanka[21]

I come from a village in the very south of the country. I am the eldest in the family. I have two sisters and two brothers. Three of them are still attending school. My father was a farmer. He is now sick. He had a stroke. My mother is too old to work. So I am responsible for the upkeep of the family. For the past two years I worked as a quality controller in a garment factory in the Free Trade Zone. I have never worked in a factory before. The factory I work in is owned by some people from Bombay. About 95 per cent of the workers are women. There are about 800 workers in this factory. I get Rs.865 per month (US $22) as my basic wage. If the overtime I do is properly entered, I should earn Rs. 2,000 per month (US $50). But I get only around Rs. 1,300 at the end of each month (US $32). They ask for targets that are impossible to attain so we work an extra three to four hours every day to attain this target. This is not recorded as overtime work, and we receive no payment for it.

I came to this job on the recommendation of the Member of Parliament in our village.

Our family supported the United National Party in the 1977 elections, so we could get these letters without much problem. I had a lot of hopes when I first came. I believed I would have the chance to study further. But now, by the time Monday or Tuesday arrives, they have forced us to sign an agreement to work on Saturday and Sunday. If we do not sign, they remove our time cards and we have the option to leave the factory and never enter again! So I have no time and no energy to pursue my studies.The wages I receive for the long hours I work are not sufficient for my needs. I spend as little as possible on myself and send the rest home. There is no fixed amount I can send home, but I regularly send them money because they are waiting for it. This week I had a letter from my brother asking me to send him money for his accountancy classes. Sometimes I fear their future will be dashed if I am not able to earn enough.

The factory has hardly any provision for health hazards. The atmosphere inside the factory is full of small fragments of cloth dust. The management refuses to supply us with masks. Last Saturday, a woman working in the same section found her face swelling. Within minutes her whole face had swollen up to the point of being unrecognizable. She was taken to the hospital. At 4 p.m. she was brought back to the factory and forced to work to 6 p.m. She was not allowed to return home. She told me that her face and neck were all numb. She could feel nothing there at all.

On the first of January (1988) there was a strike at our factory. The production manager, who was supportive of the workers, was dismissed on the basis that he wanted the management to give the women a Christmas party on the profits they earned, instead of deducting the cost from the wages of the workers. The GCEC intervened when the strike was on. They threatened to dismiss all of us and make sure that we would not be re- employed in any factory within the FTZ. The only authority that can intervene on our behalf is the GCEC. But when they act so openly on behalf of management, we realize that we can no longer depend on the GCEC. Every month, at least 25 petitions reach the GCEC from our factory alone.

6.3 Chambers of trade, commerce and industry

The conservative face of the formal sector...

These epitomize the formal face of the private sector and play an important role in determining government economic policies and investment priorities. Almost all cities have their own Chamber. Such organizations are extremely conservative and have no links with NGOs and social sector issues. Similarly, they have little or no knowledge of the problems of low-income communities or of the requirements and functioning of the informal sector. They are seldom, if ever, members of housing policy, master plan and other government committees related to urban issues. Even if they are, their involvement is symbolic. Significantly, many politicians and ministers are drawn from these lobbies.

...is slowly changing...

However, recent developments in such organizations suggest that they are changing. An increasing number of small and middle-level businesses are joining. Although this is resented by the larger business houses who have dominated such organizations in the past and who have close links to the

state bureaucracy and the established political structure, the new smaller business groups have a better understanding of the social and economic conditions of lower income groups.

...perhaps for the better.

Given the power that these organizations wield with government and in private sector activity, they can be an important factor in helping to develop low-income housing and urban development policies. They can only play this role if they are informed of the issues and can see that their resolution will be in their larger economic and political interest. However, they cannot be expected to confront government for two reasons. First, their interests demand a good relationship with the bureaucracy and politicians. Second, since most of them evade taxes, they can easily be penalized by the State if they confront it.

6.4 Professional organizations and academic institutions

Almost all major Asian cities support professional organizations of medical doctors, lawyers, architects, planners, engineers, social scientists and so forth. Many of these are statutory bodies. Most are involved by government in policy formulation. However, these bodies again reflect the conventional middle and upper class outlook that has little relevance to urban reality. They have a major stake in conventional government-led development as they are consultants or advisers to it. Many of these organizations also operate as trade unions to protect the financial and political privileges of their members. Professionals doing unconventional work almost never have their support.

Academia should involve itself more deeply...

There are also a large number of research and academic institutions in Asian cities that deal with urban planning and policy issues. Some of them are innovative. In the main, they continue to view the world in which they live, teach and learn in conventional terms that have evolved out of first world experience. Since these institutions are not in touch with local conditions and processes, they cannot supply trained manpower for the new policy directions that are being promoted as part of the new paradigm. However, there are some cases where academic institutions are associated with grassroots NGO projects or field research into urban dynamics. The situation in these cases is very different. This association not only affords respectability to the new approaches, but also provides the manpower to carry out research, monitoring and documentation. It also provides people to plan, implement and manage innovative projects where community participation is an important component and in the long run trains technocrats, bureaucrats and professionals who have a "new vision" of the world. Unfortunately such activities are still quite rare.[22]

...in urban social dynamics research.

Research on shelter and urban-related issues by both private and government institutions usually focuses on documenting existing conditions and aims to develop tools and information to support existing approaches to housing. Research into housing processes and social dynamics seldom, if ever, takes place. As a result, a number of indicators by which housing and/or needs and conditions are judged and planning is done do not reflect the true situation. For example, in calculating backlog requirements, standards which are incompatible with the sociology, culture and needs of the population are used. Terms such as density and persons per room do not take into consideration peoples' lifestyles and climatic conditions. There are wide class biases in the use of these terms since the people who devise and use them for policy decisions are invariably from the middle and upper classes. Nor is the fact that people are constantly upgrading their homes taken into account. In addition, financial and banking institutions ignore the fact that this incremental improvement completely changes the nature, amount and time-span of funding required by low-income householders. There is also the issue of housing in "ecologically dangerous zones". Research has shown that many such settlements have not been adversely affected for over 30 to

40 years.[23] Also, in most cases, a small investment in infrastructure can make these zones "danger-free"

Many official statistics are suspect.

In recent years, statistics developed by government research institutions and international agencies have been questioned by radical professionals and NGOs. For example, the official estimate of urban poor in India in 1987-88 is 41.7 million or 20.1 per cent of the total urban population. The expert group estimate is 83.4 million, or 40.12 per cent.[24] Participatory surveys carried out by SPARC in Bombay show an even greater difference between NGO and official figures.[25] In the Philippines, it has been noted that during the census renters in low-income communities are not interviewed and registered, which distorts the housing picture.[26] Similar differences have been noted in Pakistan, Nepal, Indonesia and Sri Lanka.[27]

VII. Government agencies

The presence of other urban actors...

The role of government in urban development in this region has been described extensively in paper 2. The fundamental point here is that many other actors also affect urban policy and that the nexus between the administration (especially the police), mafias and real estate developers makes a mockery of the process of government and justice, especially for vulnerable groups. This state of affairs accentuates class divisions and breeds an official culture in which accountability and transparency, the core elements of democracy, are the major victims. The absence of such conditions is often seen as the main reason for deteriorating living and environmental conditions in third world cities, including industrial and vehicular pollution and increasingly inhuman transport systems.

...can make a mockery of equitable government.

This same nexus has prevented the implementation of progressive legislation that has been enacted by Asian governments such as the Land Ceiling Act in India and the Land Acquisition Act in Pakistan. The Land Ceiling Act made it impossible for an individual to own more than 500 square metres of urban land. The Land Acquisition Act empowered the government to acquire land for low-income communities at a fixed rate that was well below the market price. Both these laws exist on paper only and the market, with the support of state functionaries, has evolved ways to bypass them. The Land Acquisition Act was abrogated in the 1980s.

A number of progressive decisions have also been given by the courts in favour of tenants, low-income communities and shelterless people, but these have not affected other laws that violate their spirit and are still in force. For example, the Indian Supreme Court in its Pavement Dwellers Judgement of 1985 accepted that deprivation of shelter leads to deprivation of livelihood, leading in turn to violation of the right to life guaranteed to each citizen under the Constitution. However, the court upheld the Bombay Municipal Act of 1988 (a colonial act) which authorizes the corporation to evict slum and pavement dwellers.[28] This Supreme Court judgement points to the need to look at the larger legal framework related to human rights and housing, rather than at individual cases.

Effective local government is essential...

This situation obviously has major adverse implications for the development of effective local government which, as emphasized in paper 2, is now widely recognized as essential for urban development. This view is now a recurring theme in all national five-year plans, international agency reports and NGO handouts. However, it was also shown that most local governments are now less effective than at any time in their short history. It is a sad reflection on the nature of third world political systems that, in spite of all the fanfare in favour of "empowerment" of people and local councils, no attempts have been made to remove the bottlenecks that prevent its

realization. For example, in all but rare cases, the local bodies in smaller towns across the region do not even have the capacity to survey and map conditions and keep accounts, nor are they able to maintain and operate their infrastructure and related systems.

...as is collective training.

A crucial aspect of this lack of empowerment is that, in the few cases where new policies and approaches are being attempted, the necessary training and orientation of government officials is ineffective. In the absence of demonstration areas and "on the job" training, it often becomes esoteric and hence counterproductive. Also, training must extend to all levels so that necessary coordination to implement the programmes is established. This does not happen. Hence the necessary change of relationships between government departments and different levels of functionaries does not materialize. In addition, many of the new policies require interaction between NGOs, communities and government. This means that NGO staff, community activists and government officials need to be trained collectively. However, such collective training and interaction has not been established anywhere except at small project levels. This approach would eventually remove official misconceptions about urban society in general and the poor in particular. It would also go a long way to overcome the mutual hostility and suspicion that exists between the populace, NGOs and government, which is one of the major causes of the failure of innovative policies.

One of its recent effects which may well be inimical to effective local government is the emergence of two distinct urban cultures, one for the rich and the other for the poor, in a manner unknown in the 1970s and mid-1980s. One of the repercussions of this is that the lower and lower-middle income groups are being pushed to the periphery of the city so that their distance between home and work is increasing. This same drift is also creating rich "ghettos" where the rich live surrounded by armed guards and computerized security systems. "Ghettoization" has, in turn, led to the death of inner cities as centres of culture, entertainment and recreation, except in those few areas that have been "conserved" at enormous cost that is invariably borne by the poor. Structural adjustment programmes are intensifying these trends. As Caroline Moser of the Urban Development Division of the World Bank pointed out in a recent study: "There is a clear association between macro-economic distortions and the process of impoverishment taking place in urban areas today. They (structural adjustment programmes) [impose] differential impacts on various categories of urban poor. The rise in food prices that typically accompanies structural adjustment has increased the vulnerability of the 'borderline' poor. The changes in the labour market and wage structure have led to impoverishment of the working class, giving rise to the 'new' poor. The plight of the 'chronic' poor has been exacerbated by changes in prices, wages and public expenditure".[29]

VIII. The need for a new approach

The urban drama contains the seeds of its own regeneration.

The stark reality of the urban drama that has been portrayed here has only recently been studied and is still too little known. However, two points already stand out. First, many of the survival strategies adopted often in defiance of government by the urban poor can become the basis for strong, equitable urban growth. Second, just as government is not the only actor in the urban drama and may not even be the major one, so urban decisions governing that drama should not be taken by it alone. Subsequent papers will consider these points in more detail. Some immediate implications are listed below.

It calls for new attitudes...

To begin with, it must be recognized that formal sector planning is merely one part of a much larger urban process that may well be hindered by conventional planning processes and objectives. It must also be recognized that the so-called scaling up of NGO projects and innovative strategies cannot take place without new attitudes and perceptions among the planners, and changes in the organizational culture of government agencies. The people who can bring about such changes are often transferred. In the perception of formal sector planners community and NGO activists are supposed to support government approaches rather than have their approaches supported by government.

...collective decision-making...

Second, if the new approach of involving various actors in collective decision making is to work, it is essential that a more equitable relationship between them is achieved. This means that the necessary space for their interaction must be created, nurtured and institutionalized. However, to fulfil these objectives, research into who does what and how and why in the city is essential.

...more and better research...

For example, the monitoring and documentation of the interaction between the various actors could provide many new insights from which new directions could emerge. The association of NGO projects with educational institutions and local bodies could be another source of research. Taking government and formal sector plans to their victims and/or beneficiaries is another valuable form of research. Such activities, if properly monitored and directed, could promote a continuous learning and enabling culture in local authorities.

...a people's lobby...

However, urban policy directions will remain loaded in favour of the formal sector unless there is a "people's lobby". This could only be effective if there was a network of community organizations, informal sector entrepreneurs and middlemen, actively supported by technical advice and credit from NGOs and the occasional state programme.

...and differently educated professionals.

The key to making this approach possible, however, is differently educated professionals and administrators. This calls for major changes in the way that they are taught. Training must be field oriented. The student must learn to observe his larger environment, determine the causes and repercussions of what he has observed, and then seek innovative action that involves all the actors. Only then can an appropriate and viable urban policy emerge.

Notes

1. Asian Coalition for Housing Rights (ACHR), "Urban poor housing rights in Republic of Korea and Hong Kong," September 1990, and Arif Hasan, "Urban housing policies in a changing Asian context," draft, May 1994.

2. Karachi Master Plan 1986-2000 and estimates given by ACHR members in 1992.

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Comments

Both verbal and written comments were made on the paper. The nature of comments vary from direct responses to issues raised in the paper to reflections on country situations based on the issues raised by the paper. Verbal comments are summarized from the notes taken by the secretariat, while written comments are presented with only editorial and grammatical

corrections. Not included are a few editorial comments as these have already been incorporated.

Verbal comments

Some participants felt that the paper was too critical of the formal private sector and ignored the civic spirit that this sector had demonstrated in many countries. The contention that formal sector real estate developers and big businesses acted as mafias was not true in many countries. Big businesses also wanted well functioning cities because dysfunctional cities added to their cost of operation. Moreover, in many countries it was incorrect to assume that the government was pro formal sector businesses. Formal sector businesses also suffered from the corruption in government, the traffic and violence in the streets. Some participants felt that partnerships between big business and the people's lobby were impossible because the former were driven only by profits and not by the environmental concerns or the people.

Some participants felt that the paper was not critical enough of the non-governmental sector. NGOs were mushrooming and it was becoming fashionable for middle-class professionals and retired bureaucrats to start new NGOs. In fact, there was a trend in certain countries for NGO networks to act in a manner similar to mafia syndicates. This trend, they felt, would turn enablement into disenablement.

On the other hand, some participants felt that the paper was not fair in its characterization of some NGOs, as too moralistic and simplistic, particularly those engaged in advocacy. Often NGOs had to take a high moral ground and adopt confrontational strategies to change government policies.

Some participants felt that, in describing urban actors, the paper ignored the family, which was the basic unit of society,. The chapter also did not touch upon the plight of children in cities. Other urban actors which should have received more attention were multinationals and international migrants. Others felt that the specific plight of cities in transition economies should have received special attention.

The participants discussed the issue of mafia extensively. Some felt that the word "mafia" should not be used because it had specific Italian and American cultural and historical connotations, particularly as the paper was emphasizing a new approach based on local traditions and culture. A better terminology was "organized crime." Others felt that "organized crime" did not quite reflect the informal networks and illegal and paralegal nature of groups and suggested "triads", common among the cultures emanating from or influenced by China.

Almost all participants felt that discussion of mafias in a forum of this nature was long overdue. Most international forums on development ignored mafias/organized crime/triads which were major players in cities. It was suggested that comparative research on the role of mafia/organized crime/triads and government corruption needed to be undertaken and policies to address this issue needed to be discussed in regional and subregional forums. Some even suggested (humorously we presume) that the next Asia-Pacific Urban Forum should include representatives of this group of actors.

Written comments

Ms. Young Sook Park, Director, Korea Institute for Environmental and Social Policies (KESP):

"Stakeholders in society can only achieve progress if they are united. Such is the case of the weaker sections like the urban poor. The most important

actors in organizing the poor and creating awareness among them are the NGOs.

"According to the discussion in this document, NGOs are a vital though still poorly developed sector to change the present urban reality. They can work with both government and the low-income communities to channel the needed technical advice and credit to the communities. However, their way is often ignored or resisted by government and they have recently become donor-driven rather than serving needs of the communities. Moreover, simplistic NGO attitudes that see governments as the opponent, or the informal sector as only evil, need to change. For these reasons, NGO involvement is still on a very small scale. In our view of the situation, it is completely true, and the importance of NGOs role will expand in the process of the formation of civil movements and vitality in the Republic of Korea.

"Under the current globalization trend and market economy all cities in the world are being managed by three sectors different from each other in their functions and characteristics. They are the public sector governments having political powers, the private sector having economic power, and the third sector, NGOs, that expose public needs and issues neglected or unconsidered by other two sectors. In the case of the Republic of Korea which has had an authoritarian governmental system and a private sector under the strong influence of government for 30 years, private businesses consolidated into conglomerates which, although small in number, exerted great influence.

"Civil society and the NGO movement in the Republic of Korea have grown through the last 100 years of historical development, although they followed the universal values of Western civil society in their ideology and situational roots.

"Civil movement in the Korean society, represented by national self-determination under Japanese rule, maintained its ideological paradigm even after liberation and under the long authoritarian policies. On this base, civil society began to form in Korean society in the 1960s and their civil consciousness became stronger. Autonomous civil societies constituted by citizens exploded in the 1970s and 1980s with rapid industrialization and urbanization of Korea and they are still growing.

"Among these, the so-called dissidents, having revolutionary ideas, sacrificed themselves against dictatorial military government, and consequently the authoritarian regime collapsed in 1987 and the new era of civil society has opened. Since the governmental restriction on civil society has decreased, citizens' interest changed gradually from resistance against governmental systems to addressing a variety of problems such as environment, welfare, health and human rights which can improve the quality of life.

"However, the management of Korean civil movement societies based only on membership fees is unstable due to the lack of citizens' participation and financial support. As with NGOs in other Asian countries, there is a danger that Korean civil movement groups may become donor-driven and unable to provide services to local society as indicated by Arif Hasan."

Major General (Retired) A. Khan Chowdhury, Vice President, Metropolitan Chamber of Commerce and Industry, Dhaka:

"(With regard to waste management) ... there is much to say about improving waste management. To deal effectively with the growing waste problems, emphasis needs to be placed on waste prevention, minimization and reuse. For that purpose, stringent environmental laws and their enforcement are needed. Hazardous toxic materials may have to be banned

outright. Solid waste minimization can be achieved through modification of industrial processes and through changes in the design and use of products. Wastes may be minimized through raw material substitution and recycling. Durable packaging, instead of single use packages, may be made mandatory. Introduction of waste minimizing technologies, setting and enforcing quantitative and qualitative criteria for discharging industrial wastes, and application of user charges can be effective in drastically reducing solid waste.

"With regard to municipal sewerage treatment plants that ensure the elimination of pathogens, technology is well developed, but it is hardly affordable to poor countries like Bangladesh. An effective waste water technology suited to the climatic condition of many developing countries is the stabilization pond system, but unfortunately this system requires much space which is not always available in high density urban areas.

"Management of solid waste, which includes storage, collection, transport and disposal, poses different problems. The collection techniques imported from industrial countries are not often appropriate to developing countries. For this purpose, the use of appropriate equipment in solid waste management which is promoted by the United Nations Centre for Human Settlements (Habitat) may be encouraged. With these techniques, as much as 40 per cent of the refuse can be reprocessed, the rest being primarily organic matter which may be composted and sold to the agricultural sector.

"Urban transportation in major cities in Bangladesh, in particular Dhaka, is mainly served by the private sector, but it has tended to become costly and unremunerative, largely because of the existence and operation of slowmoving vehicles (rickshaws, push carts etc.). For social as well as sentimental reasons, rickshaws can hardly be abolished at the moment, but for tackling congestion problems in urban transport, traffic management systems should be improved in the cities. For improving urban transport, instead of large buses, optionally sized buses owned and operated by companies or cooperatives could be appropriate. A transport bank, like the Grameen Bank or the Small Industry Bank may be contemplated for financing procurement of vehicles by such groups. Greater use of bicycles may be encouraged. These are non polluting and quiet, require no imported fuels and use a smaller fraction of road space, and are also cheaper on a per kilometre basis than any other form of transport. Expansion of credit schemes by NGOs to include bicycle credit among their own credit programmes can be useful.

"(The provision of social services) is a crucial issue. Urban poor households have extremely limited access to basic social services that are provided by different public agencies in the urban areas. The concerned agencies are municipalities/corporations, city development authorities, special purpose authorities (water and sewerage authority) and special government bodies (public works department, housing and settlement directorate, urban development directorate, department of public health and engineering, local government engineering bureau). These bodies have policies for the urban poor, but these reflect more of the declarative intention of the State rather than a serious commitment to address the pressing concerns of the urban poor.

"Urban policies have no room for poverty alleviation programmes through employment creation and development of human capital (education, health, and technical training) of the urban poor. No specialized body has been created in the elaborate set-up, nor is there any cell for the urban poor in the municipalities/municipal corporations. Some years ago, a slum improvement

cell was established in the Dhaka City Corporation, but it is yet to start functioning.

"In providing services municipal governments generally stress conservancy, water supply, street light and road maintenance. Services like health, education, transport and social welfare are missing in the municipal delivery systems. Even services which are routinely offered by municipal governments largely bypass the poor. Two peripheral constraints cited in this regard are their limited administrative capacity and inadequate budgets. Improvements should be sought on both these fronts.

"However, a critical hindrance to basic social services provision for the urban poor lies in the stunning lack of attention to the broadening of the rights of the urban poor. In any large city of Bangladesh, urban slums and squatter settlements account for nearly a third to one half of the city population. However, the dwellers in slums and squatter settlements do not have legal rights of settlement in terms of ownership of the holdings. There is a kind of double standard in official thinking regarding these dwellers. On the one hand, slum dwellers are treated as unwanted entities in the city areas; on the other hand, they are regarded as an important political constituency for all the major political parties in local as well as in national elections. Without their legal settlement rights, they are cut off from the network of whatever basic social services that currently exist in the city (e.g. water, sewerage facilities, gas, electricity and garbage disposal). A solution to this problem is not easy to find.

"Absence of legal access to the existing network of basic social services does not necessarily mean that slum and squatter settlement dwellers do not have access to the facilities at all. A good proportion of these dwellers, for example in Dhaka, have access to WASA (Water and Sewerage Authority) supplied water, gas and electricity. However, for such access, they have to pay higher prices, partly due to high transaction costs involved in securing such access. The payments made for such illegal access are almost entirely shared by the influential people of the slums and the corrupt public utility sector employees. In fact, the system losses of these service industries are largely because of such illegal connections. Recently, a number of steps have been taken to minimize the system loss in these sectors, e g. disconnection of 'illegal' water and electricity lines in slum areas. There is, however, little realization that the excessive system losses persist not because the slum dwellers do not pay or want to pay, but because the lion's share of their payments made at higher than officially set prices is appropriated by the slum elite (mafia) in collusion with corrupt public utility sector employees.

"The civil society that encompasses the formal private businesses, NGOs real estate developers, trade unions, employers and academies, can hardly contribute to empowering the urban poor because of their traditional views. Activating the local government institutions is deemed essential for urban development. In Bangladesh there has been much talk about taking the administration nearer to people. As an experiment the administration was decentralized, breaking the 21 old districts into 64 subdistricts, and the *thanas* were upgraded to subdistricts or *upazilas*. This *upazila* tier of local administration appeared promising, and showed the potential of becoming semiurban centres reducing the pressure of migration of the people from rural areas to the larger cities The *upazila* system was, however, abolished in 1994 and a new commission was set up for suggesting the future structure of the local government institution in Bangladesh. The objective was to make the local government institution self-governing and capable of preparing and implementing local-level plans. The commission has since submitted its report which is now under examination by the government. Whatever may be the future shape of the local government institutions in Bangladesh the

basic question is, given the existing sociopolitical structure and the attitude of the civil society, would it be possible for the poor and the disadvantaged (rural or urban) to organize themselves into viable interest groups to protect and advance their interests? There has not been much empirical evidence in this regard, but it is better to be optimistic about the viability of such a strategy.

Mrs. Chandra Ranaraja, Municipal Councillor, and former Mayor, Kandy Municipal Council:

"There is a need for new approaches to policy-making. The ideas expressed in this paper are very important. They should be illustrated by more examples for purposes of comparison and learning.

"As was seen in the first paper, the new approach to policy will naturally bring all the actors together at certain points of decision-making, planning and development. Each country would differ but generally historical backgrounds, cultures and social norms may have common ingredients which could bring us together as people if not as governments. This calls for new attitudes, new methods and new thinking. In the urban arena decision makers have often planned and executed growth of cities without reference to the people. People participation at decision-making level, especially in identification of problems and prioritization, could be done better by civic groups and communities.

"An area not exploited enough is that of professionals and professional organizations and institutions. They should be made equal partners in the processes of urban development. Equal partnership at local level of all actors could bring in better rewards for the whole community. Training should be people-oriented and ongoing. Awareness-building of the poor is essential; otherwise their needs could be overlooked or their concerns could be marginalized.

"Governments, provincial councils and local authorities would have to be sensitive to the exploitative nature of the informal sector which is servicing the poor. Hence, regulations should be formulated for the safety and well-being of the poor in particular. The banking sector, both governmental and private, should adjust its policies and be more flexible in its credit facilities as it is equally responsible for the financial strength of local governments and private sector organizations."

Dr. Kulwant Singh, Executive Director, Human Settlements Management Institute (HSMI), New Delhi:

"It is commonly observed that the state line agencies and local-level specific agencies could not meet the challenges of urbanization. First, the lack of involvement of local government did not enable them suitably to identify local priorities. Second, the projects implemented by these agencies did not make a significant impact as they were not linked to demand but emerged out of budgetary allocations (whatever was made available to the sector). Third, the operations of these agencies led to horizontal and vertical coordination problems and finally the city government which was to handle the projects (upon transfer) found itself in a fairly weak position to maintain the standards of services irrespective of the levels of coverage. The project-based approach also led to a significant mismatch between the demand and supply of services and infrastructure which is highly skewed in favour of middle and high income groups.

"The contributions of other political and economic groups such as the informal sector, low-income communities, NGOs and the formal private sector have been glorified as if they will be the future custodians and

saviours of the urban poor and other social groups. Indeed, there has been a proliferation of such groups during the last few years. Not withstanding their positive contributions in creating awareness and exposing the public sector's inability and callousness in handling urban problems, many of these actors are becoming politicized, profit-motivated, elitist and populist. To say that these organizations will form an alternate front to mitigate urban problems is a miscalculation. Some amount of governance, discipline, transparency and accountability is desired if they are expected to become effective instruments of change.

"With the increasing focus on structural adjustment and macroeconomic development, the fiscal policies across the national governments are undergoing a significant change. It is leading towards reduction of deficits and subsidies which will badly hit the urban poor unless a strong safety net is developed simultaneously. In this sense the public sector role as a regulator is going to be crucial. The public sector has to equip itself through a series of capacity-building initiatives and devise appropriate pricing, cost recovery and institutional arrangements in a larger context of efficiency, equity, affordability, environment and human health."

Dr. Sababu S. Kaitilla, Assistant Executive Secretary, National Council for Urban Shelter, Papua New Guinea University of Technology, Lae:

"In some countries, governments look upon employers to provide housing for their employees. This is a good strategy, but has its own problems. (First), only those employed are eligible for employer-provided housing. (Second), most often employer-provided housing is generally of poor quality. (Third), such policies would limit labour mobility and reinforce further exploitation of the poor at the work-place by lowering salaries in the name of employer provided housing. (Fourth), employer-provided housing may limit further economic investment as employers become developers and managers of housing estates."

Mr. Pingki Elka Pangestu, Head of International Relations, Real Estate Indonesia:

"The section on real estate developers does not reflect the situation and conditions in Indonesia. The mafia-like land hoarding behaviour described in the paper may be true only of the landbrokers or speculators. Real estate corporations use land as a raw material and are victims of these speculators. Sixty per cent of the Real Estate Indonesia members built low-income home and the private sector provides 60 to 70 per cent of all homes produced each year in that category. The association also encourages the implementation of built-in cross-subsidies between luxurious to middle to low (cost housing) at a ratio of 1:3:6. Thus, the real estate developer does his part in providing houses for the urban poor. In partnership with the government and NGOs the private developers have initiated civic actions and do not have financial and political links with the underworld."

Ms. Neela P. Gunasekera, Senior Manager, National Housing Development Authority, Colombo:

"Urban mafias have become an increasing threat to low-income community and the environment. Professionals seldom discuss this. The author has highlighted the repercussions of this phenomenon. Why are we not able to erase this menace from the developing countries? (Mafias) get the fullest support from powerful people such as politicians, and police officers. The mafias have given financial assistance to political parties for them to come to power. They are protected through the power they have bought. I thank the author for including this section in his paper, as many authors or speakers do

not like to mention a word about this phenomenon. It is high time for us to get together and seek remedies to erase this menace from society."

Professor Yue-man Yeung, Hong Kong Institute of Asia-Pacific Studies, Chinese University of Hong Kong:

"True, there have been problems and difficulties in development to date. But it is not all negative; there have been many innovative schemes and approaches. The (paper) must include some positive examples. In the 1970s, 1980s, at least 50 to 60 studies were supported by IDRC and UNCRD, among others, in the Asian region. They covered low-cost housing, hawkers and vendors (informal sector), low-cost transport, migration, urban services, corruption, etc. The informal sector has been discovered for at least two decades. Do not tout it as something brand new."

Dr. Rita Bahuguna Joshi, Mayor, Allahabad Municipal Corporation:

"Too much emphasis on the role and importance of NGOs can prove counterproductive. In the recent past, there has occurred a mushrooming of NGOs in every developing country. Great care and caution should be exercised in selecting them for developmental works. A proper networking between the NGOs and the local government is required in order to ensure success of programmes. The theory of checks and balances is essential. Setting up NGOs is becoming not only fashionable but also a profession. Nexus between NGOs, bureaucrats and politicians will soon assume a menacing nature and may, two decades from now, be discussed as a major problem in urban drama."

Mr. Le Tran Lam, Chief, Environmental Management Division, Peoples' Committee of Hanoi:

"In Viet Nam, motorcycles, three-wheeled vehicles, buses and trucks are the dominant vehicle types. Most transport vehicles are older, of East-European design or Japanese second-hand (especially lorries and motorcycles), and not well-maintained. All gasoline is leaded. In Ho-Chi-Minh City, for example, there were 700,000 motorcycles and 75,000 other vehicles in 1990/91. Hanoi had 200,000 motorcycles and 34,000 cars and trucks. In general, in Viet Nam, public transport, due to shortage of investment capital, has not developed and does not meet the people's demand. In big cities air pollution resulting from transportation also reaches significant proportions, due to narrow streets, low speed of traffic, and old and faulty engines of the vehicles. Air quality monitoring in heavy traffic areas in Hanoi indicates that CO_2 concentrations are 1.5 to 1.7 times the permissible level, NO_2 from 2.5 to 2.9 times higher, settleable particulate 43-60 times higher, and suspended dust 5-10 times higher. Noise pollution on city streets is also significant. In Hanoi and Ho-Chi-Minh City, for example, noise levels reaches 75-85 dB, 3-4 times the permissible level."

Paper 3. The present urban dilemma: macro imperatives versus micro needs

Kirtee Shah.

Kirtee is the President of Habitat International Coalition, a global network of non-governmental organizations concerned with human settlements issues. He is also Director of the Ahmedabad Study Action Group, an NGO working on urban poverty issues. He was a member of the team established by his government to prepare the national urbanization strategy. He has worked as a consultant for a number of international organizations, including the World Bank.

I. Introduction

The present urban dilemma...

The preceding two papers have extensively discussed the historical causes, nature and extent of the deepening urban crisis. They have also argued that its roots and impacts extend far beyond the cities' present physical and administrative boundaries. While it is important to understand the nature and causes of past developments, for any fruitful policy debate it is imperative to understand the likely nature of near-future trends and their impact on cities and the urban poor. Two major global trends would impact on the future of cities in Asia and the Pacific tremendously. First, the predicted population growth over the next few decades, most of which will occur in cities, promises to strain urban capacities to the limit even if the emerging, but so far largely untested, enablement paradigm is viable. Second, free market-oriented current macroeconomic trends, although aimed at accelerated economic growth and improved quality of life, appear at least in the short term to exacerbate poverty and impose greater hardship on the poor. Thus, in addition to the genesis of modern Asian cities and their problems, and an awareness of how they function in the real world, any search for solutions must also consider their macroeconomic context and its impact on them and the urban poor. This paper explores this dimension.

...pits macro growth imperatives against micro needs.

Little direct empirical analysis is available on the nexus between economic changes and urbanization, cities and housing development, particularly in relation to the quality of urban living and the household economy of the poor. However, much can be gleaned from the literature. A general conclusion is that cities are the prime interface between global and national macroeconomic imperatives on the one hand, and the micro-economic needs and aspirations of individuals and enterprises, particularly in low-income communities, on the other. Indeed, it is precisely because this interface between "management" and "action" is so troubled that the cities themselves are in crisis. The new enablement paradigm would in this sense be a fresh attempt to achieve a smooth transition between the two. Thus, using this broad typology, the inherent urban dilemma between macroeconomic imperatives and micro-economic needs will be discussed at two levels. These are, first, the overall global context of population growth and economic orthodoxy and its relationship to national macroeconomic imperatives; and second, the impact of these imperatives, particularly through structural adjustment programmes, on urbanization and especially the urban poor. The discussion will lead to the identification of an alternative development strategy that would complement the emerging enablement paradigm and promote poverty alleviation. The discussion will be further elaborated in the final paper.

II. The global context

2.1 Population growth

Population pressures...

Expected population growth is an overriding concern in all conventional views of the next few decades. Although absolute global growth has now stabilized at around 88 million people per year, this region is expected to add some 750 million by 2010, almost all of whom will live in cities. As the UNCHS Executive Director's Report to the Commission on Human Settlements points out, "Between 1990 and 2030, it is estimated that the global population will increase by approximately 3.7 billion people. Ninety per cent of this increase will be located in developing countries, and 90 per cent of that will take place in urban areas. At least 600 million people already live in life-threatening situations in cities, and up to one third more live in substandard housing. At least 250 million urban dwellers lack access to safe

drinking water and 400 million lack access to adequate sanitation. Although the proportion of people in the developing world defined as 'poor' may be declining in some regions (particularly East Asia), absolute numbers are still rising: from 1,051 million people in 1985 to 1,133 million in 1990 according to the World Bank."[1] The bulk of these people, an estimated 800 million, live in the Asian and Pacific region.

...underlie the dilemma.

If these global figures are then focused on the provision of basic amenities such as land, shelter, services and jobs for growing urban populations, the condition of shelter for the poor and urban poverty itself, the implications are stark indeed. As recent urban history shows, according to the report, these new populations "will place enormous strain on the capacity of urban economies and administrations to support their need for such services."[2] Specifically, "there is no evidence that the shelter situation of the poorest people in developing country cities has improved over the last two decades, as measured by affordability, tenure, standards and access to services. In absolute numbers, more urban residents are facing a shelter situation which must be considered inadequate."[3] Moreover, "There is evidence from many cities (both developing and industrialized) that inequality is increasing and, with it, the attendant dangers of social and political conflict. The shelter options of the urban poor are closely linked to trends in urban poverty. The pattern of events here seems rather clear with most observers confirming a significantly rising trend in urban poverty (both absolute and relative) over the last 20 years linked to the wider macroeconomic changes.[4]

Box 1. Clash of development models in the Asian and Pacific region[5]

One of the most interesting dimensions of the rapid growth of East and South-east Asia is the clash of models of development that has accompanied it. There are three models that are currently competing for the allegiance of policy makers, business people and ordinary citizens: the so-called "free-market" model, the "NIC" or "newly industrialized country" model, and the "sustainable development" paradigm. While the conflict between the first two is sharpest at this point, the sustainable development school is emerging as a credible strategic threat to both.

Free market model :

The Free Market model is the doctrine espoused by United States economists and policy makers, and it is actively disseminated and imposed principally by the World Bank and the IMF. The basic thrust of the model is that the freer the play of market forces and the less the government intervenes in the economy, the better the condition for economic take-off and sustained growth. In the last 15 years, this perspective has been translated into structural adjustment programmes (SAP) that have been imposed on more than 70 countries in Asia, Latin America, the Middle East, and Africa. Key elements of SAPs include the following :

- Radical deregulation to promote allocation of resources based on market instead of by government decree;
- Privatization of enterprises owned by the State, subjecting their operations to strict profit-and-loss criteria;
- Liberalization of the trading system and removing restrictions on foreign investments in order to bring down the price of goods and make local industry more efficient by exposing it to foreign competition;
- Cutting or containing wages and eliminating or removing labour protection mechanisms like the "minimum wage" to remove artificial barriers to the entry of local and foreign capital;
- Eliminating the government deficit and maintaining balanced budgets to end inflation and achieve macroeconomic stability and balance conditions to encourage investment and sustained growth. In practice, this means radically reducing social subsidies, the government payroll, and capital outlays for infrastructure and other projects.

The problem with this model is that hardly any of the fast-growing countries in the region achieved NIChood by following the free-market or SAP formula.

Newly industrialized country model (NIC) :

Dissatisfaction with the explanatory power of the free-market school has spawned a school of thought that goes in the exact opposite direction, that is, to claim that state intervention in the NICs is the central factor in the take-off of these economies.

Specifically, the development strategy here consists of :

- Strategic economic planning by government;
- State targeting of industries to provide generous subsidies to private enterprises specializing in these industries, or the establishment of state enterprises to develop the targeted industries;
- Reserving the domestic market for local industries by maintaining tight restrictions on imports and on foreign investment;
- Employing strategic import substitution or moving in a planned fashion from consumer goods production to intermediate and capital goods production in an effort to strengthen the economic structure;
- Bold use of macroeconomic mechanism including recourse to deficit spending and foreign borrowing to force the pace of the development process.

Sustainable development model :

Free market capitalism and state-assisted capitalism (SAC) are not the only contenders in the development debate. What is now called the "sustainable development" (SD) school is not a foreign import, except perhaps for the label. The elements that make up this perspective developed in response to the very real flaws of both the NIC and free-market (FM) experiences in the region.

The SD critique says that, despite their very real differences, the free market and SAC models have certain features and consequences in common:

- Both the FM and SAC models see economic growth as the be all and end all of development;
- Both intrinsically generate and perpetuate social inequality (even as, in the case of SAC, high speed growth is promoted - that raises absolute incomes);
- Both, again intrinsically, are ecologically destructive and unsustainable; in the case of market economies, ecological costs are typically not included in the costs of production; in the case of SAC, there is often deliberate sacrifice of environment to achieve high-speed growth.
- Both have very destructive effects on communities - the first because of the dissolving effect of unchecked market forces on communal bonds; the second, through the deliberate breaking up and coerced settlement of organic communities that stand in the way of state-managed development projects.
- Both are elite agendas, although in the case of SAC, the national elite feels that the elite agenda coincides with the national agenda.

In opposition to the two elite paradigms, the SD school advances a model with radically different bases.

- In opposition to the blind play of market forces and state fiat in the SAC model, the SD perspective could make transparent, relevant, and democratic, the fundamental mechanism of decision-making on production, exchange, and distribution in vital economic issues.
- In opposition to the centralizing and hierarchical thrust of decision-making and control in both the market and SAC models, the SD would decentralize economic decision-making and management to communities and regions.
- In opposition to the premium on growth in both the FM and SAC models, SD places the emphasis on quality of life.
- In opposition to the heavy urban industrial bias of both FM and SAC models, SD would make agriculture and the resurgence of rural communities the centerpiece of development.
- In opposition to the priority of the private sector in the FM model and the duopoly of politico-economic decision making by the state-big business partnership in the SAC model, the SD approach seeks to organize the popular sector, represented by NGOs as a third pillar of the political and economic structure as a balance to the State and business interests in the short term but with the strategic perspective of forming eventually the dominant force in the triad in the long term.
- Finally, in contrast to the division between private and public property system as in the FM and SAC models, the SD approach supports the recognition, institutionalization and expansion of the realm of the commons, that is, community and ancestral property that are beyond the reach of both the market and the State.

2.2 Economic orthodoxy

Structural adjustment should have helped...

Broad trends in the political economy of the region as they relate to urban development were discussed in the first paper. However, many other macroeconomic changes occurred that also impacted on the region's cities in important ways. Two main events stand out, neither of which was foreseen as late as the mid-1970s. These were the second oil price shock of the late

1970s which had a strong negative impact on the general economic outlook for developing countries in particular and for the world economy as a whole; and the strategy chosen by the international donor community to address subsequent economic decline and indebtedness in developing countries. This strategy was called "economic and structural adjustment", a term used to describe liberalization of developing country economies and their further integration into global markets through extensive macroeconomic reforms in order eventually to increase their rates of economic growth. Structural adjustment has now been applied in more than 70 countries and has had such pervasive effects, many of them widely acknowledged to be strongly negative, that it is undoubtedly one of the key influences on urban development in many countries of the region. Although the long-term impact of the strategy is still being debated, there is widespread agreement that in the short term too much was attempted too quickly without adequate reference to social impacts, local variations and political realities. One result has been that "people in cities across the developing world suffered a decline in their real incomes, an increase in food and energy prices and widespread dislocation in labour markets," according to the UNCHS report.[6]

Box 2. Mexico, Senegal and Sri Lanka[7]

The Structural Adjustment Subgroup of the NGO Working Group on the World Bank, which has gathered empirical evidence on the economic, environmental and social impact of conventional structural adjustment programmes in Mexico, Senegal and Sri Lanka in its report concludes: "Structural adjustment programmes (SAPs) in these three countries failed to achieve all their macroeconomic goals, and imposed severe social costs. Wealth became increasingly concentrated. Health and education suffered, even though they are the building blocks of human development, and essential to an assault on poverty. Safety nets were often used as tools of political patronage, and had a limited reach. One crucial missing factor was policies that would radically improve opportunities for income generation by the poor. The international environment - for example of third world debt and terms of trade - remained unresolved, and the burden of adjustment was placed entirely on developing countries."

Structural adjustment has two parts. The first consists of short-term stabilization policies both to correct national balance-of-payments problems through devaluation and to improve macroeconomic balances through reduced government spending, appropriate monetary liquidity and market liberalization. Second, long-term economic reforms are initiated, including such measures as trade liberalization through elimination of protective tariffs, reduction of financial institutions and public enterprises, streamlining the state sector, privatization of social programmes and rationalizing the tax system.

...but has been extremely painful.

In practical terms, this has meant the devaluation of local currency, the removal of curbs on the importing of foreign goods, capital and technology, emphasis on export earnings, dismantling controls and permit-quota systems, changes in labour policies and laws, reduced government expenditure and subsidies, and privatization. Lately, after the harsh impact of these policies on vulnerable sections of society such as the urban poor became evident, a so-called "safety net" has been introduced to compensate them. These changes have influenced to varying degrees domestic production patterns, ownership structures, the industrial development scene, financial and capital markets, employment patterns, wage structures, inflation, prices, consumption patterns and migration trends. They have therefore also affected urbanization as a whole and, as just seen, even the living conditions of the poor in cities and villages.

2.3 National macro-economic imperatives

It must be remembered that structural adjustment packages are intended to help developing countries to adjust to the more hostile global economic climate that emerged in the 1980s. Whether these goals have indeed been achieved is still a matter of controversy among many development economists, political scientists, academics and social activists. However, in addition to purely economic considerations, the political compulsions of many developing countries left them with very little choice but to accept the adjustment package. This was especially the case for countries where economic growth rates had hovered around 3-4 per cent over three or four decades, whose per capita incomes were in the region of US$ 300 per year, where one half to one third of the population was below the official poverty line, and where approximately one third of GDP was committed to debt-servicing, in addition to mounting import bills. Moreover, the example of the East Asian "tiger" economies of Taiwan Province of China, the Republic of Korea and Hong Kong, together with the South-east Asian growth economies such as Singapore and Malaysia, tended to remove any remaining doubts. These economies had maintained economic growth rates at around 8-10 per cent over long periods and per capita incomes were above US$ 10,000. For a poor country like India, which had achieved a high savings rate of about 24 per cent based on low per capita incomes, it was unrealistic to expect that it could achieve much greater savings with which to finance much-needed development without seeking additional investment from the capital-rich countries. With China joining the fray, seeking foreign investment in a big way and showing growth rates of over 10 per cent, much of the ideological argument against the strategy was blunted. And because both the IMF and the World Bank made acceptance of the strategy a precondition for international credit, most countries toed the line.

Political and social considerations...

...also forced the national agenda.

Social considerations were also an important element in most national decisions to accept structural adjustment. Poverty alleviation, not only higher growth, is a goal of economic planning for most developing countries and the adjustment programmes promised to help to achieve it. When earlier faith in "trickle down" eroded, countries like Sri Lanka, Bangladesh and India began to attack poverty directly through specific carefully targeted anti-poverty programmes. However, these also had limited success so the policy pendulum again swung back in favour of indirect poverty alleviation through rapid economic growth. Now the argument is that growth rates of 3-4 per cent are not enough to allow wealth to trickle down to the poor. Dr. V.A. Pai Panandikar, the Director of the Centre for Policy Research, New Delhi, argues that, "If India, for instance, had achieved an eight per cent growth rate since the 1980s, by now it would be a major economic actor in the world whose voice would have mattered. More importantly, the pernicious poverty in the country would have long disappeared." Thus to escape the poverty trap and become an economic power, Dr. Panandikar recommends two targets: 7-8 per cent economic growth per year, and ensuring the bottom 40 per cent have access to affordable basic necessities such as food, clothing, education and health services. That, he says, would ensure equity with growth.

Box 3. Disinvestment in the Philippines[8]

Macroeconomic policies in the Philippines have historically favoured the depletion of natural resource assets in order to finance current consumption and the acquisition of relatively unproductive capital. Depreciation of forests, soil and fisheries resources average more than 4 per cent of GDP from 1970 to 1987 and 20 per cent of gross investment. At the same time, the current account deficit over the same period averaged 3.2 per cent of GDP annually, indicating increased foreign liabilities. In other words, the country's balance sheet was deteriorating.

Macroeconomic policies also favoured the growth of pollution-prone and capital-intensive industries. Tariff and exchange rate policies discouraged investment in the primary sector and labour-intensive industries from the mid-1950s through the mid-1980s. As industry in the Philippines became more material- and energy-intensive, pollution and consumer waste increased rapidly.

Policies favouring capital-intensive industry had the effect of reducing labour demand. Rural unemployment was further aggravated by the high rate of population growth and the lack of access by poor households to credit and arable land. Landless rural households were forced to exploit the only available means of livelihood, including fragile upland forest areas, mangroves and fisheries in the public domain. Lack of clear property rights and ineffective management of these open access resources led to increasing deforestation, soil erosion, the destruction of coastal habitats and depletion of fisheries.

It is important to recall certain fundamental differences between the aims of short-term stabilization, medium-term structural adjustment and long-term economic development strategy. Macroeconomic adjustment can be compared to emergency medical treatment. Undertaking stabilization and structural adjustment is like being in intensive care; the priorities and procedures are different from those of convalescence. The methods used during intensive care may be invasive, traumatic and painful, but they are necessary. However, doctors should endeavour to minimize trauma and to ensure that the emergency treatment does not undermine the future health of the patient. Similarly, it is important that macroeconomic adjustment programmes are, as much as possible, consistent with the long-term objective of sustainable development.

NGOs questioned whether the conventional development model was capable of eradicating poverty and achieving sustainable human development, arguing that "more and more of everything out of a limited amount of resources is unsustainable", and that the model "alienates local cultures"; rather development should aim to "integrate different people and cultures and make economic growth serve human development". Specific recommendations made to achieve this included: democratizing macro policy debate and decision-making; democratizing participation in benefits; encouraging export promotion as part of domestic economic development, rather than its subject; altering the state-society relationship so that people's organizations assist the State to orchestrate the common good; restructuring the economy, including the debt burden, to put the development process on a new path; tackling the problem of state accountability; promoting urgent structural transformation in the north to tackle poverty eradication.

While experience in the more advanced developing countries has shown that stabilization and adjustment can effectively control ballooning fiscal deficits and dwindling reserves of foreign exchange while simultaneously promoting real and measurable improvements in the efficiency of the private sector, the experience of other countries such as Brazil, India, Mexico and Nicaragua suggests that these policies are badly flawed. In these countries, empirical evidence suggests that imposed adjustment packages are failing to create employment, deepening social inequality and poverty, and thereby feeding social disintegration. Adjustment thus seems to exacerbate, not alleviate, the forces which exclude and deprive people living in poverty from enjoying their basic rights. The consumerist urban society, a direct consequence of the economic growth model, is wasteful in that it pollutes and damages the environment and depletes natural resources. The cultural alienation that follows harms society's capacity for creative, sustainable solutions. And the inequality it so consciously breeds and openly displays, sows seeds of social discontent.. The economic growth resulting from economic reforms and consequent urbanization, even if it results in an improved quality of life for a section of society, is thus hardly sustainable in the long run.[9]

Box 4. Some other views of structural adjustment[10]

"Do policies of stabilization and orthodox structural adjustment policies promoted by the IMF and World Bank combat poverty and deprivation? The answer that is to be had from economic theory and the recent economic history of developing countries is unambiguous: IMF-style stabilization and structural adjustment programmes impose great hardships on the economies of developing nations and the victims of this hardship are, above all, the poor and property-less."

"Since the onset of structural adjustment lending in the early 1980s, the Third World's overall debt burden has not lightened. Its total external debt climbed to US $1.3 trillion in 1992 from $785 billion in 1982. What has changed is the composition of the debt load. A large portion of the Third World debt is now owed to official financial institutions such as the World Bank and the International Monetary Fund (IMF), whose loans carry structural adjustment conditions."

"The standard IMF policy package for structural adjustment and the conditions associated typically with it tend to generate stagflation, a combination of inflation (the essential feature of which is the erosion of real wages) and recession. The economy, in short, 'adjusts' via contraction of output and employment. And the poor bear the heaviest burden of this adjustment."

Brazil, the largest country in South America, following its inability to meet international debt obligations in 1982, negotiated an adjustment programme with IMF. The package included cutting government expenditure, raising interest rates, devaluing currency, providing incentives for export and restraining upward revision of wages. The effects of these policies on the general economy, poverty and child welfare of the country are illustrated here with data from the state of Sao Paulo.

Box 5. Impact of structural adjustment programmes on women in India[11]

"The present economic reform process has significantly squeezed the consumption of the middle classes both in urban and in rural areas. Also it reflects high consumerism, especially in luxury areas among the rich people. Alternatively it would suggest a heavy shift of income per capita from the middle classes to the top 30 per cent of the population...The economic survey of 1993-1994 admits that open unemployment may thus have increased by about a million during 1992-1993...The effect of SAP on rural employment is likely to be equally unfavourable. Corporatization of agriculture would cause depeasantization and reduction of labour absorption. Thus, SAP would have a negative impact on rural employment...But under SAP squeeze on expenditure, there has already been a substantial cut in public investment in agriculture. Thus, food grain production in this country faces a grim future...The empirical evidence shows that there are plausible grounds to argue for validation of the female marginalization thesis in India. This was generally the trend even before SAP. SAP has accentuated the process. SAP has resulted in (a) reduced employment opportunities for female workers, (b) exclusion of female workers in the production process, (c) reduced wages for women, (d) casualization of female workers, and (e) entry of child labour into the informal and exploitative labour market...The nationalized banks, in which 20 per cent of employees are women, have threatened to declare 400,000 persons as surplus. Railways have stopped recruitment. The Department of Post and Telecommunications intends to retrench 200,000 workers. And of course, the women are the most likely potential targets.

All these measures are increasing the level of unemployment. In absolute terms additional unemployment created on account of stabilization would be around ten million persons."

As documented by Roberto Macedo, the economy of Sao Paulo went into a big recession. GDP declined at an annual rate of 2.2 per cent (1981-1984), unemployment grew from 5 per cent in 1982 to 7.1 per cent in 1984, and wages declined at almost 6 per cent per annum. While consumer prices grew annually by 25 per cent, the rise in food prices was much faster (31 per cent). Income distribution worsened. Social expenditure declined sharply by 8 per cent annually between 1981 and 1984. Infant mortality increased by 25 per cent. The school drop-out rate increased from 4.6 per cent in 1979 to 13.4 per cent in 1983. An ILO review of the situation pointed out that "economic crisis and stagnation in Brazil have spread poverty and contributed

enormously to increased violence against children". It estimated that 7 million children in Brazil worked as slaves and prostitutes.

However, one must not forget that, while structural adjustment policies are causing massive economic and social dislocation, particularly in urban areas, they are not the fundamental cause of the urban malaise. The cause of the present crises can be traced to the consistent and continous mismanagement by governments now undertaking painful structural adjustment programmes. Since independence, a large portion of the national expenditure of these countries have been directed towards economically and socially unproductive sectors, particularly defence. In many cases, even when major social expenditures were undertaken, they were poorly thought out and implemented, adding to the problem rather than solving it.

An example of these poorly thought-out policies was the nationalization of educational institutions in Pakistan in the mid 1970s. Instead of investing in new government schools to increase the extent of education facilities in the country, the government decided to nationalize private educational institutions. The result was that scarce government resources on education were spent on maintaining these institutions and paying the salaries of teachers. Government funds could have been better utilized in building new educational institutions. The result has been an overall decline in educational standards. Pakistan's literacy rate remains at about 30 per cent.

In spite of the fact that these countries are undergoing painful adjustment programmmes, governments continue to maintain and in some cases increase expenditure on unproductive sectors such as defence, rather than investing in human development. Recent estimates of Pakistan's budget show that almost 70 per cent of the national expenditure is devoted to debt-servicing and defence. The remaining 30 per cent is earmarked for establishment and operational costs, and development. Given the fact that there is massive corruption in government programmes, expenditure on development, both physical and human, is far less than the country requires to improve the living conditions of its citizens.[12]

III. Impact on urbanization

3.1 General trends

The general effect of the macroeconomic policies followed by countries of the region on urban development was summarized by the report of the Ministerial Conference on Urbanization in Asia and the Pacific that was organized by ESCAP in 1993 as follows:

"The secondary and tertiary sectors of the national economy operate more efficiently in cities than in rural areas, owing primarily to agglomeration and economies of scale and easy availability of inputs. Furthermore, because secondary and tertiary goods enjoy better terms of trade than most primary goods, especially agricultural goods, cities in the region have been contributing a greater share of the national economic product. This relationship between cities and secondary and tertiary economic activities has contributed to rapid increases in urbanization in the region. As countries move towards structural adjustment, market liberalization and reduced government controls, the economic forces driving urbanization would be strengthened. The debate on planning in most countries, therefore, has shifted from efforts to control or reverse urbanization to the consideration of the type of urban growth that can contribute efficiently and sustainably to national development. Given the socio-economic and demographic trends in the region, even moderate increases in the efficiency of cities are likely to have significant benefits for the national economies."[13] The new trend is not

so much to question the macroeconomic forces or the development model they promote, but to direct them in a manner that makes cities efficient and sustainable.

Structural adjustment has hastened urban migration.

This evidence suggests that the economic changes exacerbate both pull and push factors affecting urbanization. On the pull side, emphasis on growth through industrial development, especially in the export-targeted industries for which cities are favoured locations, channels new industrial investment to cities. To make cities attractive and efficient for enterprises, investments are also made in support infrastructure and services. The new job opportunities in the industries and services resulting from investments accelerate rural-to-urban migration.

The urban bias in investment and distribution of public services accentuates the push factor. Under the new dispensation, the rural sector generally receives a proportionately smaller share of investment in agriculture, infrastructure and services relative to population size and investment needs in the sector. This has negative consequences on rural productivity, employment and the quality of the living environment. Both rural rich and rural poor are thus pushed to the cities. The more resourceful and entrepreneurial among the villagers migrate to benefit from city services, especially education and health, and to enjoy the greater opportunities for economic and social advancement but this process depletes the rural entrepreneurial class. The poor, unable to support themselves on agriculture alone, move to cities in search of employment and steady income. Rural-to-urban migration is not a new phenomenon. However, structural adjustment and its associated policies give it fresh impetus.

3.2 Urban planning

Traditionally, national/regional economic planning is divorced from spatial planning. Major economic and investment decisions are seldom weighed for their spatial and social implications. City planning is confined mostly to land use planning, zoning regulations and investment planning for services provision. Cities are now viewed as engines of economic growth. Thus, with barely one fourth of the total national population in cities at present, their share in national production has gone up to 60 per cent. Yet, economic and investment planning is seldom integrated and coordinated with urban planning.

3.2.1 Impact on growth of metropolitan and big cities

The economic changes favour the growth of metropolitan and big cities. For example, export-targeted industrialization, a strategic item on the economic agenda, emphasizes quality production to be able to compete on the international market. But since quality control requires advanced technology, skilled labour, trained professionals, banking and other service institutions as well as access to information, communication technology and capital flow, all of which are to be found most easily in big cities, the changes thus direct investment and hence further growth to them. This needs to be noted as, under constraints imposed by the paucity of public investment funds, overstretched services, unaffordable housing, the comparatively slow growth of employment opportunities in the formal sector and greater competition for space in the informal sector, population growth trends in these cities have been moderating. How these big cities cope with the growth impact of economic changes will depend largely on the accompanying institutional response. However, experience in this part of the world suggests that large, unwieldy size due to particular cultural, organizational and technological reasons poses immense management problems that affect economic performance, service provision and the quality of urban life.

Efficiency and productivity considerations prompt metropolitan and other large cities to try to improve their infrastructure and services. Many cities in the region are thus now searching for investment funds to expand and maintain the infrastructure and services required to support growing populations and increased economic activity. Other things being equal, economic growth that attracts export-oriented industries would also produce additional resources for the city authorities. Thus, higher revenues from the traditional tax base and other sources, increased transfers from provincial and federal governments to promote and support industrial development, and access to international funding sources including capital markets, would improve infrastructure and services in metropolitan and other big cities.[14]

3.2.2 Changing landscape

Growth has been uneven...

These macroeconomic changes are changing the city landscape. Foreign investors know and prefer metropolitan and big cities. They are comfortable to live in and efficient places to operate from. The investors and their influential local counterparts therefore exert pressure on city authorities to invest in infrastructure and services. They also need luxury accommodation, recreation centres and good quality, high specification work places, offices, banking and other service institutions. In response, city services are improving at selected locations. New enclaves for high profile, affluent entrepreneurs, executives and managers are coming up. As prime locations are preferred, classical urban renewal is gaining further momentum. Thus, the entry of foreign capital, professionals and technology in the real estate market is making an impact on the physical form of cities.

...and badly planned.

However, whether the above investment by both the public and private sectors improves overall efficiency and quality of services for all sections of the population is a key question. Despite the consequent improved revenue and capital inflows, pressure to invest in infrastructure and services to improve the investment climate may further deplete the availability of public funds for essential services needed by common citizens and the poor. In pursuit of industrial expansion, technological modernization and economic growth, the needs of the inarticulate, unassertive and low-profile common citizens, especially the poor, could be easily overlooked. Thus, major deficiencies in services, chronic shortages of resources and massive needs for investment, at least in the short run, may lead authorities to opt for *productive* rather than *consumptive* investment. Indeed, as reaching everyone is anyway beyond the financial and organizational capabilities of city governments and agencies, concentrating investment in selected sectors and areas may be considered prudent. It should be borne in mind that cities in developing countries have internalized the duality of the situation in which the privileged live in extreme luxury amid the crippling deprivation of the poor who do not have access even to basic services. These extreme contrasts may therefore not upset many people. However, the post-adjustment city landscape may reflect social and economic inequalities more glaringly and in some cases is already doing so.

While increased economic activity should in principle improve city revenue through octroi, property and other taxes, experience shows that their gain is seldom proportionate to the increase in output. Structural and organizational factors inhibit proportionate growth in revenue while industrialists and businessmen often find ways to escape their tax and other obligations. City authorities must be imaginative and alert to benefit from the increased volume of economic activity and productivity gains.

3.3 Labour

Labour has been greatly affected.

The potential impact of structural adjustment and related policies on employment is hard to forecast. However, it is undeniable that workers will have to endure greater hardship because of capital-intensive technologies and the pressures of globalization in which international market forces rather than those of the local market dictate choice. Structural adjustment will also change the structure of production and hence the employment situation. In a climate of global recession and increasing protection for markets in various developed countries, studies show that there could be an increase in unemployment. Urban labour markets are also affected by such factors as higher levels of investment, large-scale operations, advanced technology, the need for quality control and production efficiency, higher output, professional management and high profit expectations, all of which are associated with structural reform. Greater labour mobility within and across sectors, over and above rural-urban and urban-urban migration, is a logical consequence. With the organized sector forming only about 10 per cent of the labour force in countries like India, the growth of the informal sector is a major area of concern. There could be more female home-based workers to do subcontract work for larger industries.

A period of labour unrest is also possible. A protectionist environment produces its own conditioned attitudes, behaviour and performance among organized labour and their unions. When this is removed and employers have the freedom and right to hire and fire at will there is a danger of indiscriminate closures, retrenchments, job insecurity, unemployment and resultant unrest. However, the same, more open environment may also induce a sense of discipline and responsibility, thereby improving labour efficiency and productivity.

3.4 Urban environment

Urban environmental degradation was a major concern even prior to the introduction of stabilization and adjustment policies. However, given their industrial export market orientation, further industrial pollution and the depletion of already scarce natural resources can be expected, even to the extent of irreparable ecological degradation. It has been estimated that developing countries may have to spend US$ 70 billion in the year 2000 to repair the damage done to the environment. The State would be required to play an active role. Thus, besides effective regulatory and monitoring systems, public advocacy would be required to ensure that industries invest in cleaner technologies. Strengthening municipal administrations to manage the physical environment better, participatory public education and preparing NGOs and other civil society organizations for educational and advocacy roles would also be necessary.[15]

3.5 Housing

Though public housing institutions are little changed...

Changes in the economic sphere may not always be reflected by corresponding changes in related sectors. For instance, in the housing sector in India where structural reform began in 1991, the pre-existing administrative, legal and institutional constraints on the land and housing markets are still more or less intact. Thus, the 1976 Urban Land Ceiling and Regulation Act and the Rent Control Act of 1940s, both of which have distorted the land and house rental markets substantially, are almost untouched even in the face of sweeping changes in the industrial and financial sectors. Despite the shift in favour of privatization and the generally poor performance of the public sector housing agencies, they still dominate policy debate and action. Thus, private sector producers and suppliers have so far seen little change in the system and still operate in a restrictive, controlled environment. The informal housing sector, which accounts for up

to 70 per cent of total housing production in some cities, continues to operate much as before, though their space seems to be closing rapidly. In this formal sense, the impact of macroeconomic changes on the housing sector can be said to be quite small.

...the housing situation has deteriorated badly.

However, it is in this sector that the dilemma between macroeconomic imperatives and microeconomic needs really begins to bite. For example, as dramatically shown in the previous paper, the entry of foreign capital and real estate developers has meant that land prices in cities are rising further, especially at prime locations and in metropolitan centres. The associated corruption is thus becoming more expensive. Disputed, underutilized and neglected lands are now being developed. Pressure on slum-dwellers and other unauthorized encroachers to vacate their sites is therefore increasing. Evictions are more frequent and buying out of slums and encroachments probably more subtle. As land near jobs becomes scarce, competition among the poor for such land is getting fiercer. Incentive schemes like land-sharing and the higher FSI to builders to clear slums are gaining further credence and acceptance. Meanwhile, attempts to clean and beautify cities to attract foreign capital increase pressure and coercion on hawkers, vendors and slum dwellers. Similarly, pressure by foreign investors and real estate developers to rationalize the regulatory system and relax controls is more pronounced. Internal pressure for institutional reforms is greater. In areas like housing finance, which is more responsive and amenable to ideas about free markets, privatization is making rapid progress. Moreover, the much-touted enabling strategy is being used mainly to channel a greater share of housing resources to those who can afford them and repay.

3.6 The urban poor

The poor have also been severely affected.

Though higher economic growth is the prime rationale for macroeconomic reform, it is also expected to have an impact on poverty. In theory, higher growth rates would allow additional wealth to trickle down to the poor. However, even the most ardent supporters of structural adjustment would admit that, in the short run, the poor suffer greater hardship. Many examples of this aspect of the dilemma can be given.

For instance, higher prices for essential goods and services, normally associated with currency devaluation, drain the limited resources of the poor. Reduced subsidies, a condition of structural adjustment, also adversely affect their purchasing power, thereby further shrinking their consumption basket. Privatization of public services, especially water, electricity, education and health, deprives them of other basic survival needs as the new charges make the services unaffordable and therefore inaccessible. The so-called safetynet that is intended to prevent such effects is designed primarily for formal sector labour. The self-employed and those that depend on informal economic activities therefore still suffer. More generally, the reforms foster a public attitude in which informal sector activities which are already typically denied legitimacy, freedom to operate, physical space, capital, credit and other institutional supports come under increasing pressure from land developers, law enforcement authorities, traffic managers, city-beautiful enthusiasts and even fresh migrants looking for work. The fact that the urban poor constitute about one third of the big city populations in countries like India, Pakistan and Bangladesh, and that structural adjustment is unlikely to do them much good, is a matter of concern for economic and urban planners alike. There must be less expensive, less damaging ways to progress, modernize and develop.

IV. An alternative development strategy

A new Asia-centred approach is essential...

Before handing over the future of one third of the globe's humanity to the wisdom of economists and adopting a development path suggested by them — which, whatever its strengths, certainly does not conform to this region's indigenous wisdom and coping mechanisms that have been developed over thousands of years of civilization — it is necessary to examine, even at this late stage, whether an alternative development strategy is possible. Its prime purpose would be to ensure growth with equity in a sustainable manner. It would be of particular importance for countries such as China, India and Bangladesh, which have large populations, are still predominantly rural and have massive poverty. It would need to be based on the principle of equity and environmental sustainability while also respecting the cultural heritage, value systems, social structures and traditional wisdom of the societies for which it was meant. Moreover, if there are local remedies to the problems of poverty and backwardness — local not in the sense of confinement to geographical boundaries or denial of modern knowledge, but in a deeper sense of rootedness in peoples' values and culture and their long term sustainability such as was attained by such thinkers as Gandhi and Schumacher — these should also be incorporated. The Grameen Bank and other similar projects are good examples in that they are both relevant and practical.

For the more densely populated, poorer areas of Asia, such a strategy would mean taking jobs to the people, increasing investment in infrastructure and human resource development, especially in health, nutrition, education and family planning, imaginative programmes for agricultural and rural development and poverty alleviation, development of environmentally friendly technologies, labour-intensive, agro-based and natural resource-based industrialization, and development of transport and communication links to national and international urban centres. Such measures might not stop urbanization, but they could reduce its pace because the compulsion to move, though not the choice, would be reduced. As a result, the cities would become more livable and manageable.[16]

4.1 Responses within the given framework

...to achieve managed, not revolutionary, change.

Whatever the concerns and fears, structural adjustment is a reality in many countries of the region and it is unrealistic to expect to turn the clock back. As the Executive Director of the United Nations Environment Programme, Mrs. Elizabeth Dowdeswell, pointed out to the Commission on Human Settlements in April 1995:

"The deep-seated problems of global trade imbalance, exploitative economic systems based on the cultivation of greed, gross inequalities in the distribution of wealth and the rape of the environment are characteristic features of economic history. The essential task for the whole world is not to change the system with the zeal of a revolutionary, for we know from experience that this does not work, but to come to terms with it — to curb excesses, control wasteful practices, insist on the polluter paying for environmental damage, demand cleaner production, to monitor carefully the environmental changes which threaten the planetary life support system and, above all, to manage change in a sustainable manner.

"Nowhere are these challenges so acute as in the urban environment. Nowhere is the life support system so threatened as in the cities choking from exhaust fumes, drowning in waste, short of basic services of all kinds and providing fertile breeding grounds for disease and squalor. At the same time, these same cities contain environments where wealth can isolate the possessors from disorder and poverty; where employment generation can

raise the living standards of millions of people; where economic growth can keep whole nations alive; and where the quality of cultural life can be raised to its highest level.

"Thus, in microcosm, the urban environment reflects the same duality which is seen in the contrasts between rich and poor nations. The essential difference is that the very concentration of people poses special problems — problems that are not in themselves difficult to solve from a technical point of view, but which stem from misdirected technology, false priorities, inefficient management and from outdated, top-down institutional systems".[17]

Urban governments must be strengthened.

These and other urban problems have been fully described in the preceding papers. As noted, their solution would require major changes in physical planning, investment strategy, delivery systems and mechanisms, technology and choice of energy sources. Since many present inadequacies in the economic, physical and social spheres of cities are due to weak government and its poor performance in planning, administration, financing and management, this needs to be re-examined and restructured. Hence, city authorities need to be given a central role in economic planning and in developing productivity enhancement strategies, including investment planning and locational decisions. This would be a major shift in policy. It requires changes in the design of the urban government apparatus to achieve such goals as arresting urban deterioration and ensuring an acceptable quality of life and environment to all citizens, capacity-building to contribute to national economic growth, retaining the city's cultural identity, social harmony, and historical heritage, and directing development in a manner that reduces environmental damage, minimizes inequalities in social and economic spheres and avoids other forms of distortions which normally accompany fast-growing cities. Thus, the most important aspect of institutional change would be to democratize urban institutions. Improving their form, structure and procedures, creating space and facilitation for citizen and community participation in city management, and introducing concepts of transparency and accountability into urban institutional procedures are vital to effective city functioning.

4.2 The enablement paradigm

Enablement would foster such change...

One of the main reasons why the emerging paradigm of enablement seems so attractive is that it not only conforms with but requires democratic participation. Moving from "controlling" to "facilitating", from "providing" to "enabling" and from "giving" to "empowering" is a timely attitudinal change and policy shift by governments that is intended to defuse the dilemma addressed by this paper. It would do this mainly by creating social and institutional space for communities which have shown their capacity for creative input, and also for the private sector and the CBO-NGO intermediaries. So far, however, enablement is still mainly rhetorical. Thus, the new orientation is still only a desired objective. Very little is yet visible in action.

...but is still little practised...

There are three main reasons why this should be so. First, not many government officials accept the underlying rationale behind the enabling approach which rests on the two-fold reality of the formal system's failure and the people's potential to create and contribute. Many officials seem to believe that "people's participation" and "enabler role" are mainly decorative slogans not meant for action. The conviction is missing.

Second, the corresponding changes in the implementing agencies such as housing authorities and slum improvement agencies have not yet occurred. This is a necessary precondition to translate the concept into reality. Unfortunately, institutional resistance to change is well known and

formidable. Insecurity, structural factors, entrenched self-interests and a desire to hold on to the power that *doing* roles provide are some of the stumbling blocks to organizational change.

Third, the necessary preparation and organizational arrangements at the other end, the community level, have not yet been made either. The enabling strategy demands democratic decentralization but this also requires a corresponding activation of people at the community level. Thus, not only has government failed but also the NGOs and CBOs who have assumed the role of organizing the communities. Hence, a creative interpretation of the enabling strategy is the key to its implementation. Ensuring government commitment, re-tooling and reorienting intermediary organizations, and enabling people to play an active role are all vital to its success.

...though some changes have occurred.

However, despite the general inertia in relation to enablement, some housing authorities in the region are beginning to move towards it. Some of their initiatives include formulation of national housing policies to reflect the political will to address problems and a national commitment to organize planned efforts in that direction; strengthening existing institutional machinery and creating new housing institutions to scale up supply, credit, production of building materials, and training of personnel for human settlements management; review of existing legislative frameworks and regulatory systems to augment land supply, streamline markets, simplify authorization procedures and create space for the non-government actors (private sector in particular) in the provision of public services; changed attitudes towards the private sector role in housing supply, unauthorized housing stock, and informal sector producers; a fresh orientation towards a "facilitative" and "enabler" role in place of the conventional "provider" role; recognition of the NGO role in shelter activities; and privatization moves in accordance with macroeconomic changes.

4.3 Poverty alleviation

Enablement would also promote poverty alleviation...

In its paper for the World Bank's fiftieth anniversary, the NGO Working Group on the World Bank noted that: "Whilst the poverty impacts of SAPs are beginning to be understood, there is still a reluctance to admit that economic growth of the market variety will not redress these inequalities. There is still a belief that if only excluded groups, like women, could be more fully incorporated into the market, their economic problems would be solved. This approach not only ignores the structural factors that have excluded women and other groups from the market, but it also assumes that once in the market these same factors will not continue to discriminate systematically against people with relatively little economic or political power." The paper further argues that poverty reduction and sustainable economic growth require non-market intervention; that a positive bias for the poor and reducing inequality have to be at the core of programme design, which besides including human resource development should include more radical reform measures for the poor; and that the poor themselves must be involved in decision-making.

In practical terms, a three-fold strategy that includes support for the informal sector, creates better focused poverty alleviation programmes and provides opportunities for human resource development through investment in health care, education, nutrition, family planning and shelter would help to alleviate urban poverty.

For instance, as pointed out in the preceding paper, extending productivity supports to the informal sector should include recognition of its existing role, integrating it into macroeconomic planning, understanding its linkages with the formal sector, creating physical space for them to operate without hindrance to other city functions and fear to themselves, removing obstacles

to its functioning and productivity, providing credit facilities, marketing assistance and technology improvement, and eliminating the threat from law-enforcement agencies. The urban poor normally do not need subsidies or handouts. Instead, they need legitimacy, recognition, freedom to work, physical space and other forms of assistance that will enable them to support themselves.

...and defuse the dilemma.

Creating an innovative, non-bureaucratic, sensitive and responsive organizational structure, possibly in the municipal administration, to coordinate specific target group-focused poverty alleviation programmes is the second part of the strategy. It would need a proper structure and orientation to work with NGOs, CBOs and the communities.

Finally, investment in the provision of basic services to the poor such as water, sanitation, nutrition, education and health care needs to be recognized as a fundamental investment in the productivity and well-being of the city. Both humanitarian and productivity considerations should weigh in giving this aspect of urban management high priority as, together with democratization, it is one of the key elements that would harmonize the macro and micro agendas.

These activities would require fundamental institutional change. They would also require political will, enlightened leadership and active participation by all sectors of society. The agenda for poverty alleviation demands change at all levels: attitudinal change at the top, solidarity at the bottom and strategic mediation in the middle.

This strategy for change is succintly embodied in the Kuantan Declaration. The Kuantan Declaration on Our Cities, Our Homes: A Citizens' Agenda was adopted by over 20 networks of non-governmental organizations, and civil society organizations, media, research and training institutes and local governments, representing a cross-section of activists in Asia and the Pacific. The meeting was organized by the Asia-Pacific 2000 Programme of UNDP, under the auspices of the Urban Management Programme for Asia and the Pacific (UMPAP).

Some of the networks which adopted this declaration were: Asian Network on Urban Conservation, HIC Women and Shelter Network, Asian Coalition for Housing Rights, Society for the Promotion of Area Resources Centre (SPARC), Youth for Unity and Voluntary Action (YUVA), SEVANATHA Urban Resource Center, Habitat International Coalition (HIC), Regional Network of Local Authorities for Management of Human Settlements, (CITYNET), Press Foundation of Asia, Inter Press Service (IPS), Malaysian Forum of Environmental Journalists (MFEJ), Asian Mass Communication Researc & Information Centre (AMIC), Asian-Pacific Resource & Research Centre for Women (ARROW), Institute for Science & Technology Policy - Murdoch University, Science and Technology Centre, Consumers International (formerly IOCU), Third World Network, Just World Trust (JUST), People Centred Development Forum (PCD Forum), Management Institute for Social Change (MINSOC), Pesticides Action Network (PAN) Asia & the Pacific, Plan International - India Country Office, Sustainable Development Network, Asian Alliance of Appropriate Technology Practitioners (APPROTECH ASIA), People-Centred Sustainable Development (PCSD), International Federation of NGOs Against Drug Abuse (IFND), Disabled People's International Asia Pacific, CHILDHOPE Asia and the South Asian Network of Self-Help Organisations of People with Disability.

The declaration is presented below:

"Meeting at the Asia Pacific Regional NGO Consultation on Our Cities, Our Homes held in Kuantan, Malaysia from 9 to 13 April 1995 as members of citizen organizations and networks representing a diverse range of interests including the environment, health, media and communications, youth, children, women's development, housing, consumers, human rights, and development, we find that we share a common vision of a world of socially just, ecologically sustainable, politically participatory, economically productive, and culturally vibrant communities in which all people, women and men, people with disabilities, children, youth, adults, and the elderly, live productive lives and prosper in peace and harmony. During this consultation we have affirmed our shared commitment, forged new friendships and alliances, and built an agenda towards the realization of our vision.

"The world's cities have historically been centres of great human enterprise, culture, learning and innovation. For many, they have offered places of opportunity and refuge. They have also had their dark and painful sides, sides that have become increasingly visible, even dominant in these closing years of the twentieth century. An explosion of unconscionable poverty is juxtaposed with a dehumanizing implosion of deepening alienation, anger and social breakdown that manifests itself in urban violence, a loss of compassion for the weak, and a disregard of the environmental and human consequences of economic activity. For the marginalized and excluded, the law has lost its legitimacy, because in their experience it serves only to protect the privileged. We see more of our cities becoming the battlefields of the twenty first century on which class is pitted against class, race against race, religion against religion, and individual against individual in a competitive battle that depletes our resources and diminishes our sense of humanity. Those with wealth detach themselves from responsibility for the vulnerable human victims of these battles, withdrawing behind the physical walls of affluent suburban enclaves protected by private security guards and behind the legal walls of corporate charters protected by legions of corporate lawyers.

"This disturbing reality is in large part a legacy of the ideologies and institutions of the twentieth century, and in particular of the dominant neoliberal economic development model of unfettered economic growth, unregulated markets, privatization of public assets and functions, and global economic integration that has become the guiding philosophy of our most powerful institutions. This model spawns projects that displace the poor to benefit those already better off, diverts resources to export production that might otherwise be used by the less advantaged to produce for their own needs, destroys livelihoods in the name of creating jobs, and legitimates policies that deprive persons in need of essential public services. The model advances institutional changes that shift the power to govern from people and governments to unaccountable global corporations and financial institutions devoted to a single goal maximizing their own short-term financial gains. Its values honour a compassionless Darwinian struggle in which the strong consume the weak to capture wealth beyond reasonable need. It creates a system in which a few make decisions on behalf of the whole that return to themselves great rewards while passing the costs to others. For them the system works and they see no need for change. The many who bear the burden have no meaningful voice.

"The decline and decay of our cities has become a highly visible consequence of these destructive forces, a metaphor for a global system that has set human societies on a path towards self-destruction. We take the plight of our cities to be a wake-up call for people everywhere, calling us to forge local, national, regional and global alliances through which we will

reclaim our power from the institutions that have abandoned us. We will use this power to rebuild our cities, towns and villages socially, ecologically, politically, economically, culturally and physically in line with our vision and with the needs of people living in a twenty-first century world. We look to the Habitat II conference to be held in Istanbul in June 1996 as a focusing event at which the world's people will share their visions of the future they want for themselves and their children and join in a common cause to create their desired future through creative local, national and global action. We approach it not as the last global conference of the twentieth century, but rather as the first global conference of an emergent twenty-first century, a global conference at which the world's people will come forward to give new meaning to the opening words of the United Nations Charter, We the people....

"Human habitats join together built spaces, movement spaces, social spaces and ecological spaces into living spaces for people. The balance and synergy achieved among these four uses of space substantially determines the quality of our lives. In traditional communities these functions came together naturally and holistically. In modern cities they have become fragmented and disconnected. We must restore the sense of wholeness and balance while simultaneously recognizing the essential interdependence of our cities, towns, villages and rural spaces.

"Two great issues inform our efforts to rebuild our habitats, our living spaces: 1) the need to transform our ways of living to bring them into balance with the natural ecosystems of our planet while assuring the right of all people to a good and decent means of livelihood as productive contributors to secure and vibrant communities; and 2) the need to transform our institutions to restore to people the power to govern their own lives. We recognize that meeting these needs will require that we transform the values and institutions of the existing global system to one that places life ahead of money, the basic needs of the many ahead of the extravagant consumption of the few and the rights of people ahead of the rights of corporations. This transformation must be people-driven, growing out of the aspirations, needs and life experiences of people everywhere. We recognize that the issues are political and that change will require effective political action.

"To this end we will work to:

- Build public awareness of the links between the dominant development model and the social, environmental and economic crisis of our cities, towns, and villages.
- Encourage and support the efforts of people to articulate their own visions of the future and build their own agendas for achieving those visions.
- Facilitate the linkage of these efforts into local, national, regional and global alliances.
- Transform existing systems of governance to assure that the decisions regarding the structures and functions of our habitats centre on improving living for people rather than on increasing profits for corporations.
- Assure adequate access to the built environment for all people, including children, the elderly and people with disabilities.
- End the dominance of our living spaces by automobiles in order to increase both the livability and sustainability of our cities and towns.
- Achieve local food security based on sustainable methods of agriculture and the recycling of food and agricultural wastes.

- Make the transition to meeting energy requirements from renewable, ecologically sound and socially just sources.
- Establish a harmonious relationship among people, animals and plants within human settlement areas through the use of adequate green spaces.
- Seek humanistic, non-militaristic approaches to dealing with social problems such as drug abuse.
- Reduce the extractive burden that our cities impose on the world's rural areas.
- Recognize and support the initiatives of women's groups in communities.

We commit ourselves, through the Plan of Action adopted at this meeting, to promote this agenda among our networks and through the processes of Habitat II and beyond."

4.4 Conclusion

In assessing in the context of macroeconomic changes the future prospects of Asian urbanization and cities — which considering the demographic trends would mean assessing the future of Asian societies themselves — it is pertinent to ask which pressing urban problems the changes resolve and what kind of new opportunities or risks they entail. It is also worth asking whether there is still space for a different approach, a fresh set of options.

The impact of the stabilization, adjustment, liberalization and globalization policies in resolving the Asian urban dilemma can be summarized under 10 major issues. These are population growth, megacity concentration in this region, poverty, growing inequality, a growing informal sector, environmental degradation, weak governance and management, centralization, inadequate participation, and socio-cultural alienation. On this basis it can easily be seen, based on available evidence, that the macroeconomic changes are generally exacerbating the situation, not improving it.

Thus, the macroeconomic forces are accelerating urbanization, bringing more people to the cities than ever before. Export-led growth is increasing the pressure on cities. The poor are adversely affected. With the rich getting richer, inequality is visibly increasing. With the emphasis on industrial growth and services, the threat to the environment has in no way diminished. Although higher income levels have generally improved health and welfare, they also promote consumerist, wasteful societies. In much the same way, city authorities have more funds, but a greater share is diverted to attracting more investment and serving the privileged and is not necessarily invested for the "common good". Free play to the multinationals and large corporations concentrates both economic and political power in a few hands. As the informal sector grows, so too does social alienation. Moreover, the information age is eliminating many cultural boundaries. Even if simplistic, this picture is not entirely imaginary.

So are there any other options? In theory, the answer is "Yes" but this may not hold in practice. However, the stakes are so high, that even a difficult option is worth exploring. Thus, if Asian societies could have the courage of their convictions, there might be another path. The present model is unsuited to local realities, geo-climatic conditions, social institutions and culture. On the other hand, Gandhi and Schumacher both had a different vision.[18]

Gandhi knew poverty at first hand. He recognized that 80 per cent of India's population was rural and that they faced problems of health, sanitation and livelihood. He pleaded that development priorities should be focused on them and their villages. He asked Nehru, India's first prime minister, "Why

must India become industrial in the Western sense? Western civilization is largely urban. Small countries like England and Italy may be able to urbanize their societies. A big country like America cannot do otherwise. But one would think that a big country like India with a teeming population and an ancient rural tradition that has hitherto answered its purpose need not — must not — copy the Western model. What is good for one nation is not necessarily good for another differently situated. One man's food is another man's poison."

E.F. Schumacher was one of the first economists to question the kind of economic growth taking place in the West. He asked, "How can one argue that the American economy is efficient if it uses 40 per cent of the world's primary resources to support 6 per cent of the world's population without any observable improvement in the level of human happiness, well-being and peace?" Schumacher lobbied for a more holistic, people-centred view in economics. He felt that, in trying to be scientific and quantitative, economists had ignored people's needs and motivations, cultural influences and spirituality.

It is therefore important to question the *inevitability* of urbanization, especially its resource-depleting, polluting, exploitative and dehumanizing aspects. It would help to realize that urbanization and the cities we experience are the result of the economic policies and development models that have been followed. Thus, if the models and policies were to change, so would the cities.

Dr Kamla Chowdhary in her essay "Economic growth, ethical and ecological concerns"[21] has called for a new development paradigm. This would recognize that economic growth by itself is not development, nor are higher standards of living as measured by material goods. Catching up with the West, and therefore the Westernization of the world, is also not development. The new paradigm must be based on a more moderate demand on the earth's resources and their more equitable distribution. Moving to a simpler lifestyle; evolving development strategies and processes that express local conditions, aspirations and control over resources; considering religious and spiritual issues when formulating the new paradigm; and changing existing institutional structures are some of her key recommendations. As Einstein observed, "We cannot solve the problems we have created with the same thinking that created them" or as Keynes said, "The difficulty lies not in new ideas but in escaping the old".

In a more immediate context, however, the concluding statement of the Executive Director to the nineteenth session of the Commission on Human Settlements seems apt. He said, "Over the last two decades, the world has moved towards a new synthesis of state, market and people which holds out the promise of adequate shelter for all. However, this process needs to go much further, to reject the simplistic faith shown by some analysts in the power of the market, just as earlier reliance on centralized planning was abandoned. Neither states nor markets are sufficient on their own to promote the efficient and equitable development of cities; what is required is a new balance between the complementary powers of the three systems. The result may be the kind of community-based systems enabled by government and supported by industry recommended by some commentators as an alternative to the unsustainable capitalist financial market system and the inefficient state command system, and in which personal creativity and local initiative is given full rein." Thus, the new Asian urbanization strategy must be built on efficient use of solar energy and other renewable energy sources; labour-intensive industrialization must be geared to meeting the needs of the masses and rural development; creative use must be made of astonishing advances in communications technologies; and decentralized democratic

institutions must be developed that allow all people, including the disadvantaged, to participate and grow.

Notes

1. United Nations Centre for Human Settlements (Habitat), "Review of national action to provide housing for all since Habitat I 1976," Report of the Executive Director to the Commission on Human Settlements, January 1995.

2. Ibid.

3. Ibid.

4. Ibid.

5. Bello, Walden, presentation at the Asia-Pacific NGO Conference on the World Summit for Social Development, 1994.

6. UNCHS, loc. cit.

7. Link, *Newsletter of the Asian Community Health Action Network,* vol. 12, No. 3, September 1994.

8. D'Abnero, Demond A., "A social worker looks at the new economic policy," Dialogue Group, Madras, August 1995, and *Structural Adjustment: Economy, Environment, Social Concerns*, edited by Shobha Raghuram, Heiko Sievers and Vinod Vyaslu, Macmillan India, 1995.

9. Fernandese, Ruben Cesar, "Private but public: the third sector in Latin America," *Civicus,* in collaboration with Network Cities Asia.

10. Bello, Walden, loc. cit; Swaminathan, Madhura and Ramacandran, V.K., "Structural adjustment, poverty and unemployment," *Vikalp,* vol. 10, No.1, 1995; Swamy, Dalip S, "Alternative to globalization," *Mainstream,* Vol. 33, No. 20, April 1995; "Impact of structural adjustment programme on the poor household's economy: a case study of Gujarat," Working Paper No. 1, Action Aid, Bangalore.

11. Bandopadhaya, D., "Impact of structural adjustment programmes: hunger and jobless growth," *Mainstream*, Calcutta, 1995.

12. World Bank, *World Development Report 1995*, Washington D.C. 1996.

13. ESCAP, *State of Urbanization in Asia and the Pacific 1993*, United Nations, New York.

14. Mathur, Om Prakash, "Governing cities: facing up to the challenges of poverty and globalization," National Institute of Public Finance and Policy, New Delhi.

15. Ibid.

16. Sanyal, Bishwapriya, "Ideas and institutions: why the alternative development paradign withered away", *Regional Development Dialogue,* vol. 15, No. 1, September 1994.

17 UNCHS, loc. cit.

18. Chowdhary, Kamla, "Gandhi and Agenda 21," mimeo.

19 Ibid., "Economic growth, ethical and ecological concerns," mimeo.

Comments

Both verbal and written comments were made on the paper. The nature of comments vary from direct responses to issues raised in the paper to reflections on country situations based on the issues raised by the paper. Verbal comments are summarized from the notes taken by the secretariat, while written comments are presented with only editorial and grammatical corrections. Not included are a few editorial comments as these have already been incorporated.

Verbal comments

Discussion on this paper focused mainly on the impacts of globalization, structural adjustment policies and the alternative development paradigm proposed in the paper. Some participants questioned the contention of the paper that structural adjustment policies had hurt the poor. In some South-east Asian countries like the Philippines, some participants claimed, structural adjustment policies had stabilized the economy, increased foreign investment and created jobs. Many participants felt that structural adjustment policies were necessary because of decades of fiscal mismanagement by national governments and that while in the short term, they might have adverse impacts on the poor, in the long run they would create more economic growth and increase incomes of all sectors of society, including the poor. However, many participants felt that the present economic development model, while perhaps reducing absolute poverty, would increase relative poverty. This was the major future challenge. Some participants felt that of greater importance than economic development policies were policies to control population growth rates, as these were the key to reduction of poverty. Some participants felt that globalization was inevitable and that it was not necessarily bad for developing countries as markets in developed countries would become more open to goods from developing countries.

Moreover, some participants expressed the view that the cultural invasion from the developed countries was not a major issue, as cultural exchanges worked both ways. Furthermore, cultures should not be reviewed in a static manner as cultural vibrancy depended on the evolution of culture.

The discussion on the development models was rather heated. Participants felt that there were several development traditions in Asia, which did not have their roots in Hinduism and Buddhism. Islamic cultural heritage was similar to Western cultural heritage as it emphasized the supremacy of man over nature. Some participants felt that the paper's argument that the present development model was wasteful and consumerist were correct and that if Asian developing countries reached the same development levels as the developed countries, the earth's carrying capacity would be severely strained, if not irreversibly ruined.

Others felt that the development model espoused by Gandhi and Schumacher could only be feasible if all countries, particularly the developed countries, also applied them. Otherwise, those who did would be at a disadvantage and would be unable to overcome poverty. The example of Myanmar was cited, which had been praised by Schumacher for forgoing the neo-liberal economic development model. Poverty had not been reduced in Myanmar and now it was opening its markets to improve its economy.

Written comments

Ms. Young Sook Park, Director, Korea Institute for Environmental and Social Policies (KESP):

"Current Korean GNP reaches US $10,000. This is a big growth; however, Korean citizens do not feel the benefits of such growth. This growth has not trickled down to the poor and they need to rely on foreign aid. Why is this so?

"As evident from the situation of former Korean presidents' secret money, which has been covered (by the media) extensively domestically and abroad, the wealth obtained from economic growth has not been distributed properly and has been used for corrupt politics. The phenomenon of the rich getting richer and the poor getting poorer has become more distinctive.

"(There are several examples of this phenomenon. For example) a large number of people lost their homes due to dam construction, while the plutocrats constructed golf courses, leisure towns, international sports complexes, which intensified the distinction between the rich and poor.

"Governmental policies and development plans, based on the free-market system, where the private enterprises seek their own profits, intensify the economic gap and isolate the urban poor and the middle class. Moreover, large-scale development towards the newest and the best is not suitable for their lifestyles and consequently (marginalizes them).

"In the 1990s, most usable land in Seoul was exploited and the growth of Seoul is slowing down. The population in Seoul is also decreasing because of (outmigration). The proportion of elderly citizens has increased; however, the welfare system for this population group has not been well established or worked out properly. They are emerging as a marginal group in addition to urban poor."

Dr. Kazusue Konoike, President, Overseas Construction Association of Japan Incorporated:

"In urban areas, many kinds of infrastructure such as potable water, sanitation and electricity are provided for the people. Medical doctors are available in case of illness. Schools are open to all. Jobs are also available if you are not too choosy. Many people come to the city from villages with the expectation that they can spend more comfortable lives in an urban environment. Here lies the trap. Contrary to their expectations, life in large cities is not so easy. Villagers from rural areas are forced to live in slums and squatter areas. Their dreams collapse faced with such urban problems.

"Even in Japan, although the gap between rich and poor in cities and rural areas is not so great compared to the developing Asian countries, still many young villagers prefer to migrate to urban areas and what is left in the villages are only the aged to continue farming the land.

"Thus, urban and rural problems are interactive with each other, so to speak, they are the head and tail of a coin. On this point, I think, reference to rural problems is not dealt with sufficiently in this paper. Then why do so many people leave the village? Food production cannot suddenly be increased sufficiently to support the continuously increasing population even in rural areas if traditional methods of farming are continued. If village people rely upon agricultural income only, then their daily lives will gradually become harder and harder. This is one of the main reasons why young people from the villages go to the city in order to gain more income. There are two factors in this issue. One is the attraction of a big city beckoning the young to city life and the other is depression in rural areas which tends to push

people away from the village. To solve the urban problem, it is necessary not only to try to ameliorate the difficult problems which the city faces but also to promote factors that will diminish the exodus from rural areas by developing rural quality of life.

"There is a big difference in productivity between city and village. The secondary industry is much more productive than primary industry from the view point of productivity per unit area. It is only natural that many governments in developing countries are apt to give greater attention to secondary industry at any cost by ignoring primary industry in order to secure rapid and large-scale development.

"But in the twenty-first century, when a population explosion in the cities is clearly expected, who will produce the food to cater to the urban population? Food cannot be produced in the factory. It comes from farmland. We must bear in mind that rural areas are the only source of food for this world.

"After the Second World War, many countries gained independence. Their population has increased. Each government took steps to industrialize their country turning it from an agricultural to an industrial base in order to develop the country and increase its wealth. Thus, a country that was once known as a food exporter was obliged to become a food-importing country. You will easily understand that at present not so many countries can afford sufficient food to be able to export to food-deficient countries. In the twenty-first century, the food problem will become more serious due to a decrease in the rural population and an increase in the urban population. We are now discussing population movements but, in future, we will have to tackle the food problem.

"In Japan our main food is rice. For the production of rice, it is necessary to have good irrigation systems. In Japan, small-scale irrigation ponds or reservoirs were historically constructed by the villagers in collaboration with their communities. But large-scale irrigation systems were constructed by the central or local governments. My company has much experience of constructing such irrigation projects and multipurpose dams since its establishment. As such, I had also a chance to participate in an irrigation project in Africa and an agricultural development centre project in South America. In the former, we were successful in creating 2,300 hectares farm land from barren land and doubled food production. Many villagers were pleased with the increase in their income and they stopped moving to the city to find work. In the latter case, villagers were trained in the centre in new agricultural technologies and they were proud of their increased food production. These policies are essential for the development of the nation.

"What Gandhi taught us to give much attention to the village is quite right. World politicians and bureaucrats should change their concepts of development. That is, while tackling the problems which face urban areas, at the same time, they must do their best to raise the level of rural life. This will naturally slow or stop the flow of population from rural areas into the city whose main problems stem from this population inflow. A comprehensive policy on the part of the government is indispensable for solving the urban problems."

Mr. Le Tran Lam, Chief, Environmental Management Division, Peoples' Committee of Hanoi:

"Viet Nam put into place a comprehensive reform of its economic system (Doi Moi) starting in 1986 and expanding in scope in 1989. These reforms have had a tremendous impact on economic performance with average GDP growing at 7 per cent per annum and exports increasing at 30 per cent per annum during 1989-1992. Annual inflation rate was reduced from 400 per

cent per annum in 1988 to 5.3 per cent per annum in 1993. Viet Nam's development path mimics the early stage of growth in East Asia's Newly industrialized countries (NICs). Viet Nam until two years ago may be said to be similar to those economies in that period, with low savings and investment and with macroeconomic instability. After stabilization (since 1992) these economies were able to grow successfully on the basis of export and private sector led development. However, Viet Nam has to decide on the path it wishes to travel in terms of growth and how it should be sustained."

Professor Yue-man Yeung, Hong Kong Institute of Asia-Pacific Studies, Chinese University of Hong Kong:

"The study does not take into account the impressive economic growth in Asia during the past decades, particularly since the 1980s. Along with this has been a substantial reduction in urban poverty (see *World Development Report*, 1990). The reduction of poverty was especially rapid in East Asia. Even South Asia has grown rather rapidly in economic terms, above developing country average. So the urban crisis as depicted has to be qualified.

"Some of the pessimistic conclusions cannot be equally applicable to all Asian cities. Asia is so diverse. In fact, Asian cities have done the best among cities in developing countries. Cities in Latin America and Africa have been stagnating or declining since the 1980s - not Asian cities. The examples with reference to Latin America and Africa should be left out."

Mr. Ahmed Lateef, Director, South Asian Association for Regional Cooperation (SAARC):

"SAARC has also moved ahead in strengthening economic and trade cooperation among its members and substantial progress has been made in this regard. With the operationalization of the SAARC Preferential Trading Arrangement (SAPTA) on 7 December 1995, SAARC is consolidating the gains achieved on this front and moving ahead steadily towards the creation of the South Asian Free Trade Area (SAFTA) by the year 2000."

Mr. Pankaj Agrawala, Director (Housing), Department of Urban Employment and Poverty Alleviation, Ministry of Urban Affairs and Employment, Government of India:

"Are externalities produced by free-market mechanisms a crisis or a challenge for urban managers to internalize?

"We can strive to a) increase consumer consciousness; b) internalize externalities of production and consumption by regulatory mechanisms, taxes and fiscal measures; c) increase judicial activism - public interest litigation; d) increase literacy.

"International best practices cannot be labelled 'western' and declared bad or exploitative and these are not an intellectual property or patent of any region or block. We cannot reverse globalization and therefore each country will need to identify their competitive advantages and the emphasis will be on an international division of labour. This will require certain global best practices to be followed.

"Some international best practices are: (exchangeable) currency; banking; corporate laws; contract law; rule of law etc. If we do not have a set of rules that commonly govern transactions across the globe, we might relapse into a state of chaos.

"Catching up (with developed countries) is a virtue. If you blindly ape a best practice there is something wrong with you. Do not blame the country that gave you the best practice.

"Under the pressure of structural adjustment policy, government had to reduce budget deficits and consequently the axe fell on social sector expenditure because this had the heaviest burden of subsidy. However, we must make a case for subsidized health and primary education because there are huge positive externalities of consumption in health and education sector. What we find in Asian economics is that higher and technical education is very heavily subsidized. The tuition fees for any of the Indian Institutes of Technology are filthily low. Most of IIT graduates, at least the top 10 per cent, go to major US universities or international assignments. This is a drain that must be highlighted. The elitist slant in our health and education sector is quite evident.

"(With regard to the proposed alternative development paradigm) ... labour intensive industrialization is a second stage necessity for countries such as the Republic of Korea. For other South Asian economies, we need technology upgradation, retraining and catching up. International technology transfer is a best practice."

Dr. Sababu S. Kaitilla, Assistant Executive Secretary, National Council for Urban Shelter, Papua New Guinea University of Technology:

"The author of this paper should be commended for a well-written appraisal of the urban dilemma in Asian and Pacific cities. The author has given or drawn the reader's attention to a number of instructive examples both from Asia-Pacific cities and from a wider perspective of cities from developing countries — ranging from those near and far like.

"However, this being a document about living in cities in Asia and the Pacific it would have been more beneficial to the reader to be given examples pertinent to Asia-Pacific countries. Certainly there are a number of Asia-Pacific countries, which have subscribed to the IMF/World Bank prescriptions of SAP. Among these Asia-Pacific countries, I hope there are some that are faring well and others which are faring badly. In this case, it would be very beneficial to see a table that compares and contrasts the impacts of IMF/World Bank-promoted SAP before comparing them with the wider world of developing countries.

"My final comment refers to the author's conclusion of moving towards a simpler lifestyle. This is a stimulating conclusion. But for it to become a reality, the global community must also move in this direction, which may be wishful thinking, especially for those from Western cultures."

Dr. Haruo Nagamine, Senior Adviser, Nagoya Centre for Urban Advancement (former Director, United Nations Centre for Regional Development, UNCRD):

"(In discussing the various development paradigms the paper has) failed to successfully challenge those conventional 'nothing-can-stop-urbanization' type of values. (The paper) has not brought out fully the concern for the limit of environmental and natural resources capacity which is unlikely to be able to accommodate the demand for it when the majority of the human race (i.e. the Asian) want to reach the level of wasteful affluence now realized by Americans, Japanese and all other industrial nations. In fact, what we have now is the road towards extinction! As is already rightly pointed out by Kirtee Shah, the values and paradigms that have brought out the problematic world today cannot be corrected by themselves. What we need is, indeed, a radical and profound redressal of our ways of thinking.

"The poor majority of Asia, no doubt, their quality of life needs to be improved but, at the same time, they should also realize that Americans or Japanese, who are, in fact, far richer economically, are no longer happy as the Asian poor might assume. Hence the validity of (the author's) proposition to stress the importance of media. Asian masses should be well informed of not just the TV-commercial-type homage to urbanization but also, all the problems and pitfalls inseparably associated with it.

"Indeed, what we, the world populace, need is, first and foremost, a redressal in our development paradigm — in other words, humble, satisfied-with-little type of environment-friendly philosophies, which have been mostly Asia-based, particularly those of Buddhism. We must now turn to non-urban values."

Dr. Kulwant Singh, Executive Director, Human Settlements Management Institute (HSMI), New Delhi:

"It is erroneous to assume that both absolute and relative poverty have increased in Asian cities. Rather, absolute poverty has declined in recent years when compared with relative poverty. Planning Commission indicators for urban poverty in India exhibit this decline. Likewise, absolute poverty in many Asia-Pacific countries has declined. Absolute increases in the poverty ratio (in cities) are mostly attributed to inflow of poor migrants. Urban modes of production exacerbate relative poverty but reduce absolute poverty.

"(With regard to the alternative development paradigm) ...Asia-centred approaches to development are no doubt ideal. However, alienating these countries from the sweeping influences of other developed economies, where existing economic development processes are difficult to reverse, will remain a formidable task. What is essential is to prescribe a sustainable development model that attracts both the worlds. Realizing the (trend to hop on the) environmental bandwagon, it is most likely that this model will be favoured as compared to a local indigenous model. What is needed is to work out the local modalities for efficient and equitable utilization of scarce resources in producing quality living conditions in the Asian cities."

Mrs. Chandra Ranaraja, Municipal Councillor, and former Mayor, Kandy Municipal Council:

"As poverty is central to the main (thesis of the paper) both public and private sectors would face enormous strain on their finances. Shelter, infrastructure development, training, capacity-building all would all require large amounts of funds.

"The new free-market problems need early attention especially by central government before the poor are made poorer and they are evicted. Other social problems too need to be addressed, especially degradation of the environment, transport problems, the need for sufficient clean water for drinking, women's needs and empowerment, and the protection of children's rights."

Major General (Retired) A. Khan Chowdhury, Vice President, Metropolitan Chamber of Commerce and Industry, Dhaka:

"Persistently high population growth rates in spite of implementations of major population control programmes will remain a problem for many developing countries. As population will continue to increase, problems will compound. The pressure on limited resources will increase as the requirement for such basic needs as food, housing, clothing, sanitation, mass transport, education and training, and employment opportunities will

continually increase. Efforts to check population growth should therefore be intensified.

"It must not, however, be forgotten that population growth will be checked only when economic growth accelerates. As incomes rise, the urge on the part of the parents to have additional sources of income in the form of male children will be reduced. Education and awareness about the advantages of small families are also important factors behind motivation of couples to have smaller families.

"Yet, it must be mentioned that the issues of population growth and mass poverty have often been overplayed by human resource policy makers. Increasing population pressure will not necessarily create an underdevelopment and poverty trap if the development strategy can be so pursued as to convert the dependent population into a productive population and if such productive capacity can be supported by enlargement of the resource base through technological transformation and resource renewal programmes. As population control is a long-term phenomenon and is positively correlated with economic development, a prescription based on the traditional static views of population growth is bound to be inappropriate. One may have to accept a given average population growth as a reality and work out an alternate strategy for making life and living meaningful. Such a strategy is to make population a productive resource with a high degree of mobility through human resource development programmes — formal, informal and non-formal. A properly oriented human resources development programme will enable the human power to make the best possible contribution to their own and national development.

"Some structural adjustment programmes have no doubt had adverse effects on employment and income earning opportunities of the urban poor. However, certain other measures in Bangladesh, e.g., flexible foreign exchange rate regime, greater availability of intermediate inputs through relaxation of quantitative restrictions and tariffs on imports have had positive effects on the labour-intensive non-traditional exports, as well as small-scale manufacturing units, that are dependent on imported inputs, with favourable implications for the employment and income of the urban poor. Also, introduction of redundancy payments in voluntary separation schemes of the ongoing privatization programme has compensated for the short-run welfare loss of the displaced workers.

"Yet, it must be said that the adjustment package has paid no attention to the needs of the extreme urban poor, the segment which may not benefit directly from the growth process. In fact, nearly all the targeted programmes of poverty alleviation have been implemented in the rural areas, largely bypassing the urban poor.

"Even the NGOs which have emerged as an alternative delivery system in recent years (have concentrated their efforts in rural areas and) have failed to address the pressing concerns of the extreme urban poor."

Paper 4. The new urban contract: institutional change

Adnan Aliani

Adnan is currently a Human Settlements Officer at ESCAP, where he has worked on urban issues for six years. He comes from a family involved in local and national politics and has, therefore, gained insights into the realities of political life, particularly at provincial and local levels

I. Introduction

Urban realities in Asia have long been ignored...

The preceding papers have argued that the present severe and generally increasing dysfunction of most Asian cities is due to two broad strands of causation. The first is excessive Western influence from both the colonial legacy and the subsequent Western-based development paradigm. The second is a concomitant myopia among Asian governing and planning elites in relation to local realities. Significantly, this has been so strong that even where the Western model was rejected, the usual alternative was an equally inappropriate backward-looking "glorious past" model of society. Thus, very few leaders, decision makers and professionals in Asia have felt the need to study and understand the processes and dynamics of existing urban societies and derive development strategies from them. Somewhat ironically, this blind spot has adversely affected not only the lives of the urban poor who are always the most vulnerable, but those of the middle and upper classes as well.

...with serious consequences.

Hindsight suggests that, given the global and regional history, many of these developments were inevitable. However, the result has been the emergence of a disjointed, dualistic, even counter-productive set of formal (Western and colonial) and informal (traditional and feudal) decision-making and management systems that have produced the current malaise. This is manifested most obviously by a growing and increasingly persistent urban underclass that feels excluded from the mainstream of society and is consequently becoming aggressive and militant. However, another equally serious consequence is that urban and natural environments are being degraded as never before. As a result, the poor now suffer two cumulative sets of risk. While their settlements and workplaces still suffer from the traditional threats to health such as lack of adequate clean water and sanitation, they now also face modern urban threats such as air, water and noise pollution from industry, chemicals and transport.

It has been shown that structural adjustment policies, together with global trade arrangements that force open markets in developing countries, without putting similar pressure on those in developed countries, are likely to decrease further the level of control traditionally available to national governments while simultaneously increasing disparities in wealth. The continued rise of the multinationals is another threat that may even augur the revival of an East India Company type of colonialism which seeks to dominate through trade and whose only motive is profit. In this climate, the ASEAN economies are paraded as models for development for the rest of Asia even though they have been built on tremendous social and environmental costs. All these trends are likely to make Asian cities increasingly less livable, particularly for the poor.

But a solution based on...

However, these global trends also contain reason for hope. Western influence has also meant that formal education has made great strides since the colonial era. Partly as a result, the post-cold war era has ushered in much greater political openness. Perhaps most important of all, the advent of the information age also allows ideas and information to be shared across the globe to an unprecedented degree. This has contributed greatly to the emergence of citizens' and interest groups of all kinds, leading to a dramatic increase in global consciousness in, for example, such areas as the environment, human rights and women's rights. All these developments have the potential to increase positive, well-informed public participation in, and control over governance. This possible shift in the pattern of urban development has only become available within the past few years, but it may be the key to making the region's cities more livable, particularly for the poor.

...greater citizen involvement is possible.

It is this completely fresh opportunity that this paper explores. It does so by focusing on three key strategies for more open, more responsive governance. These are empowering the poor themselves, promoting institutional change to foster and interact with such empowered communities, and activating civil society as a means of institutionalizing the new urban relationship within the context of a dynamic society. The overall vision is that, in the end, both the urban rich and poor are in the same boat and what happens to one group ultimately affects the other. Thus livable cities can be achieved only through the transformation of society as a whole.

II. Empowering the poor

Poverty can be eradicated through empowerment.

Poverty is the lack of choice and security. Poverty limits available options and exposes the poor to insecurity, particularly in terms of income and tenure. Urban poverty alleviation can be defined as empowering the poor and the disenfranchised to acquire a greater stake in and access to the economy and society.[1] Happily, in many cities of the region, the groups best able to achieve this are also often the best organized groups in society. Such groups include service and charity CBOs and NGOs, as well as those involved in advocacy and organization of the poor, whether they are trade- or community-based. It should be noted that many of these organizations do not necessarily work to empower the poor. Many NGOs, perhaps unknowingly, perpetuate their existence by making the poor dependent on them. Many other community-, trade- and labour-based organizations are controlled by elements of the urban mafia who seek to exploit and further disempower the poor rather than strengthen them. However, the greatest hope for improving the working and living conditions of the poor still lies with those CBOs and NGOs which genuinely seek their empowerment. Empowerment means giving the poor the wherewithal to interact with other groups in society, particularly the government, professionals and the private sector. Above all, it means education and training in such things as organizational and business management, in developing coalitions, and in articulating and solving problems in a group environment. The key elements in this process are to support collective mechanisms among the poor, to provide technical assistance to them, to promote wealth creation and to foster partnership building.

2.1 Supporting collective mechanisms

A parable common to most Asian cultures tells of a father who gathered his ten sons together. He took an arrow out of his quiver and asked the youngest son to break it. The boy did so with no difficulty. The father then took the remaining arrows from the quiver, tied them into a bundle and asked his strongest son to break them. The young man could not do it, the moral being that there is strength in unity.

This includes organizing the poor...

This is particularly true for the urban poor. Programmes have shown time and again that poor communities that are organized, united, articulate and possess technical and managerial skills can not only resist negative pressures from stronger groups but can form strong and equal partnerships with government and other groups to improve their own conditions and break the cycle of poverty.

Several organizations have made valuable attempts to catalyse coalitions of the poor in the form of slum and squatter dwellers' federations, rickshaw pullers' associations, hawkers' welfare cooperatives, etc. These coalitions have strengthened the bargaining positions of the poor and have assisted them in partnership-building.

2.2 Providing technical assistance

The poor evolve their own coping and support mechanisms in response to life in the cities. These mechanisms are often exploitative in nature, yet they also meet the needs of the poor. If the mechanisms can be clearly understood by professionals and experts, then rather than trying to impose other programmes and solutions that are alien to the socio-economic environment of the poor, they could be assisted to acquire skills that would enable them to remove the exploitative aspects of their processes while enhancing the positive aspects. This principle of enabling the poor to improve their own processes rather than introducing alien ones applies to all aspects of policy development.

...plus technical assistance and training.

Another important element of such technical assistance is training in CBO operations and management. Organizations among the poor often flounder because those entrusted to run them do not possess managerial and financial skills. Moreover, many groups are unable to organize themselves or interact with other organizations because they do not possess group interactive and negotiating skills. Communities often have natural leaders who, while possessing the necessary drive, lack skills in consensus-building. In many cases, because of the absence of checks and balances within community structures, such natural leaders often become part of patron-client networks of politicians and officials. While becoming part of such networks may benefit these individuals, they are often detrimental to the overall interests of their communities. Governmental and non-governmental organizations that assist urban poor communities to acquire such skills help to empower them. In contrast, those who speak on behalf of the poor or provide them with services, while doing valuable short-term work, often tend to make the poor dependent on them.

Box 1. UCDO — an attempt to empower the poor[2]

In March 1992, under the Seventh National Economic and Social Development Plan, the Thai Government launched the US$ 50 million Urban Poor Development Programme at the national level and created the Urban Community Development Office (UCDO) to implement it. The programme was launched to address persistent urban poverty which seemed unaffected by rapid economic development taking place in the country as a whole. It was based on the findings of a special independent study of urban poverty that was commissioned by the National Economic and Social Development Board in 1990. The study was conducted by an NGO with the participation of government agencies, other non-governmental organizations, professionals and community leaders. It examined past experiences in community development and the development processes of the urban poor, including both successes and failures.

The study recommended a new method of development in which the focus was on people and the government played a facilitating and enabling role. It also recommended that the entry point to urban poverty alleviation should be provision of credit to community-based organizations. This required a new kind of institution which was flexible and participatory and could work at a scale which would have a direct impact on poverty. In the long run, the new institution would provide a model for more widespread institutional reforms.

UCDO has been set up as an autonomous agency under the National Housing Authority with its own governing board. The Board consists of three members from government organizations, three community leaders elected from various slum federations, two NGO representatives and one from the formal private sector. The Governor of the NHA is the Chairman, while the Managing Director of UCDO, a former head of an NGO, is the Board's secretary.

The important and innovative qualities of UCDO's programme are:

- It is an institutionalized organization which promotes partnership. The UCDO Board itself represents this partnership between government organizations, communities, NGOs and the private sector. UCDO programmes seek to build this partnership at the local and operational level;

- It uses credit as a mechanism to strengthen community capacities in dealing with their own integrated development process. The purposes of loans given to community-based organizations range from income generation to general revolving funds for housing. UCDO acts as a reserve bank providing loans to community-based organizations which in turn provide loans to their members at a mark-up. UCDO requires these communities to start savings programmes and provide a development action plan for which credit is needed. This catalyses the community to examine and improve their management practices. UCDO encourages NGOs and other organizations to provide technical assistance in this process;

- UCDO considers communities as central to its development strategy and seeks to strengthen them. After acquiring loans from UCDO, communities are often able to tackle other development issues such as social and environmental improvements;
- UCDO does not seek to replace existing government or non-governmental organizations, but actively seeks to involve them in the community development process.

UCDO's long-term vision is that the savings and credit organizations of the urban poor themselves will prove effective and sustainable vehicles for long-term development of low-income households and communities. It is also hoped that such organizations will federate with one another to form an urban community banking network which will provide loans exclusively to the poor.

UCDO alone would not be able to alleviate urban poverty without a macro policy environment which actively seeks to integrate enterprises set up by the urban poor into the formal economy. Its significance is that it marks a solid commitment by the Thai Government to community-based approaches. UCDO could gradually encourage low-income communities to participate in the civil society. This would enable the government to achieve enduring solutions to social, economic and environmental problems.

2.3 Creating wealth

The poor are not without income. What they lack is an ability to accumulate capital, which is a key ingredient to wealth creation. There are several reasons for this inability. As already noted, these include usurious interest rates on informal sector loans, constant harassment from formal and informal regulatory and enforcement organizations, and lack of market information. Thus, policies that provide credit at formal market rates and develop support mechanisms for informal sector businesses which seek to integrate them with the formal sector would go a long way towards creating wealth. Experience of community- and trade-based savings and credit schemes have extensively illustrated the ability of the poor to break the cycle of poverty both in rural and urban settings. A large body of literature on this issue exists in the region. What is needed is not necessarily more research on the issue but greater efforts in disseminating the experiences and information already collected to organizations of the urban poor. In effect, a strategy of extension work needs to be developed, perhaps similar to the successful agricultural extension programmes in the region.[3]

Box 2. Society for the Promotion of Area Resource Centres in Bombay, India[4]

SPARC started working in Bombay in 1984 among the poorest of the poor pavement dweller women. It has two large partners — Mahila Milan (Women Together) and the National Slum Dwellers Federation (NSDF). The latter's membership is 315,000 families.

SPARC works through area resource centres (ARC). An ARC is a space for poor people to meet, communicate and learn from each others' experiences. It is a place for capacity-building through promoting self-awareness, understanding the causes of their own poverty and finding solutions to their problems. Pro-poor animators discuss their problems with the poor and help to increase their awareness of the issues involved and their possible solutions. ARCs link communities across the city and create solidarity among the participating women.

They also develop information packages to inform themselves and leverage access to public, private and other support services.

Mahila Milan is a network of women's collectives set up in 1987 to help women gain improved access to public services and to develop strategies to handle self-help programmes. A "crisis credit" scheme, based on daily collections to reduce members' vulnerability to moneylenders during emergencies, is a mainstream activity. Projects range from credit and savings, obtaining ration cards, vigilance over operation of fair-price shops, and representing women's views to police, municipal and other state officials. Women cadres are trained to assume leadership responsibilities.

SPARC is also working with the Bombay Municipal Corporation to build 20,000 public toilet blocks. It serves as an intermediary to improve access to housing loans given by the Housing and Urban Development Corporation, and it helps to design resettlement plans which are community-oriented.

SPARC has found that horizontal or peer learning seems to be a powerful pedagogical tool. In this approach, it is not the expert or consultant or activist who talks down to the community, but rather it is the sharing of experiences and ideas that leads to new understanding and insight. When the capacities of people's organizations are built so that the social and economic networks of the poor themselves begin to function well, a strong organizational base is created and expanded. Such federations of the poor can sit down to bargain with bureaucracies and power elites, armed with knowledge and backed by numbers. They can initiate negotiations to secure their rights to a fairer share of the city's resources. The solution to the problems faced by the poor are best found and implemented by the poor themselves.

2.4 Building partnerships

Social partnerships are also crucial.

Organizations among the poor must also realize that their struggle for a greater share in society and the economy requires them to build partnerships with other civic groups and government organizations. When groups of the poor enter such partnerships from a position of strength, they acquire great benefits. For example, in the Philippines, organized groups in partnership with religious, human rights and housing organizations have been able to lobby for humane, pro-poor laws governing conditions under which eviction can take place, and the procedures which need to be followed to evict a community. With the assistance of NGOs, poor communities have successfully sued government officials and private landowners for breaking the law. In Bangkok, community groups together with NGOs, and several organizations of middle-class professionals, have successfully blocked the construction of a portion of the expressway which threatened to destroy their community.

III. Institutional change

As the UCDO example in box 1 shows, institutional change is an essential condition for sustained, peaceable and substantive empowerment of the poor. Other examples will be given shortly. But, as they will also show, even this change can be reversed unless it is accompanied by a systemic change in the institutional ethos itself. At its most basic level, this change questions the appropriateness for Asia of the Western model of the nation state. This section thus reaches right back to the beginnings of modern urbanization in this region as described in the first paper. However, before embarking on this deeper discussion, the need for it will be more fully presented.

Permanent institutional change is a fundamental requirement...

At the most immediate level, attempts to make government institutions more relevant to the societies they are intended to serve have been undertaken in several countries. Notable instances include UCDO, the Integrated Action Planning Programme of the Government of Nepal (box 4), the Orangi Pilot Project in Pakistan and the Kampung Improvement Programme of the Government of Indonesia. Both these last two examples are well known and were referred to in the previous paper. All these programmes have several features in common. Most importantly, they are not based on development

theories or models, but develop their processes after careful study of the existing dynamics of urban poor communities. They then seek to support people's initiatives and strengthen their organizations, treating them as equal partners and clients rather than beneficiaries. These programmes also foster an ethos of experimentation and innovation among their staff and do not penalize failures.

...but is difficult to achieve.

However, while many of these initiatives hold promise, emerging evidence in the region also suggests that many of them will fail. This is because their ultimate success depends not so much on their achievements in the field as on their ability to promote permanent institutional change. Unfortunately, many such programmes are still young. Thus, vested interests which benefit from the status quo may well still be able to distort the basic principles that are the reason for their success. Some, like the One Million Five Hundred Thousand Houses Programme of the Government of Sri Lanka, which was paraded as a showpiece of people-centred development in the late 1980s and early 1990s, have already collapsed.

Box 3: Lessons from the million and the million five hundred thousand houses programmes of Sri Lanka[5]

The Million Houses Programme (MHP) and its successor, the Million Five Hundred Thousand Houses Programme (1.5 MHP) were countrywide national processes that are discussed here as a single extended process. The MHP ran from 1984 to 1989 and the 1.5 MHP from 1989 to 1994. Both Programmes were really umbrellas for several sector-specific subprogrammes. The MHP had six subprogrammes and the 1.5 MHP eleven. In both, the two key sub-programmes were the Rural Housing Subprogramme and the Urban Housing Sub-programme, targeted on the rural and urban poor respectively.

In the six years from 1984 to 1989, the rural sub-programme successfully provided shelter for 231,752 poor families at an average loan per completion of approximately US$ 117. The urban sub-programme similarly helped 33,664 poor families at an average loan disbursed per completion of approximately US$ 194.

The central feature of both Programmes was the role of the poor in need of shelter. These people owned and managed the Programmes, with the State and others serving as active supporters. The Sri Lankan case represents one of the earliest instances in the world of shifting national housing policy from direct provision to support or enablement. *The Programmes had strategic implications for national development policy and practice.* They successively represent a two-stage paradigm shift in the housing sector, as well as two corresponding mobilizations of the poor. In addition, they catalysed a much larger process of poverty alleviation and pro-poor thinking at the national level. Thus, what was a narrow sectoral concept (housing) up to 1989, became systemic and generalized *thereafter. So much so, that participatory development made an unsuccessful bid for* mainstream hegemony during the 1989-1994 period.

The change in emphasis was politically led from the top by the development vision of Ranasinghe Premadasa, who was Minister of Housing, Construction and Local Government, and Prime Minister from 1978 to 1988, and President from 1988 until his assassination in 1993. He intuitively believed in participatory and pro-poor values. His leadership in turn encouraged the few young officials who were working with communities and catalysed a very small core of technocrats to think along the same lines. With this committed group behind them, the Programmes were able to transform the National Housing Development Authority (NHDA) from a bureaucracy into a sensitive and supportive ally of the poor. But this transformation and policy shift could not be sustained. When circumstances caused the key personnel to scatter, there was a reversal of leadership and a general dissipation of effort. However, this unravelling was paradoxical. By the time the dissolution was setting in around 1991-1992, a new people-based and community-based process, which had been silently maturing on the ground, began to assert itself so that, as the system regressed, the poor communities learnt, gained confidence and consolidated their struggle.

Another important factor behind the shift in emphasis was the set of circumstances which led to the breakdown of the formal system. To begin with, when the target of a million families was set in 1982, it was soon found that all known conventional solutions to providing affordable and acceptable mass housing were totally dysfunctional and therefore irrelevant. But then a vital clue became available when the Housing Census of 1970-1980 revealed a ratio of 1:7 between the State's process of housing production and that of individual families of all income groups.

From there, the search led to the rediscovery and reinterpretation of the informal process, both urban and rural, and innovative answers were soon found.

The Programmes had several other important features. For example, they adopted a highly radical urban land policy in which authentic urban squatters on public land were regularized as a matter of policy. Relocation was the exception. The justification was that the poor must be fully integrated with their city — a right they had earned by their labour. In addition, an open-ended participatory community planning and implementation methodology called Community Action Planning was developed, tested and extended to several urban areas. The provision of small housing loans for urban and rural households was perfected as a pivotal instrument of housing support. The loans had the distinction of leveraging three to four times their value as sweat-equity contributions, thereby minimizing the direct cost to the state. The whole management process was decentralized and devolved to the household level, with technical support from NHDA. The support system staff was committed to community development. The net effect was that housing became a movement in the country.

The Programmes had major gaps and weaknesses. The critical mass of sensitized staff was far too small. Some were too closely identified with national politics so that when governments changed, policies were reversed. Moreover, the programmes were centralized at the NHDA. An enlightened political approach to building up a responsible credit culture was seriously diluted during the pre-election phase of 1988 that had disastrous consequences for loan recovery. Moreover, while the programme was decentralized by the NHDA to the community level, it was never devolved to local government. Hence, local government officials, who should have been major partners in the programme, never took over and no serious attempt was made to build their capacities. Because the policy was initiated and implemented from the top down, it was always too closely identified with its initiator. Finally, the MHP did not seek to integrate low-income housing into overall urban development so that it remained to a great extent a physical improvement programme only.

Simple democratic reform is not enough.

Thus, to be permanent, empowerment requires permanent institutional change. The key to achieving this may well lie in assuring continuous public control and scrutiny of government institutions. However, immediate public control rapidly diminishes at the higher levels of government. Moreover, although democratic reforms are now under way in most countries of the region, these may not be sufficient to produce participatory institutions that are responsive to urban needs. For example, "government of the people, by the people, for the people" cannot be made a reality if those elected to oversee it represent as many as one or two million people each, as is often the case at the national level. There is therefore a strong case for rethinking the conventional centralized nation-state model of government to focus instead on local government as the main tier. Democracy can be genuine only if sovereignty is exercised at lower levels, particularly at the local or sublocal levels where people can easily influence and participate in decision-making and maintain a greater level of control and scrutiny. Higher levels of government would then assume functions and responsibilities for matters which local governments, owing to their locational and institutional limitations, could not deal with or for those functions, which could be more efficiently and economically dealt with at higher levels of government.

Local governments are often unsupported...

This overall objective is however highly problematical from many different perspectives. Perhaps most importantly, the constitutions of many countries of the region do not at present even recognize local government as legitimate and allow either subnational or national levels of government to interfere in local affairs. It is interesting to note, for example, that since the election of the present regime in Pakistan, elected local governments have been disbanded and have been replaced by provincially appointed bureaucrats. In cases such as this, where local governments are at the mercy of the provincial and national levels, democratic regimes may paradoxically try to disband local governments which are seen as a threat to the powers and spheres of influence of national or provincial-level politicians and their counterparts in the bureaucracy. Conversely, dictatorial regimes which do

not permit dissent at higher levels of government may well see local government as their conduit to keep in touch with the masses. Given their limited powers and dependence on provincial and central governments, authoritarian regimes do not perceive local governments as a threat.

...or actively undermined.

Even in democracies such as India that have constitutional safeguards for local governments, provincial and national politicians and bureaucrats try to find informal channels to maintain power at the local level. In the state of Karnataka, for example, the state legislature has passed a bill which requires that local municipal councils consist of state legislators and members of parliament.[6]

Perhaps the most devolved local government structures in the region are those in China. Local governments are in charge of economic, physical and environmental planning in their areas. Some have even established foreign trade offices, dealing directly with prospective overseas investors. Such decentralization has resulted in the phenomenal economic growth of China's eastern and southern seaboards. With local officials free to plan the future of their own cities, they have maximized their locational growth potential. Shanghai, for example, even has its own airline, the China Eastern Airline. Wuhan is building its own international airport and is also starting its own airline.

Corruption, inefficiency and...

However, this devolution has its downside. Because of the lack of oversight by local people's groups and restrictions on dissent, local governments in China are heavily corrupt. The national government launches regular campaigns against corruption to limit its extent, but local government and party officials often treat their areas as personal fiefdoms. Moreover, internal reforms that would make local governments more efficient have not been undertaken because impetus for change from the people is absent. Devolution without people's oversight has also meant that many cities have sacrificed the environment for economic growth.

...limited capacities are also widespread.

In the Philippines, many local governments have been unable to take advantage of recent reforms giving them more power because of the lack of human resources and their inability to increase revenues. Moreover, while local governments are democratically elected, political consciousness among local populations is still low and relies on patron-client networks. This allows locally powerful families to control local governments. This may not necessarily be bad. Many of these elites have undertaken considerable reforms and improvements in their areas. The Mayor of Naga City, for example, has transformed it from being one of the dirtiest to one of the cleanest. He has consistently won local elections in spite of competition from candidates of other powerful families because of his popularity with the urban poor. With time, it is likely that the control of locally powerful families or interest groups will wane as urban populations become more politically aware.

Effective local government, therefore, can only be achieved through policies which strengthen its human resource and institutional capacities. Concurrently, political awareness and civic engagement among the various citizen's groups must also be increased and institutionalized.

Privatization is therefore often urged...

Given the present lack of capacity, inefficiency and corruption in local government institutions, many urbanists and economists advocate privatization of urban infrastructure and service delivery as the only practicable path to improved cities. Privatization is thus seen as the panacea for most urban ills. There are moves to privatize water and sanitation services, electricity supply, telecommunications, the health and education systems, urban transport, etc. These approaches would certainly increase efficiency, but would most probably also increase the already widening gulf

between the haves and have nots. The formal private corporate sector is controlled by the urban elite and their foreign counterparts and is driven by the profit motive. It may therefore not want to serve those areas of the city where profit margins are low. Privatization of services, particularly those which are monopolistic in nature, still does not allow people to control the services they receive; nor does it ensure that their concerns will be taken into account.

...but institutional change is the only true solution.

In view of all these difficulties, institutional arrangements which would increase the quality and efficiency of urban services while at the same time providing substantial popular oversight and control may be the solution. In other words, the quest for effective local government demands institutional change that would reduce bureaucratic inefficiency while simultaneously increasing democratic control and oversight at all levels.

There are several examples of programmes and pilot projects from within and outside the region which have sought to achieve this. UCDO is an example of an attempt to make an institution more responsive to its clientele by including representatives of the urban poor on the governing board. In Indonesia, neighbourhoods and communities in the Kampung Improvement Programme are responsible for collecting their garbage. These community groups hire waste-pickers and collect revenues to pay them. If their services are not adequate, they can fire them.

Other approaches, such as elected rather than appointed boards on autonomous institutions and organizations, cooperative modes of service delivery etc., need to be further explored and researched in local contexts to determine their potential as participatory institutional arrangements.

Box 4: Integrated Action Planning: the experience of Nepal[7]

Until the late 1980s, the conventional urban planning approach in Nepal was master planning. However, as this approach proved highly technical, time-consuming, rigid and geared towards a single, long-term outcome and given Nepal's resource constraints, particularly in terms of financial and human resources, this approach was found not to be feasible. Thus, from 1988-1991, the Department of Housing and Urban Development (DHUD), with the assistance of UNDP and the World Bank, tried the structure plan approach. This was also unsuccessful as structure plans were limited to general policy statements and land-use zoning, and action detailing was not done.

Moreover, like the master plan approach, structure plans continued to be physically biased and did not take into account the financial, institutional and political dimensions affecting municipal responsibilities.

After local government elections in 1992, and following a series of training-based exercises in smaller towns, the Integrated Action Planning (IAP) approach was introduced. IAP limits its time-frame to five years, which coincides with the office tenure of local politicians. IAP is currently being implemented through DHUD with technical assistance from GTZ. Its main characteristics are:

- A thorough investigation of problems as perceived by the users (whether households or small community groups), by the private commercial and manufacturing sector, the municipalities, the public sector agencies and political parties.
- An analysis of available and readily mobilized financial, human and natural resources and of implementation mechanisms within and across institutions.
- Systems of rapid data collection and processing, avoiding time-consuming complex techniques, and ensuring that surveys and studies are directly related to current problems.
- The early implementation of projects for which there is political and popular support, with assured resource commitments providing rapid feedback and shaping future townwide plans, rather than waiting for formal adoption of a comprehensive plan before any action can be taken.
- A combination of micro-planning techniques at the individual project level with strategic planning for the town as a whole.

IAP is a highly interactive planning process that requires a multisectoral team from the DHUD comprising planners, architects, engineers, financial experts. sociologists and economists, as well as two to three municipal officials, of which one is required to be an elected ward representative.

The main steps are as follows:

- *Community consultations:* At the beginning of the planning process, ward-level public meetings are held involving individuals, CBOs, elected officials, political parties, NGOs working in the area, commercial and manufacturing enterprises, etc. During the ward meetings, contact groups are set up which are also key members of a steering committee that includes elected representatives, line agencies, NGOs private sector, associations and local experts. The objective of the participatory consultations is to identify, diagnose and prioritize the main problems experienced within the municipality from the community and townwide perspectives.
- *Physical and environmental analysis*: At the same time as the consultations, physical and environmental analysis is carried out by the DHUD/municipal team. The analysis seeks to determine opportunities and problems with physical and environmental characteristics that have implications for the community. The team prepares base-maps that show physical and built features, land use, terrain, environmental requirements, development and population trends, and mapping of environmental sensitivities.
- *Identification and prioritization of problems:* This is done with the communities at the ward level, and at an interward level for problems or issues concerning more than one ward. The results are fed into the physical and environmental analysis. Problems for which communities are willing to provide resources are given greater priority. However, the overall perspective of the town is also taken into account, together with the steering committee when prioritizing problems. These problems and their solutions form the Physical and Environmental Development Plan.
- *Project formulation, feasibility, prioritization and programming:* Based on the results of the foregoing exercises, specific project prefeasibility reports are prepared. These provide approximate costs and designs to judge the projects' financial and technical feasibility. The projects are prepared in close consultation with relevant community groups. When all the prefeasibility reports are ready, they are discussed at a citywide level. Projects found to be feasible at the preliminary stage are planned in greater detail for the project prioritization exercise. The project prioritization and trade-off exercise is the most difficult and politically sensitive step in the IAP process. However, using objective criteria such as the gravity of the problem, together with some cost-benefit analysis and the project's relation to the Physical and Environment Development Plan, criteria are created for discussion within the steering committee. As most wards in Nepalese towns share similar severe physical and environmental problems, actual prioritization is possible. Once this is complete, project programming begins. Projects are programmed according to the financial resources that are required from the municipality to execute them. Those projects which do not require the municipality's approval are implemented immediately at the community level with seed funding provided as part of the planning process. Similarly, line agency projects or those belonging to NGOs, involving remedial works and maintenance that also do not require major new funding from the municipality are earmarked for immediate implementation. Projects that require municipal, district or central government approval are programmed for implementation against projected municipal revenues and central government transfers, including any direct cost recovery from the projects. As mentioned earlier, the total implementation programme is usually kept within the five-year term of an elected municipal council. If projects exceed one year's duration, the programme is reviewed annually. Projects may be "rolled over" to the next three to five year plan if necessary.
- *Multisector investment programme:* In this final step, the programmes of all organizations and agencies involved in development within the municipal area are consolidated into a single programme which covers all sectors. This is done to ensure that programmes do not conflict. Financial data are also included. Local authorities are encouraged to legislate relevant regulations to enforce the Physical and Environmental Development Plan.

IAP is monitored and altered on a continuous basis by the municipal staff who were involved in the planning exercise. Corrective measures are taken if it is found that some Plan policies do not respond to expectations.

IAP was initially developed in smaller towns where the immediate needs at ward level could be more easily reconciled with the longer term strategic issues for the overall municipal area. The process is now, however, being tested in one of the largest municipalities which make up the capital metropolitan area within the Kathmandu Valley. At present IAP is operational in 11 municipalities in Nepal.

Given the great disparities in country and city sizes in the region, what constitutes "local government" needs to be defined based on local conditions. For example, in a city like Bangkok whose population is greater than the whole of the Lao Peoples' Democratic Republic, local government may have to be defined as that existing at the present ward level.

Box 5. Economic reforms and local government response in China[8]

The city of Taicang, in Jiangsu Province, has a population of 450,000. Owing to the post-Mao era decentralization and economic reforms, particularly since the 1980s, Taicang's per capita GDP has increased 14.4 times in 15 years to 8,319 yuan (approximately US$ 1,400). The mainstay of this remarkable economic development is rapid industrialization, spurred by investments of worker collectives and local government departments in small to medium industries, known collectively as township enterprises. In 1978 the shares of industrial and tertiary sector in the city's economy were 36.5 and 11.7 per cent. In 1991 these shares had increased to 54 and 22.7 per cent respectively.

Because of the decentralization policies local government officials were given considerable leeway to plan both physical and economic sectors of the city. They took full advantage of the city's location in a fertile agricultural region, close to Shanghai, investing in food processing and textile industries. Local government departments and bureaux, particularly the bureaux of industries, foreign trade, transport, agriculture, finance, pricing, tax, education and health actively set up or supported the establishment of the various industries. As a result, over the past three years the city has been able to attract about 40 foreign enterprises to the city.

In the past, local governments were responsible for collecting taxes for the national budget, and they had to rely on remittance of funds from the centre to undertake development. After the economic reforms they are permitted to retain some taxes and share revenues from other taxes. However, financial resources have not kept pace with the added responsibilities given to the local government in the process of decentralization and devolution. The city government relies on profits from its own enterprises and from levying in kind taxation by requiring private sector firms to contribute to the provision of infrastructure and services.

While the economy of the city has undergone transition, government administration laws and regulations lag behind, impairing the city administration's ability to effectively manage and regulate the urban economy. Some of the major problems currently faced by the city administration are:

- erosion of state assets and properties because of unclear definition of property rights;
- unclear differentiation between enterprises run by the city and the private sector, leading to corruption and misuse of resources;
- increasing incidence of tax evasion;
- lack of management and administrative capacities of the local government;
- increasing gap between the rich and the poor;
- increasing environmental degradation;
- inadequate provision of social security to poorer citizens.

Taicang undoubtedly has made great strides in the economic field but partially reformed economies and administrative structures have led to several new challenges. A clearer definition of laws and regulations, greater decentralization of financial resources and fostering of civil society organizations to act as watchdogs over the administration are some of the options available to effectively addressing some of these challenges.

3.1 Changing attitudes: unlearning and relearning

One of the major reasons why the Million Five Hundred Thousand Houses Programme collapsed was that there were very few people who understood the underlying principles of the new process. Once the political leadership changed, the few experts who understood and believed in the new process dispersed. The Programme was thus unable to create a larger constituency among experts within and outside government. Other programmes like UCDO and to some extent IAP suffer from similar problems.

New public sector attitudes are needed...

One of the major constraints to sustained institutional change is that most government officials are not trained to manage public participation or understand and learn from the processes on the ground, particularly those of the poor. Moreover, they do not usually consider the public and the poor as their clients. Government institutions also tend to foster a culture of secrecy

among their staff and an aversion to accountability and scrutiny by the public.

...and better education.

Moreover, the conventional training and research institutes that produce most of the policy makers, managers and experts still rely on management, research and development models that are derived from developed countries and are often ideologically inspired rather than reflecting any local reality. Students in such institutes are not encouraged to work with poor communities or actively participate in civic affairs.

Decision makers trained in this manner and working in institutions which resist threats to the status quo often find it difficult to understand or change their attitudes towards the poor or encourage public participation and debate. When faced with unworkable policies, some of the more dynamic and conscientious of these officials often have to go through a long and painful process of unlearning their conventional education and relearning from the situation on the ground. Moreover, difficult as this process of unlearning and relearning already is, it is made almost impossible by the fear of loss of power and the related financial and fringe benefits that it implies.

There is thus a great need to reform the professional education system to produce the kind of human resources needed to deal with the challenges. There is also a need to emphasize the development of action-oriented training and research programmes for human resources development both within and outside the public sector.

Box 6. Laboratory of Human Settlements, Institut Teknologi 10 Nopember (ITS), Surabaya, Indonesia[9]

The Laboratory of Human Settlements at ITS is one of the very few institutions in the region which actively seeks to involve its students and staff in assisting the municipal government of Surabaya to make the city more open to the people and particularly the poor. Students and staff are required to work with city officials as professional advisers and researchers. The laboratory also conducts short-term courses on urban topics which include joint training of local government officials, professionals and community leaders. As a result, the Institute has been able to build a successful relationship with the city government and was instrumental in designing and implementing the Kampung Improvement Programme and the community designed low-rise rental apartments for waste-pickers. It has also worked with the city to organize informal waste-pickers into cooperatives and has integrated them in the formal waste management system of the city. In fact, informal waste-pickers have been called members of the "yellow army" and their services to the city have been formally recognized by local government officials. They are directly hired by residents' development organizations to collect waste.

Based on research done by the Institute, the city has also designated days on which certain streets are closed to vehicular traffic to allow informal sector entrepreneurs to establish bazaars to sell their products. Because local governments lack technical and research capabilities, they welcome the Institute's initiatives and often request it to conduct action research on particular urban issues and advise on policy issues. The Institute's graduates have a much better and more holistic understanding of urban problems than their counterparts from other Indonesian universities and their attitudes towards public participation and the poor are radically different.

Citizens' groups must take a hand.

However, such major reforms cannot be achieved if governments alone are entrusted with the responsibility. Historically, government institutions and bureaucracies resist change and try to maintain the status quo. A society-wide movement is thus needed to bring about the desired reforms. This, in essence, would be the "new urban contract". If institutions and governments are to become more responsive and supportive of the needs and demands of urban society, the demand for change must come from an organized and vocal civil society.

IV. Activating civil society

Civil society is powerful...

Civil society is defined as organizations of citizens. It includes citizens' groups such as non-government and non-profit organizations, grass-roots political and religious organizations, community-based organizations, sports and social clubs, consumer protection organizations, the media, trade unions, chambers of commerce, business and professional associations and so forth. Most urban residents either belong to such organizations or are closely related to those who are.

The "new urban contract" requires that civil society take the lead in changing government institutions to make their cities more functional and livable. The strategy for change is to work towards increasing the engagement of the various groups in civic affairs so that they become more aware of the issues that confront the city and their stake and role in it.

...and can be organized.

One of the reasons for the apathy towards urban governance and management that is often found among many groups in the civil society is the perception that people in general cannot influence or be part of government. This perception has been reinforced by a history of autocratic regimes and corrupt politics. Other reasons for apathy are that clear, understandable information that can be acted upon is often unavailable while the groups themselves are not sufficiently well organized to wield political clout.

4.1 Strategies for increasing civic engagement

Civic engagement could be increased by pursuing strategies which seek to inform and raise awareness, promote discussion and debate, and by building coalitions and partnerships between the various actors within the civil society and the government. These are discussed briefly below.

4.1.1 Awareness creation

One of the major post-cold war trends is the greater freedom of expression and information that now exists in countries of Asia and the Pacific. With the advent of the information age, the ability to reach and involve people has expanded enormously. Traditional forms of communication include newspapers, magazines, radio and television programmes, seminars and workshops — and even socially conscious dramas and soap operas. With the new-found freedom of the electronic media, other forms such as television talk shows and phone-in programmes are becoming popular. In China, for instance, almost every large city has at least one telephone call-in programme where the public can interact with guest panelists on a variety of issues. Similarly, in Thailand, India and the Philippines, several radio, as well as broadcast and cable television stations, have started talk and phone-in shows which discuss critical issues in various fields. The city of Songkhla in southern Thailand has a weekly two-hour radio phone-in show where citizens can call and ask questions of city officials on municipal affairs and their problems. Many professionals in the region now have access to electronic communication systems such as the Internet. Electronic media, with its numerous bulletin and discussion boards, access to various libraries and bibliographies, and rapid and confidential communication capacity, has a tremendous potential for sharing information and generating discussion.

4.1.2 Lessons from the environmental movement

...through greater awareness creation.

One of the great successes in awareness creation, especially among the middle classes, has been that achieved by the environmental movement. In Asia, it has built on greater freedom of expression and the emergence of a sizeable middle class. Indigenous and international non-governmental

organizations, together with the media and United Nations agencies, played an important role in catalysing middle-class awareness of environmental issues. There were three elements to the success, namely access to information, translating it into forms that are easily understood by people in general, and presenting it in such a way that people can identify with the problems and understand their effects on their lives. In essence, the environmental movement has successfully used social marketing techniques to raise awareness. Another important strategy throughout the region has been to target children, and through them the adults, to achieve greater awareness. These lessons need to be adapted and built upon to develop a coherent strategy for awareness creation of urban poverty, environment, governance and development issues.

Specific issues are a valuable opportunity.

However, many other groups have also been able to activate the urban middle classes on specific issues: for example, the Black May Incident in Thailand in 1992, which was popularly called the "mobile phone revolution" because for the first time ordinary office workers, business people, academics and professionals, rather than the usual array of leftist students and activists, protested the appointment of a serving army general as Prime Minister. Because they took their mobile phones to the protest and used them, government propaganda about it was instantly exposed. The elections that followed were won by political parties that had opposed the appointment of the army chief as Prime Minister. The success of this movement was due to instant communications and the ability of political leaders to persuade the middle classes of their stake in the issue.

Similarly, in the Philippines, the Yellow Revolution of Cory Aquino against the Marcos regime was essentially a middle-class protest against institutionalized and deep-rooted corruption. Only history will show whether any of these mass mobilizations achieved sustainable reforms.

4.1.3 Increasing access to information

Access to information is often restricted.

However, to generate general awareness and consciousness, it is important to have access to information, not only on the extent, nature and causes of an issue but also on the various options available to address it. This information is often closely guarded by government officials. There are many reasons for this, the most common being that restrictions often translate into political and economic power. Many officials without such ulterior motives also claim that journalists often have their own axes to grind and therefore misrepresent cases and distort stories. Moreover, the early release of information on future infrastructure development can cause speculators to buy up properties and raise land prices artificially. However, land speculation is often caused not by the general availability of information, but rather by its restriction to a small group. This situation allows speculators to purchase land and drive up prices even though, in many cases, they themselves may not have possessed the relevant information to begin with. Information can also be fragmented among various departments so that it is difficult to achieve an overall view of an issue. Yet another difficulty can be that officials themselves are uncertain about the validity of information they have. Releasing it could often confuse an issue and make its resolution more difficult.

Building trust...

Some of the groups attempting to increase civic engagement such as the Urban Resource Centre, Karachi; CIVIC in Bangalore; and Bangkok Forum (see box 7), have used various means to access information. These have included building trustworthy relationships with officials who could then be certain that their information would be used and presented properly for public debate. On other occasions, where legal systems are efficient, they have used public interest litigation to acquire access to information.

...and responsibility helps.

A tradition of solid investigative and impartial journalism is another key element in effective awareness creation and generating discussion on urban issues. Such media exist in most countries of the region and can be easily distinguished from the tabloid press.

Some governments are open.

Finally, some city governments have developed easily accessible channels to provide information to the public. The example of Songkhla has already been mentioned but, in addition, every city project has a special allocation for information dissemination to explain its aims and to get feedback from the public as to its viability. For its part, Bangkok Forum has participated in television debates with other governmental, non-governmental and academic organizations on various urban issues.

Another aspect of accessibility is the presentation of information. If it is not readily understandable by the ordinary person, it is impossible to discuss it. Of course, presenting information in a digestible form means that someone has to interpret it. Interpretation thus becomes an issue in itself. Yet, discussion and debate, even with different interpretations, is a healthy form of engagement. There are several organizations in the region which are attempting to foster such engagement.

4.1.4 Generating debate

The most effective way to catalyse debates and discussions depends on the issue. They can be generated through citywide or community- or neighbourhood-based urban forums, town hall meetings, public hearings, and through television and radio talk shows and call-in programmes. Whatever medium is used, the crucial point is that the format should be inclusive and designed to elicit discussion from the participants. It should build consensus among them.

Box 7. Three approaches to civic engagement:[10]
CIVIC, Bangalore

CIVIC is a voluntary association whose goal is to empower the citizens of Bangalore to achieve a better quality of life by taking a more active interest in city affairs. CIVIC recognizes that this is possible by changing attitudes, structures and processes within the city administration that currently either exclude or are remote from the general public. To achieve its goal, CIVIC has tried to:

- establish a people's movement,
- increase awareness and break existing information barriers,
- create greater public accountability among government institutions.

While some of its activities have succeeded in developing a partnership between government and the people, others have increased barriers to information. It has conducted such activities as a people's *dialogue on the Bangalore Municipal Corporation* Budget Proposal for 1992-1993, a forum on public participation in Bangalore and a public hearing on public transport in Bangalore.

Its current activities include public debates on the Seventy-fourth Constitutional Amendment which provides local governments with greater autonomy, and the preparation of a booklet entitled, *Who is responsible for Bangalore: A Citizen's Handbook for Urban Survival.* The booklet will outline the structure, functions and responsibilities of the city's governing bodies, as well as citizens' rights and options for action. In addition, CIVIC has prepared a citizens' report on the status of Bangalore.

CIVIC is set up as a trusteeship but has been careful to maintain its character as a coalition of individuals and organizations. It has also built linkages with other such forums in Karnataka, particularly in the city of Mysore. Its main constraint is funding. Although it has received support from trustees, members, and through collaboration with foundations and organizations in and outside Bangalore, including ESCAP, this is short-term and intermittent. Lack of long-term funding prevents the trustees from long-term planning and programme expansion. Funding constraints also mean that information dissemination about CIVIC is reduced and new members cannot be attracted.

Another major constraint is that CIVIC is perceived as an NGO by government organizations, rather than as a coalition of individual citizens and civil society groups. CIVIC has not been able to present itself as a new form of civil organization.

Urban Resources Centre (URC), Karachi

URC started as a group of students and teachers from the Architecture and Urban Planning Department of Dawood College of Engineering and Technology in Karachi. This group met regularly in 1987 in order to understand the situation in the city. It expanded to include other professionals and grass-roots activists. It was registered in 1989 under the Societies Act.

URC feels that the greatest impediment to good urban governance is the lack of citizen's participation in civic affairs. Consequently URC's main activity is to collect information about the city and provide it in a digestible form to various civil society groups. Information is collected from newspaper clippings, reports, magazines, journals and studies conducted by various individuals, groups and agencies as well as through interaction with NGOs and CBOs. This information is then disseminated in a variety of ways that include URC's newsletter *Facts and Figures*, neighbourhood or citywide forums, workshops and seminars, contacts with CBOs, NGOs and government agencies, and meetings that bring together these three actors and international donors. URC has organized two major citywide forums on the Karachi Mass Transit Project and the Lyari Expressway Project. These campaigns included public hearings, media campaigns and citizens' discussions. More environmentally friendly alternatives were provided to the government agencies involved.

URC now realizes that government officials view participation as a threat and citizens' views are not taken seriously. Moreover, Karachi does not have a representative government at present. This hampers public participation in governance and it is very difficult to develop a link between government planners and the civil society.

URC faces thhe same financial difficulties as CIVIC. It is currently supported by some international non-governmental organizations, but is trying to mobilize funding locally. Its membership has grown considerably and its functions as an urban resource centre are highly appreciated by NGOs and CBOs and some politicians and bureaucrats. Another major constraint is the collapse of law and order in Karachi. This has hampered its work. URC has considered addressing the issue of ethnic violence, but has decided against it because it feels that the parties involved are not seriously committed to a negotiated settlement.

Bangkok Forum

Bangkok Forum was created following the Black May Incident mentioned earlier, when the armed forces and the police opened fire on demonstrators demanding greater democracy. The founders were concerned that the government which came to power after the incident had not undertaken the promised reforms, and that therefore a movement to create political awareness among the people of Bangkok was needed.

Bangkok Forum is organized as a loose coalition without any organizational structure. It is coordinated by a full-time staff and has about 20 core members. It is supported financially by the Friedrich Naumann Foundation of Germany.

Bangkok Forum's main clientele is Bangkok's middle class. It draws its core group from this class and targets its programmes for their benefit. The reason for concentrating on the middle class is that while poor communities are organized and are being assisted by several NGOs, the middle class is basically immune to most of the city's problems. Even traffic congestion affects its members less than the poor, as they usually travel in air-conditioned cars and are not affected by pollution. However, being professional and educated, they can wield considerable influence if awareness of urban issues is created among them. Political awareness has risen among the middle class. In fact, the protests which resulted in the Black May incident largely involved them, leading the press to dub the incident as the "mobile phone revolution".

In the initial stages, Bangkok Forum concentrated on creating awareness about the need to decentralize political and administrative power to make Thailand more democratic, promote public participation in public affairs, and restore a sense of community among the residents of Bangkok. For the future, it plans to implement a long-term programme called "Humanizing Bangkok". Based on the aims expressed above, the programme will address five main issues. These are conservation and restoration of neighbourhoods and communities, improving the aesthetics of city life, management of the urban environment, management of urban geography and city life, and restructuring and reform of the city's bureaucratic system.

Bangkok Forum's core members feel that its success depends on its ability to involve and mobilize Bangkok's middle classes, who should be able to support it. If it cannot mobilize them, the Forum will fail.

4.1.5 Building coalitions and partnerships

Coalitions within civil society...

The aim of such forums, public hearings and so forth should also be to build partnerships and coalitions for action. The way in which CIVIC attempted to safeguard local government autonomy under the Nagar Palika Act is a case in point. After a fairly effective awareness creation programme through the media, CIVIC involved various interest groups including business associations, slum federations, academicians, students, local government officials and state legislators from within and outside Bangalore in strategy sessions and forums. The result was the creation of a broad consensus on the issue itself and also on how to address it. CIVIC's programme was designed to make these groups understand what was at stake for them in local government autonomy. Although it faced conflicts among the participating organizations, their discussion achieved considerable compromise and a consensus was developed on the strategy and responsibilities for action among participants.

...and with government are valuable.

It should not be forgotten that, while developing coalitions and partnerships among the civil society is extremely important, partnerships with government organizations and officials are also valuable. The process of debate and discussion and of undertaking joint action is an important feature of collective learning for those both within and outside government. Some civil society groups, particularly NGOs, often view government in hostile terms and develop confrontational strategies to deal with it. These are often counterproductive. Building partnerships with government institutions does not necessarily mean co-option into government processes. It could also mean co-option of the government into civil society processes.

4.1.6 International organizations and civic engagement

International involvement could be expanded...

Involvement of international organizations in urban issues has so far been limited to providing technical and financial assistance mainly to infrastructure projects and low-income housing. Attention has recently also been focused on urban planning and management issues. While this is no doubt valuable, it does not address the fundamental questions of increasing public participation in urban governance and the use of civic engagement to bring about the necessary reforms. Moreover, international organizations, particularly those related to the United Nations, have thus far focused their efforts on government institutions. This is, of course, not surprising given the fact that they derive their mandates from national governments and that many of their staff come from the governmental sector. But given the new opportunities in the post-cold war era and the rethinking of the role of the United Nations in security and in development, its role in the urban sector needs to change as well, particularly in regions such as Asia and the Pacific, which is to a great extent ready for such change. International organizations could play a major catalytic role in increasing civic engagement. They could first create space for civic organizations to function effectively and, second, support them to strengthen and multiply their functions.

...to create social space...

Creating space for civic groups to participate in urban governance and development issues involves two basic strategies. These would change government officials' attitudes to public participation through training workshops, exchange visits and study tours; and legitimize civic groups' activities through co-organization of meetings and by insisting that internationally supported programmes must have public hearings, forums and meetings that are organized by civic groups as an integral part of the programmes. International organizations can also sometimes open doors to government for civic groups by convincing government officials not to impede them and perhaps even to work with them.

...and legitimize civic groups.

International organizations can foster civic engagement by sponsoring national or subnational workshops on the topic for local organizations willing to work in the area. An important aspect of this activity would be to promote the concept of urban resource centres which could gather information, process and disseminate it, and organize local discussions and debates around it. The local organizations could be further supported internationally either by providing bridge and start-up funds, particularly to meet establishment and operational costs, or by organizing regional or country-based skills development programmes on such issues as social marketing, strategic planning, accessing information and financial sustainability, and by promoting networking between the various local organizations at the regional and country levels.

Better use of the media is also needed.

Another way in which the international community could foster the idea of civic engagement would be through the regional and national media. However, such organizations, particularly those that work on urban issues and belong to the United Nations system, are often ill-equipped for this role. They are usually staffed by engineers, architects, planners, economists and social scientists and do not have a media background. Consequently, they have not paid much attention to mobilizing public opinion in this way. Thus, if such organizations were to attempt to catalyse a regional movement in favour of increased public participation in urban government, they would need to become much more familiar with the media. However, many of these organizations have commissioned numerous publications, videos and films on public participation in urban affairs which were aimed at limited audiences at the community or project level. These could be marketed more aggressively to the regional and national media. Moreover, a concrete step towards better use of the media could be a regionwide television programme on urban issues, on, for example Star TV, whose format could consist of a documentary followed by a panel discussion and phone-ins from a regional audience. This could also be done at the national or city level. Several private corporations would be willing to sponsor such programmes.

The goal of civic engagement can be catalysed by international organizations if they commit themselves to work together and develop complementary and cooperative strategies. In the Asia-Pacific region, as a consequence of the Ministerial Conference on Urbanization in Asia and the Pacific in 1993, an inter-organizational subcommittee on urbanization has been created. While it has led to greater cooperation among organizations such as ESCAP, WHO and the Asian Coalition for Housing Rights, it needs to be further strengthened and improved. A greater level of coordination and cooperation among regional programmes of the United Nations has been achieved through the Urban Management Programme for Asia and the Pacific, which involves UNDP, as the core funder, ESCAP, UNCHS, the World Bank and ACHR. At the regional level, a marriage of the two approaches is needed which includes a greater number of regional organizations and maintains the dynamic relationships between the organizations.

A possible strategy towards this end would be to use the preparations for the Second Ministerial Conference on Urbanization in Asia and the Pacific, scheduled towards the end of 1998, to catalyse local level civic engagement in selected towns of the region. A key element towards catalyzing the "new urban contract" is to concentrate efforts in key smaller towns, where positions and vested interests are not so firmly entrenched and where such approaches could be internalized in local cultural contexts with relative ease.

Box 8. Activating the poor in Phnom Penh

In the post UNTAC Cambodian reconstruction, the city of Phnom Penh faces a massive problem of poverty and squatter settlements. Estimates indicate that as much as 20 per cent of the city's population is squatting on vacant land, in public buildings and on rooftops. A number of international NGOs and some local NGOs working in Phnom Penh organized the Urban Sector Group (USG) to coordinate their efforts. With the assistance of the Asian Coalition for Housing Rights (ACHR), USG evolved into a coalition of Cambodian NGOs and CBOs. ACHR helped USG to a community-based census of the squatter settlements in Phnom Penh and catalysed discussions among the urban poor groups on addressing some of the problems facing them. These discussions were facilitated by community leaders from India and the Philippines. The culmination of this exercise was a forum entitled "Squatters and Urban Development Alternatives", which was co-sponsored by ACHR, USG, Phnom Penh Municipality and ESCAP. During the forum, community leaders presented their problems and what they were willing to do themselves and what they expected from government institutions. The forum was chaired by the Minister of State responsible for urban affairs in Cambodia.

Based on this collaboration between regional organizations and the outcome of the Forum, the UNDP-and British ODA-funded, UNCHS-executed project on "Support to Phnom Penh Squatter Communities and Municipality for Participatory Urban Development (CMB/94/009)" was initiated. The project seeks to assist the municipality and the NGO/CBO coalitions in developing institutional capacities and capabilities to support and strengthen the efforts of the urban poor communities in Phnom Penh and to finance pilot upgrading and resettlement programmes.

Box 9. Regional support to civic organizations

As a consequence of the Ministerial Conference and under the auspices of the Urban Management Programme for Asia and the Pacific, ESCAP has been identifying and supporting civic organizations to increase civic engagement in countries of the region. So far about 20 such organizations have been identified, and support has been extended to seven organizations, mainly in terms of information exchange and co-sponsorship and participation in some of the activities. In September 1995, ESCAP also organized a regional workshop on urban forums for the coordinators of selected civic organizations to share their experiences. As a result of this workshop a regional network is beginning to take shape. In the next phase, together with other regional organizations, ESCAP plans to catalyse the identification and formation of more such groups and developing national networks of civil organizations promoting civic engagement.

V. Conclusions

A fuller urban partnership is essential.

The four papers have argued in considerable depth and from several different perspectives for much greater popular participation in much stronger, more responsive and much more autonomous local governments where people can play an effective role in policy-making and development. This is seen as the only acceptable solution to the deepening urban crisis in this region. Most local governments have less capacity now to play their part than at any time in their existence. It is therefore appropriate to review briefly the overall policy context that has emerged. This will underscore the growing urgency for institutional and attitudinal change.

Cities are becoming much more important.

The first point to note is that, since the colonial era, cities ahave become more politically and economically important throughout the world. Wherever free-trade arrangements have been set up, whether one considers the EU, NAFTA, ASEAN or perhaps APEC, national boundaries are becoming increasingly meaningless. This trend seems certain to continue, first, as economic integration within the arrangements proceeds and, second, as new members join the rapidly expanding agreements. One cannot yet predict the merging of the various arrangements into a single global free market, but one can safely assume that almost all countries will soon belong to at least one such agreement. Hence, while macro government becomes supra-national, micro government becomes distinctively urban with relatively little machinery in-between. Thus, the concept of the nation-state

that has underpinned global development since the colonial era and is at the root of this region's urban problems is withering. This is, at least in principle, a reason to rejoice in that it could partly restore civil society, a human scale, to daily economic and political life that the nation state has strained.

The urban transition and globalization...

Whereas most developed countries achieved a comparatively sedate urban transition up to a century ago and now face, as a second stage, the partial rebirth of the city state, Asian countries are entering what promises to be a truly hectic transition that includes the progressive weakening of the nation state to which the cities nominally belong.

...demand new solutions.

The burdens that this complex process is placing on Asian cities are immense. Increasingly, cities rather than countries will be competing against each other for foreign investment and trade. Because of accelerating technological change, unprecedented population growth and the diffusion of cultural models resulting from the global flow of information, cities now relate to each other as nodes on a global interactive network. And although this means that they grow in political autonomy as they approach mega-city status, they are also subject to conflicting streams of both social fragmentation and technological regimentation. A central aspect of this process is that cities, towns and villages are coalescing into economic networks that exert influences far beyond the reach and competence of traditional nation-state-oriented institutions. The challenge, of course, is to ensure that the transformation ensures the well-being of all urban citizens now and in the future.

Asian cities are starting with huge handicaps...

The four papers have pointed out that the region's cities are embarking on this massive transformation from perhaps the worst possible starting-point. For, in addition to the institutional aspects, there is now indisputable evidence that often impressive economic growth has not benefited a very large and increasing urban underclass, who are often exploited and harassed by urban mafias, government officials and politicians and whose attempts at solving their own problems are hampered and arrested by inadequate government institutions and misregulations.

...including the new free market orthodoxy...

Moreover, as many citizens have discovered to their dismay, free markets, whatever their merits, also have their harsh side. The chief element, so far, has been the structural adjustment programmes which many governments in the region are undertaking at the behest of the World Bank and IMF. These programmes will increase economic and social dislocation, make the poor more vulnerable and cause the environment to deteriorate further. However, the structural adjustment programmes also hold promise of changing the philosophy of governance in the region, from being charity-oriented to being empowerment oriented. Earlier, government subsidies and social programmes hardly ever reached the target group, were inefficient and shamelessly exploited by the rich. Elimination of such programmes would breath new life into community self-reliance and self-management, which is more in tune with Asian social and cultural values than state-sponsored social programmes.

Environmental constraints threaten further problems that could have devastating results.

A second major policy context concerns the environment. As pointed out in the Introduction to "Living in Asian Cities", all this turmoil is taking place against a backdrop of increasingly severe environmental constraints. Since free markets are often seen as promoting environmental degradation, the new development orthodoxy, if accompanied by present institutional structures, would lead cities of the region towards their social, economic and environmental destruction.

But the future scenario is not completely bleak. Environmental awareness is rising considerably, both globally and in the region. With increasing prosperity and access to information, which is becoming prevalent in the

region, civil society organizations have the potential to protect and improve their environments. Moreover, sustainable development requires society to think and operate in terms of eco-regions. This approach to development has been largely ignored so far because of the present politically defined boundaries of nation states that cut across eco-regions. With the weakening of the nation state, there is greater hope of thinking of development in a new and innovative manner, which takes regional environmental sensitivities into account.

Government should participate in the peoples programmes.

Whether one's view is dark or rosy, the answer is the same. The only way in which Asian cities will achieve a viable future is through the broad partnership based on the enabling approach, and that depends in the first instance on the civic engagement strategies that have been outlined in this paper. It is thus urged that the civil society should take the lead and establish a "new urban contract". It takes the participatory development paradigm further and states that the primary responsibility for leadership in society is not with state officialdom and government institutions but with the people. It further argues that to meet the challenges of the future it is not enough for the people to participate in the programmes of government institutions but for the government to participate in the people's programmes. Government institutions as they exist now are not capable of doing this.

responsibility for good governance lies with the people.

The "new urban contract" essentially states that the impetus and responsibility for good governance lies not with the government but with the people, and that people's groups have to become organized, articulate and vociferous if the needed reforms are to be achieved. It also requires international and regional organizations to refocus their assistance to support this movement for change. Increased public participation in strengthened and autonomous local government is essential. The new urban contract is quintessentially Asian in nature as it implies greater group and community reliance and an inclusive, non-confrontational approach based on pragmatism, which is endemic to most Asian cultures.

Notes

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4. Anzorena, E.J., "Housing the urban poor: the Asian experience," Asian Coalition for Housing Rights, Cebu City, 1993.

5. Communication from Sriwardana, Susil, former Chairman of the Sri Lankan National Housing Development Authority, provided specifically to ESCAP for *Living in Asian Cities*.

6. Saldanha, Leo and Manjunath, S., "Citizen's voluntary initiative for the city", paper presented at the Regional Workshop on the Use of Urban Forums as Consultative Mechanisms for Urban Planning and Policy Making, ESCAP, 1995.

7. Joshi, Jigbar and Lojewski, Hilmar, "Urban planning methods in Nepal II - further experiences with the Integrated Action Planning approach (IAP) in Nepal," *TRIALOG39*, 1993.

8. Lo, Jack Man Keung, "Local government and the new community governance in China during the reform era: the case of Taicang City", *Regional Development Dialogue*, vol.16, No. 2, Autumn 1995, UNCRD, Nagoya.

9. Discussions with Professor Johan Silas, Director, Laboratory of Human Settlements, Intitut Teknologi 10 Nopember, Surabaya, Indonesia.

10. ESCAP, *Report and Proceedings of the Regional Workshop on the Use of Urban Forums as Consultative Mechanisms for Urban Planning and Policy-making, 19-20 September 1995*, United Nations, New York, 1995.

Comments

Both verbal and written comments were made on the paper. The nature of comments vary from direct responses to issues raised in the paper to reflections on country situations based on the issues raised by the paper. Verbal comments are summarized from the notes taken by the secretariat, while written comments are presented with only editorial and grammatical corrections. Not included are a few editorial comments as these have already been incorporated.

Verbal comments

While most participants agreed with the general issues raised by the chapter, namely empowering the poor, strengthening local governments and increasing civic engagement, many felt that the paper did not spell out in detail how these were to be achieved.

Some participants agreed that empowerment of the poor was needed to overcome poverty and that government policies, particularly with regard to credit to the poor, needed to be further strengthened. Other participants felt that government leadership in the provision of infrastructure, housing and services to the poor was necessary to maintain balance and discipline in society.

Some felt that the reliance on people's movements was too idealistic and the envisaged decline in the role of the central government was fraught with danger. National governments had made considerable strides towards removing discrimination against women and minorities. Tribal and local traditions had been oppressive of women and minorities and it was felt that returning power to the community level threatened to reinvigorate such prejudices. Moreover, there were some functions of government which were better executed at higher levels because of economies of scale. Even in developed countries, many local governments had been ill-prepared to regulate big businesses and protect the environment. Some participants suggested that levels of corruption were much higher at the local government level than at the central government level and therefore this level of government was much more vulnerable to manipulation by mafias and the private sector than central levels of government.

Other participants felt that decentralization and devolution were necessary for poverty alleviation and that such decentralization and devolution should not stop at the local government level. Many local government functions could be devolved to the community level. Some participants, while agreeing to the principle of decentralization and devolution to the local level cautioned against undertaking such policies without simultaneously strengthening the capacities of local governments to address new responsibilities and functions effectively. Many participants felt that the debate on decentralization and devolution was ongoing and that more research was needed to determine appropriate levels of decentralization and devolution.

Written comments

Dr. Rita Bahuguna Joshi, Mayor, Allahabad Municipal Corporation:

"Community participation in developing countries is possible only when income generating schemes or activities are associated with developmental programmes. Leadership should evolve from within the community preferably from among women who in South Asia and especially in the Indian subcontinent are categorized as unproductive labour. Overpopulation and unemployment are direct causes of this situation. No development or growth is possible if half the population is left sleeping.

"Mahatama Gandhi, said 'real *swaraj* will come not by the acquisition of authority by a few but by the acquisition of capacity by all'. It is said that though the idea of people's participation in development has been gaining ground more rapidly after the Habitat Conference in 1976, in reality there occurred a growing sense of alienation among the people towards governments vis-à-vis developmental activities. This led to reduced commitment to duties and responsibilities.

"To my mind the basic reason for this alienation lies in the fact that governments and bureaucrats took upon themselves the mantle of all development and the system tended to become opaque. Transparency at all levels of functioning, in NGOs, local governments, state and central governments, can go a long way in overcoming this problem.

"Privatization of civic services may provide quick and efficient service to the people but the question arises who pays for it? In developing countries like India, where the majority of the population lives a hand-to-mouth existence, the government subsidizes these facilities heavily. Overburdening of the people, especially the poor economically, is neither viable nor advisable.

"Planning has to come from below, the smallest participant being an individual and lowest administrative organization the local body, duly elected by the people. However, when we consider coordinating the local units with higher ones it becomes imperative that (subnational) coordinating is done. For instance, in a country like India, with a hundred thousand cities and towns, a vast land and massive population, a (subnational area) would mean categorizing urban habitats into subregions in an area of say two to three hundred square kilometres."

Major General (Retired) A. Khan Chowdhury, Vice President, Metropolitan Chamber of Commerce and Industry, Dhaka:

"Globalization and structural adjustment programmes may have increased the hardship of the poor for a time, but there is hardly any other option for accelerating the process of economic growth. There is a built in mechanism in the market economy which, with prudent macroeconomic management, provides the necessary environment for effectively promoting growth. Temporary hardships to the poor may be mitigated with relief oriented and safety-net programmes and projects.

"NGOs will, in this scheme, be expected to play only a marginal role. Handing over the government's responsibility of poverty alleviation to the NGOs can hardly be desirable, particularly in a democracy where the government comes to power with the mandate of improving the conditions of the poor and in a country where the majority of the voters are also poor.

"Studies on poverty alleviation in Bangladesh have shown that the poor and the disadvantaged have great potential to promote growth through the dynamics of their own organized action. This social mobilization, which will

call for institutional changes, can be an additional front of policy action. This will require the reorganization of people at the grass-roots level, development of self-governing institutions at various tiers of administration, the development of the local civil servants as "facilitators" through appropriate administrative reforms, and decentralization of administrative functions in favour of effective local government institutions. The evolving democratic system in Bangladesh and elsewhere should be conducive to this process of social mobilization.

"Growth of cities and increasing urbanization are putting considerable stress on the natural environment and the health of the urban poor. To stop or reverse the process may well be impossible. What is needed and should be possible is to find ways of providing cost-effective infrastructure and services to prevent a further decline in the environmental conditions, and to contain existing environmental hazards. International mass migration being impossible nowadays, ensuring income growth and poverty alleviation are the only ways to relieve the pressure on the environment.

"The spatial concentration of production in urban areas can bring many cost advantages on account of economies of scale. However, urbanization in developing countries has proceeded in an unplanned and haphazard manner in the absence of appropriate institutional and legal structures, turning economies of scale into diseconomies. What is needed, therefore, is a new paradigm for urban development (urban ecology) — appropriate institutions and a legal framework conducive to environmentally sound city planning. Highest priority should be given to the urban poor who are directly affected by the negative side effects of urban dynamics. The urban poor benefit little from industrial and commercial activities that degrade the environment but they bear the full consequences of their adverse effects.

"Urban housing is a big problem for the SAARC (South Asian) countries because all of them are overpopulated. The recently held conference of SAARC Housing Ministers, Colombo, 1 March 1996, stressed the need for planned growth of cities in the region. Most of the towns in Bangladesh and other SAARC countries were developed in an unplanned way causing immense difficulties for their people. These countries cannot afford to neglect planning any longer unless they wanted to expose the city dwellers to grave environmental hazards. SAARC was founded to improve the living standard of the region's people, and it is essential that housing facilities are made available to them all."

Mrs. Chandra Ranaraja, Municipal Councillor, and former Mayor, Kandy Municipal Council:

"We need to strengthen local government institutions through capacity-building of all actors. Central governments need to be made aware and sensitized to the urgent need for proper urban planning and development. Central governments should initiate actions through suitable laws and regulations, and constitutional amendments to empower civil society and local governments."

Mr. Tran Thanh An, Member, Engineer of Construction, Department of Construction, Ho-Chi-Minh City People's Committee:

"We would have liked (this paper) to discuss, more profoundly and specifically, the ways to create a finance source to fund the policy aiming to implement the right to housing of the poor households in poor urban areas. These areas belong to those countries that have been badly influenced by the transition (from centrally planned economies to market economies) such as the Lao People's Democratic Republic, Cambodia and Viet Nam."

Dr. Kulwant Singh, Executive Director, Human Settlements Management Institute (HSMI), New Delhi:

"Examples of legislative measures with respect to shelter, tenure, urban land ceiling, protection of environment, town planning etc. need to be stressed under institutional changes to empower the poor indirectly. Such legislative changes, along with enhancing community participation mechanisms as discussed, can empower the poor to better their employment chances, productivity, sense of belonging and survival mechanisms. India, over the years, has revised and introduced new legislation and constitutional amendments towards devolution of power from the national and state governments to the urban local bodies, as illustrated below.

"In India, the policy reform and its implementation is controlled by central and state level government. The third tier of governance has weakened over time as most of their powers were diverted to other state/central statutory bodies. The recent Constitution Amendment brings hope in the management of local environment as this exercise is overhauling the third tier of the government.

"Even though local bodies are mentioned in the Constitution of India, Article 40 of the Directive Principles of State Policy, there was no reference to municipalities and their existence was left to state governments which resulted in considerable erosion in their functions as these were encroached by para-statal or specific-purpose organizations in water supply, sewerage, drainage etc. This ultimately led to the erosion of revenues, resources and a lack of manpower further deteriorated their conditions. Thus, there was a need to strengthen these grass-roots institutions as a channel to transfer power to people and involve them in planning of their well-being.

"On this background the 74th Constitution Amendment Act, 1994, for the first time in India provides a constitutional recognition to urban local bodies and places greater responsibility in the hands of the urban local bodies so that they acquire the institutional capabilities to deal with city problems. The important provisions of the Amendment are in terms of structure, composition, powers, finances and planning.

"Under the 74th Constitutional Amendment Act there is no provision of suppression of urban local bodies (ULBs). Only dissolution is possible, and that after giving a chance to ULB to clarify its position. In case of a dissolution, fresh elections are to be held within a period of six months. The Act also provides for reservation of one third of the seats (in local councils) for women and other weaker sections of the society (such as scheduled castes/tribes) as per their population. The Act has also strengthened (local government) functions such as environmental protection, socio-economic development, town planning and so on.

"Further to improve the financial health of the weak local bodies, statutory state finance commissions have been established in various states of India. Along with the empowerment of the people, there is, therefore, a strong need to empower the urban local bodies through effective legislative changes as done in India. This strategy can, perhaps, help improve the living conditions and work opportunities of the urban poor.

"We are thus facing a transition into a urban/semi-urban society, whereby the national government realizes that the cities have to operate as centres of economic growth in a larger context of equity, affordability and efficiency in the provision of infrastructure and services. In this sense, the city governments have to play a 'key role' to make urbanization beneficial, productive and smooth for all stakeholders and actors."

Dr. Sababu S. Kaitilla, Assistant Executive Secretary, National Council for Urban Shelter, Papua New Guinea University of Technology:

"It is true that syllabi in most schools in developing countries are based on or derived from developed countries. However, even in (the developed countries) conventional training and research has, or is in the process of changing to meet export demands for experts from developing countries."

Mr. Pingki Elka Pangestu, Head of International Relations, Real Estate Indonesia:

"The private sector, as a motivator and as an engine of economic growth should become an active member of civil society involved in housing development, which is also an engine of growth. Given that sustainability depends on stability, the private sector has a stake in absorbing some of the social and environmental costs".

Mr. Pankaj Agrawala, Director (Housing), Department of Urban Employment and Poverty Alleviation, Ministry of Urban Affairs and Employment, Government of India:

"Capacity building is an expertise by itself. We should emphasize training of trainers."

Mr. Ahmed Lateef, Director, South Asian Association for Regional Cooperation (SAARC):

"On the issue of shelter, SAARC had declared and observed 1991 as the 'SAARC Year of Shelter'. The heads of state or government of member states committed their governments to work towards achieving the global objective of 'shelter for all by the year 2000', and highlighted the critical role of governments to act as facilitator and supporter of the initiatives of the people in this regard.

"These are important developments that are taking place in South Asia, which has to house 1.2 billion people. As such, these initiatives and developments should have been recognized and reflected in the paper.

"Regrettably there is no mention of the efforts or the role of SAARC in the paper except for a reference to the report of the Independent South Asian Commission on Poverty Alleviation commissioned by SAARC. I therefore feel that the above points may be noted."

Professor Yue-man Yeung, Hong Kong Institute of Asia-Pacific Studies, Chinese University of Hong Kong:

"Globalization and the new global economy is mentioned in the paper, but the links to urban poor are not delineated."

Ms. Huey Romduol, Urban Community Development Advisor, SKIP, Phnom Penh:

"(The paper) has to explicitly challenge the neo-liberal assertion that mere enablement will serve the interests of all participants and ultimately empower the most marginalised and poorer section i.e., the urban poor, producers, financiers, central and local governments. Rather it has to argue that urban development involves conflicts of interest between different activities and social, economic and political groups and is manifested in phenomena such as expulsion, gentrification, involuntary displacement, landlord/tenant conflicts, unequal provision of services and infrastructure etc. Moreover, conflicts of interest also exist between and within the central and

local governments, the market and the community, and enabling policies can intensify or diminish these conflicts as well as generate new ones—as experienced in Phnom Penh, Cambodia.

"Enablement and empowerment are two important concepts—it is necessary to highlight them and streamline our thought process—the paper has to specifically respond to the following important question: do community enablement policies reflect or transcend the conflicts of interest between the state, landowners, contractors, building material producers etc. involved in urban growth and development?"

Ms. Young Sook Park, Director, Korea Institute for Environmental and Social Policies (KESP):

"The ideal type of society, participatory democracy (envisaged in the paper) has to be preceded by various types of political revolutions and also requires many systemic revolutions in administration and society. Participation of democratic citizens and the systemic improvement to guarantee the security of citizens need to be established. Without systematic revolution, the quest for citizens' participation and involvement is useless.

"For this revolution to take place, first, improvement of legal systems obstructing the freedom of civil movements is needed; second, increasing the capacities of people's organizations and strengthening their support system(is needed); third, systemic improvement to help and establish financial independence (of local authorities is needed); fourth, systemic improvement in participation, etc. (is needed). The fourth category includes the participation in governmental policy-making and administrative procedure, opening of (channels) of information, increasing opportunities for national and public research facilities. The responsibilities of intellectuals and the role of civil society and NGOs are huge in this period. In the twenty-first century, NGOs of the Republic of Korea should revolutionize the political systems and monitor abuse or misuse of power, and moreover, they should contribute to the construction of a new democratic civil community from the collapse of the Korean society caused by urbanization.

"Since July 1995, changes in the administration are being made by the Mayor, elected by popular vote in Seoul Metropolitan City. Under the slogan of Make Seoul a Human City, it was announced that citizens can be involved in city administration as partners. Citizens' involvement in the procedures of policy-making, execution, and evaluation is promoting administrative efficiency.

"The most important factor making Seoul's citizens a community and not a crowd is promotion of broader participation of citizens in city administration. The city needs to supply everything for its citizens, but citizens also need to escape from old habits of expecting everything from the government.

"For example, Seoul City constituted an organization called Green Seoul Citizen's Committee with 100 representatives from various walks of life, and made them serve as partners in environmental administration. This opportunity not only made the members of 100 civil organizations participate in city administration, but it expanded environmental administration to a wide civic movement. This is the first attempt in Korea to make administrative officers and citizens work together. Success or failure of this attempt relies on changing the attitudes of both officers and citizens and their strong will to work together. Now we have a bright (future). This case in Seoul has a special meaning because its success will influence the whole Korean society. It corresponds to the spirit of 'Agenda 21' adopted at the Earth Summit in Brazil in June 1992.

"There is also an example of failure in Paldang water protection policy for 18 million people living in the capital area. (Residents in this area want the government to clean up their water source which is heavily polluted.) The reason for the pollution originated from the central government policy which had isolated the residents of this area and its local government in policy making for water protection. Consequently, their opinions were ignored, and they now face extreme inconvenience in their lives, damage to their property and quality of life. (The policy) also took away their own initiative for water protection.

"Although participatory local governmental systems have been introduced, there is a (danger of civil groups withdrawing from participatory processes because the) local government does not have proper powers and financial capacities. Just as the urban poor need to be empowered to solve their own problems, local residents and governments need to be empowered to make them effective and to able to participate in national policies."

General Comments

Several participants made general comments on the discussion document. Many participants felt that the discussion document was an invigorating change from documents normally presented at international conferences, particularly those organized by the United Nations. While one may agree or disagree with the arguments and issues in the document, it did serve its purpose of generating discussion and debate and set the stage for discussions in the focus groups.

One of the written comments on the document was presented as a confidential note to the secretariat, however, as the same comment was made verbally in the plenary, is is felt that this should be included as well.

Professor Yue-man Yeung, Hong Kong Institute of Asia-Pacific Studies, Chinese University of Hong Kong:

"The document is a valuable and in-depth statement of problems faced by Asian cities...The general tenor of the volume is pitched at a level which is needlessly negative... The scant reference to Chinese cities is a weakness of the document."

Mr. Le Tran Lam, Chief, Environmental Management Division, Peoples' Committee of Hanoi:

"I highly appreciate this elaborately prepared and comprehensive document. This is also a very informative and helpful document for participants who come from mostly Asia-Pacific countries."

Dr. Sababu S. Kaitilla, Assistant Executive Secretary, National Council for Urban Shelter, Papua New Guinea University of Technology:

"I make this comment fully aware that this is a forum on living in Asia and Pacific cities. Indeed, it is not easy to identify and touch on everything that contributes to urban dysfunction, it is important to also mention those that are at the core of this dysfunction.

"One of the factors contributing to this dysfunction is rural neglect, stagnation and degeneration. To make living in cities sustainable, just and equitable, cannot be done in ... isolation of a discussion of development initiatives of rural villages. A document like this should have a chapter on rural development initiatives. Otherwise, attempts intended to alleviate poverty merely in urban areas will certainly accelerate rural-urban migration."

Mr. Hendropranoto Suselo, Urban Development Planner, United Nations Centre for Regional Development (UNCRD):

"The decision of ESCAP to assign a group of writers to produce the 'Living in Asian Cities' document should be complemented and the document indeed presents quite a different and interesting new urban development paradigm, which is people-centred and community-based.

"Unfortunately, the document as it is presented is too negative, not representing the variety within the Asian region (too biased to South Asian countries) and accommodating a too emotional opinion by extreme groups. So, I do not think the document represents the harmonious and peaceful sentiments of the countries of the ESCAP region.

"ESCAP should in fact support a more balanced, a more positive (document) representing the diverse situation of the Asian region, a kind of paradigm which builds upon a harmonious partnership (not antagonism)

between government and the public sector, at all levels, and the community private sector, NGOs, individuals, etc.

"Assigning a team of writers is always a dangerous risk, in the sense that we associate ourselves with the frame of mind of the writers. There is an additional danger if there are members of the team who have a certain extreme position and who dominate the team. Unfortunately this seems to have happened in the composition of the writers of 'Living in Asian Cities', where ESCAP has to bear the responsibility on behalf of all the member countries of the ESCAP region.

"So what will be the status of the document after the Forum Meeting? I do not think that reproducing the document as it is, even with minutes or records of the suggestions and opinions expressed during the forum meeting or through these notes, would be a good idea. I believe it requires a complete rewrite and by a new team of writers, who have the appropriate frame of mind to express the ESCAP region's sentiments. We need writers who are balanced, and positive, and who have the knowledge about the region, and are holistic and comprehensive in approach.

"Unfortunately time will not allow ESCAP to undertake such an overhaul of the document to get it ready for submission to Habitat II. But do we really have to force ourselves in doing it? I think that ESCAP would be in a better position to produce a good and acceptable document for reference by countries in addressing their urbanization problems in the post-Habitat II era. Habitat II is finally just an event and a conference, but this region's urbanization does not stop at Habitat II, it will continue and such a document as ESCAP wants to produce will be useful and appreciated - but only if we have the patience to put together a thinking (document) which (reflects sentiments) worth publishing as an ESCAP document. I have always known ESCAP as a great organization which can lead and decide what is most appropriate for the region, and therefore I have great trust in your wisdom to choose the right course of action about the document."

Dr. Haruo Nagamine, Senior Adviser, Nagoya Centre for Urban Advancement (former Director, United Nations Centre for Regional Development):

"I have been highly impressed by the innovative dimensions as well as the analytical insightfulness with which 'Living in Asian Cities' has been worked out, in close collaboration with researchers and practitioners particularly those working at the grass-roots level. I am delighted to find that it has already graduated, as it were, from the familiar criticisms as put forward by my friend Utis Kaothien of the Government of Thailand (Mr. Kaothien was a panelist during the session on the presentation of regional programmes. He criticized United Nations agencies for preparing bland documents which sought to satisfy all governments and consequently were of use to none.)

"No doubt the document has made several slips here and there - for example, some NGO jargons are used too light-heartedly. As a result, it caused suspicion on the part of some delegates with government careers as if the document intended to condemn all the governments across the board as lazy and defunct. Of course, some might be, but definitely not all. There will be no problem for revising it by adding appropriate qualified statements here and there for eradicating the misunderstandings, without suffocating the basic overtones.

"The only conceptual flaw of more fundamental nature, as I see it, is that the document has not pointed out the limitation of natural resources and environmental capacities in an explicit language. (Mr. Nagamine's criticisms

are elaborated in his comments on the paper on *The present urban dilemma: macro imperatives versus micro needs*).

"With these additional reinforcements and refinements, I believe that the document will be made an objective yet powerful manifesto to be brought home by every one. The original spirit with which it was written should be retained by all means."

Professor Nazrul Islam, Director, Centre for Urban Studies (CUS), University of Dhaka:

"The document does not sufficiently reflect the diversities in urbanization in Asia. For example, developments in China, the Republic of Korea, Bangladesh, the Islamic Republic of Iran, Myanmar, and other countries are missing. There should at least be some boxes on the urban development issues and best practices from some of the above countries."

Mr. Pankaj Agrawala, Director (Housing), Department of Urban Employment and Poverty Alleviation, Ministry of Urban Affairs and Employment, Government of India:

"This document makes interesting and stimulating reading. Shorn of its strident anti-west tenor, 'Living in Asian Cities' has a lot to say on institutional reform. Also, the historical trends of colonial influence are evident and need to be mentioned without making any value judgments."

Mr. Ahmed Lateef, Director, South Asian Association for Regional Cooperation (SAARC):

"Living in Asian Cities is a document that brings out the important issues and problems faced by people of the region, primarily due to the massive urbanization process coupled with the tremendous population expansion against the expected backdrop of other setbacks. The document highlights the urgent need for change and outlines a new paradigm or a new social contract in which society at large would be required to accept ultimate responsibility.

"One of the vulnerable groups identified in the document are the urban poor. The pluses and minuses of the structural adjustment policies on millions of people in this category in the region have been correctly discussed.

"As the regional organization representing a fifth of the world's population (over 1 billion), SAARC, which comprises Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka, has the issue of eradication of poverty high on its agenda. The member states have at the level of Heads of State or Government reaffirmed their commitment to eradicate poverty from the region, preferably, by the year 2002. Member States have towards this end agreed on an 'Agenda for Action', which, *inter alia*, includes a strategy of social mobilization, policy of decentralized agricultural development, and small-scale labour-intensive industrialization and human development. A three-tier mechanism, headed by the Minister of Finance/Planning, has been set up to act as a forum for exchange of experience of member states in the implementation of the poverty eradication programme."

Report of the Asia Pacific Urban Forum

ABBREVIATIONS

ACHR	Asian Coalition for Housing Rights
ADB	Asian Development Bank
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of South East Asian Nations
CBO	community-based organization
CITYNET	Regional Network of Local Authorities for the Management of Human Settlements
ILO	International Labour Organization
IMF	International Monetary Fund
NGO	*non-governmental organization*
SAARC	South Asian Association for Regional Cooperation
SPREP	South Pacific Regional Environment Programme
TCDC	technical cooperation among developing countries
TRISHNET	Network of Research, Training and Information Institutes on Human Settlements in Asia and the Pacific
UMPAP	Urban Management Programme for Asia and the Pacific
UNCHS	United Nations Centre for Human Settlements (Habitat)
UNCRD	United Nations Centre for Regional Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
WHO	World Health Organization

I. Focus Groups

Fourteen focus groups were organized to discuss the main issues covered by the publication "Living in Asian Cities". Two of these groups, namely "Children in cities" and "Housing and Urban Indicators" were organized at the request of the participants. The results of the discussions of these groups were presented at the plenary on the last day of the conference. The groups were as follows

- Global trade agreements, economic reforms and their impact on cities
- Governance and institutional reform
- Empowering the poor
- Cities in Transition Economies
- Cities as the engines of economic growth
- Civic engagement and the role of media
- Urban transport and communications
- Women in cities
- Improving urban research, education and training
- Urban finance
- Emerging technologies and their impact on cities
- Urban physical and social space
- Children in cities
- Housing and urban indicators

Global trade agreements, economic reforms and their impact on cities

It was undeniable that globalization and the policies that many countries of the region had implemented to cope with it had a major impact in many urban centres, particularly since most economic activities in the region were concentrated in urban areas.

Global trade agreements and economic reforms speeded up the process of urbanization and larger cities implied greater demand for services and for investment in infrastructure. Furthermore, increased urban economic activity made cities even bigger markets which, in turn, made business want to remain in cities.

Those policies resulted in the further promotion of privatization and various forms of public-private partnerships at the city level.

Development was increasingly technology-driven and so led to highly specialized urban economies.

There was a shift from *growth through competition* towards *growth by collaboration*. Competition within the region was being replaced by regional collaborations such as APEC, ASEAN and growth triangles.

There were greater demands on natural resources, such as energy, to support large cities and increased substitution of land for urban use from land for agricultural use.

The impact of economic structural adjustment, liberalization of trade, etc. differed by country, by city, among stakeholders, among sectors of the society, between business and city residents. The views depended on one's vantage point. In some countries it might be positive while in others it might be negative. Also within the same country, the impact might be positive or

negative for different stakeholders. In other words, they had country and stakeholder specific effects and, therefore, the means of addressing their impact could not be generalized.

In some ways, those programmes created injustice along with economic growth. It was critical to consider their social impact, particularly on social values. There was a need to ensure support for disadvantaged sectors of the society, for instance in the area of health and education. The need for an equitable, efficient and practical redistribution of the wealth derived from economic growth had to be carefully considered.

Those programmes placed added urgency to addressing the issue of sustainable urban development. Particular concerns included:

- Resource conservation, e.g. land, energy, water;
- Basic needs priorities such as housing, water and sanitation, transportation, pollution control, waste management;
- Effectiveness of urban environmental planning and management systems including financing mechanisms (regional perspectives, environmental accounting);
- Effectiveness of institutional arrangements and interrelationships among and between stakeholders (intergovernmental relationships, public-private partnerships, community participation, etc).

The impacts of those programmes on cities required strengthening the powers and capacities of urban local authorities across the full range of urban management functions and responsibilities, in the political, functional and tax domains. Simultaneously, there was a need for greater transparency, especially in relation to privatization of urban services and to the pricing of those services.

Improving conditions in the cities was likely to make them more attractive to business and people. That put more pressure on the cities. However, business could change locations with some financial cost but people could do so only at a high social cost. Within that context, the strengthening of secondary cities and giving incentives to business that could move would play an important role in attenuating the negative effects of the programmes.

Many problems in the cities arose from a mismatch between the private economic costs and the real social costs. In those cases, an efficient pricing mechanism and an effective taxation system should be used to correct that imbalance.

Very often, rural areas were adversely affected by those programmes. However, since those areas in fact constituted a support system for cities, there was a need for integrated planning at all levels. That also meant that large finance conglomerates and investors, as well as central governments, should be included in the planning process at the local level.

There was a need to compensate for the non-economic effects of those programmes which included a widening political gap between urban and rural areas as well as between competing cities within one country. There was a need to insert a social agenda and environmental concerns into global trade agreements.

Governance and institutional reform

Redistribution of responsibilities was needed to give urban issues more prominence at the national and provincial levels, and improve coordination between the wide range of private and public sector interests, and to redress the concentration of powers over urban investment decisions vested in ministries of finance and economic planning bodies.

Ministries with local government portfolios should be strengthened to incorporate more of the key infrastructure, housing and urban planning functions often located under ministries of works and housing or departments of public works.

Urban development authorities whether at national or city level were usually publicly unaccountable, had powers inconsistent with local government legislation, and tended to undermine the work and credibility of city government. The future of such bodies should be assessed with a view to their functions being subsumed within the institutional framework of local government.

There were dangers in creating major new ministries to embrace all aspects of local government and urban affairs, such as ministries of the interior or the equivalent. Other responsibilities such as police might draw focus away from urban local government, and coordination problems might increase with the scale and complexity of the ministry's functions.

Division of powers between centre, province and urban local government must be clear, specific and consistent, and be backed by constitutional provisions. The devolution process should not stop at municipal or city government but should reach down to legislated powers at the ward and sub-ward levels. Care was needed in the timing and scope of devolution, taking account of local financial and technical capacities, geographical coverage and political will.

Insufficient capacity to take advantage of new devolved powers must be addressed through training and retraining programmes, financial and career incentives, and optimum uses of the national pool of human resources.

Transparency and accountability must be ensured, and politically neutral "watchdog" responsibilities identified, with a balance sought between external regulation and restriction.

Division of powers should increase the scope of financial management at local levels and provide motivation for improved revenue and taxation performance and service delivery.

The representative rights of women and, where applicable, minorities and vulnerable groups should be established through legislated reservations in local government elections at all levels. Local government reforms should aim to formalize as elected bodies the smallest possible unit in terms of population size. Useful examples were the barangay (Philippines), the kampung (Indonesia), the street committee (China) and the ward committee (India).

The often wide range in population sizes of the lowest level unit in some countries called for some adjustment in order to equalize ward size and representation systems both between and within cities. Informal or customary community-based groups at ward or sub-ward levels needed official recognition and support in order to supplement the formal structures.

Council or ward meetings should be well advertised, open to the general public, and the meeting space large and accessible enough to encourage good audiences.

Professional and special interest advocacy groups were often vibrant and influential, and needed to be better incorporated into local government affairs.

Careful community-based studies were needed to determine which civic functions and urban services were suited to which level and size of local government unit and social grouping—in terms of the share of

responsibilities between the community and the higher level authorities for design, financing, implementation, operation and maintenance.

Empowering the poor

For the purpose of the discussion, a number of parameters for the definition of poor were established. First, those were people experiencing poverty, lack of education and training, finance or adequate incomes, and access to adequate shelter. The latter included housing and many other related physical infrastructure and social services.

Often they lacked a voice or were not heard and therefore did not have power over their own development. While poor people might have a degree of leverage at election times, politicians seldom attended to their needs in between elections.

A wide range of people were experiencing poverty. Even in rich countries in the region there were still people in abject poverty though their numbers might be relatively small.

In developing countries, large concentrations of the urban poor lived in slums and shanty towns. But appearances could be deceptive. Not all people living in slums were necessarily poor. On the other hand, homeless and people who lived in the streets were invariably desperately poor. Perhaps the poorest of the poor were the handicapped who had no access to employment and who lived in physical environments that were difficult enough for those without physical disadvantages but enormously threatening and difficult for those that did.

Poverty also occurred outside slum communities. Poverty might be characterized by social exclusion, negative discrimination, caste, religion, gender etc. Middle-class prejudices against those who lived in slums and shanties resulted in social stigma, often contributing to denial of economic and social opportunities for the poor.

Though it too often was a permanent state, poverty or the state of being poor did not have to be so.

It was crucial that policies and legal frameworks recognized and respected poor people as an economic and social asset and not as a liability and enabled them to act on their own behalf.

Empowerment

There was considerable discussion about the term empowerment. For some, the term had political or revolutionary overtones which were distasteful or elicited negative reactions in their country contexts. For many power was not something that could be handed out. It had to be taken or won.

The term enablement was used as an alternative to mean helping and strengthening grass-roots initiatives to create the conditions through which they could exercise power over their own destinies. Enablement was associated with skills and education for people to understand their situations and take appropriate action to change it for the better.

The group decided to examine the tools and mechanisms whereby poverty alleviation was initiated at the basic grass-roots level and then work upwards to see what legal frameworks, policies and institutional developments would be needed to facilitate this.

Establishing community solidarity within an urban context, particularly in slums and disadvantaged neighbourhoods, was rarely a natural or easy process when compared to that in rural areas from which many of those people might have recently migrated. Preliminary steps towards any development entailed the establishment of mutual trust and self-confidence.

Self esteem and trust among the members of a community were essential for group participatory activities and for decision-making. That would enable the community to organize and determine forms of institutional frameworks and representation through which they could deal with the authorities at various levels and with others in the society as a whole. It would provide the mechanisms to relate and interact, horizontally and vertically with institutions such as local authorities, central government, other communities, NGOs, etc. and the ability to function effectively on legal and economic issues.

Examples were given in urban contexts of the processes to achieve that end.

The first example was urban community development in Sri Lanka. In the early 1980s, UNICEF started the programme whereby groups of households formed community development councils and elected their own committees which interacted with the local authorities and with similar councils of neighbouring communities. From an initial focus on basic health sciences it extended under the aegis of Habitat to land regularization, home construction and the provision, of basic infrastructure, such as water supply and sanitation, through community contracts. Its continuing and extensive coverage resulted in the community development councils gaining legal status.

Another, from Indonesia, referred to as the kampung improvement programme, under the aegis of the government, was based on the idea that Indonesian people had the right to work towards better housing for themselves and their family. The role of government was to provide the institutional environment to support that process. The most important ingredient was guaranteeing security of tenure, allowing access by the people to formal financing of their own building or improvements. The government also provided basic infrastructure such as roads, water, electricity and sanitation. The scale of that programme was nation-wide where millions of households were benefiting from marked improvements in their living environments.

In the Indian context, urban development for the poor had to take into account specific cultural and economic factors, developing packages and incentives to specific groups disadvantaged by caste and ethnicity and income levels. Those included education, employment quotas, food for work and access to support programmes. However, given the level of overcrowding and homelessness, there was also an urgent need to establish transparency in the use of funds earmarked for assisting the poor to ensure that the bulk of the allocation reached the designated target.

A pioneering slum assistance programme funded by Citibank in Thailand used the basic needs approach, an integrated intersectoral bottom-up activity to improve quality of life pioneered in rural areas by WHO, whereby communities, government, aid agencies and the people established a partnership. The prerequisites of credibility, respect, trust and confidence were a long process in the slum context, but the people decided to do that on the basis of seeing results in the rural area (17,000 technically improved and self-managed villages).

A change of attitude and understanding was also needed on the part of the authorities and the public in general.

Local authorities and government could and should use technology that was people-friendly and develop people-friendly infrastructure. This can create access to work for low-income people.

To sum up, people needed access to education, training and information to create awareness and confidence of other choices and opportunities. The

poorest groups, especially female-headed households, were particularly denied in those respects. Communities needed access to resources preferably through the development of livelihoods and income-generating opportunities and through credit. The efforts of the Urban Community Development Office in Thailand and the Community Mortgage Programme in the Philippines were very good examples of innovative ways of getting credit to people who were normally not able to get it from conventional sources.

Overcoming poverty should be seen as a task of creating choices and opportunities through alliances between the State, non-government enablers and the communities, with the communities being given the leading role.

Cities in transition economies

The Facilitator explained the understanding of transition economies as moving from a centralized planned economy to market economy. The group therefore focused on Pacific rim cities in China, the Russian Federation and Viet Nam, as those were where that transition was most noticeable.

The group also looked at some of the characteristics of cities in transition economy:

- How power was dispensed along the transition from centralized economy to market economy;
- That the in-flow of capital from outside was also getting bigger;
- That competition for investment among cities in the country, as well as to other countries, was getting aggressive with all its positive and negative consequences;
- That apparently some cities show very high economic growth, with grave environmental consequences.

The group felt that the market model need transferring. Past experience showed that, in the early stage of urban growth, the informal sector enjoyed free atmosphere to do business. However, when the city achieved a certain level of prosperity, suddenly the informal sector was no longer accepted.

The other negative consequences of the high economic growth of the city was the inability of the infrastructure to support the growth as shown by Bangkok, Jakarta and Manila. The question was whether the cities in transition economies would learn from this experience. Early indication shows that they will not.

Cities as the engines of economic growth

The growth of Asian cities was unparalleled in human history. European and American cities experienced similar growth in the late nineteenth and early twentieth centuries (albeit not at the same intensity and scale). Like many Asia countries at present, wealth was amassed in Western societies by very few. The wealth and income distribution of the United Kingdom in the late nineteenth century was not dissimilar to that of some Asian countries today. The advent of Keynesian economics recognized the wealth generation potential of societies as a whole, and created the platform for social equity that led to the unparalleled rise in production, consumerism and wealth for Western nations. The lesson learned from pre-Keynesian society was that concentration of wealth does not maximize the potential economic wealth of nations. As the developed countries of the world moved once again towards the greater concentration of wealth resulting from structural adjustment, their GDPs had continued to fall, social equity gaps had broadened and social dislocation in the form of crime, homelessness and urban poverty had risen. The growing concentration of wealth in Asian and Pacific cities by a few might be resulting in substantial underachievement in the economic performance of cities.

The group spent a considerable time discussing the need to ensure more efficient and equitable cities. It was generally agreed that the economic growth of cities rested with the creation of a new paradigm or approach to development based on partnerships that forged growth with equity under the umbrella of sustainability. If the latent potential to generate wealth in the communities of the poor, migrants and dispossessed was not unlocked, then the prospects for forging a better society and maximizing the economic growth of cities would be limited. The continued concentration of wealth would only reinforce the growing disharmonies and social unrest emerging in cities. Continued growth that enabled wealth to be accumulated by so few did not maximize the growth potential of cities.

Unless there was a new paradigm to broaden equity and increase wealth in cities, down to the smallest unit of society, that was the family, then the prospects for sustainable development and enhanced economic performance would continue to be limited. I was necessary to learn to leverage the surpluses of the elite and the multinationals of the world, with the grossly untapped or latent potential of the disenfranchised and under class of cities that had great energy, entrepreneurship and desire for social mobility, if enhanced economic performance, greater social stability and sustainable resource management were to be achieved in cities.

The group touched on a number of ways by which the economic structure of cities might be reinvented or re-engineered to achieve more sustainable outcomes for economic wealth and social equity. Those were worth reinforcing in the Habitat Agenda and in national commitments to action plans. Such initiatives included:

- A focus on the transformation of the informal sector at a community level to generate wealth rather than consumption or trade driven enterprises;
- Empowerment of communities to organize the raising of capital in open markets;
- The creation of multilevel and a fourth level of partnerships with multinational and international finance agencies for local economic development;
- Re-engineering the governance of cities and strengthening the role of governments as facilitators rather than executors of public programmes;
- The development of social capital through civic engagement, openness and accountability of government;
- Shifting the focus of economic development away from planning and controlling economic development to the management of development;
- Creating regional partnerships for urban management and development which would enable networked partnerships to develop between cities and nations involving collaboration, sharing and information transfer in research, education, training, policy, capacity-building and other matters of interest to cities in the Asia-Pacific region.

In summary, cities were the engines of economic growth and would play a central role in setting the path for greater social equity and more sustainable forms of economic development in cities in future. But the path for achieving equity and sustainabilty for the nations and cities in the Asian and Pacific region would not be the same. There were no models for building a sure path for the future for cities or nations. Each city must create its own economic path for the future.

Cities, however, were more than engines of economic growth. They were the measure of civilization and a testimony to one of the highest achievements of

mankind. The importance placed by all levels of government, business (both national and international), non-governmental organizations and community based organizations in ensuring that our cities became more sustainable, better designed and managed was summed up by that statement. The commitment to that goal and the need for the paper on "Living in Asian Cities" to share the good points about cities while at the same time acknowledging the mistakes, issues and problems facing the development of cities was what we should take away from the gathering. Only by sharing experiences of urban scenes globally could we learn from each other ways to tackle collaboratively some of the complex issues facing cities. This was the *raison d'être* for Habitat II.

Civic engagement and the role of media

An initial observation was that expenditure on social and economic programmes might be better directed to effective use of the media to link users to suppliers of goods and services. In that context, three examples were cited as follows:

- Social and economic development example from Japan (agriculture). In the post-war period in Japan, the media (the national TV network NHK) was successfully used to inform farmers of potential changes in their status in relation to land tenure, to provide them with information on how to formalize new tenure arrangements, and to provide them with information and training in new agricultural modes of production. All of those generated massive improvements in agricultural production and living standards for the rural population.
- Environmental and social welfare example from Japan (Minamata disease). Following the major litigation case against polluting industries resulting from the appearance of the symptoms of Minamata disease, the media played a pivotal role in forcing government and industry to give compensation to affected populations and to take action to prevent further pollution.
- Public awareness on housing supply and demand. The government agency responsible for social housing in Japan had been rather ineffectual in meeting large scale housing shortages following the Second World War. From perusing listings for housing in the major newspaper in the United States, it was realized that that media could play an important role in tapping existing supplies for people in need of housing. By using newspaper and other media in a strategic way to inform people requiring housing of potential sources, on the one hand, and by informing suppliers of major categories of housing needs, on the other, they were able to achieve dramatic improvements in housing delivery.

A number of ways to maximize the usage of media effectively to foster development of civil society were discussed:

- Specify types of media: press, radio, TV, Internet. Each medium had specific strengths and weaknesses in terms of audience, type of information being dealt with, accessibility of the medium itself and depth in which issues could be presented.
- Identify target groups: Information should be tailored to the interests and needs of the intended audiences. The effectiveness and impact of the message would greatly depend on how well the audience had been defined. In addition, the type of media chosen would depend on the nature of the message, i.e. broadcast media with large circulation might be better suited for public awareness campaigns, whilst instructional material to specific categories of audience would best employ "narrow-cast" media such as

magazines, local radio stations, etc. Using local languages whenever possible should also be considered.

- Relationship between citizen groups and the media: In the experience of many civic groups and NGO actors, the press and the media were somewhat reluctant to carry news items and features simply because they were for a "good cause". Moreover, newspaper and broadcast media often had strong links with governments and big businesses. A consumer protection example from the Republic of Korea was cited. A consumer protection group had detected some ingredients in major soya sauce brands that were harmful to health. Their attempts to advertise their grievances in newspapers were thwarted. However, when they presented their story as a litigation against the soya sauce producers to the media rather than as a general warning, the grievances were duly carried. That proved to be a major factor in bringing government action against the producers.

The need for greater sensitization of the media to civic problems was considered an important issue. That might require, however, a paradigm shift in thinking. "Bad news is good news" seemed to characterize the stance of the media towards daily events. Many of the local and global problems were dealt with only when they reached a crisis. There was a need to sensitize media professionals to the importance of playing a more positive role in anticipating and preventing the worst occurring by reporting in a more in-depth and timely way on many social and environmental issues. Too often developmental professionals had neglected specifically targeting and engaging the media in their advocacy work and simply focused on the public at large and governments. The potential of the media to forge a bridge between those two groups was highlighted.

Innovative and alternative media ways to use the media were also discussed: for example, the use of interactive media such as community radio to engage people to work on long-term solutions to local social, economic and environmental problems. Similar uses of the Internet might be highly effective in the coming years to deal with local and national problems. A highly original example of using broadcast media interactively came from Brazil where "soap operas" dealt with important social issues. At certain climactic points in the story, viewers were invited to phone in and vote for a particular outcome of the plot. Tens of thousands of responses were gathered and the script-writers incorporated the viewers' wishes accordingly. That might be a powerful way of reflecting contemporary social values and promoting socially positive attitudes and behaviour.

Urban transport and communications

Public transport

Undoubtedly, there was a need for more and better public transport in Asian and Pacific cities, particularly in the large, dense cities.

The dangers of trying to control public transport fares were highlighted—it was stated that that could backfire and lead to a decline in public transport supply.

A plea was made not to forget the role of buses and other public transport. Mass transit was very important but buses would also continue to play a significant role. There were many cost-effective measures which could be taken to improve bus service, speed and reliability (including bus lanes, bus priority at traffic lights, busways, etc).

Walking and non-motorized vehicles

Non-motorized transport (walking, bicycles, tricycles, trishaws, etc) was recognized as an important part of an integrated transport system. Those modes were too often trivialized and not taken seriously as transport modes. Most trips in densely populated cities were short and within the range of non-motorized transport. Pedalled vehicles integrated very well with public transport as feeder modes (e.g. Japan).

Case studies and best practices

Several pleas were made not to forget smaller, intermediate and provincial cities—often the focus was only on the capitals and megacities. Some of the cases mentioned, the successful bus system in Madras, and Curitiba's "surface metro" (which was a busway system), and integration of land-use planning with the transport system were highlighted as useful models.

Singapore's philosophy of restraining private vehicles and promoting public transport was also highlighted. It was pointed out that Singapore began that process in 1974, at a time of low incomes and many years before the rail mass transit system had been built.

The case study of the Islamic Republic of Iran was mentioned, where the extremely low price of gasoline presented a problem by encouraging high demand for car use. Prevalence of old vehicles also caused air pollution problems.

Equity and accessibility

It was agreed that more attention should be given to creating transport systems accessible to people with disabilities. In particular, all mass transit systems should be built with disabled access from the outset since it was very expensive to retrofit such access later.

It was pointed out that measures to improve access to public transport and the pedestrian environment for people with disabilities also benefited a very large proportion of the population, including frail elderly people, young children, people with luggage, etc.

Private transport facilities benefited a privileged minority in most cities, whereas public transport, cycling and pedestrian facilities benefited the majority, and in particular several disadvantaged groups—people living in poverty, many women, children and those who cared for them, the frail elderly and people with disabilities.

It was further indicated that there was a potential for an "enabling" approach in that field such as access to credit for informal sector providers of public transport and that it was necessary to consider equity impacts of any transport policy measures.

Environmental impacts and safety

Transport already had huge environmental impacts in the region, despite low per-capita car ownership in most countries. For example, transport accounted for 70 per cent of air pollution in many cities of the region. Thus, transport problems were a large factor in the widespread perception of deteriorating quality of urban life throughout the region.

It was also noted that the rate of deaths and injuries from urban transport were very high in much of the region.

Finally, the importance of enforcement in encouraging cleaner vehicles was emphasized.

Strategic and flexible planning approach

There was a need for coordination and integration of: (a) all aspects of transport planning, (b) measures by all levels of government, and (c) transport with land-use and urban planning. It was also noted that a strategic and flexible planning style was more realistic than a master plan approach. In addition, a package of integrated complementary policies was more powerful than isolated measures (such as mass transit alone). The value of public input into urban transport planning was highlighted, with examples from Bangalore and Bangkok.

Land-use control was weak in many countries and transport infrastructure should be planned wisely because of its influence on new development patterns, including the use of road investment to direct development in desirable directions and avoid sensitive areas, thus using infrastructure projects as de facto urban planning tool. Furthermore, intercity and rural transport infrastructure also had an impact on the development of smaller cities and on the overall urban hierarchy of a nation.

Decentralization was mentioned as a way to avoid congested city centres. "Decentral concentration" was suggested as a better policy. Decentral concentration aimed at having metropolitan areas with a number compact centres of activity in addition to the CBD. That avoided: (a) overconcentration on congested central business districts and (b) random dispersal of businesses and activities, which made public transport difficult to supply and encouraged private transport use.

It was pointed out that mega-projects could be problematic in some countries because of weak administrative capabilities.

Rapid growth in vehicle numbers

It was noted that the number of vehicles was growing very rapidly in many cities and that the need to contain congestion and restrain vehicle use sometimes conflicted with aspiration for large national vehicle industries.

Huge numbers of motorcycles in many cities of the region presented special issues and problems. Thus, there was a need for better understanding of those implications.

Latent demand for travel in congested cities

It was pointed out that in large dense cities, there was usually huge "latent demand" for travel. That meant that, if new transport infrastructure was built, it would immediately unleash many new trips which had previously been suppressed. New roads in such cities normally became congested very soon after completion. That latent demand implied that neither building roads alone, nor building mass transit alone, would be enough to solve congestion.

Funding for infrastructure

It was possible to capture some contribution towards the cost of infrastructure from all parties who benefited from it ("value capture" techniques). Various methods were mentioned, including private developer contributions, requirements for developers to build infrastructure, betterment taxes on land owners, special taxes (such as extra fuel tax) to build a public transport improvement fund, etc.

It was noted that the cost of infrastructure could affect housing affordability if standards were set too high.

Demand side measures

Some of the policies which could be implemented by local governments included: taxation, congestion pricing, road pricing and targeted subsidies.

It was noted that social cost should be accounted for—not just private costs. Costs and benefits were often too narrowly conceived in cost-benefit analysis.

It was suggested that each level of government had various powers at its disposal and that there was a need for integration and cooperation. Local governments usually had some power over road space allocation, land-use planning, parking supply and parking prices—all of which could be used in transport policy.

Fair and efficient road space allocation

Private transport modes were much less efficient in terms of use of space than public or non-motorized modes. Therefore reallocation of road space was justified to improve efficiency. Measures included bus lanes, bicycle lanes, high-occupancy-vehicle lanes, busways, bus and bicycle priority measures at traffic lights.

Communications

Communications was mentioned as extremely important to business and communications technology as a potential "safety valve" for transportation demand.

The service level of telecommunications seemed to be improving rapidly in most countries. Technology change and an increased private sector role were given some credit. However, urban-rural and regional equity of access with respect to greater private sector focus was an issue of concern since there was an increasing focus on urban markets.

Women in cities

Credit issues

Access to credit for poor women was needed for housing, self-employment and other income-generating purposes. It was acknowledged that different systems of providing credit were appropriate to different circumstances. The need for subsidized loans to help the poorest women was indicated and it was agreed that more research was needed on different methods of providing credit and on factors that led to success in varying settings.

Housing and environment

Equal property rights were recognized as essential between men and women, including the provision for joint ownership of the family home.

It was agreed that housing should be a basic human right, and that adequate housing should include access to potable water and sanitary disposal. (It was acknowledged that in some settings such facilities might be communal.)

Governments had the responsibility to enact environmental legislation to protect the air, water and other elements of the physical environment but enforcement should be delegated to the lowest effective level and provide opportunity for community input from women and men.

Governments should have ultimate responsibility for the provision of housing but needed to develop partnerships with local government, private

sector and, especially, community groups that were gender-balanced to ensure that housing developments take into account the needs of women and children.

When planning new housing developments the relevant authorities needed to plan for: (a) homes for the elderly who might need or choose to live in a protected environment, (b) centres to provide intermittent care for the elderly and disabled who live within family units, (c) daycare centres for the elderly and disabled, and (d) the possible need for community workers to assist the process of community-building.

Representation at all levels

There was an urgent need for the inclusion of women in decision-making. It was recognized that such representation would differ according to level of government and the setting. Suggestions included: (a) quotas, (b) reserved seats, and (c) direct election by organized groups. In some settings legislation might be needed to support the participation of women in public arenas.

It was agreed that where women were seen as effective leaders they provided vital role models for others.

Governments and community groups needed to ensure that all women were aware of their legal rights, including rights to political participation. Special attention was required to meet the needs of those who lacked literacy, the majority of whom were women.

Safety and security

Laws on violence against women that protected women both within and outside the home should be enacted and enforced. In order to encourage awareness of and prevention of violence, support groups were needed to educate the community and to provide assistance to the victims of violence.

Authorities should ensure that there was safe affordable accommodation available for women migrating to urban centres. In addition, they should ensure that police stations were safe places for women and explore the possibility of setting up women-only police stations or specialized units in ordinary police stations.

The special needs of disabled women needed to be borne in mind during planning, and provided for. In particular: (a) those working with community support groups needed to be trained to be able to communicate with those who were deaf or had special communication difficulties, (b) community workers needed to be aware of the vulnerability of disabled women to sexual abuse, (c) legislation was needed to provide for disabled access to all new public buildings and to public transport.

Education, training and employment

The principles and practices of hygiene should be part of basic education and training for safe living in cities.

When providing education and training for women, it was important to provide support for the care of young children and the dependent elderly if older girls were not to be withdrawn from schooling.

Consideration should be given to the need to provide payment for women whilst undergoing training if they were to be enabled to participate.

Stronger legislation was needed to protect women workers from hazardous substances and unsafe working conditions.

Training needed to be provided—and confidence building—for those interested in undertaking self-employment.

Improving urban research, education and training

Realizing the fact that, during the past decade, governments and international agencies had promoted a number of new policies with regard to urban planning and management to meet the challenge of urbanization in Asia which had an enormous impact on the work of the local governments, the group strongly felt that those policies had not been accompanied and supported by new human resources development policies for necessary capacity-building. Even the Global Plan of Action had not fully spelled out the steps that needed to be taken by the international agencies. The text on capacity-building in GPA was still in brackets; it would come up for deliberation during Habitat II at Istanbul in June 1996 for further negotiation and acceptance.

As a result of decentralization of government responsibilities, local governments had been faced with new responsibilities and tasks to be performed. However, they lacked the staff to undertake them. Local government officials and even the elected representatives performing executive functions, needed to be trained and suitably reoriented.

The role of governments at all levels was changing from one of providing to one of facilitating. The delivery mechanisms were likely to involve a multitude of parties, and local governments were expected to work in partnership with the private sector, NGOs, CBOs and civic groups. Partners needed to equip themselves fully with the information, knowledge and skills to participate effectively in the new decision-making processes on urban development. Local governments, specifically, needed to learn to mediate and negotiate among various interest groups to strengthen the whole process of delivery mechanism for urban development.

The group fully appreciated the analysis and findings of the background document "Living in Asian Cities" on the theme of research, education and training. The document had well brought out the following:

- Inappropriate research on housing
- Research and training out of touch with reality
- Institutes did not produce the manpower needed
- The need for unlearning and relearning
- The role of partnerships for urban management
- Capacity-building for local governments

In the light of the above conclusions the group considered the importance of following basic questions for capacity-building and strengthening education, research and training:

- What was the new research agenda?
- How should that research be conducted?
- How should education and training needs be determined?
- What was the profile of the new urban planner?
- What should be the new urban planning and management curriculum?
- How should the impact of education and training be improved?
- Was there a need for a new institutional arrangements in education and training?

The group, after deliberating on those issues, felt the need for capacity-building in the areas of research, education, training, consultancy and information dissemination to respond to changing situation. The process of civic engagement needed the involvement of professionals and the support of research and training institutes.

Empowerment of different groups required education which might provide a deeper understanding of how to manage cities so that they became healthy cities which were politically participatory, socially just, culturally vibrant, financially viable and so on.

The capacity-building process would also require institutional and legislative reforms.

The group realized that there were several constraints to achieving the goal of capacity-building including:

- Difficult access to information particularly on research undertaken;
- The fact that data were not available at the local level regarding cities themselves.

The group therefore recommended the following:

- National plans of action should focus on capacity-building, including:

a. Training of politicians at local levels

b. Training of professionals in local authorities and other levels of government

c. Evolving national training policies and strategic plans for capacity-building

d. Providing a framework for different organizations to interact among themselves and work out training programmes.

- Networking at national, regional and international levels to strengthen the process of information dissemination and research and training. The role of regional networks such as TRISHNET of Asia and the Pacific, SHELTERNET of the SAARC countries was well recognized.

The group further recommended:

- Continuous updating of databases of best practices by the research and training institutions so that those best practices became common practices.
- Integration of action and research.
- Regional exchange of trainees and trainers for exchange of experiences.
- Networks and partnerships among research and training institutes.

The group felt that all that would require a pool of funds for research and training by several international and regional agencies, bilateral and multilateral donors.

Urban finance

The group on urban finance categorized the issues of urban finance into five groups. These were:

- Role, responsibility and functions of urban versus other levels of government;
- Urban finance base;
- Urban financial management;
- Financing of urban capital works;
- Financing of urban basic services to the poor.

The group noted with concern that the document "Living in Asian Cities" did not address the issues of financing of urban services and infrastructure which were critical to urban living. It was of the view that the starting point of urban finance was the question of clarity in the functional responsibilities of central, provincial and local governments. Unless the functions of urban local bodies and the interrelationship between various levels of governments were clearly defined, it would not be meaningful to discuss how they were to be financed. There had been two major Central Government initiatives in the region to promote decentralization and address the question of functional domain. Philippines had enacted the Local Government Code. India had enacted the Seventy-fourth Constitutional Amendment Act. The group felt that according a constitutional status to the municipalities and defining their role and functions clearly in the constitutional law was necessary for a system of efficient and effective urban governance.

Regarding the issues of urban finance base, the group noted that the finance base — taxes, charges, fees, intergovernmental transfers, and borrowing — of almost all the municipalities in the region was in a dismal state of affairs. While there was considerable scope for the municipalities to improve their own sources such as property and land taxes, there was an urgent need for central and provincial governments to enable the urban local bodies to improve their finance base. In addition to the traditional property and land tax, there was a need for central governments to empower the municipalities with some buoyant taxes. The Philippines had shown the way by allocating a major share of national internal revenue collections to municipal governments. Other ways to augment the urban finance base were to allocate a group of local taxes and fees to the municipal bodies and assist them in strengthening the assessment, levy and collection systems. Practices by governments in the region suggest that advertisement tax, parking fees, professional tax, entertainment tax licensing fees, development impact fees, betterment charges, market fees, stamp duty on land registration, vacant land tax, etc. could be a good bundle of local taxes which could qualify as municipal taxes and might be assigned to or shared with the municipalities. The group felt that there was considerable scope for improving urban finances through user charges, i.e., charging for services such as water supply, drainage, street lighting, etc. and through the innovative use of land as a resource for urban development.

On the subtopic of urban financial management, the group considered commercial system or accounting, auditing of municipal accounts by external agencies, budgeting practice to ensure the accountability of municipal departments for the functions entrusted to them, financial planning and synchronization of capital plans and their implementation as important ways to carry out reform in the urban finance management practices. A suggestion was made to adopt zero-based budgeting for various municipal departments.

Regarding the funding of capital works, the group discussed issues of generating revenue account surpluses, streamlining intergovernmental transfer systems, enabling urban local bodies to improve their strength as borrowers and to gain access to capital market sources of funding, equity participation by the private sector through formats such as build-operate-transfer, and build-own-operate-transfer and public-public, public-private and public-community partnership arrangements. The group noted that thr Philippines, Indonesia, Malaysia and Thailand had made a good beginning in attracting the private sector to the financing of urban capital projects. The group also noted some successful public-community partnership efforts in Pakistan, India and Indonesia.

Regarding financing of services and infrastructure for the urban poor, the group suggested the charging of lifeline tariffs from the poor for certain urban services and noted that, in many cases, the urban poor paid much higher amounts for privately provided services than for services provided by public agencies. The group also emphasized the adoption of cross-subsidization, targeted subsidies from higher levels of government, assumption of the responsibilities of housing and redistribution programmes for the poor by the higher levels of government, implementation of governmental programmes with the active involvement of local bodies, NGOs and community groups, etc. Regarding national efforts to assist the poor in housing and shelter, the group noted the effort by the Philippines through the enactment of the Shelter Financing Act and implementation of interest subsidy programmes for housing by India. The group was of the view that all subsidy programmes for the poor should be directly targeted towards them.

Emerging technologies and their impact on cities

In a review of technologies related to telecommunications, construction, environment and waste management, and transportation, the group brought up the following issues:

- Technology assessment required long-term evaluation since often the effects of using a particular technology could not be seen until it had been in use for a number of years.
- Every technology had positive and negative effects, thus, the selection process required that those be balanced.
- There were a number of external factors that affected access and selection of technologies, including cost, tax, regulations, etc.
- In addition to standard economic considerations, cost-benefit analysis in social terms needed to be done for each technology.
- There was a need to ensure an appropriate price and tax structure and other incentives for the introduction of new technologies.

The findings of the group were as follows:

- Private cars and motorcycles should be heavily taxed and strongly regulated. They were the main cause of air pollution but they dominated because:

a. They provided an independent, reliable and comfortable means of transport as opposed to existing public transport which was often unreliable and badly maintained;

b. They were symbols of success and wealth;

c. They represented a good investment.

- Public transport should be managed on a metropolitan scale, subsidized and provided at high levels of quality and convenience.
- Telecommunication improvements had many positive effects and few negative effects on cities and, therefore, should be deregulated and access should be expanded.
- New technology enabled decentralized community-based waste management and recycling but ultimate disposal needed metropolitanwide planning.
- New construction technologies enabled new designs for long bridges, taller buildings, and other mega-projects but side effects might help ordinary people.

- Telecommunications and transport improvements:

a. City spread should be encouraged;

b. The importance of central location and land values should be reduced;

The aim was to promote technologies which:

- Served the public rather than the individual
- Increased options and choices
- Allowed decentralized community-based management
- Improved and did not harm the environment
- Increased access for the disabled, children and other disadvantaged groups

Urban physical and social space

Most of the planning models used in Asia were derived from the West. However, the Asian space had different characteristics from the Western space. Therefore, attempts should be made to rescue the elements of the Asian space bearing in mind that there was not one single Asian space but a variety of spaces.

There was a trend towards multifunctional spaces.

There was also a trend for malls to become the only "community" spaces available, with the resulting changes in patterns of consumption and in cultural values. In addition, foreign investment and international markets affected land-use patterns and, consequently, the urban physical and social space.

Social space in modern urban areas was a commodity and issues concerning accessibility of social spaces by different groups should be examined.

Some of the conceptual and political issues which needed to be examined included;

- Who defined a space as private, public, community, etc;
- Differences between mobility and transport;
- The relationship between market development and spatial arrangements, including the tension between overall planning and local needs;
- Security as a concept;
- The division of urban spaces according to economic and ethnic groups, professions, etc.

There was a need for more participation in the planning and organization of urban spaces. NGOs and community should advise governments on the planning process. Public hearings and local development councils could be used for that purpose.

Planning of urban spaces should be made through a process of consultation and collaboration, i.e. give and take. Culture should be preserved together with the social life and not at the expense of social life.

Urban spaces should be accessible to all, i.e. disabled, elderly, children, women, etc. Lack of access might translate into lack of opportunities such as education.

Legal action and support might be required in cases such as the creation of barrier-free environments, percentage of land reserved for open spaces, housing rights for women, etc.

Children in cities

The civil society including communities, CBOs, NGOs, the private business sector and the government at all levels should emphasize policies, programmes and budgets that facilitated appropriate partnerships among themselves to support parents and families to fulfil the rights of their children to nutrition, education, primary health and environmental care, recreation, socialization and creative growth. Such partnerships strengthened government and family efforts to recognize, respect, facilitate and fulfil those rights and thus create the necessary conditions for physical, mental, spiritual, moral and social development of children as envisaged in the United Nations Convention on the Rights of the Child, now ratified by over 186 member States.

Children's rights should be addressed in urban planning and governance in the spirit and understanding that the status of well-being of children was one of the key indicators of good urban living. Therefore, urban local governments and their partners must regularly review their planning paradigms, programmes, service delivery mechanisms and budgetary actions and allocations to ensure that children were given the first call on their limited resources. Some key ideas for action in that direction included:

- Introducing a child-centred social impact assessment process in all development plans and actions. While being child-centred that process should assess their impact on other critical areas of concern such as gender equality, childhood disability and poverty reduction.
- Municipal planning should ensure that adequate space, services and access were available for city dwellers to attain WHO standards of safe motherhood, primary health care, water and sanitation, and nutrition.
- Improving the capacity of municipal-level institutions and agencies that directly addressed children's issues and needs.
- Developing partnerships to address key social issues relating to child abuse and neglect, street children, children without families or homes, children working in hazardous and unhealthy conditions, substance abuse particularly among parents and juveniles, sexually transmitted diseases and HIV/AIDS, exploitation of children for immoral purposes, disabled children, single parent and child-headed families etc., which were predominant in urban areas.
- Creating the required physical and fiscal space in urban plans for recreation and socialization of children, especially in schools, communities and high-density areas.
- Planning for and ensuring the availability of formal and non-formal learning opportunities for children with special focus on those of disadvantaged population groups.
- Central governments and urban local bodies should formulate plans of action for facilities, services and partnerships for child development and protection in urban areas. The plans should critically assess the adequacy of their existing strategies, programmes, partnerships and budgets and set achievable targets for each major city and town; promote and support social organization at the neighbourhood levels; encourage and assist community-based neighbourhood organizations to prioritize the needs of their children and formulate plans to help families to look after their children.
- The national plans of action for Habitat II should include a statement of civil society commitment to child rights, care and protection with an accompanying reference to enabling strategies and mechanisms.

- Habitat II Best Practices Programme and the Habitat Indicators programme should include examples of good practice and indicators relating to child development, protection and participation.
- Local government, schools, religious institutions, NGOs and CBOs should foster opportunities, space and access to obtain children's views and ideas on a regular basis on matters relating to their well-being.
- Urban legislatures and law enforcement systems should address the specific needs and safety of school children. e.g., food vending particularly near the schools, minimum safety standards for transporting children to and from schools etc.
- Cities where children displaced by civil and armed conflicts converge should be helped by the higher levels of government and civil society to care for and protect such children from social, sexual and economic exploitation.
- Civil society should take action to help change the mindset and behaviour of all sections of the society to consider children and families as responsible partners in the process of city development rather than mere recipients of social services and benefits.
- Existing programmes showed that community-based child development costs were relatively low and affordable. City governments should therefore assess their expenditure patterns and ensure that they were using the annual budget to the maximum extent possible to support child development.
- Those responsible for built environment—architects, engineers, designers—in urban areas should be sensitive to the needs and safety of children.
- Urban local bodies, by themselves, lacked capabilities, infrastructure, authority and resources to translate the above ideas into effective action. Therefore, new and binding partnerships needed to be developed in each major city under the guidance of the related local body. In addition, national governments needed to provide necessary assistance, both technical and financial, to equip those local government agencies with the required institutional capacity to undertake those important responsibilities and functions.

Finally, at the intergovernmental level, regional groupings could be encouraged to adopt regional resolutions/codes/ethics committing the member States to a common moral minimum on issues relating to the development of children and women as had been done by the South Asia Association for Regional Cooperation.

Housing and urban indicators

A presentation was made on the Housing and Urban Indicators Programme. Its objectives, methodology, database and operational problems in selected Asian countries and, in that perspective, the activities being planned to continue the work beyond Istanbul as part of a programme to develop management techniques and capabilities of city governments were brought out. The main recommendations of the group were:

- The indicators programme was a useful activity that could strengthen capacity to formulate, manage and implement programmes, especially in the changing environment of government emerging as a facilitator and other actors coming to play a more critical role than in the past. The slowdown in budgetary funds' flow and increased recourse to market-cost funds made it essential to ensure better use of resources and indicators

were a facilitating tool to monitor those activities and bring about a better level of coordination and dovetailing of activities than in the past.

- In many cases, the indicators worksheets had initially (and in some cases even now) scared people and the reaction was "It can't be done". The constraint of bringing them out in one language, inadequate explanations and lack of illustrative examples were some of the reasons. Some were of the view that the indicators were too sophisticated to be used at the city level. Promotional activity was missing and no attempt was made to clear doubts whether the data generated and indicators provided would not be used by international agencies against the interests of the countries. What emerged was that regional and subregional workshops and awareness creation and advocacy work should have been given a high priority and just mailing the worksheets was not an effective method of developing the indicators programme.
- The list of indicators should be very compact and many of the indicators on which data were not easily available and did not seem relevant in the Asia-Pacific region might be deleted. Some of them related to land use, house tenure and housing finance. Indicators did not recognize specific local socio-community practices such as extended families, community land holdings, etc.
- Many of the indicators should be developed at the town level and capture town-specific issues. The present package of indicators should be developed at a sufficient level of disaggregation, to capture sensitivities of formal and informal settlements, gender issue and income categories and cover also activities like eviction (housing destroyed), quality of life, new urban-related crimes, social development activities, among others.
- The indicators in the different modules should be interlinked and a set of integrated composite indicators should be developed, instead of single-purpose ones. It would be dangerous to use individual indicators to the exclusion of their relationship with other indicators. An operational framework should be developed to interlink the indicators for analytical purposes.
- Over time, indicators should be developed on a time series basis. Basically secondary and regularly available data should be used, and if necessary, supplemented by primary survey data, including quick surveys recommended byUNCHS.
- Additional inputs were required to effectively translate national data (say GNP, poverty line, income distribution) into city data, as the latter were normally not available. Also, data in monetary terms had limitations and alternative data had to be developed for effective comparison across projects and over time.
- The main objectives of the indicators programme should be to facilitate city governments and other actors to manage city activities and to facilitate comparisons of situations within the country or region. Cross-country comparisons across regions should not be the main objective and might be a long-term objective. The impression that those indicators were basically for international comparisons should be removed.
- Focuses on social indicators, particularly on women, children and informal settlements, should be developed as special modules.
- The indicators should be projected as being "user-friendly": simple to develop, easy to understand, readily accessible and applicable to assess situations and suggest solutions. Some norms on "good" and "bad" situations might be developed and disseminated and a brief "indicators

interpretation" guide should be made available. The indicators should develop into a rapid urban appraisal package and be used to promote a rapid assessment culture.

- The indicators work should be also linked to national census and similar database development activity.
- An international reporting system for city/town performance might be developed, using the indicators and recommended to city and national governments. The activity should be taken up at the city level through a collaborative endeavour of city governments, NGOs and research and training institutions.
- The global and regional observatory, whose need was strongly endorsed, should not, however, remain only a depository of data and information, but should emerge as a global and regional resource centre that would provide technical and human resources to cities/countries to develop the indicator activities, to take up advocacy and promotional work and facilitate the eventual outcome of a "state of the city" report on a regular basis.

All United Nations agencies should collaborate in the indicators activity. At the drafting stage, each specialized agency should be consulted for technical guidance on the appropriateness of the indicators and the promotion and application through their respective programmes.

Government participation should be a sine qua non if the indicators were to be accepted and used, ultimately for planning, policy and monitoring purposes.

II. Subregional Forums

On Thursday, 14 March 1996, four subregional forums, South and Central Asia, Pacific Islands and Oceania, South-East Asia, and East Asia discussed major urban issues in the subregions, the scope for cooperation within and between subregions and the role of United Nations and other international agencies in promoting such cooperation.

The following report sums up the discussions under the headings of major urban issues, subregional cooperation and international assistance in promoting cooperation in the field of urban development.

East Asia

Major urban issues

The diversity of the countries in the region in terms of levels of economic development, urbanization and forms of governance resulted in different priorities regarding urban issues. While most countries in the subregion had attained high levels of urbanization, those still with low levels had been experiencing very high urbanization rates in recent years.

A common problem was the imbalance between rural and urban development. Cities were experiencing often very rapid economic growth, while rural areas lacked far behind, in fact the gap appeared to be widening. There was a shortage of physical infrastructure, particularly of intra- and interregional transportation. It was recognized that addressing that issue might face political obstacles, but it was considered an important means to redress some of the urban-rural imbalances.

The rapid urban-based economic growth posed a major threat to the environment at the local and regional level. Therefore an issue which concerned all countries was the environmental impact of urban centres on the surrounding regions, in terms of air pollution, water quality and ecological degradation. Of particular concern was transboundary pollution

caused by the growth of large industrial zones in coastal areas and river basins.

Since the whole subregion was susceptible to natural disasters, particularly earthquakes, joint efforts on natural disaster mitigation should be made. This should not only include exchanges of information on building technology and regulations, but also joint early warning systems.

Another common problem was the proliferation of substandard human settlements, with inadequate housing, local infrastructure and services. Among the issues that needed to be addressed were housing finance, land ownership rights and deterioration of the existing housing stock. The shelter problem was closely linked to urban poverty and unemployment.

A specific problem for the eastern region of the Russian Federation was outmigration of professionals and skilled labour. Temporary migrant labour was a special problem for China, where 70-80 million people were estimated to have moved into the coastal zone alone and they would stay for periods of a few days up to one or two years.

The Republic of Korea was experiencing serious problems with urban traffic and lack of financing for public transport infrastructure, while China expected that urban traffic would soon become a serious problem for Beijing and the rapidly developing urban centres of the coastal regions.

Regional and international cooperation

There was a need for more cooperation efforts in economic development and other areas, such as urbanization in the subregion.

Development agencies should take into account the specific conditions of the subregion when planning and implementing development projects and programmes. Regional projects, as they were currently designed, did not always address the unique needs of the subregion and/or individual countries. It would be better to formulate programmes at the subregional level. In addition, more efforts should be made to coordinate the work of different development agencies.

Programmes of regional and international development agencies should concentrate on efforts to increase transfer of technology within and among the subregions. The sharing of experiences in urban development and joint ventures should be supported. Agencies should also support research into techniques of raising revenues for urban development and assist with their implementation through training courses and direct assistance.

In view of the trend towards growth triangles, agencies should explore different levels and forms of cooperation, i.e. cooperation between cities within one country, between cities in different countries and the role national governments should play in it.

In the field of shelter, development agencies should provide more support for people's initiatives.

Oceania

Foreign aid was still an important factor in urban development in the Pacific island countries, and the group noted that recent restructuring might result in AUSAID increasing its NGO focus and also placing more emphasis on privatization.

Several members of the group felt that, despite the recent technological advances in the field of information dissemination, relevant and up-to-date information on urban issues remained a scarcity in most countries in the Pacific. That problem was compounded by the fact that, due to domestic

bureaucratic practices, reports, studies and even invitations to important meetings like the Urban Forum would often end up in an inappropriate department of the government and therefore not reach the relevant professionals. International agencies were therefore urged to send copies of covering letters and invitations to several key officials in the government in order to overcome that problem. In that context, one of the participants called attention to a recent study by Lea et al. entitled *Pacific 2010* on urban areas in Melanesia. Still in the context of information dissemination, it was noted that several valuable databases existed in institutions focusing on the Pacific such as ESCAP, SPREP and in universities, but their content and means of access were not generally known. A compilation of profiles of such databases, their location and accessibility would be an extremely welcome publication.

Human resource development was another issue that the group felt needed more attention. It was not only a question of inadequacy, but too often it was the wrong people who were sent for training. Well-trained and competent staff would receive accelerated promotion and end up in positions where their qualifications were not well utilized. The group recommended the establishment of a database of competent urban experts for the Pacific. That could take the form of an expansion of the UMP-managed URB-NET to include the Pacific.

Members of the group felt that external agencies needed to coordinate their interventions in the Pacific. One member stated that up to 60 per cent of the external resources targeted at his country were wasted because of replication.

The group concluded that urban forums such as the present one were extremely useful and that a post-Habitat II forum would be most welcome.

South and Central Asia

Major urban issues

Countries in the South Asian region had a common historical background and were currently at similar levels of development, characterized by low levels urbanization, energy supply and consumption, water resources, and income. The phenomenon of primate cities prevailed. Even if India and Pakistan each had a few very large cities, it was the state or provincial capitals which concentrated large portions of the urban population.

The current trend towards consumerism, open market systems, and economic liberalization prevalent in urban areas had spilled over into rural areas. Even with a low level of urbanization, urban ideas and aspirations were rapidly spreading throughout the country.

The Republic of Iran, with its relatively high level of urbanization, was currently planning 16 new towns, of which 12 were under construction. Land had been acquired and transferred to poor people who were constructing a third of the new housing on the land provided by government.

Nepal faced problems of internal migration, lack of infrastructure and services. Cities, in particular, were facing a water crisis.

The forum identified the following main issues in the subregion:

- Poverty and population growth
- Sustainability
- Governance: the role of government
- Resource allocation: military expenditure.

Poverty and population growth

Poverty and population growth were closely related. It appeared that education on family planning was the only long-term solution to the problem. One critical issue was the move towards free market economies and how to protect people living in poverty from structural adjustment.

Among the social issues brought about by rapid urbanization was protection of women from social and economic injustice. Women labour exploitation was still prevalent, caused by and perpetuating low literacy levels. Women's involvement in decision-making processes and participation in education needed to be increased. Other unresolved problems were the issue of child abuse, immoral exploitation and child labour.

The urban housing problem was not to be regarded as a welfare problem but as an economic problem. Solutions needed to be integrated in economic development for low-income groups. However, given the still extreme social stratification, there was very little indigenous development experience and upward mobility in the countries of the region.

Sustainability

With urbanization regarded as inevitable there was a need to put much more emphasis on preservation of the environment and natural resources. People and communities were not able to accomplish this except of the neighbourhood level. There was a need for a national policy on resource conservation.

Governance: the role of government

Corruption and bad governance were major bottlenecks. Urban management would remain in the public domain in the foreseeable future, but better management could be achieved through partnerships and cooperation among civic society and government at all levels. Positive results of such cooperative policies should be highlighted and good examples shared more widely to build up the institutional capability at the local level. The institutional and human resource continuity of the civil service should not be disregarded. At the same time there was a need for capacity-building for sound political decision-making among elected officials.

Resource allocation

Strengthening local authorities in managing urban growth required an appropriate reallocation of resources, perhaps from military expenditure.

In the Islamic Republic of Iran, all national governments' funding for large cities was stopped five years ago. Cities had to raise money from the residents through taxes and user charges. It was found that that had made city administrations more accountable to the local population.

Privatization of public services and infrastructure was feared to exclude the poor and even lower middle classes from some of the basic services.

Regional cooperation

While effective cooperation was often hindered by political rivalries between different countries, the South Asian Association for Regional Cooperation (SAARC) had been established and could be built on for extended cooperation. It had already established a Technical Commission on Urbanization which reported to heads of States. SAARC had organized a

meeting on Habitat II which had arrived at firm recommendations and adopted the Colombo Resolution on Human Settlements.

Countries in the region could learn from each other, in particular in the field of poverty alleviation, in development of low-income settlements and in the understanding of the cultural setting of development. In that context the role of international organizations could be to facilitate acquisition and dissemination of knowledge.

Role of the United Nations and other international organizations

Technical assistance and cooperation was required in the following areas:

- Management of mega-cities
- Public-private participation (NGOs as well)
- Finance issues (urban and housing finance)
- Technology upgrading
- capacity-building of all actors not just government officials
- Monitoring of indicators
- Development of building technologies

Follow-up to the Regional Action Plan on Urbanization adopted by the Ministerial Conference on Urbanization in Asia and the Pacific was slow. More extensive exchange of information and dissemination of developments in the region was needed. It was felt that the World Bank, ESCAP and the Asian Development Bank lacked coordination and were following a system of compartmentalization. However, it was acknowledged that UNCHS and ADB were collaborating on housing problems in Thimphu, Bhutan.

An important role could be played by those organizations in consensus-building in South Asia, particularly on joint water resource management. They should foster information flow, exchange of experience and collaborative research to enhance South-South cooperation among governments, non-governmental organizations and people's communities.

South-East Asia

Major urban issues

Economic growth in the subregion was concentrated in urban areas. That increased rural-urban migration, which created problems related to housing, land, transport, power supply etc. Rapid economic growth in some of the countries had also caused an increase in international worker migration. While international migrant workers generated income for the home country and provided cheap labour, it also created problems in host countries, including housing shortage, crime, etc. It was necessary to cope with migration in an equitable way.

The question was raised, whether it was possible to slow down the rapid regional urbanization or to divert it away from primate cities. Some countries had experimented with new town developments, e.g. the Philippines had established special economic development zones. Success of such industrial development zones often depended, however, on decisions which were imposed from outside, in particular by multi-national corporations. Strategies needed to be developed to deal with the increase in primacy of capital cities with all its problems, including the decrease of resource for other city development.

There was a large gap in per capita investment between urban and rural areas, which should be closed. While rapid urban growth contributed to

economic development and required attention, intervention was also needed in rural development.

Another new development was increase in triangular cross-border cooperation among cities and regions of member countries of the Association of South East Asian Nations. That was a positive development of cooperation among subregions, involving central and local governments as well as the private sector. Borderless countries and cities was a new concept in the region and local authorities were not well equipped to handle such cooperation endeavours.

The region was undergoing rapid modernization of the urban communities. However, not all groups participated equally in that progress. One group, people with disabilities - up to ten per cent of the urban population - was not only excluded from that progress, but had been set back as a result. While others enjoyed access to the cities' modernized infrastructure, the disabled had been further marginalized. People with disabilities had little access to public transport and education facilities and rarely found employment. Thus, policy-makers and city planners should urgently redress the situation and include concerns of people with disabilities in their planning.

Problem areas

The ecological footprint of cities, in particular of mega-cities, was reaching far beyond city boundaries. That concerned the problem of water supply which was drawing on a limited resource from increasingly large catchment areas. Waste management, in particular final disposal of solid waste, was increasingly searching for sites located outside the city limits. Often poor management that resulted in pollution of water bodies and exported environmental problems to surounding areas. Power generation required for the energy use of cities created air pollution with fallout on agricultural land and, in cases of hydro-power generation, often dislocated rural populations. There was a need to put those issues on the research agenda and develop efficient management tools for proactive intervention.

Metropolitan areas were expanding in a manner that resulted in inefficient land use. New directions of urban development needed to be pursued, possibly focusing on compact new town development. The concept of a new administrative town for Malaysia was an example which even considered new, still futuristic technology of working away from offices through computer link-ups.

The emergence of a large new middle-class population and the trend of consumerism had led to a demand for better housing, infrastructure and services, as well as leisure time and entertainment facilities. Accordingly, countries and specially the large cities were experiencing a rapid growth in private ownership of motor vehicles, which had resulted in a slowing down in the provision of urban public transport. That needed more attention and called for strategic infrastructure development.

Regional and international cooperation

The ASEAN subregion consisted of 10 countries with high economic growth and a population of about 300 million. Cooperation in ASEAN was a still a learning process of living and working together. However, a number of professional associations, e.g. the association of planners and architects, provided forums for the exchange of ideas and experiences.

Subregional and international cooperation could prevent a repetition of planning and urban traffic problems, such as those experienced by Bangkok

and Manila. Much could be learned from the experience of Singapore, as far as traffic management and public transport was concerned.

Coping with the problems of rapid urbanization needed new capacities in local government. The role of multinational cooperation was mainly seen in promoting regional cooperation in such capacity-building. Technical assistence programmes should cover individual competence training, increasing organizational effectiveness and the building of institutional relationships. Human resource development for officials of local government should to be high on the agenda.

III. Agency presentations

Regional programmes of ACHR

The representative of the Asian Coalition for Housing Rights (ACHR) introduced his presentation by informing the Forum that ACHR was formed in June 1988 by a group of professionals and social activists involved in issues of urban poverty in a number of Asian countries. They decided to bring together professionals, NGOs and CBOs in the region who were actively working towards improving the quality of life of the urban poor.

Perspectives and approaches

ACHR was interested in the rights of the poor to live in peace and dignity. It was concerned that the prevalent model of development and market mechanisms denied the poor their rights to a place to exist and ignored and destroyed the cultures of Asia. ACHR viewed housing as a basic need and a basic right concomitant with and inseparable from the most basic of rights: the right to exist.

ACHR felt that the existing government policies, institutional arrangements and privatization did not tackle problems of the poor effectively. Those were problems of access to land, housing, infrastructure and other aspects of urban environment. Thus, the scale and severity of the problem was increasing. In today's increasing political space NGOs and the grass-roots needed new techniques involving negotiation and information skills plus the expertise to develop new partnerships.

As a regional organization ACHR played an important role in promoting new ways for the poor to access international agenda and, at the same time, create international space for the exchange of ideas and knowledge on issues of people's housing. That created greater stimuli for local change. ACHR collaborated actively with UNDP, AP2000, UNCHS, ESCAP and other international agencies involved in urban settlement development.

ACHR's roles and functions

Over the past eight years, ACHR had:

1. Acted as a pressure group and for crisis intervention in specific issues. Actions taken included fact-finding missions and regional campaigns.
2. Provided information dissemination at all levels from providing ideas for community organizations to sharing experiences at committee level to internalize members' understanding of major forces affecting the urban poor.
3. Created regional space for experience-sharing among groups, particularly the grass-roots, NGOs and young professionals.
4. Provided professional consultation.
5. Coordinated with related agencies, international or local.
6. Reached out to link and interacted with many active groups in the region.
7. Supported grass-roots struggle for housing and strengthened and developed processes which enabled people to develop their own capabilities.
8. Researched and created acceptable regional references on that issue for organizations and people in the region.

ACHR programmes on housing rights and eviction watch

ACHR was concerned with housing right violations such as evictions and dislocation. Reports by fact-finding missions conducted in the Republic of Korea, Hong Kong, the Philippines and Malaysia had been widely circulated. At present, centres in 12 cities of Asia monitored evictions and collated those figures. In the last 10 years, nearly 2 million people had been forcibly evicted in Asian cities.

The urban poor had become vulnerable as cities expanded and its growth and planning were largely in the hands of an elite. Pursuing narrow economic interests those powerful forces had made government planning processes subordinate to their interests.

ACHR promoted alternative solutions to forced evictions. Viable and practical alternatives existed in Asia, viz. land sharing and upgrading programmes. ACHR brought together government officials and communities to explore those alternatives. Through that process, government officials and the urban poor could come to a common understanding to address their problems.

ACHR training and advisory programme

Under ACHR's training and advisory programme (TAP), groups (combinations of grassroots organizers, NGOs and professionals and often local government officials) visited and learned from a community-based project in a particular city. The people-to-people learning process brought urban poor groups together to see and experience what other groups were doing in the field of sanitation, savings and credit, land-sharing and community organizing. That enhanced the capacities of the host organizations to share their experiences with other groups in the region, and in turn supported participants in sharing what they had learnt with a broader network. In the past three years over 25 training programmes had been organized.

New initiatives: ACHR sought to strengthen community-based processes in cities. In Ho Chi Minh City, Viet Nam, groups were supported in the initial phase through credit and housing finance. Experienced people from Sri Lanka, the Philippines and Thailand were involved in the process. In Phnom Penh, training programmes to organize communities and train community leaders had resulted in about 100 communities initiating saving and credit schemes. Exchange visits were organized to countries which had strong community-based approaches.

Young professionals: Under TAP, the programme provided support and encouragement for students and young professionals to become involved in issues of the urban poor. Young people shared professional skills with the grass-roots and in return learned what the poor really wanted in housing and settlement. Groups had developed in the Philippines, Cambodia, Viet Nam, Pakistan, Sri Lanka, Bangladesh, India and Malaysia.

The Young Professionals programme had jointly organized, with the Faculty of Architecture and Urban Design, Royal University of Phnom Penh, two three-week summer school programmes for students of architecture in Phnom Penh. The first of those programmes was partially supported by ESCAP.

Asian Women and Shelter Network: Women suffered most among the urban poor. They were involved in child rearing, housekeeping and income generation. They played a vital role in the life of the community, yet they were marginalized from the decision-making process. ACHR believed that

the central role of women needed to be affirmed and asserted. Women often played a crucial role during evictions either by negotiating, protecting their homes and children or by rebuilding their homes.

In 1995 key women activists in Asia formed the Asian Women and Shelter Network. The basic purpose of that network was:

- To centre-stage women's concerns in the Habitat movement;
- To support community-based initiatives that strengthened women's role in fulfilling practical needs through strategic solutions.

The network supported an action-research in Karachi and was in the process of documenting and exchanging women's initiatives in Sri Lanka, Bangladesh and India. It was also supporting autonomous savings groups in Bangladesh and Nepal.

Research and publications

ACHR focused on documenting the situation of the urban poor, how they survived and what additional support they required to improve their life . Members documented their involvement in urban processes of social change and that information provided alternative approaches to improve the lives of other urban poor.

Some of ACHR's recent publications were:

1. *A Decent Place to Live*, Denis Murphy, 1991
2. *Housing the Poor, An Asian Experience*, Fr. Jorge Anzorena, 1993
3. *The Urban Poor: Land and Housing*, Denis Murphy, 1993
4. *Housing by People*, a biannual newsletter.

Regional programmes of ADB

The Forum was informed of the institutional and strategic objectives of the Asian Development Bank's (ADB). Since 1990, ADB had financed 37 projects amounting to $2.1 billion in the urban development and housing sector. This was in addition to its projects in water supply and sanitation sectors. The types and components of projects financed by the ADB were presented briefly. The Forum was informed that ADB had taken important policy formulation initiatives in the preparation for HABITAT II.

The Forum was informed that ADB would play positive roles, as a financier, catalyst, facilitator and an adviser in seven major action areas for its future operation in the sector (a) reshaping urban spatial system, (b) financing investment needs, (c) local resource mobilization, (d) institutional strengthening and local governance, (e) functional urban development planning, (f) urban poverty reduction and (g) urban environment improvement.

The Forum was introduced to ADB's operational modes relevant to the issue of sustainable urban development, specifically to urban development projects; a few new intervention directions in urban environment improvement and urban poverty reduction, and other modes of interventions through loans, technical assistance grants and policy dialogues. The Forum was also informed that ADB was expanding its operation in the sector in terms of the number and amount of loans, and the area of coverage.

The Forum was reminded that a strong commitment and a truly holistic approach was essential for sustainable urban development in the region and that concerted efforts by all donors to support actions towards this direction were called for.

Regional programmes of CITYNET

The Forum was informed by the Secretary-General of the Regional Network of Local Authorities for Management of Human Settlements (CITYNET) that the organization was a multi-actor network of local development authorities and non-governmental organizations from the Asia-Pacific region. It was noted that CITYNET had a membership of 46 local authorities, 15 national organizations and development authorities and 28 NGOs. The idea of forming a network to promote the exchange of expertise, information and experiences and to facilitate cooperation of different actors in the field of human settlements development was developed at two congresses of local authorities at Nagoya and Yokohama in 1982 and 1987. CITYNET had been officially established in 1987 with ESCAP taking over the role of the secretariat temporarily until an independent secretariat was set up in 1992 at Yokohama.

The goal of CITYNET was to help create people-friendly cities which were socially just, economically productive, ecologically sustainable, politically participatory and culturally vibrant. More immediate objectives were to strengthen the capacities of local authorities to manage rapid urban growth and change and to foster partnerships between the various actors on the local level.

After explaining the organizational structure of CITYNET, the Secretary-General gave an overview of the network's activities and pointed out that those might take the following forms:

- Organization of seminars and workshops for city officials and NGO representatives covering specific urban management and development issues;
- Information exchange through newsletters, publications, manuals and guidelines;
- Provision of advisory services and needs assessments to local authorities;
- Support of technical cooperation among developing cities through study visits, exchange of staff and training.

CITYNET's partners in those activities were ESCAP, the Urban Management Programme Asia (UMP-Asia) and Local Initiatives for the Environment funded by UNDP, the Asia-Urbs Programme of the European Community, Asia Pacific 2000, the Metropolitan Environment Improvement Programme of the World Bank, the Asian Coalition for Housing Rights and the United Nations Centre for Regional Development. Those programmes and organizations often helped with the funding of activities, while overheads were covered by membership fees and in-kind contributions.

CITYNET activities focused on five main areas, as determined by a membership survey. Those were municipal finance and administration, environment and health, poverty alleviation and the management of infrastructure and services. Currently, CITYNET was also preparing for the participation of Asian local authorities in the Second United Nations Conference on Human Settlements (Habitat II) in Istanbul.

The Urban Management Programme for Asia and the Pacific

The Forum was informed that UMPAP brought together four agencies with regional programmes in Asia and the Pacific under one umbrella to strengthen complementarity and coordination. Those four agencies and their basic mandates were briefly described as follows:

UNDP/Asia Pacific 2000 - support to civil society, NGO networking, information exchange and management training

UNCHS/UMP - capacity-building, policy research and consultations, development of management tools and exchange of operational experience

CITYNET/ESCAP - intergovernmental networking, policy dialogues and forums, action research, and TCDC

World Bank/MEIP - Environmental planning and management in metropolitan areas, and loan identification

UNDP/AP2000

Since the operationalization of UMPAP in late 1992, the UNDP/AP2000 component had undertaken various activities in Bangladesh, Cambodia, India, Indonesia, Nepal, Pakistan, the Philippines, Sri Lanka, and Thailand. Many of those activities involved strengthening of NGO/CBO capacities and their networks.

In addition, AP2000 had also undertaken various initiatives such as the support to the Asian Coalition for Housing Rights in the training of young professionals in the area of human settlements; the dissemination of urban management success stories through the bi-monthly news service URBAN LINKS; dialogues and seminars on such topics as violence free cities, women and shelter issues, sustainable urban transport, and NGOs' action plan for Habitat II; advocacy and participatory research on community-based urban appraisal systems and community-based environmental management; and support to the formation of regional NGO networks such as AWAS (Asian Women and Shelter Network) and SUSTRAN (Sustainable Transport Action Network)

UNCHS/UMP

It was explained that the activities of UNCHS/UMP were characterized by a number of features, namely: (a) direct involvement of beneficiaries in project identification and design; (b) collaboration with donor agencies and regional organizations; (c) concentration on institutional and human resource development; (d) movement from agency execution to national execution; (e) movement from project focus to institutional sustainability; and (f) movement from individual projects to programmes.

Activities had been initiated in Bangladesh, China, Indonesia, Malaysia, the Philippines, Thailand, Vietnam, and Pacific Islands countries. These focused on capacity-building for urban management policy formulation and practices, particularly in the areas of urban land, infrastructure, environment, poverty alleviation and municipal finance. Its major implementation strategies include grass-roots participatory services management, linking policy dialogue with operational support, linking technical assistance with capital financing, and in some cases, disaster management/post-war rehabilitation in the context of relief-development continuum. It was noted that a key element of that component was the organization and mobilization of panels of expertise composed of individual experts and institutions involved with urban management issues at the city, national and regional level. These panels, constituting a network known as URBNET-Asia, served as a pool of experts responding to requests for technical assistance throughout the region.

ESCAP/CITYNET

That component of UMPAP had been actively involved in inter-governmental networking; strengthening urban information systems; training

in public participation; action research on participatory settlements improvements; and in organizing regional, national and local urban forums.

It was pointed out that it had been primarily responsible for organizing the 1993 Ministerial Conference on Urbanization and the first Asia-Pacific Urban Forum in 1993 which produced the Regional Action Plan on Urbanization. It had also been actively promoting "people-friendly" methodologies, as well as facilitating joint research and training in human settlements. That component had assisted CITYNET to become a fully independent network by providing various types of organizational and programme assistance. It had also initiated the establishment of the Regional Network of Training, Research and Information Institutes in Human Settlements (TRISHNET). To date TRISHNET had 78 members.

The Second Asia-Pacific Urban Forum was also organized by that component.

At the country level it had created space for local CBOs and NGOs to develop partnerships with local and national government organizations in Ho Chi Minh City, Islamabad, Vientiane and Songkhla to improve the living conditions of the urban poor.

World Bank/MEIP

The Forum was informed that this World Bank-executed component of UMPAP had been working in Beijing, Bombay, Colombo, Jakarta, Kathmandu, and Manila. It focused on the integration of environmental planning and urban management in the context of metropolitan regions. It was noted that it addressed the issues of land, air and water quality, as well as the assessment of impacts on city efficiency and equity.

It was also mentioned that it promoted institutional strengthening through technical advice and training in environmental management systems, monitoring and enforcement.

It was further noted that in each of the cities covered, it had established a national committee as a framework for coordination. It had also been promoting information exchange on air quality management, economic valuation of environmental degradation, waste minimization, "clean" technologies and environmental improvement through community development.

From programme to partnership

UMPAP started in 1992 as a regional programme and since then it had learned many lessons from collaborating with various partners at the local, national and regional level. Through its activities, it had developed a deeper understanding of the valuable contributions of all the various stakeholders and actors in the urban development process. Its four component organizations shared the belief that there was an urgent need for convergence of those contributions in facing the challenge of massive urbanization throughout the region.

It was stated that the four UMPAP components believed that a broader framework for collaboration and cooperation among urban stakeholders needed to be established. It was concluded that UMPAP was therefore spearheading the formation of the urban partnership in Asia and the Pacific, to be composed of organizations operating at the city, national, subregional and regional levels.

Finally, the partnership was envisioned to continue and expand on the initial work of UMPAP and its partners in the areas of capacity-building, advocacy,

information exchange, networking and collaboration, and resource mobilization. Its threefold mission was to promote (a) empowerment of the poor; (b) improvement of the urban environment; and (c) effective and efficient urban governance. Its guiding vision was that of cities that were socially just, ecologically sustainable, politically participatory, economically productive and culturally vibrant.

Regional programmes of UNCRD

The Forum was informed that 1996 was a special year for United Nations Centre for Regional Development (UNCRD), as it marked the twenty-fifth year since UNCRD started serving the developing countries in enhancing their capabilities in regional development through research, training and information exchange activities, which was the main function of UNCRD under a special agreement between the United Nations and the Government of Japan in 1971. From the beginning of 1995, UNCRD's main activities had been reorganized into six major programme areas. Those were: (a) regional economic development for countries with economies in transition; (b) infrastructure planning management; (c) environmental management; (d) disaster management for achieving sustainable regional development; (e) development administration; and (f) local social development for promoting a democratic and decentralized planning system. In addition, UNCRD was currently conducting special programmes for Indo-China, Latin America and Africa, of which the last were conducted by the UNCRD Africa Office in Nairobi. One of the major activities of UNCRD was an annual International Training Course on Regional Development Planning, held in the months of April and May every year, and UNCRD was now just convening the twenty-fourth of that series of training courses. UNCRD published twice a year the *Regional Development Dialogue*, the *Regional Development Studies* and the UNCRD newsletter.

Since its establishment, UNCRD had always paid special attention to urbanization problems, both to general urban development issues and to particular aspects of urban services such as solid waste management, urban disasters, urban industrial transformation, waste resources management and urban transportation and communication. UNCRD had in its urban agenda given serious attention to problems related to metropolises and mega-cities, and the need for a mass transit system to serve those large urban agglomerations.

Just a week prior to the Asia-Pacific Urban Forum, UNCRD worked in cooperation with the National Land Agency of Japan in organizing an international symposium on the relocation of capital functions from major metropolises. That meeting was conducted in response to Japan's attempt to relocate its capital functions from Tokyo to some remote area. If Japan succeeded in doing so, such relocation might possibly become a new urban strategy which might be applicable to help other similar metropolises in the world, especially in developing countries.

Another example illustrating UNCRD's programme activities was the training agenda organized recently for senior officers from the Development Strategy Institute of Viet Nam to study the experience of the new town development in Singapore for which a discussion workshop was held in Singapore and Hanoi, with the cooperation of the School of Building and Estates Management, the National University of Singapore. UNCRD had a particular interest in assisting countries which were still undergoing a transitional phase in their economies such as Viet Nam, Cambodia and The Lao People's Democratic Republic by providing guidance on the urbanization process and on maintaining a harmonious urban-rural linkage during the rapid socio-economic transition process.

With similar objectives, UNCRD was implementing a comparative study programme on the regional development policies and urban development management methods of China and Japan and had selected two dynamically growing sister cities: Dalian in China and Kitakyushu in Japan, for a case study in comparing the urban dynamics between the two countries.

On another front, UNCRD was preparing an international expert panel meeting on urban infrastructure development for rapidly urbanizing regions in South-East Asia, covering the countries of Indonesia, Malaysia, the Philippines, Thailand, China and Viet Nam. The first meeting of the panel was scheduled for mid-June 1996 in Jakarta, following the Habitat II conference.

Regional programmes of UNEP

Technology transfer and sustainable urban development

The Forum was informed by the representative of UNEP that its programme in urban management in the Asia/Pacific region was quite narrowly defined. It was principally carried out by the International Environmental Technology Centre (IETC), located in Osaka, assisted by the Regional Office for Asia and the Pacific and the East Asia Seas Regional Coordinating Unit, both of which were in Bangkok.

It was mentioned that the role of IETC was to support improvements in the quality of life in cities by assisting in the transfer of environmentally sound technologies (ESTs). Those technologies addressed problems such as sewage and solid waste management, wastewater treatment, and the provision of fresh water.

Until recently, technology was thought of as "hardware" or end-of-pipe investments. Dams, water treatment plants, and sludge incinerators, for example, were considered to be the total solution to a particular problem and hardware became the end-product in itself. UNEP recognized that the "software" technologies was just as important as hardware in addressing, in a lasting manner, solutions to complex urban problems. It was mentioned that the UNEP programme emphasized integrated management systems, environmental risk assessment and environmental technology assessment methodologies, institution-building, legislation and policies, and human resource development.

IETC provided technical advisory services, convened expert meetings and workshops, undertook research, produced analytical reports, and built databases in support of its responsibility to disseminate and regionalize the lessons learned in the Centre. The Forum was informed about several IETC initiatives, which are briefly described below.

Joint UNEP-IETC/UNCHS Sustainable Cities Programme

With UNCHS, IETC was undertaking two Sustainable Cities projects in Shenyang and Wuhan, China. To date, environmental profiles and project documents had been prepared for both cities. Implementation of the full SCP planning process would be supported by UNDP and commence by mid-1996.

APELL workshop, Kyung-Ju, Republic of Korea, March 1996

UNEP launched the Awareness and Preparedness for Emergencies at Local Level programme in 1988. Its goal was to reduce industrial accidents and promote coordinated responses when accidents occurred. APELL held a workshop in Kyung-Ju, Republic of Korea with the Korea Industrial Safety Corporation in March 1996.

Environmental risk assessment (EnRA) workshops

Environmental risk assessment (EnRA) was described as a method which assisted planners and decision makers in evaluating both the human health and the environmental risk of proposed projects. In 1995, IETC prepared a position paper for assessing technologies as one of its inputs to the SCP planning process. Workshops on EnRA would be held in Indonesia, China, and the Philippines in 1996 and 1997.

Fresh water augmentation technologies survey

IETC undertook a regional assessment for both continental and insular Asia and the Pacific to identify traditional and cutting-edge technologies for augmenting fresh water. The survey would be printed by mid-1996 and distributed throughout the region.

Source book on solid waste management technologies

IETC undertook a regional survey on technologies for managing solid waste in Asia and the Pacific. The results, of use to technical personnel and decision makers with responsibilities in the field, would be published in *mid-1996.*

Utilization of earthquake wastes workshop

IETC, together with the International Solid Waste Association and the Japanese Waste Management Consultants Association, organized a three-day symposium on the use and management of wastes resulting from earthquakes and other natural disasters that could affect urban areas. The results had been distributed to key planning and disaster preparedness agencies throughout the region.

Contribution to Habitat II

IETC would be sponsoring a symposium and exhibition on Environmentally Sound Technologies on 5 June as part of UNEP's contribution to Habitat II.

Internet data bases on urban environmental and lake management technologies

IETC had developed an Internet homepage and several sub-menus that included databases on ESTs for addressing urban environmental and lake management problems. That site had been on-line since February 1996 and should have particular application to countries in the Asia and the Pacific as IETC had several close institutional partners from Asia who had been providing information to those databases.

ETA for decision makers pilot workshop, Malaysia, November 1995

IETC presented a pilot workshop on environmental technology assessment for participants from 17 countries in this region. Participants were decision makers who faced the problem of analysing alternative technologies, all of which claimed to offer a solution to a given problem. IETC planned to hold similar workshops in other nations in the region in 1997.

Lake management technology conference, Japan November, 1996

IETC would jointly sponsor a conference with Shiga Prefecture and the International Lake Environment Committee foundation on technologies for improving the efficiency of integrated management of lakes and reservoirs for urban centres. Some 2,000 specialists were e expected to attend.

Network for Environmental Training at Tertiary Level in Asia and the Pacific (NETTLAP)

NETTLAP was explained as a UNEP initiative designed to enhance environmental expertise in the Asia and thePacific by strengthening the capacity of tertiary institutions and individuals involved in environmental training. With IETC, NETTLAP was establishing a thematic network on environmentally sound technologies.

Action Plan for the Protection and Sustainable Development of the Marine Environment and Coastal Areas of the East Asian Region

The Action Plan covered 10 countries of the region and was one of the 13 Regional Seas Programme of UNEP. The Action Plan was originally adopted in 1981 and revised in 1994. IETC and the Regional Coordinating Unit for the East Asian Seas (EAS/RCU), the Secretariat of the Action Plan, was developing a joint programme addressing issues related to the impact of urban centres on the coastal and marine areas of the countries bordering the Gulf of Thailand.

Regional programmes of UNESCO

The Forum was informed that assistance to urban areas was an integral part of all sectors of the mandated competence: education, natural and social science, communication and culture of the United Nations Educational, Scientific and Cultural Organization (UNESCO). The strategic focus of UNESCO programmes was grounded in the recognition that, although the economic and social problems of rapidly growing urban areas might be comparable through the region, the unique social characteristics of the various cultural communities which made up each urban aglomeration determined how each city was able to deal with those problems. Thus, it was noted that the common theme underlying UNESCO programmes of assistance was economic development and political empowerment of local communities through the preservation and strengthening of each community's traditional culture.

To help explain how that community-based, culture-specific approach was directly linked to economic development and ultimately to the enhancement of individual and social human rights and to peace-building, a schematic analysis of the socio-cultural scenario at the end of the twentieth century was presented. In brief:

- Exponential population growth causes degraded rural environments, which forces rural-urban migration away from traditional eco-niches, necessitating radical change in relations of production (i.e. in social organization), and thus breakdown of traditional cultures.
- The absence of traditional social contracts necessitates cultural experimentation and change, leading to increasingcultural pluralism and new forms of cultural diversity, but with the danger of unleashing a backlash against cultural experimentation, and consequentcommunal discrimination in the guise of reversion to cultural "traditions", leading to potential clashes of cultures/civilizations.

What the oversimplified scenario demonstrated was that culture was at the root of development and thus, when programming for sustainable development, three basic tenants must be taken into consideration.

(a) The inevitable reality of, and necessity for culture change.

(b) The need for tolerance of cultural experimentation, within and outside existing cultural traditions.

(c) The need to maintain current, and to preserve the knowledge of historical, cultural diversity, in order to have available as full as possible a set of alternative building blocks from which future cultures could be constructed.

UNESCO core initiatives for urban areas in Asia and the Pacific

The Forum was briefed on UNESCO's contribution to sustainable development in urban areas in Asia and the Pacific consisting of three complementary initiatives:

Education for All: providing access to basic education for all those outside the formal sector through community-based, non-formal education. Women, out-of-school youth, rural migrants to the city, and immigrants from abroad were particularly targeted in UNESCO urban education programmes.

MOST: UNESCO's programme for the Management Of Social Transformations consisted of a major initiative in empowerment by promoting local community involvement in governance.

Heritage Preservation: preservation of a community's symbolic monuments, traditional vernacular architecture, and the historically constructed urban fabric. Without the preservation of a culture's traditional built environment, communities risked becoming disenfranchised in the alien environment of modern urban construction and associated slums.

Integrated Community Development and Cultural Heritage Site Preservation in Asia and the Pacific through Local Effort (LEAP)

It was stated that the above-mentioned three initiatives came together in a recently initiated major regional programme entitled: "Integrated Community Development and Cultural Heritage Site Preservation in Asia and the Pacific through Local Effort (LEAP)." That programme was presented to the Forum in detail with illustrations of project activities at pilot sites.

It was pointed out that throughout the Asia-Pacific region there was a growing recognition that the problem of heritage conservation was not restricted to a limited number of sites of international touristic interest, but was a general concern of national policy and part of the process of sustainable development, building upon each society's unique cultural and historic traditions. Unlike historic sites in many other areas of the world, most historic urban centres in Asia continued to be occupied by the descendants of the people who first built them. Either they were owners/occupants of traditional houses or they were communal inhabitants of religious or other public historic monuments who continued to use the historic monuments for the purposes for which they were built. National and local policy makers were recognizing the need for local community involvement in the conservation of their heritage cities.

Fortunately, many of the historic cities in Asia had survived throughout the centuries with the urban fabric intact and their traditional communities prosperous. However, the present rate of population growth, fuelled by rural-urban migration, the consequent construction boom and demands for expanded infrastructure in cities throughout the region, the disregard for the preservation of the basic environmental prerequisites for life such as water and air, and the economic dependence on mass tourism of many historic towns, all gave serious cause for alarm over the continued existence of those historic cities and the ways of life which had formed the basis of the cultures of the region for the past many millennia.

In the past, it had too often been the response of officialdom to those factors affecting the conservation of heritage cities to put severe restriction on the use of the sites, even to the point of forcibly removing the local population from the site altogether. However, experience had shown that when local communities were removed from a site, the site died or, if preserved, was preserved only for foreign tourists. UNESCO's programme aimed to make the local communities themselves the custodians and protectors of their own communities and in doing so to enable them to develop their ancient towns into modern cities with their heritage intact.

Empowerment of the local community was pointed out as the central to the programme, so that the inhabitants of traditional historic towns could:

- Understand and advocate the long-term conservation of the historic buildings;
- Play a leading role in the actual work of protecting, conserving, presenting and managing the historic areas;
- Benefit financially from the enhanced conservation of the historic urban areas while maintaining their social and spiritual traditions intact.

Healthy Cities Programme in Asia and the Pacific

The Forum was informed by the representative of the World Health Organization (WHO) that WHO had initiated the Healthy Cities project in the European region in 1985, and that had now expanded to cities and towns in Bangladesh, China, Malaysia, Nepal, Pakistan, Thailand and Viet Nam. The strategies for the project were based on a partnership between public, private and communities organizations, with local governments as key partners; networking of cities and towns participating in the project; and inter-agency and inter-organizational coordination.

The Forum was also informed of the recent regional seminar on environmentally sound and healthy cities held at ESCAP, organized by ESCAP and WHO, in collaboration with the Regional Network of Local Authorities for Management of Human Settlements (CITYNET), United Towns Development Agency (UTDA) and the Bangkok Metropolitan Administration (BMA). It was noted that the seminar adopted a declaration which, among others, called for preparation of integrated urban health and environmental plans for the development of Healthy Cities.

The Healthy Cities project was expected to expand further, and the theme in the Western Pacific region was broaden to "Healthy Cities-Healthy Islands". The WHO representative also brought to the attention of the Forum the celebration of World Health Day on 7 April 1996 with the theme, "Healthy Cities for Better Life."

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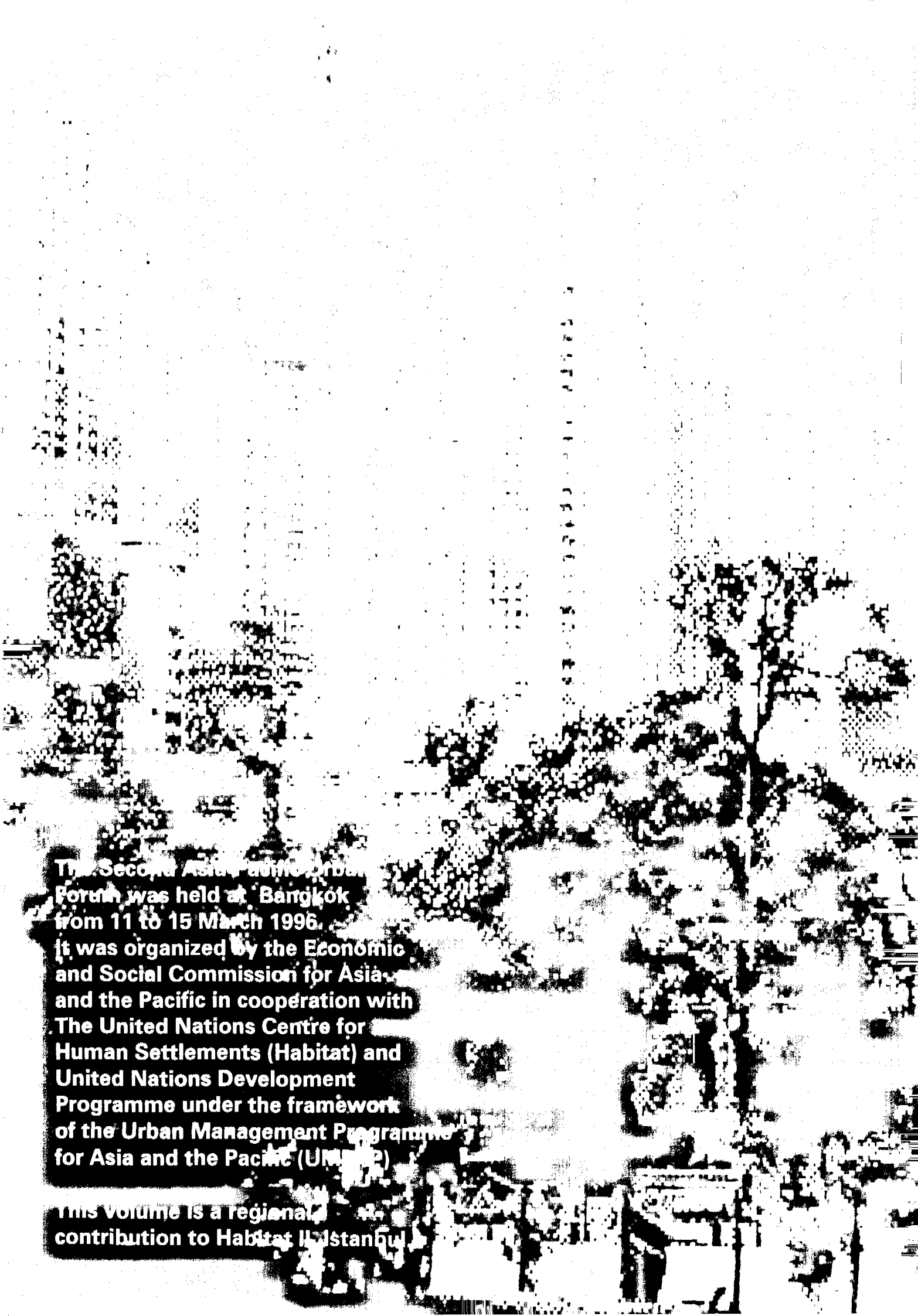

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