

Urban development: promoting jobs, upgrading slums, and developing alternatives to new slum formation ¹

The Cities Alliance has reproduced this section of the Millennium Project's Report to the UN Secretary General which identifies five central issues facing the world's growing urban areas: improving security of tenure, upgrading slums and improving housing, expanding citywide infrastructure and effective service delivery, creating urban jobs through local economic development, and providing alternatives to slum formation. Together, these policy recommendations amount to an agenda for urban reform that could dramatically improve the lives of millions of slum dwellers, and improve the ability of cities to drive their national economies.

A sharper focus on reducing urban poverty is necessary, in part because official statistics tend to underestimate urban poverty, which is very high in most developing countries (Satterthwaite 2004). Ending extreme poverty also requires ensuring a productive urban environment, improving the lives of slum dwellers, and providing alternatives to the formation of new slums. Most non- agricultural activities - industry and services - thrive best in an urban setting where the concentration of economic activity reduces transaction costs (such as transport and communication) and allows the face-to-face contact vital for a sophisticated division of labor. That is why the urban economy is generally an important center of gravity of economic life and the focus of technological advance and specialization.

In developing countries around the world, cities are struggling to function. They are home to extreme poverty and fail to create the jobs necessary for growth. The share of the population living in urban areas is rising inexorably and will continue whether rural development is successful or not. If rural development is successful, it will mean that a shrinking proportion of the population can feed the entire population. The children of farmers will therefore move to cities in search of a new life. If it is unsuccessful, then "rural refugees" will escape from intense rural poverty, shrinking farm sizes, and environmental degradation. They will come to the cities in search of jobs and services. If good jobs do not exist, the migrant workers will live in extreme poverty under slum-like conditions and swell the ranks of the informal economy.

Over the coming decades, countries in Asia and Africa will continue to urbanize rapidly, approaching the urban population shares in Latin America and the high-income countries. While rapid urbanization in poor countries poses an unprecedented challenge, it also creates an opportunity. Due to high population densities, critical social services such as education and healthcare can be more easily provided than in rural areas. Even so, these services often remain inaccessible to many urban poor. In some slums health outcomes are worse than in rural areas. If the social exclusion of people living in

¹ Excerpt on urban development from Chapter 5 (pp 72-77) of the UN Millennium Project's Report to the UN Secretary-General, *Investing in Development: A Practical Plan to Achieve the Millennium Development Goals*, reproduced with the kind permission of the Millennium Project (www.unmillenniumproject.org). For more details please refer to the Report of the Task Force on Improving the Lives of Slum Dwellers – *A home in the city*.

informal settlements or slums can be ended, urbanization can be a powerful driver for improving the lives of a country's population and for generating economic growth.

Given the pressures that urbanization imposes on cities, finding alternatives to new slum formation and improving the lives of slum dwellers, as called for in the Millennium Development Goals, are essential goods in themselves and necessary for raising urban productivity. The package of investments for urban development, summarized in appendix 1, should include five broad areas: improving security of tenure for slum dwellers, upgrading slums and improving housing, expanding citywide infrastructure and effective service delivery, creating urban jobs through local economic development, and providing alternatives to slum formation.

Improving security of tenure

Strategies for improving security of tenure are central for improving the lives of slum dwellers and land use in urban areas. They often require reform of tenure and land-use legislation, coupled with legislation to prevent forced eviction. In enhancing access to land, particular attention should go to ensuring that women have equal access to land tenure and titling rights. Throughout, improving security of tenure requires a high degree of tailoring to local needs, since preferences for and the feasibility of a particular tenure regime vary tremendously within cities, let alone countries or regions (Durand-Lasserve and Royston 2002). It is also conditional on a high degree of participation and decision making by the slum dwellers themselves, whose organizations should be recognized as critical partners with local authorities.

Upgrading slums

Upgrading housing and retrofitting infrastructure for water supply, sanitation, transport, and energy services are critical for improving the lives of slum dwellers. Successful slum upgrading is best carried out by local authorities and communities working in close partnership (box 5.3). Where possible community organizations should be supported and allowed to play an active role in preparing and executing plans for slum upgrading. Moreover, upgrading must be citywide to avoid having the remaining informal settlements continue to grow by attracting new migrants. Of particular importance are investments in housing, which can often be carried out incrementally by the poor, if they have adequate security of tenure, and which can become an important means of asset accumulation. (The report of the Task Force on Improving the Lives of Slum Dwellers describes successful strategies for slum upgrading in detail; UN Millennium Project 2005f.)

Compared with rural areas, slum upgrading requires a stronger focus on networked technologies, such as sewers, piped water, and electricity grids. Investments in improved sanitation should receive high priority to improve the quality of life and reduce the high burden of oral-fecal diseases in informal settlements caused by widespread open defecation. The high density of informal settlements makes sanitation particularly precarious. Where space constraints are high, low-cost communal toilet blocks have been used successfully. Effective hygiene education and awareness building programs are essential to create demand for sanitation and to ensure adequate use by all household members. Other investments required as part of slum upgrading include storm drainage community facilities, local markets, and street lighting. Health services

require investments as well. As mentioned earlier, nutrition interventions for both the general population and vulnerable groups will reduce morbidity and mortality among the urban poor. Clinics need to be more accessible, be located where needs are greatest, and be open during hours that can accommodate the schedules of the working poor.

Expanding citywide infrastructure

To complement the upgrading of individual informal settlements, citywide infrastructure and services need to be extended and upgraded. A high priority should be meeting the transport needs of the urban population through investments in transport services and infrastructure, such as footpaths, kerbing, bus lanes, roads, and mass transit systems. In many cases investments in mass transit systems do not require expensive infrastructure. Many large cities have successfully developed efficient bus-based mass transit systems that can provide transport services to the poor at a moderate cost. They are often more cost-effective than investments in large-scale road and rail-based transport infrastructure. Also important are policy changes to improve the availability of low-cost means of transport, including bicycles. In addition, effective regulation of industrial water and air pollution must complement an urban development strategy to ensure a safe urban environment. Solid waste disposal using well designed landfills and, in some cases, wastewater and sewage treatment also need to be provided.

Creating jobs

Cities must create jobs to employ their rising populations. Good infrastructure attracts domestic and foreign investment, which is necessary for large-scale job creation. Another task for urban planners is to improve industrial efficiency and attract foreign investors with industrial parks, export processing zones, or other designated areas for private sector development. Successful cities are able to link industrial zones with seaports and airports to reduce the time, cost, and hassle of shipping goods.

Equally important are measures to support the informal sector, where most of the urban poor work in low paid, low productivity, and low security jobs. To facilitate the shift into the formal sector, local authorities should adjust their laws and regulations to lower the costs and increase the benefits for people to formalize their enterprises. They should also provide assistance to small enterprises to upgrade skills and increase access to productive resources and market opportunities.

Providing alternatives to slum formation

Since cities in many developing countries will continue to grow at a fast pace, local authorities and national governments need to strengthen urban planning and citywide strategies to provide alternatives to slum formation. By making land available to the poor at affordable prices and ensuring the provision of housing, urban infrastructure, and transport services at the fringes of cities, urban planning can provide alternatives to the formation of new slums. In the past some cities-particularly in Latin America-have used land banking for this. Local authorities should also provide much of the trunk infrastructure in development areas and establish clear regulatory standards regarding minimum plot sizes, infrastructure standards, and so forth. Sound urban planning and standards also are central in averting or mitigating the impact of floods, landslides, and storms.

Box 5.3
Improving
urban
sanitation
in India

Source:
Water Supply
and
Sanitation
Collaborative
Council 2000.

Starting in the 1970s the NGO, Sulabh International developed and implemented a low-cost sanitation system in India. The Sulabh program made two main innovations: the modification of an existing low-cost technology, and community education to increase demand for services.

The technology, known as a pour-flush system, has many advantages. It is affordable, even for more economically disadvantaged segments of the population. It is never out of commission since, with the twin-pit option, one pit can always be used while the other one is being rested. The latrine can be built with locally available materials and is easy to maintain. It is also easy to upgrade, as it can be connected to a sewer system if one is introduced in the area. The toilet also has a water seal that makes it odorless and fly-free. And flushing requires only 2 liters of water, rather than the 10 needed by other flush toilets.

Despite these technical virtues, the Sulabh program would not have succeeded without improving public awareness and encouraging community participation. For populations unfamiliar with modern sanitation practices, the Sulabh International Social Service Organization undertook community-based educational campaigns, including door-to-door efforts to persuade people to convert from bucket latrines. Sulabh then constructed the twin-pit, pour-flush toilet for those who agreed to the conversion. Sulabh also educated people on the use and maintenance of their new latrine, promising to fix construction defects and solve technical problems at no cost. The program also helped local communities set up, operate, and maintain the community toilet complexes.

More than 1 million units have been constructed in private homes (or substituted for existing unhygienic latrines), and about 5,500 have been installed in pay-and-use public toilets. This has vastly improved the quality of facilities available to users. An attendant staffs the public toilets 24 hours a day, supplying powdered soap for hand washing, bathing, and laundry. Free services are offered to children, the disabled, and the poor. More than 10 million people now use the complexes every day, and some facilities have even begun providing new services, such as telephone calling plans or basic primary healthcare. As a result, some municipal governments have relinquished control of public sanitation provision to Sulabh for up to 30 years.

Success factors for scale-up

- Partnership between an NGO, local communities, and the government.
- Shift in role of central government from implementer to facilitator.
- Stepwise approach to service provision rather than all-or-nothing.
- Community involvement and awareness programs to ensure demand for services.
- Capacity building to enable communities to assist with service delivery.
- Service delivery approach adapted to local conditions.

Making it happen—empowering city governments and the urban community

Perhaps the most important change needed in managing cities is to foster a collaborative partnership between local authorities and communities, with strong support from the national government. Local authorities are the city planners, financiers, and providers of infrastructure services. Their performance depends on good governance at city level—involving civil society, including communities living in informal settlements, and working with the urban poor as partners in making cities work, not seeing them as obstacles, as is too often the case today.

A key to productive and sustainable urban development is for city governments to have the policy autonomy and financial independence to design and implement plans and infrastructure programs. Decentralization strategies need to strengthen local authorities that are directly accountable to urban communities. Donors should ensure that their assistance to cities does not get bottled up in national capitals, but reaches and empowers local urban governments to take the lead in their own development efforts. National governments, in turn, should strengthen policies for local tax mobilization and expenditure assignment to ensure predictable and adequate financial transfers to local authorities.

Community organizations can provide a voice for the urban poor and ensure that their interests are met in slum upgrading and urban planning (chapter 8). Federations of slum dwellers have access to unique information on informal settlements—information central to successful upgrading. They should be involved as equal partners from the beginning of the planning processes. In many cities, community organizations, like the ones federated under Shackdwellers International, have led slum upgrading on a massive scale. Wherever this is possible, local authorities should support community-led initiatives financially and treat community organizations as equal partners. This is particularly important where resettlements of slum dwellers become a necessity—say, to free up critical railway lines in a city.

Without the support and participation of the poor, such resettlement programs can lead to the mere relocation of slums—or much worse. Community organizations can help mobilize the resources of the urban poor to co-finance improvements in housing and investments in basic urban services. For example, the work of the NGO Sulabh International in India showcases a successful scale-up of the provision of sanitation services (see box 5.3).