

*the urban challenge:
a question of knowledge*

rethinking the role of knowledge in poverty alleviation

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Acknowledgements

Many people contributed to the activities that RAWOO undertook to understand how research could contribute to solving the problems of urban poverty.

First of all we would like to thank the participants of the Expert Group Meeting in Cairo: Claudio Acioly, jr., UTI/IHS, Brazil, B.B. Adekoya, Ijebu-Ode Development Board for Urban Poverty Reduction, Nigeria, Florencia Almansi, IIED-AL, Argentina, Isa Baud, RAWOO and University of Amsterdam, the Netherlands, Asef Bayat, American University, Cairo, Egypt, Peter Kofi Dadzie, National Development Planning Commission, Ghana, Szilard Friczka, UN-Habitat Nairobi, Kenya, Ahmed Galal, Egyptian Centre for Economic Studies, Heba Handoussa, Economic Research Forum, Cairo, Egypt, Michaela Hordijk, RAWOO, the Netherlands, Heba El Laithy, Center for Developing Countries Studies, Cairo University, Egypt, Jeroen Klink, Municipality of Santo André, Brazil, Ed Maan, RAWOO, the Netherlands, Mostafa Madbouly, UTI, Cairo, Egypt, Sohair Mehannes, American University, Cairo, Egypt, Liliana Miranda Sara, Cities for Life Forum, Peru, Takawira Mumvuma, Municipal Development Programme, Zimbabwe, Sheela Patel, SPARC, Bombay, India, Tarek El-Sheikh, UTI, Cairo, Egypt, Azza Sirry, UTI, Cairo, Egypt, Sutrisno, Municipality of Sleman, Indonesia, Gamal Zekrie, Experimental Center for Recycling and Environmental Development, Egypt.

Special thanks are due to the staff of the Urban Training Institute, UTI, and Claudio Acioly, team leader of the UTI-IHS partnership, for preparing and hosting the expert meeting and the visit of the participants to the Zabaleen in one of the suburbs of Cairo.

We thank Fabio Poelhekke for the preparatory work he did in exploring the state of the art in the knowledge discourse on urban poverty, before the council decided to further explore the knowledge needs on this subject.

After the Cairo meeting RAWOO received vital feedback from its council members Sonia Montaña, Joseph Semboja, Cecilia López, Isa Baud, Jaap Bijl and Koos van der Velden and its former Chair Gert van Maanen. Moreover it received valued contributions from the members of an external Advisory Committee: Isa Baud (University of Amsterdam), Jaap Bijl (RAWOO), Marjolijn Wilmink (Cordaid), Monique Peltenburg (Municipality of Delft), Joop de Wit (ISS), Emiel Wegelin (Urb Act). We thank Isa Baud, Jaap Bijl, Michaela Hordijk, Ed Maan, Jeremy Rayner, Emiel Wegelin and Joop de Wit for their contributions to this report.

RAWOO, The Hague, September 2005

Summary

- *Report's scope*

The Millennium Development Goals aim to significantly improve the living conditions of at least 100 million slum dwellers by the year 2020 (UN-Habitat, 2003). This report is about the knowledge needed for this goal.
- *Growing urban poverty*

Poverty is urbanising. Worldwide, 30% of all poor persons live in urban areas. This figure is expected to grow to 40% in 2020 and to 50% by 2035. If the higher costs of living in cities were taken into account, these percentages would be even higher. The growth of urban poverty is most spectacular in Africa.
- *Cities only*

Urbanisation has an important positive side: cities are motors of regional development linking their hinterland with national and global development. This report limits itself to poverty reduction within cities and does not deal with urban functions in rural poverty reduction.
- *Urban vs rural*

The level of commoditisation, the nature of environmental health hazards, and social fragmentation and deprivation make urban poverty harsher and fundamentally different from rural poverty. But the urban poor are seen as purposeful actors that possess and deploy human, natural, physical/productive, financial and social capital^{1]} to improve their lives.
- *Effective governance*

Both the pace and the magnitude of urban growth and the urbanisation of poverty make it difficult to provide land, infrastructure, housing and services to enterprises and the population at the necessary scale and rate in a participatory manner. In addition, most municipal governments in poor countries do not have the resources, the knowledge and/or the political will to do so, with serious implications for both urban efficiency and equity. Urban poverty reduction and development therefore have an important governance dimension.
- *Government trends*

Several almost simultaneous trends have deeply influenced the functioning of urban governments over the last twenty years: the shift in governments' role as a provider to that of enabler, decentralisation, privatisation, increasing participation and an emphasis on citizenship. These trends must be seen in the context of a simultaneously urbanising and globalising world.

1] Human capital (labour, skills, experience, knowledge, creativity, inventiveness), natural capital (land, water, energy), physical/productive capital (housing, tools, machinery), financial capital (money, loans/credit) and social capital (reciprocity within communities and between households based on trust deriving from social ties)

- *Inadequate understanding*

The large multilateral donor organisations and the bilateral donors (including the Netherlands) pay relatively little attention to cities in general and to the urban poor in particular. Past policies have not been sufficiently effective. Part of the problem is an inadequate understanding of the priorities of the urban poor, of the dynamics of their conditions, and of the functioning of their relationships with other actors, including national and local governments.
- *Focus and strategy*

International assistance in the urban sector was initially characterised by a focus on housing, with sites-and-services schemes and slum-upgrading as the dominant approaches, based on the assumption that these would benefit the poor. The policy interest in studies of coping mechanisms, livelihood systems, vulnerability and notions of urban sustainability has only recently begun. Urban poverty reduction strategies are less well tested than those for rural poverty are.
- *Three levels*

Urban poverty reduction programmes – with or without external support – have tended to be applied at national, municipal and community level. Traditionally, programmes on national and municipal levels have been targeted by the international agencies and development banks working with national governments, while programmes on community level have been promoted and supported by NGOs and CBOs working with Northern donor agencies. These levels have seldom been connected.
- *Contemporary perceptions*

Urban governance is now seen as involving multiple stakeholders, with interdependent resources and actions, shared and conflicting purposes and blurred boundaries between formal and informal, state and civil society sectors, and a greater need for coordination, negotiation and consensus building.
- *New knowledge*

The increased complexity of urban governance in a globalised context calls for new knowledge – knowledge that is produced in a new way and is accessible to all actors. The changes in urban governance practice and the recognition that the poor are purposeful actors, profoundly impacts the role of knowledge, knowledge production, the role of research and the role of the professional in the urban development process. It also creates a stronger demand and relevance for research that fulfils the needs of local-level institutions.
- *Different actors*

Given their very different position in the policy arena, various urban stakeholder groups differ considerably in their knowledge needs and in their potential to produce knowledge. Knowledge production and use, as a joint process between the different actors not only serves the knowledge needs, but can also foster a process of overcoming mistrust and strengthening the formation of cooperative relations.

- *Needs for knowledge*

The urban poor and their organisations have a need for knowledge about their possibilities and rights to strengthen and secure their livelihoods. They also need to produce, own and leverage the data that are so often used as an argument to their disadvantage in policy decisions. NGOs need the relevant knowledge to play an advocacy role, to lobby, to intermediate, or to provide basic services including technical or financial support.

Local governments need good quality, up-to-date demographic, social, economic and environmental data on local conditions as well as contextualised, qualitative knowledge about the interplay of interests and power structures within their city and on peri-urban linkages.

So-called local or people's knowledge is crucial to any participatory intervention. They can benefit from the knowledge and exchange of good practices and innovative approaches in other cities and from technical expertise. The providers of basic urban services have similar needs.

National governments and donor agencies need sound, up-to-date demographic and socio-economic data on poverty trends, overall bottlenecks in finance and administration, and key areas for intervention. Over time and with the increased acceptance that urban development and poverty reduction are very complex matters and involve numerous stakeholders, the knowledge needs of national governments and donors have grown accordingly. There is also donor consensus on the need to measure achievements.

- *Shifting research*

Urban research in the 1960s was mostly demographic and economic, but also saw the introduction of the concept of 'culture of poverty' by Oscar Lewis. In the 1970s, the emphasis shifted to external causes of poverty. Coinciding with the basic needs paradigm, there was increased attention for survival strategies, the role of social, economic and political networks, and the informal sector. John Turner's recognition in this period that slums were not a problem but the solution to the lack of low-income housing influenced donors. These donors supported slum-upgrading and sites-and-services programmes in many cities, which led to numerous studies on land, housing and slum improvement policies and projects, and formed the start of research into community participation programmes.

The 1980s brought increasing but passing attention to urban social movements, and, more durably, to urban women, their conditions and roles, as well as intra-household inequalities. In the wake of the structural adjustment programmes, studies were carried out into their impacts on cities and their urban poor.

In the early 1990s multilateral and bilateral donor agencies started to attach specific importance to cities and their poor and published policy documents or white papers based on research. Especially the UNCHS landmark 1996 Global Report on Human Settlements brought together a wealth of knowledge and information about virtually every aspect of cities worldwide.

In recent years, there has been a steady stream of research and publications on urban poverty and urban governance, as for example those published in various influential journals (e.g. *Environment and Urbanisation* and *Habitat International*).

- *Dutch urban research*

Urban research in developing countries by Dutch institutions and scholars was relatively limited until the early 1970s. Exceptions were the studies carried out in Karachi, Pakistan by the Department of Development Sociology at the Vrije Universiteit Amsterdam, in Indonesia by Bouwcentrum International Education (now the Institute for Housing and Urban Development Studies; IHS) and, since 1980, by the Geography Department of the University of Utrecht in El Alto, Bolivia.

For many years, and coinciding with the rise and demise of the Urban Poverty Alleviation Spearhead Programme, there was an active community of internationally/development-oriented urban scholars, researchers, PhD students and teachers, with concentrations at the IHS, the Vrije Universiteit Amsterdam, the University of Amsterdam, the Delft and Eindhoven Universities of Technology, and the Universities of Utrecht, Nijmegen and Leiden. Dutch-supported urban research in developing countries was influential and internationally recognised.

Over time, however, and coinciding with reduced DGIS interest in urban issues, there has been a marked decline in the number of urban-oriented scholars and researchers. Apart from the work of Dutch academics, there is a wealth of knowledge and information resulting from numerous reviews, evaluations and project appraisals carried out for many of the external support agencies, including the DGIS and, for example, CORDAID.

- *Urban research in the south*

Southern academic institutions have a key role in developing the professional and technical capacity needed to improve local governance and urban development. While there is broad agreement that knowledge production through research can play a critical role in urban poverty reduction and in improving urban governance, numerous factors prevent research from being as effective as it could be. Most important of these are constraints in the possible communication channels between researchers and local policymakers.

- *New research agenda*

Research on urban issues in developing countries has tended to focus either on urban management (including e.g. service delivery) or on the survival strategies of poor households and communities. Studies on urban management, especially when donor initiated, tend to be normative, technocratic, with an emphasis on performance, efficiency and enabling strategies and tend to be limited to substantiating policy decisions. Studies on poor households and communities are strong in analysing what actually happens at the level of the urban poor, but often weaker in practical policy implications.

The middle ground between these two approaches is an important area for cooperation between policymakers and researchers. This could lead to a new research agenda that will transcend existing sector-specific perspectives and include questions related to processes and products (i.e. service delivery), as well as choices and interactions, including informal bargaining processes.

Recommendations

This report recommends that:

1. The Dutch government pays explicit attention in its development cooperation policy to sustainable urban development, including urban poverty reduction and improved urban governance;
2. The urban poverty research agenda is developed by government agencies and non-governmental local actors through interactive and participatory processes;
3. All research takes the position and prospects of poor women explicitly into account;
4. Financial resources are earmarked for data collection at the local level for local governance purposes;
5. Knowledge production through interaction between researchers, local communities and policymakers is stimulated as an integral part of the urban governance process and urban poverty alleviation efforts;
6. Knowledge that reflects the interests of the urban poor is valued as highly as other forms of knowledge;
7. Knowledge centres at the neighbourhood level be supported if the need is expressed and the capacity is available;
8. In programming urban research attention is paid to comparisons of local governance practices in different cities that foster pro-poor and gender-aware urban development;
9. New forms of knowledge production and use are introduced in tertiary education institutions for the next generation of professionals;
10. Donor and development agencies – multilateral, bilateral and NGOs – set an example by applying the lessons they have learnt to themselves and invest more in strengthening the capacities of knowledge institutions and the institutions which have a role to play in the uptake of research findings for governance purposes in the South;
11. North-South research partnerships are promoted that reflect interactive, mutually beneficial and equitable ways of knowledge production and use;
12. Special attention be paid to substantive organisational cooperation and financial arrangements promoting equity in the South.

1 Introduction

Renewed concern about poverty has led governments to include a specific target on slums in the Millennium Development Goals, which aim to significantly improve the living conditions of at least 100 million slum dwellers by the year 2020 (UN-Habitat, 2003).

This report is about the knowledge needed to achieve this goal, and about the ability of governments to manage high population density areas and their efforts to deliver, or facilitate, the necessary services, like for instance water supply, sanitation, health care and education, and to combat poverty – by fostering internationally competitive job-creating sectors – and environmental degradation. The report does not deal with matters of urban functions in rural development.

1.1 Urban poverty, urban governance and the role of knowledge

One of the most dramatic demographic processes we are witnessing today is the very rapid growth of the world's urban population, with an overwhelming concentration in the cities of developing countries. There is no longer any doubt that the world will become predominantly urban; nothing will be able to stop this process. The most disconcerting dimension of present-day urbanisation is the rapid increase in the number of urban poor. The growth of urban poverty is most spectacular in Africa, which is also the continent with the least resources and capacity to deal with it. The growth of urban poverty is also considerable in cities in transition countries in Eastern Europe. Worldwide, 30% of all poor persons live in urban areas. This figure is projected to be 40% in 2020 and 50% by 2035. However, these data are imprecise due to a lack of reliable statistics. They are also misleading: they are frequently based on income-based indicators, and if the higher costs of living in urban as compared to rural areas were taken into account, the number of urban poor would be even higher.

Although statistics on large numbers of urban poor do not mean much by themselves, they do imply enormous human misery and suffering – people struggling to survive from day to day, unable to adequately meet such basic needs as food, shelter, water and healthcare, and very vulnerable to household and external crises. Urban poverty on such a scale has also come to be associated with processes of social exclusion and marginalisation, psychological stress and urban insecurity. Women appear to be more affected than men (the 'feminisation' of poverty is dealt with in § 3.3). It is generally accepted that the urban poor subsist in rougher, less hospitable and less healthy environments than the rural poor do. The urban poor face numerous constraints, some of which are incidental while others are more institutionalised. The latter can be broken down into four broad categories, namely economic constraints (institutions that restrict access to markets, labour, credit and services), legal constraints (inadequate legal protection, inadequately defined property rights, victimisation by the police and the judiciary), political constraints (exclusive democratic processes that deny the poor an actual voice) and social constraints (exploitative patron-client relations).

Because our common perceptions of cities in developing countries tend to be dominated by images of urban poverty (street children in Kampala, massive slums in Mumbai, urban gangs in Johannesburg, mudslides in Caracas, etc.), we sometimes overlook the

positive sides to cities, namely cities as engines of regional or even global economic growth, and as effective and efficient dissemination centres of goods, services and culture. Cities cannot be separated from their hinterland, either in terms of economic interdependence or where administration is concerned. Contemporary urbanisation is the outcome of unavoidable and mutually reinforcing processes at both the local and the global level. It can be seen as the spatial translation of increasing productivity in the economies of most countries, including a shift from agriculture to industry and the service sectors. Goods and services are produced most efficiently in densely populated areas with a well-trained labour force, networks of companies, good infrastructure and concentrated groups of consumers. Present-day economic growth and urbanisation are inseparable, and globalisation processes have given these phenomena even greater momentum.

There is also an administrative and governance dimension to urban poverty and urban development. On the one hand, national, local and municipal governments have witnessed the gradual unfolding of the above processes and most have not been able to take the necessary measures. Many municipal governments lack the capacity, the resources and/or the political will to address the needs of their cities and those of their increasing numbers of urban poor. They have been numbed by the complexity, dynamics and speed of urban growth, and are unable to manage the related problems. Subsequently, people are left to fend for themselves, and richer groups naturally fare better than the poor. On the other hand, the nature of governments is changing rapidly: globalisation and increased international scrutiny mean that governments are under pressure to become more effective, more efficient and more participatory. It can be argued that this is an opportunity to address the most urgent urban poverty issues. It seems imperative, then, to consider urban poverty integrally with urban governance: solving the former requires reforming the latter – and, combined, this would lead to sustainable urban development.

In the light of poverty reduction goals, one would expect intense concern for and interest in the cities in developing countries – and certainly concern for the present and future numbers of poor individuals and households that live there. However, neither the large multilateral donor organisations nor the bilateral donors (and this includes the Netherlands) pay very much attention to cities in general or to the urban poor in particular. If one considers the policies that have been designed and implemented in the past, one can only conclude that they have not been sufficiently effective. Part of the problem is an inadequate understanding of the urban poor, their priorities and the dynamics of their conditions, as well as of the functioning of and relationships between various urban stakeholder groups, including national and local governments.

As part of the wider discussions on urban development and poverty, the present advisory paper is limited to the role of knowledge on urban development and urban governance as a condition for urban poverty reduction. Most recent research on urban issues in the developing world has focused either on urban governance or on urban poverty and the survival strategies of poor households and communities. The analysis of urban governance has tended to be limited to government issues, has generally been normative and policy oriented, based on technocratic, top-down, often Western models with an emphasis on performance, efficiency and enabling strategies. It often focussed

on specific sectors relevant to urban management, such as the functioning of land markets, financial markets, service delivery, housing, transport or environmental problems. The second strand in urban research – namely the analysis of low-income households and communities – is stronger on the non-governmental aspects of governance and is more empirical, but is weaker on policy implications.

The voice of the urban poor and their organisations in setting the urban research agenda has been weak. The agenda is essentially set by external agents (i.e. national governments or donors) rather than by local actors. And even though this is increasingly being recognised and more and more bottom-up research is being carried out, it remains incidental and dependent on such fortuitous factors as the presence of an enlightened NGO or government official.

This report recommends a research agenda that is developed by government agencies and non-governmental local actors through a participatory process, thus ensuring that it adequately reflects their different knowledge needs. It argues for a larger voice for the urban poor and their organisations in identifying research needs, starting from the realities and needs of the poor and the growing crisis in cities. The report provides a more detailed background to the problems already identified, and presents pragmatic recommendations to adjust current research practices with a view to promoting more effective urban poverty reduction policies.

There is a need to explore the scope for combining different sources of knowledge relevant to the urban poor, namely scientific or academic knowledge, practice-based or policy-oriented knowledge, and endogenous (or 'local people's') knowledge. Equally important is to create conditions in which information can circulate freely – bottom-up and top-down, horizontally and vertically – and thus overcome the frequent interface problems resulting from differential interests and perceptions. The ultimate objective is to share knowledge. Only then will urban research be able to contribute to poverty reduction in a sustainable manner.

1.2 Objectives and addressees of this report

The aim of this report is to draw attention to the urgency of the urban poverty question as part of the global poverty-reduction effort, and to contribute to a better understanding of the relative importance of sustainable urban development for the overall benefit of developing countries. The focus is on how research, as part of knowledge production in general, can contribute to the fight against urban poverty and the role research can play in strengthening poverty-reduction-focussed urban governance. The key questions include:

- What is the nature of and what are the current trends in urban poverty and, related to these, in urban governance, and what do these trends imply for the role of research in knowledge production in these fields?
- What are the current bottlenecks in applying research results and knowledge production processes as an instrument in urban poverty reduction and in improving urban governance?

- What strategies can be applied to eliminate these bottlenecks, and what does this imply for the role of researchers and professionals who are concerned with urban poverty-reduction and urban development issues?
- Which institutional arrangements are needed at the local, national and international (donor) levels in order to better involve research and, where necessary, to strengthen the role of research in the challenges faced by developing countries?

This exploration is based on RAWOO's policy principles, namely:²¹

- To create ownership of knowledge in the South through capacity enhancement and empowerment;
- To make knowledge production responsive to local development needs by involving major stakeholders with special reference to the urban poor;
- To redress imbalances in North-South cooperation by promoting more equal and reciprocal South-North knowledge partnerships.

Taking these principles into account, the Council asked major stakeholders in the South to elaborate what these general principles imply for the role of research and knowledge production in an urban context. This was done through a consultative expert meeting held in Cairo in April 2002, the outcomes of which form a major building block of the present report and the recommendations presented in it. The report also includes case studies concerning important, innovative research, knowledge production and use. A committee of Dutch experts advised on the report throughout the exploration and reporting process.

The recommendations in this report are addressed first and foremost to the Dutch government in general, and in particular to the Netherlands' Minister for Development Cooperation, the Minister for Education, Science and Culture, and the Minister for Agriculture, Environment and Food Safety in their respective responsibilities in the area of research for the promotion of development. The report is also addressed to NWO and, more specifically, to NWO-WOTRO, which financially supports research carried out in the tropics. The report is also intended to benefit other bilateral and multilateral donor organisations; many of the latter are supported by the Netherlands, for example UN-Habitat, UNDP and the World Bank. The recommendations are relevant also to other organisations involved in urban poverty reduction, including the Dutch-based co-financing agencies (MFOs: CORDAID, NOVIB, ICCO, HIVOS and Plan Nederland) and other civil society organisations in the Netherlands, for example the Habitat Platform. Last but not least, the report is meant for governments and civil society organisations in the South, with a view to helping foster a common understanding of and strategy to combat urban poverty.

21] RAWOO, *Balancing Ownership and Partnership in Development Research*, The Hague, 2001, pp. 9-10.

1.3 Key assumptions

- All donor agencies and governments are reassessing the urgency of the global poverty problem. Explicit attention to the rapidly increasing share of urban poor should be part of this reassessment.
- The Millennium Development Goals include a commitment to improve the welfare of 100 million slum dwellers, while the 2003 World Bank Development Report pays much attention to urbanisation. In addition, sector-wide approaches (SWAps) have been developed, there are now Poverty Reduction Strategy Papers (PRSPs) and there is a common emphasis on measuring policy impacts. Although this context provides a window of opportunity, it is crucial to assess the value and impacts of the latter strategies, especially from the point of view of the poor and through knowledge and research that incorporates their concerns.
- There is a strong demand for data, information and knowledge on urban poverty policy and urban policies generally, which is related to the link between good urban governance and urban poverty reduction.
- Although there is increasing attention for and utilisation of participatory approaches in the formulation of urban poverty policy, much needs to be done to introduce such approaches in research.
- The Netherlands is often seen as an example of good urban governance and as a valuable source of knowledge and experience in this field. The country's economic growth and income distribution are relatively equitable, and it is known for good urban planning, effective urban-rural relationships and effective urban land and property registration practices. The Netherlands is also known for successfully balancing representative and participative democracy. It has excellent libraries, universities and institutions with specialised knowledge or expertise in the field of urban research and urban poverty reduction in the South. Experiences relevant to innovative and participatory research and urban poverty reduction policies should be taken into account.
- Since at the moment half of the world's population lives in rural areas, it may still be possible to overlook the massive urban problems worldwide. However, it would be both negligent and political folly not to recognise that enormous changes are silently but steadily taking place in cities in developing countries and in the relations between cities, their hinterland and the global economy. Urban governance is the key to development and poverty reduction generally. This report emphasises that adequate urban governance needs a solid foundation in knowledge and information. Present limitations in terms of knowledge production and use urgently need to be addressed.
- This report looks at the situation from the point of view of the South, and especially from that of the poor and the related local stakeholders. This was facilitated by the April 2002 Cairo Expert Group Meeting, which brought together

voices from many Southern countries. However, there are issues and problems related to urban poverty and urban governance that, even though they are extremely important, may not be listed as priority research areas by the poor, NGOs or local governments. For example, the poor may not be aware of the importance of sound macro-economic policy, tax practices, trade barriers or exchange rates, which may have more impacts than local or national poverty reduction policy does. Hence, there are research issues that the poor, or those who represent them are unlikely to suggest themselves. This may also apply to such sensitive issues as corruption, electoral fraud and political patronage, as well as to the inadequate performance of local governments and/or NGOs that work with the urban poor.

- Although this report strongly advocates participatory and partnership approaches to the production and use of knowledge, it does so in the awareness that participation itself may be problematic. One key issue here is representativeness (are the poor directly and truly represented by their leaders, spokespersons, NGOs, etc.?). The processes used to select people to participate in decision-making or to define issues that are deemed important are political practices from which the poor, and particularly poor women, are often excluded. For these reasons, some politically sensitive and some more macro issues are recommended for inclusion on the urban poverty research agenda.

1.4 Approach

Alarmed by the speed at which poverty is becoming urbanised, RAWOO decided to explore issues related to urbanisation. It commissioned Dr Fabio Poelhekke, a development cooperation consultant, to draft a position paper ('Poverty Reduction and Urbanisation: towards an agenda for policy research and capacity building'), which we then discussed. In the paper, Dr Poelhekke and the people he had interviewed identified the rapid growth of cities in developing countries and the alarming increase in urban poverty, as well as a wide knowledge gap on issues related to urban poverty and urban poverty reduction. RAWOO saw this as a signal to further explore the vision of those in developing countries who are directly involved in this policy area.

To this end, RAWOO and the Urban Training Institute (UTI) in Cairo jointly organised an expert group meeting in that city to discuss papers and presentations prepared by Southern professionals. Participants from Asia, Latin America and Africa with a wide range of professional experiences (e.g. researchers from various disciplines, local government staff, people with working experience at the grassroots level and staff of international programmes^{3]}) attended the meeting. The meeting had three specific objectives:

1. To solicit the views and ideas of a number of key persons from the South (researchers, policymakers and practitioners) on research needs and priorities in relation to urban poverty alleviation and urban governance.

3] See Annex 2 for an overview of the participants and their backgrounds.

2. To develop, through discussion and interaction among the participants, a common understanding and perspective regarding the objectives that could be pursued, specific knowledge gaps that could be filled, approaches and methodologies that could be relevant, and capacities (in terms of training and institutional development) that could be enhanced.
3. To identify a specific focus for possible follow-up activities that could be undertaken by RAWOO, given what is already being done.

The Cairo Expert Group Meeting was an important source of both inspiration and examples of newly emerging issues and perspectives derived from the experiences of the participants. The outcomes of the Meeting form the major line of argument in this report. The discussions clearly showed that research has an important role to play in fighting urban poverty and in improving urban governance. The examples provided by the participants (which are presented here in textboxes) also made it clear that to ensure that research can play a role requires significant changes in the way researchers take part in the urban development process, and in the attitude of researchers towards others involved in urban development. A summary of these conclusions is given in textbox 1⁴).

The outcomes of the Meeting were discussed with a committee of Dutch urban development professionals. This committee played an important advisory role in preparing this report. The Cairo findings are complemented by comparisons with other experiences on urban poverty and urban governance developments taken from related policies and literature. Statements that are directly derived from the Meeting are indicated by means of a reference and, where possible, are summarised in textboxes.

4] The preliminary conclusions of the expert group were fed in the Urban Forum held in Nairobi (April-May 2002). See Annex 1.

Textbox 1

The Cairo Expert Group Meeting: a brief overview

Research has an important role in fighting urban poverty and improving local governance. But to become relevant to all different kind of actors at the local level, we need significant changes not only in how and by whom the research agenda is set, but also in the nature of the research process. The Cairo Expert Group Meeting focussed on three kinds of knowledge needs:

1. The need for disaggregated data at the local level to support policy formulation and evaluation in a local context. Most nationally produced statistical data cannot be disaggregated to the local level, whereas local policymakers need data on local realities to adequately address intra-urban differentials. Gathering such quantitative data must be coupled with qualitative local studies into processes, problems, causes and consequences related to urban poverty and governance.
2. The need for local research as part of the urban governance process. The different actors in the urban arena – especially local governments and organisations of the urban poor – can benefit significantly from research if knowledge production takes place in an interactive process that is an integral part of the governance process. Such knowledge production breaks with the tradition that researchers present results that can form the basis for policy decisions. In this proposed research modality, researchers are requested to perform their role at the service of different stakeholders in the governance process. In this way, knowledge production becomes a joint effort by different stakeholders.
3. Knowledge as a source of empowerment. One of the aspects of poverty is the lack of access to information and knowledge, which makes the urban poor vulnerable to manipulation, misinformation and exploitation, thus weakening their bargaining position. Another aspect of poverty is the voicelessness of the poor, in terms of the limited possibilities to voice their demands, and to have their views, opinions and knowledge recognised as a legitimate and valuable source of knowledge. Helping the urban poor to produce their own knowledge and/or to legitimise their existing knowledge can strengthen their position.

The Meeting concluded that knowledge on urban governance processes is never neutral. Since urban governance is an inherently conflictive process, research reveals conflicting interests to be dealt with in the urban management process. If information and knowledge is made accessible to hitherto excluded users of such knowledge, vested interests might become contested interests. Research can be explicitly used as a tool to identify conflicts in urban governance. Once these conflicts have been made explicit through research, they have to be dealt with in the negotiations between the actors.

Recommendations of the Cairo Expert Group Meeting

We recommend that knowledge production through continuous interaction between researchers, local communities and policymakers be stimulated as an integral part of the urban governance process and urban poverty alleviation efforts. Research results should be directly followed up by concrete actions that improve the quality of life, and

the results should be included in training and capacity-building efforts. The newly emerging research agenda must transcend existing sectoral perspectives and address questions related to process/product, choice(s) and interaction in the urban arena. Specific research on how and why decisions are made combined with a governance/institutional analysis will increase insights into who can take part and who is excluded. This new form of interactive knowledge production will create a wide variety of owners and users. We therefore recommend that:

- Local government, local communities and other stakeholders be involved in the early stages of research agenda setting.
- Researchers/professionals involved in urban poverty alleviation and urban governance must be actors in a wider and dynamic network, and be able to satisfy criteria that are not only technically and product oriented, but also socially, politically and process oriented.
- The role of the researcher should change from that of an outsider and 'expert' to that of a facilitator of the knowledge production process. The researcher should act as sensitiser, broker, resource person and peer in the process of shared knowledge production.
- The researcher has a key role to play in consolidating newly emerging, community owned forms of knowledge production, and in gathering, systematising and validating existing local knowledge and, where necessary, translating this into a commonly shared language.
- Location-specific knowledge production aimed at empowering the poor requires mechanisms for feedback and reflection. City networks are excellent instruments for this. Horizontal interaction between researchers and other stakeholders from different cities in different regions is important; such an exchange allows comparative studies that can reveal general tendencies, and contrast location specific knowledge with regional and global thinking.
- There is also a need to foster vertical linkages. By linking local experiences to national and especially international networks of exchange and mutual learning, the local practices can empower and disseminate local innovations.
- Decentralisation has created a clear demand for research at the local government level. However, most local governments are unable to influence the national research agenda and/or lack funds to carry out their own research. Considering the existing shortcomings, there is a clear need for reliable statistical data at the local level. Such data have to be complemented with qualitative micro-level studies.
- There is still a severe imbalance between the funding available for Northern and the funding available for Southern researchers. This imbalance must be redressed. Specific attention should be paid to the funding of Southern researchers and research networks as an instrument for enablement.
- We urge that the possibility of direct bilateral research funding be continued. Such funding allows local governments to present their own research agendas and to complement the conceptual frameworks and methodologies proposed (or imposed) by multilateral organisations.

Source: RAWOO Expert Group Meeting 'The role of Research and Knowledge in Policy and Practice at the Interface of Urban Poverty and Improving Local Governance', 22-24 April 2002, Cairo, Egypt.

1.5 Structure of the report

The following chapter sketches the nature and dynamics of urbanisation in the past few decades. Chapter 3 focuses on the vast and growing number of urban poor, by exploring their characteristics and conditions. An overview of the efforts made by external support agencies to ameliorate both urban poverty and poor urban governance is presented in Chapter 4.

Chapters 5 and 6 form the core of this report. The former deals with the critical role of knowledge and research in the formulation, implementation and evaluation of urban poverty policy, and more generally with the production of knowledge on urban developments, urban trends and urban poverty.

Chapter 6 brings together the three strands of depicting urban poverty and governance problems, stresses the key role of knowledge in solving these problems and makes practical suggestions as to how to do this.

2 Cities and urban development

2.1 Cities and uneven urban development

One of the most striking phenomena the world has witnessed in recent decades is the extremely rapid process of urbanisation. Never before have cities grown so fast, and never before have so many people lived in cities. The world's urban population reached 3 billion in 2003 and, according to UN estimates, will grow to 5 billion by 2030. The proportion of people living in cities rose from 30% of the world's total population in 1950 to 47% in 2000, and is expected to reach 60% by 2030. Compared to the historical pattern, there are several major differences: overall population growth appears to be declining, and the majority of world population growth in 2000-2030 will comprise urban population growth in developing countries (about 2.02 out of 2.21 billion, or 91.4%). The rural population in developed countries will undergo an accelerated decline. In developing countries, the rural population will grow at a much-reduced rate as compared to 1950-2000. In 2030 almost 80% of the world's urban population will live in developing countries (Table 1).

Table 1 World population growth indicators

Indicator Year/period	Population (billions)				Growth rate (%)		Doubling time (years)	
	1950	1975	2000	2030	1950-2000	2000-2030	1950-2000	2000-2030
Category and area								
Total population								
World	2.52	4.07	6.06	8.27	1.75	1.04	40	67
Developed countries	0.81	1.05	1.19	1.22	0.76	0.07	91	998
Developing countries	1.71	3.02	4.87	7.05	2.10	1.24	33	56
Urban population								
World	0.75	1.54	2.86	4.98	2.68	1.85	26	38
Developed countries	0.45	0.73	0.90	1.00	1.40	0.38	50	185
Developing countries	0.30	0.81	1.96	3.98	3.73	2.35	19	29
Rural population								
World	1.77	2.52	3.19	3.29	1.18	0.10	59	714
Developed countries	0.37	0.31	0.29	0.21	-0.45	-1.09	n/a	n/a
Developing countries	1.40	2.21	2.29	3.08	1.46	0.20	48	352
Percentage urban								
World	29.8	37.9	47.2	60.2				
Developed countries	54.9	70.0	75.4	82.6				
Developing countries	17.8	26.8	40.4	56.4				
Urban pop. in developing countries as percentage of world urban pop.	40.0	52.6	68.5	79.9				

Adapted from *UN World Urbanisation Prospects: The 2001 Revision*, 2003.

Urban population growth differs by region. In absolute terms, most of the continuing urbanisation will be in Asia: in 2000, 49% of the world's urban population lived in Asia, and this figure is expected to be 54% by 2030. In relative terms, Africa is experiencing the most rapid urban growth, as it is coming from a very low base. Between 1950 and 2000, its urban population increased almost tenfold from 32 to 295 million, registering an annual growth rate of more than 4.4%. It is projected that this figure will be around 787 million in 2030, representing an increase of 3.3% per annum in the period 2000-2030.

Table 2 Urbanisation Prospects

Urban population Region	% of national population			% of world urban population		
	1975	2000	2030	1975	2000	2030
Africa	25	37	54	7	10	16
Asia	25	38	55	39	49	54
Latin America and Caribbean	61	76	85	13	14	2
North America	74	79	87	11	8	6
Europe	67	73	80	30	19	12
World	37	50	61			

Adapted from UN World Urbanisation Prospects: The 2001 Revision, 2003.

When interpreting the above figures, it should be noted that the UN projections are based on national definitions of what constitutes an urban area, and these definitions are not uniform across the globe. It should also be kept in mind that urbanisation is caused not only by natural population growth and net rural-urban migration, but also by the increase in the population size and the expansion of some smaller settlements, leading to their qualification as 'urban areas' according to the national criteria.

2.2 The economic potential of cities

While urbanisation is unavoidably accompanied by serious problems, it is important not to lose sight of the fact that cities are the key to economic development, which is a crucial precondition for poverty reduction. In all regions of the world, nations have been producing a significant (and increasing) proportion of their wealth through urban-based activities:

Urbanisation has been an essential part of most nations' development towards a stronger and more stable economy over the past few decades and it has helped underpin improvements in living standards for a considerable proportion of the world's population. (UNCHS, 1996)

Over the last two decades, there has been a strong correlation between rapid economic growth and rapid urbanisation. It is increasingly recognised that cities are the engines of growth (World Bank, 1999:125-138). As a result of their economies of scale, cities are

the most efficient centres of production, transformation and trade. The presence of interrelated industries, businesses and services, and the ability to access raw materials, intermediate goods, and machinery and equipment, along with the availability of skills and human resources, allow cities to function effectively and to generate revenue and employment. It has been established that the value added per person in a city increases with the city's size, because firms and households have access to more partners and a greater variety of marketable and non-marketable goods and services, and have to face greater competition (Club du Sahel, 2001:15). This helps explain the dynamics of ever-expanding cities. This is strongly stimulated by globalisation in cities with sizeable formal, modern sectors, which are linked to international trade cycles. Globalisation (with its emphasis on cost-effective, profit-making global production and consumption) and urbanisation are closely related. Considerable emphasis has been put on the planning and development of urban areas and their infrastructure in order to ensure that cities function effectively as centres of production, distribution and – with their large concentrations of population – consumption (World Bank, 2000a).

It is now generally accepted that cities are important to their hinterland; this notion is conceptualised in the term 'urban-rural linkages' (Tacoli, 2003). Cities are the largest and fastest growing markets for farm products, farm inputs and consumer articles in the surrounding regions. They are also important stepping-stones for migration. Some family members migrate to the city while others stay in the village, resulting in intensive rural-urban interaction also in terms of remittances and survival strategies:

The city lives by its relations with its areas of influence (hinterland). It is essential to perceive the city not only in terms of its own activities and internal changes, both social and physical, but also, indeed mainly, as a centre that organises its area of influence, channels the movement of people, goods, money, generates economies and diseconomies of scale that are both internal and external, and creates new comparative advantages (or defends existing ones) in competition with other cities and their hinterlands. (Club du Sahel, 2001:20)

Many cities fail to play their role to its full potential and to capitalise on available opportunities. Unlike the urbanisation that today's developed countries underwent, which coincided with rapid industrialisation and employment growth, developing countries face massive population growth at a time when employment creation is much more problematic and quite dependent on the vagaries of global capital and investment flows. Hence, many cities are confronted by wide-scale unemployment and massive poverty, which results in misery, environmental degradation, insecurity and, often, outright chaos.

The informal sector

In all cities in developing countries, part of the population works in the informal sector, performing activities that do not normally comply with the modern sector's legal, labour and management rules. Most urban poor, and probably more women than men, work in this often massive 'popular economy', which embraces virtually every type of economic activity and has an enormous potential to create jobs. Due to its very nature, relatively few aggregated data are available on informal sector activity and output in cities. What is certain, though, is that the sector is crucial to the economy of any city: it is crucial to

the production of basic goods and services – such as housing, food and transport – as well as being the first entry point for new migrants, and the milieu in which they and the poor in general have to survive (Club du Sahel, 2001:14). Labour conditions in the sector are often appalling or dehumanising, with the exploitation of men, women and children, huge workloads, long working hours and/or very unsafe working conditions. This is where the urban poor work; any attempt at urban poverty reduction must start here. But due to the informal sector's vastness, opacity and lack of data, interventions by the formal sector face enormous challenges, if only to reach the actual poor through the 'glass walls' formed by richer groups, employers and brokers.

2.3 Dimensions of an urban crisis

In terms of urbanisation problems, three types of cities can be distinguished, namely those in high-income countries with stable or even declining populations; those in middle-income countries that are coping with considerable growth, which may now stabilise; and those in low-income countries which are growing rapidly in either absolute or relative terms (i.e. those cities that are having to cope with informal hyper-growth). This last mentioned group is the focus of this report. These cities are found in sub-Saharan Africa, the Indian subcontinent, the Moslem Middle East and in some of the poorer countries of Latin America, the Caribbean and Southeast Asia. They are characterised by rapid population growth, through both migration and natural increase; an economy heavily dependent on the informal sector; widespread poverty with massive informal housing areas; basic problems related to the environment, public health and social policy; and problematic governance (Poelhekke, 2000).

With rapid urbanisation, poverty urbanises. Population growth is so rapid that governments (especially at the municipal level) do not have the capacity to provide infrastructure and such services as education and health. This has serious implications:

- The economic growth of cities is hampered by urban enterprises' lack of access to energy, water, transport, communication, an educated and healthy labour force, etc., thus constraining production and distribution and limiting employment generation and income and the ability to invest in the urban environment;
- Large segments of the urban population are not adequately served in terms of essential municipal services (e.g. drinking water, sewage and solid waste disposal, transportation, roads, electricity, street lighting, drainage and flood protection); the poor suffer the most.
- Large segments of the urban population (again, mostly the poor) do not have proper housing, which is often related to a lack of secure access to serviced urban land. They live precariously in circumstances of illegal or semi-legal land tenure. This insecurity limits their willingness to invest in improving the urban environment, regardless of the available means.

Urban governance has a critical role to play in the effectiveness, efficiency and equity of the urban environment for the economic, social and sanitary wellbeing of the urban population: good urban governance is the key to urban development and, in turn, to urban poverty alleviation.

Key dimensions of the urban crisis in developing countries are:

- the demographic explosion
- the urban land issue
- the environmental problems

The demographic explosion

Many African, Asian and Latin American countries have a very young and rapidly growing population. Figures for 2003 show that Sub-Saharan Africa has the youngest population: 44% is under the age of 15. In South Asia this is 34%, in Latin America and the Caribbean 30%, and in East Asia and the Pacific around 25% (UNDP 2005, p. 235).

Combined with urbanisation, this population explosion has resulted in new, large concentrations of young persons in the developing world's cities – or, rather, in their informal settlements and squatter camps (Chawla, 2002:16). These young people are the hardest hit and the most vulnerable to the present and future lack of employment, housing and infrastructure, and generally to a large-scale lack of opportunities. All of this leads to frustration, which results in some of them venturing into semi-legal or criminal activities such as the drug trade, theft, robbery and prostitution, thus contributing to the problem of urban insecurity and urban violence. This, in turn, may lead to investors being less interested in investing in such cities, as the case of Johannesburg illustrates. Already in many large and smaller cities, substantial numbers of children are living on the streets. Their position is extremely precarious and vulnerable, and their numbers will increase, partly due to the impact of HIV-AIDS.

The urban land issue

The price and availability of land is one of the key issues of urban development. It lies at the core of urban management – and to a large extent determines the possibility to provide housing and infrastructure – and forms one of the key determinants of urban poverty. The issue of how to ensure that urban land markets serve the economic and social needs of urban inhabitants and enterprises remains one of the most complex tasks – and perhaps *the* most complex task – for urban governments (UNCHS, 1996:239ff). Poor land management is the rule rather than the exception, and this has serious consequences for both society (housing, public space, playgrounds) and the economy (licences, infrastructure, services, environmental impacts). It has resulted in a serious mismatch between land supply and demand, and in large proportions of city populations resorting to illegal practices in occupying, renting or purchasing land on which to build a house, with predictable exploitative effects. Urban poverty is perhaps not caused but is certainly reinforced by a lack of legal and serviced plots and housing, making it one of the key issues to address in urban poverty reduction policy:

The urban poor, typically housed in slums and squatter settlements, often have to contend with appalling overcrowding, bad sanitation and contaminated water. The sites are often illegal and dangerous. Forcible eviction, floods and landslides and chemical pollution are constant threats. (UNCHS, 1996:115)

Evictions are still taking place in many cities, and only rarely do the authorities follow existing and acceptable guidelines, which include the provision of suitable alternative accommodation/sites. Households living in illegal areas or in areas which are unfit for living are often among the poorest households. The scope for solving urgent land issues is constrained by powerful vested interests – including those of real estate companies, speculators and politicians – all of whom may connive with officials (ibid.).

Environmental problems

Rapid urbanisation has led to large populations facing increased risks posed by natural and human-induced environmental hazards. This is partly due to inadequate infrastructure, such as the lack of safe drinking water, toilets, drainage and/or proper solid waste disposal arrangements (Hardoy et al., 1997). In addition, many cities have extremely high levels of air and noise pollution. People are suffering from environmental impacts – and again the poor are most at risk. In cities, environment-related diseases and injuries cause or contribute to disablement and premature deaths, while many of these consequences are preventable at relatively low costs in terms of normal standards of housing, infrastructure and service delivery (UNCHS, 1996:130ff). Hardoy et al. (1997:20) argued that both national and city governments have failed to perform three essential environmental actions, namely to enforce appropriate legislation (e.g. pollution control), to ensure adequate water supply, waste collection and treatment systems, and to ensure adequate curative and preventive healthcare provision. Unless such regulations and policies are put in place, there is no doubt that profound ecological problems will ensue, threatening the sustainability and liveability of cities. In addition to environmental problems within cities, there is the growing problem of their 'ecological footprint', in terms of their regional impact (unplanned expansion, waste disposal, air pollution, etc.) and their absorption of far too many resources, including natural resources, from their hinterland (UNCHS, 1996:149ff).

2.4 *The urbanisation of poverty*

As the world becomes urbanised, poverty and social exclusion increasingly become urban phenomena. General estimates indicate that currently, on average, a third of the urban population of Southern countries live below the poverty line. UN-Habitat observes that the proportion of urban poor is increasing faster than the overall growth rate of urban populations in a large number of countries, especially in the poorer countries. It estimates that the current 30 per cent level of global urban poverty will grow to 40-50 per cent by 2020. Urban areas of the least developed regions will absorb nearly all of the global population increase over the next three decades (UN-Habitat, 2004, p 104-105).

In its efforts to describe the scope of the problem, UN-Habitat concludes that slums and poverty are closely related in the urban context. It envisages that current urbanisation trends will lead to substantial increases in the incidence of urban slums.^{5]}

5] Urban slums are defined as residential areas that lack adequate access to water and sanitation, security of tenure, poor structural quality of housing and insufficient living areas, creating the conditions for poor health and insecurity and reducing human capital (UN-Habitat, 2004, p 103).

Some striking figures:

- In some sub-Saharan African countries, rates of urbanisation exceed 4% to 6% per annum, compared to 2.68% growth of the total population
- Between 1999 and 2001, the global urban slum population increased by about 65 million.
- The number of slum dwellers worldwide was 924 million in 2001. By 2015, this number will have increased to 1.4 billion.
- In 2001, 166.2 million people, or 72% of Africa's urban inhabitants, were living in slums; in Asia this is estimated at 37%, in Latin America at 25%.^{6]}

UN-Habitat observes that the development of African cities is not accompanied by sufficient economic growth and effective redistributive measures to alleviate poverty (UN-Habitat, 2004, p 116). Without an appropriate response, rapid urban population growth is also likely to exacerbate environmental damage.

Not all slum inhabitants are poor and not all poor people are living in slums. But the figures above clearly indicate that a rapidly increasing number of poor people are living in health-threatening and life-threatening situations. Poverty is urbanising. It should be noted, however, that there is an intense discussion concerning the extent of urban versus rural poverty. This discussion is hampered by the lack of reliable disaggregated data at all levels, especially at the local or city level.

Presenting exact figures about urban poverty – for example, to compare with those for rural poverty – is problematic for several reasons. In many countries, censuses – the source for these statistics – are taken only every 10 years, while in other countries there has been no census for 15 or 20 years. As a result, urban statistics for many sub-Saharan African nations for 1990 and 2000 are based on projections from census data from the 1970s. Countries also differ considerably in how they define 'urban'. In virtually all definitions, however, urban centres include settlements of over 20,000 inhabitants, but it is not clear how smaller settlements are classified. If the Indian or the Chinese government were to change the criteria they use in their censuses, this would make an immediate, considerable difference (Satterthwaite, 2002).

Where assessing the number of urban poor is concerned, the key issue is the nature of the urban poverty line. Most government statistics on urban poverty are still based on income-related poverty lines that are too low in regard to the cost of living in cities. The rule of thumb of one US dollar a day per person does not cover the costs of essential non-food needs. Many countries apply one poverty line for the whole country. This assumes that the income needed to avoid poverty is the same everywhere. But in many urban centres – especially the larger and/or more prosperous cities – the income needed by an individual or a household to remain above the poverty line is higher than it is in most rural areas or in smaller and/or less prosperous centres. This applies especially where the official provision of water, sanitation, healthcare, education and public transport is very inadequate and where the costs of buying, building or renting housing are particularly high. The criteria used to define the poverty line fail to

6] Source: United Nations Statistics Division, 'World and regional trends', Millennium Indicators Database, (accessed June 2005); based on data provided by UN-Habitat.

recognise the income needed to pay for those non-food items (see paragraph 3.1). Poverty lines also do not take into account the income needed for the bribes that so many low-income households have to pay to avoid harassment, to obtain public services, to prevent their houses from being demolished or to prevent the goods they are selling informally from being confiscated. A reliance on income-based poverty lines to measure poverty also means that many other critical aspects of urban poverty – such as the unstable asset base, the limited or lack of rights to make demands within the political system, and the lack of protection from crime, violence and discrimination – are not included or are underestimated (Satterthwaite, 2001:16; Wratten, 1995). As a consequence, urban poverty is seriously underrepresented in many poverty statistics.

3 *The nature of urban poverty*

Today, poverty is perceived as a complex of multiple deprivations. Whereas the emphasis used to be on incomes and economic growth, more attention is now paid to individual entitlements, capabilities, freedoms and rights, partly following the work of Amartya Sen (1999), who challenged the position that growth should be given priority over civil and political rights. The paradigm shift in development thinking has influenced not only our understanding of poverty, but also our thinking about development generally: from a maximisation of income per capita towards human development and what Amartya Sen labelled 'development as freedom: the expansion of valuable capabilities and the realisation of freedoms and human rights.' In line with this, urban poverty is also seen here as multidimensional in nature, as a complex mix of characteristics and determinants. There are three generalised characteristics of urban life that make urban poverty differ from rural poverty, namely the level of commoditisation, environmental health hazards, and social fragmentation and deprivation.

3.1 *The level of commoditisation*

City dwellers have to pay particularly high prices for non-food essentials such as public transportation, healthcare, medicine and education (even where schools are free, paying for uniforms, books, transport and exam fees makes it expensive for poor households to keep their children in school). Housing, water, sanitation and garbage collection are considerably more expensive in urban than in rural areas. Payments to water vendors may consume 10-20% of a household's income, and many tenant households in cities spend more than a third of their income on rent. Additionally, the poor face a wide variety of incidental costs such as payments to community-based organisations (CBOs), bribes to police and municipal officers, and fines when arrested for illegal street vending or other 'illegalities' (Satterthwaite, 2001). The highly commoditised nature of the urban sector means that labour is normally the only asset for generating incomes, through either wage employment or the production of goods and services that are sold through self-employment activities in the informal sector. However, due to the large number of unskilled or semi-skilled people competing for similar jobs or selling similar goods, compensation for work is normally extremely low, and incomes fluctuate and are irregular.

3.2 *Social fragmentation and deprivation*

The continuous tension created by living in poverty has serious impacts on a person's mental health. This may not only result in depression, domestic violence, and drug and alcohol abuse, but also threatens the social ties of reciprocity, which are so important for survival in poor neighbourhoods. In many cities, urban violence is rapidly increasing. In Latin American cities, violence is now one of the principal causes of injuries, and the number of homicides is twice as high as the world average. Violence is concentrated in the poor neighbourhoods. In Sao Paulo, the young boys in the *favelas* are five times more likely to be killed than their peers in the richer areas of the city are (UNCHS 2001). Increasing violence stigmatises neighbourhoods and they become no-go zones, which makes providers of public transport reluctant to enter and employers hesitant to hire people from these zones. In a context of relative deprivation and high levels of inequality where the urban poor are excluded and stigmatised, social capital erodes,

people turn to more individualistic strategies and take refuge in tight family and friendship networks (Beall 2001:361).

Social exclusion derives in part from a lack of access to labour markets and economic processes, which is an ever-increasing problem for the young generations, as well as from living in a particularly stigmatised locale or being part of a specific social group. This cuts people off from local and national (let alone global) networks of information and power. Even when economic growth leads to aggregate gains in per capita income and a reduction in urban poverty, there is no guarantee that there will not be persistent pockets of poverty, increases in income inequality and area-based social exclusion (Devas et al., 2001:25). Poverty and social exclusion may result from economic crises – as they did, for example, after the Asian crisis and in Argentina – or from the impacts of structural adjustment programmes (SAPs). However, poverty and social exclusion may be institutionalised in areas where many people have been poor for generations, and it is also clear that some groups are more prone than others to be poor and powerless. This applies, for example, to the lowest caste groups in India and to certain ethnic or tribal groups in Africa and Latin America. It also applies to orphans, to the many incomplete households affected by HIV-AIDS, to the elderly and the handicapped, and – as already indicated – to women and girls in low-income settlements.

One could argue that in large cities in developing countries, two cities in fact coexist in interdependency. These are the city of the rich and the middle classes, and the growing city of the poor with substandard areas and slums where most of the urban poor live. Although not all slum inhabitants are poor and not all poor people live in slums, the contrasts between these interdependent cities are increasing, if only due to increasing urban insecurity and violence, which leads to estates and elite areas being protected by gates, high-voltage fences and watchmen. While good to excellent education and health facilities exist in cities, and certainly in the larger ones, they are not accessible to the majority of the poor. The coexistence of cities of the rich with cities of the poor is evidenced in many cities by large differentials in infant mortality rates between the lower income, poor-quality areas and the city's average (UNCHS, 1996:107).

Table 3 *Water provision and prices in selected cities*

Region	Water used (l/person /day)	Water used, informal settlements	Highest price (per m ³)	Median price	Lowest price	Median price informal settlements
Africa	50	23	\$ 6.85	\$ 1.42	\$ 0.76	\$ 6.10
Arab States	190	66	\$ 0.75	\$ 0.54	\$ 0.34	\$ 0.67
Asia – Pacific	224	56	\$ 1.08	\$ 0.33	\$ 0.19	\$ 0.09*
HIC	215		\$ 1.79*	\$ 1.34	\$ 1.38*	\$ 1.71*
LAC	178	84	\$ 12.27	\$ 0.44	\$ 0.38	\$ 0.78
Transitional	186	27	\$ 0.50	\$ 0.28	\$ 0.30	\$ 0.39
All developing	158	45	\$ 6.21	\$ 0.56	\$ 0.41	\$ 2.38

* = not significant

Source: UN-Habitat (2002) *Urban Indicators Database Version 2*, Nairobi, p. 22.

Another illustration of intra-city disparity is table 3, which shows that water consumption in illegal settlements can be only a quarter or a fifth of the average consumption per urban inhabitant in the South (although one should bear in mind that even rich slum dwellers consume much less water when it has to be fetched than when it comes out of a tap in their bathroom).

For middle- and high-income households not living in a slum, urban services are readily available, and even cheap. However, for the poor, there are large mismatches between the supply of urgently needed goods and services, ranging from secure plots through places in good schools and beds in hospitals, to sufficient judges and courts to deal with urban crime. This results in a scramble for all these things, leading to waiting lists and queues and/or the emergence of brokers (mediators, patrons, fixers) who mediate between the supplier (the municipality or government in the case of public services, or an employer or land owner in the case of private goods). This scarcity obviously leads to unlimited opportunities for corruption (i.e. the private use/gain of public resources), and this again undermines urban governance, as will be considered in more detail later. Such corruption tends to increase the prices of goods and services that were meant to be free or subsidised, hence forming one reason for continued or increasing urban poverty. All such factors combine to foster the reproduction of poverty, in that inadequate food intake, medical care and education make it hard for people to move up socially and economically.

Textbox 2

Mechanism of exclusion: the formal and the informal city

	LAND	WATER/SANITATION	
THEORY	The National Constitution proclaims the right to a decent dwelling	Concession contracts specify that all the inhabitants of the concession area will be served by the end of the contract term	FORMAL SECTOR
OFFICIAL PRACTICE	Households that lack infrastructure, among other things, will not be issued land tenure by a municipality	Households that lack land tenure will not be served infrastructure by the sanitation utilities	INFORMAL SECTOR
EXTRA-LEGAL PRACTICE	However, households that lack tenure and infrastructure use informal means to overcome obstacles and achieve formal status		

Research carried out by the NGO IIED-AL in Buenos Aires revealed mechanisms of exclusion and the division between the formal and the informal city. The regulatory framework concerning water and sanitation on the one hand and land-tenure on the other presents a paradox. While all potential users of basic sanitary services must occupy a registered and identifiable building (i.e. must possess legal land-tenureship), in order to legalise the occupation of a plot one needs to have access to sanitary services. This contradicts what in theory should happen: the national constitution proclaims the right to a decent dwelling, and concession contracts with the privatised public utilities specify that all the inhabitants of the concession area must be served by the end of the contract term of the concession. The actual but extra-official practice is that the excluded households use informal means to overcome these obstacles and obtain the provision of services without having legal tenure, just as one can legalise tenancy without having the provision of sanitary infrastructure. The research process gave rise to changes in the regulatory framework and to a change in the formal actual practice with a change of attitude on the part of both the local government and the private utilities.

Source: Almansi F (2002)

One of the most important features of poverty is vulnerability. In an urban context, this vulnerability can be defined as:

Insecurity and sensitivity (the magnitude of a response to an external event) and its resilience (the ease and rapidity of the recovery from stress) in the wellbeing of individuals, households and communities in the face of a changing environment, and implicit in this their responsiveness and resilience to risks that they face during such negative changes. (Moser, 1998:3)

Contextual changes that threaten welfare can be ecological, economic, social and/or political, and they can take the form of sudden shocks (e.g. the loss of a job, robbery, illness or death), long-term trends (continuous deterioration of economic opportunities, environmental conditions, political repression) or seasonal cycles. These changes are often accompanied by increasing risk and uncertainty and declining self-respect:

Insecurity and vulnerability together generate worry and fear: of natural disaster, of violence and theft, of loss of livelihood, of dispossession from land or shelter, or persecution by the police and powers that be, of debt, of sickness, of social ostracism, of the suffering and death of loved ones, of hunger and of destitution in old age. (Narayan, 2000b:36).

Poverty is humiliation, the sense of being dependent, and of being forced to accept rudeness, insults, and indifference when we ask for help. (Quoted in Narayan, 2000c:266).

3.3 The feminisation of urban poverty

In urban areas, poverty is becoming 'feminised.' Generally women are more vulnerable economically than men because of the differentials between them in terms of access to income, resources and assets. This may play a role within households – where men and sons are favoured over women and girls – as well as between households, where female-headed households face larger problems than male-headed households do. 'In many low income settlements, 30% or more of households are headed by women either because a male partner is temporarily absent or because of separation or death' (UNCHS, 1996:122; also see table 4).

Women have fewer income-earning opportunities and earn less even when they do the same work as men (UNCHS, 1996; Moser, 1995:281ff). Poor women normally have triple roles that are rarely fully recognised: they have reproductive tasks, including household management; they often contribute more than men to community work and to redress the lack of provision by government for infrastructure and services; and they work for wages. Women and older children do the most to absorb economic shocks. At the same time it is women who suffer most from increased urban violence in many cities, if only because it limits their freedom of movement. And, finally, urban planning and urban policy have not adequately taken women's practical or strategic gender needs into account. The urban realm – especially at the local level – has been defined predominantly in physical and spatial terms, linked to men's work and starting from

'hard-edged' male-dominated academic disciplines. In contrast, education, health and nutrition tend to be seen as part of national sector policy, for which less expertise is locally available (Moser, 1995:283) – and it is the poor, and especially their most vulnerable sections like women and children, who stand to benefit most from increased attention to these issues.

Table 4 Poverty data in selected cities by region, 1993-1998

Region	Poor households		Female-headed poor households	
	1993	1998	1993	1998
Africa	37.5 %	40.9 %	32.2 %	40.0 %
Arab States	8.1 %	15.4 %	4.0 %	14.0 %
Asia – Pacific	14.7 %	14.2 %	3.5 %	16.3 %
HIC	11.9 %	8.0 %	1.5 %	8.8 %
LAC	26.9 %	25.4 %	38.4 %	36.7 %
Transitional	18.3 %	22.2 %	13.7 %	18.1 %
All developing	23.4 %	25.2 %	25.5 %	29.8 %

Source: UN-Habitat (2002) *Urban Indicators Database Version 2*, Nairobi, p. 19

3.4 Lack of access to information and knowledge

A particularly important dimension of poverty in general and of urban poverty in particular, is the lack of access to information and knowledge. 'Poverty may be characterised by a lack of access to means for education and raising awareness, means to store, organise and consult practical information and means to express, document and feed ideas to decision makers' (Max Lock Centre guide 3, 2002:3).

3.5 The urban poor as purposeful actors

In line with the general shift in poverty and development thinking, the urban poor are no longer seen as passive victims to be targeted by development policies. Instead, they are seen as purposeful actors that possess and deploy a series of assets in striving to improve their lives: 'There is a growing recognition that the poor are strategic managers of complex asset portfolios' (Moser, 1998:5). The asset base of the urban poor includes the well-known assets of labour and human capital. Although for a long time housing has only been seen as a basic need, it can also be used as a productive asset. The poor also possess intangible assets such as household relations (pooling income and sharing resources) and social capital (rules, norms, obligations, reciprocity and trust embedded in social relations, social structures and society's institutional arrangements that enable its members to achieve their individual and community objectives). Further assets include linkages to power structures and political networks external to the community.

In the urban context, the classic set of assets – which are now labelled as capitals or capabilities – are human capital (labour, skills, experience, knowledge, creativity, inventiveness), natural capital (land, water, energy), physical/productive capital (housing, tools, machinery), financial capital (money, loans/credit) and social capital (reciprocity within communities and between households based on trust deriving from social ties) (de Haan 2001; Moser 1998; Narayan, 2000a, b and c).

Table 5 Assets and capabilities of poor people

<i>Asset or capability</i>	<i>Examples mentioned by poor people</i>
Material assets	Employment; ownership of productive assets; land; house; boat; savings; jewellery
Physical health	Freedom from hunger and disease; strong, healthy-looking bodies
Physical integrity	Freedom from violence and abuse; sexual and reproductive choice; freedom of physical movement
Emotional integrity	Freedom from fear and anxiety; love
Respect and dignity	Self-respect; self-confidence; dignity
Social belonging	Belonging to a collective; honour; respect; and trust within and across social groups
Cultural identity	Living in accordance with one's values; participation in rituals that give meaning; sense of cultural continuity
Imagination, information, and education	Inventiveness; informed and educated decision-making; literacy; entrepreneurship; problem-solving capacity; expressive arts
Organisational capacity	Ability to organise and mobilise; participation in representative organisations
Political representation and accountability	Ability to influence those in power; accountability of those in power

Source: *From many lands* (Narayan and Petesch 2000c, p. 463)

Households deploy these different capitals in four realms in urban life, namely:

- Livelihood and employment;
- Personal health and wellbeing;
- Habitat and environment;
- Social networks and political power (Douglass & Zoghlin, 1994).

Each of these realms covers a continuum of different themes, that is:

- Livelihood and employment strategies can range from self-provisioning and work in the family micro enterprise, through subcontracted piecework or disguised wage work, to wage employment.
- Personal health and wellbeing covers issues of education, health, safety and personal/family services (Douglass, 1998:122).
- The realm of habitat and environment includes land, land tenure and housing (which in turn encompasses obtaining water and fuel, solid waste collection and disposal, community basic infrastructure and communal spaces).
- Social networks and political powers range from the informal social networks of reciprocal assistance and neighbourliness, through CBOs and extra-community linkages with, for instance, NGOs, to involvement in social movements and political mobilisation (Douglass & Zoghlin, 1994:177).

The relative importance given to each of these realms tends to change over time and with changes in the household's economic welfare, composition or lifecycle. The allocation of capital to these different realms is the outcome of a complex process of household decision-making. Although households have the possibility to pool resources, within households there are asymmetries in rights and obligations on the basis of gender and age.

Beyond the family and kinship networks, the urban poor set up wider networks of self-help, community support or mutual insurance that constitute effective parallel institutions to governments and markets which might fail them. These informal local-level institutions intersect upwards with formal institutions, including the local government, and downwards with social relations operating at the micro level of households and communities.

It is important to note that 'communities' – in terms of a group of people living in a specific geographic area – are not homogeneous units. Within virtually all communities, there are community divisions and conflicting interests, for instance between the elected leaders/brokers and their supporters, between the poorest and those a little better off, between women and men, between younger and older people, and between different ethnic groups (Hordijk, 2000). It is therefore important not to over-romanticise social networks, social capital, reciprocity and trust. First, reciprocal relations function only when both parties are willing to invest and are capable of doing so. If a person or a household continuously has to draw on the social resources without being able to respond to demands, they can be gradually excluded. Second, strong social ties can be both inclusive and exclusive in nature, and are thus not necessarily beneficial for all (McIlwaine & Moser, 2001). Grassroots organisations are often dominated by men, particularly men of higher status and/or with higher incomes, and such organisations may reinforce patterns of inequality and social exclusion or unequal or patriarchal gender relations. The acquisition of land and infrastructure services may be shared, but this should not be assumed.

The benefits secured by community leaders are often personalised, helping to further the assets or career opportunities of the leadership, to extend their land holdings and to add to political connections. Whilst generalised benefits may be secured, their distribution may not be even-handed. Women and the poorest community members often take only a passive role in their residents' associations, both because they see few benefits and because the benefits that are secured are given to them in their role as dependants. Opposition within the community (if it happens) may be repressed, sometimes violently, in power struggles for the few resources that are available. Poor information and little practice of accountability mean that suspicions may be created even if there is no abuse (Hordijk, 2001).

The urban poor, although relatively excluded, form part of the wider urban arena. The access to and use of their assets is also influenced by policies, institutions and social relationships operating at the city level. Not least, politics plays a critical role, and the poor are often ardent supporters of this or that political party or faction. Political support may be personalised and be linked to client list or patronage relations with powerful or rich people, or brokers at the neighbourhood level. Alternatively, or in

combination, party or electoral support may also be a function of benefits given or promised by candidates standing for election prior to elections. This may take the shape of institutionalised 'pork barrel' or 'machine' politics where money, alcohol or goods are provided in exchange for votes. The large populations of slum or low-income urban areas are easy prey for such political practices, from which they may in fact benefit, but only in the short term. It becomes more problematic if politicians order specific policy (e.g. providing urban services) to be implemented with a view to winning votes (de Wit, 1996). This undermines policymaking, while policy becomes particularistic in serving the narrow interests of politicians, rather than the welfare of the poor. Unfortunately, in many cities this seems the rule rather than the exception.

4 *From government to governance*

The 1996 UNCHS Global Report on Human Settlements has a chapter on 'institutional trends and the crisis of governance', which underlines the importance of institutions, of a proper coordination of different layers of government, and of local government finance. In varying degrees and with large differences across countries and even cities, problems are faced where the pace of urban growth is much faster than that of urban revenue, notably in Africa. Much of this can be captured under the concept of capacity. This is defined broadly to include financial and human resources, organisations and institutions (political stability, administrative and legal frameworks, economic, social and cultural factors).

At the local level, a crisis of urban governance may include:

- Lack of funds, related to a dependency on funds from central government and an inability to locally raise sufficient finance (taxes);
- Serious institutional and human resource capacity limitations in terms of the number of staff, staff skills and commitment, related to poor levels of pay and poorly developed incentive systems;
- A lack of coherent policy frameworks; cumbersome procedures; and a lack of proper regulatory frameworks and/or their actual enforcement;
- Fragmentation of decision-making within governments; considerable institutional constraints related to strong centralisation and hierarchy; and poor coordination between different local agencies and the local offices of central line ministries;
- Local government institutions mostly functioning in a routine, top-down way, and trying to achieve tangible, physical policy targets in the context of annual budget cycles;
- Serious lack of statistical data and information on local realities and trends;
- Rather than adhering to formal bureaucratic roles and actions, informal and/or patronage-based patterns of communication and decision-making, not least as the result of undue political interference.
- Considerable corruption and nepotism, so that policy intentions often differ very much from policy outcomes.

These problems of governance have played a role in contributing to urban poverty (even while, both were in turn influenced by Structural Adjustment Programmes). Today they represent a critical constraint on formulating and implementing effective poverty reduction policies. In a general sense, institutional reform and capacity development are critical to the realisation of better or even good urban governance. But such reforms are not automatically pro-poor. Many countries are characterised by rather autocratic or authoritarian regimes and systems of governance, and constant monitoring and frank reviews need to make it clear that institutional reform must be translated into improved conditions and services for the urban poor. Similarly, capacity-building to enhance knowledge production, however critical, does not automatically result in the actual and proper use of that knowledge. Here, too, adverse power relationships or authoritarian structures may form formidable constraints. Sometimes researchers or journalists are afraid to study precisely the most sensitive or critical governance issues (e.g. corruption, land capture, human rights abuse); they may be bribed or threatened into silence. In other, more democratic and open societies, the damning information may not be acted upon.

4.1 *New challenges*

Urban poverty is strongly influenced by what municipal governments do or do not do, and by what they can or cannot do. Although the range of responsibilities allocated to urban governments differs from country to country, virtually everywhere it includes functions that have a bearing on most aspects of the complex of multiple deprivations that constitute urban poverty. The aspects on which local governments can have the greatest impacts on poverty reduction is through ensuring the provision of basic infrastructure and services, and ensuring access to land for housing and economic activities (Devas, 2001). They can also do so by strengthening the intangible assets, such as access to justice and to local political systems (IIED, 2000).

Several almost simultaneous trends have deeply influenced the functioning of urban governments over the last twenty years. First of all, the role of the state in general changed from that of a provider of basic services to that of an enabler; that is, the government sets the framework to enable others – the poor themselves, the private sector, or other actors such as NGOs or civil society organisations – to provide services. Simultaneously, an increasing number of countries undertook some form of decentralisation, which was soon followed by a wave of privatisation of previously public utilities. Since the 1990s there has been a growing emphasis on issues of good governance, in which governments are supposed to increase participation, transparency and accountability. Coupled with this emphasis on governments' performance there is a growing discussion on the role of citizens as being endowed with capabilities, rights and obligations (Moser 2002; Jones & Gaventa, 2001). This series of trends – the shift in governments' role as a provider to that of enabler; decentralisation, privatisation, increasing participation and the emphasis on citizenship – have to be seen in the context of a simultaneously urbanising and globalising world. Both the pace and the magnitude of urban growth and the urbanisation of poverty make it far more difficult to effectively govern and manage cities.

Globalisation

There are very different views on the impact of globalisation on urban development. One is that in a globalising world, cities are competing for globally footloose investment; hence, foreign capital requires favourable treatment. This response of favourable treatment to attract foreign direct investment results in a concentration of power in a city elite and a lack of local democracy. It is especially in this scenario that the nation-state is seen as losing its role in a world that chiefly involves interactions between transnational business and city or regional governance.

Others argue that there is nothing fundamentally new in the way the world economy operates, and therefore that globalisation is basically a construct to give neoliberalism greater spatial dominance. A third view is one that acknowledges the fundamental changes but does not agree that they have an inevitable dynamic of their own. In this view there are choices to be made, namely whether to enhance, to block or to mediate these global economic forces. Although the nation-state is still seen as having a determining role in this process, it is clear that it is in a process of restructuring, with some of its functions moving upwards to supra-regional levels, while other functions are decentralising to sub-national regions of governance. The result can be described as a

multilayered system of governance, which interacts in different ways with the process of economic globalisation. This more complex interpretation allows local variation in the response of different political actors (UNCHS, 2001:27).

Whatever view one holds, there is an obvious association between globalisation and the world's largest cities. There is a network of what can be termed 'global' cities that are the key sites for the management and servicing of the global economy. Yet, advanced telecommunication systems allow the production process to be separated from those who manage and finance it, thus a more decentralised form of urban development is possible within regions with well-developed transport and communication infrastructure (Satterthwaite, 2002). And although globalisation certainly affects rural areas (e.g. an increase in cheap and subsidised food imports, and easier access to relevant information on new farming techniques), global forces are concentrated in cities. It is in cities where global operations are centralised and where one can see most clearly the phenomena associated with their activities: changes in the structure of employment, the formation of partnerships, the emergence of new forms of local governance, the effects of organised crime, the expansion of corruption, the fragmentation of informal networks, and the spatial isolation and social exclusion of part of the citizenry. As the constraints of geographical distance are becoming less important, the specific features of particular localities become more important in the locational decision-making of businesses and households (UNCHS, 2001:xxxiii). The characteristics of cities and their surrounding regions in turn help to shape globalisation. Thus, urban settlements mediate the reciprocal relationships between globalisation on the one hand, and economic and human development on the other (UNCHS, 2001).

From provider to enabler

During the economic crisis of the 1980s, it became increasingly clear that many states were failing to deliver the basic urban services to their citizens. In the urban context, this meant that they were not providing their rapidly growing urban population with adequate housing, basic physical and social urban services, or employment opportunities. The urban management approaches in the immediate post-war period were essentially technology driven, with an emphasis on large-scale, highly standardised projects and programmes that gave priority to concrete (infrastructural) products. The impact of these projects on the lives of the low-income segments of the city was disappointingly small (Klink, 2002). Confronted with this failure and increasing criticism, and forced by the SAPs that implied serious cuts in public spending, governments (both local and national) were increasingly seen as the actors that had to set an enabling framework. Enablement is nowadays a familiar concept applied in many policy domains, although what it really means in practice remains vague (Helmsing, 2000:9). A common denominator is that the government is no longer the prime actor, and it seeks to establish cooperative relations with other actors, such as the private sector, NGOs or civil society organisations.

Under the influence of the SAPs and the policy prescriptions formulated by the international financial institutions, the 'enabling role' in many cases meant in practice state withdrawal from service delivery. National governments in developing countries were above all forced to open up their markets, and to reduce their roles in regulating or controlling flows of goods, capital and information coming across their borders. Coupled

with decentralisation (see § 2.4.3), stronger local governments acquired more room to manoeuvre in this new setting. However, many local governments lack the capacity – financial, human and in terms of authority – to seize these new opportunities. Whereas the enablement of local governments was first understood as creating an environment that would support other actors to act and would ensure coordination and coherence, the focus is no longer on government but on governance. Government pertains to the state, whereas governance pertains to the whole range of relationships between civil society, the state and the private sector (Devas, 1999).

Decentralisation

Since the 1980s, developing countries have increasingly introduced decentralised governance. Decentralisation can take different forms, the most important and ambitious of which is devolution or democratic decentralisation. Here, tasks, powers and funds are delegated from the central level to elected local bodies. Decentralisation is assumed to have a positive influence on local priority-setting by citizens, poverty reduction, political participation, government accountability, and the responsiveness of public service delivery (ODI, 2002). According to UN-Habitat, 'the single greatest positive feature of the development of cities in the last 30 years has been increasing participation of their residents in decisions concerning their future' (UNCHS, 2001:40).

However, this optimism may be a bit premature. Decentralisation has nowhere been completely successful (yet), and even in 'successful' cases the outcomes are mixed. For example, in many cases the delegation of tasks is not accompanied by the delegation of decision-making powers or financial resources. ODI (2002) found that there is no systematic relationship between decentralisation, economic development and poverty reduction, and decentralisation may simply facilitate the empowerment of the local elites in processes of 'elite capture' (Brock et al., 2001). Recent research on Africa concluded that:

In none of the African countries reviewed is it likely that decentralisation will empower any real challenge to local elites who are resistant to or uninterested in development of pro-poor policies, except possibly South Africa. ... On the contrary, in most of the African cases 'elite capture' of local power structures has been facilitated by the desire of ruling elites to create and sustain power basis in the countryside. Popular perceptions of the logic of patronage politics reinforce this outcome. (Crook, 2003:86)

Privatisation

When the government is viewed as an enabler and the responsibility for assuring basic urban services is transferred to the local level, involvement of the private sector to provide the services is an obvious policy option. Many public utilities have been privatised, on the presumption that the private sector is able to provide such basic urban services as drinking water, sewers, housing, solid waste collection, electricity and roads more efficiently and more cheaply than the public sector can. However, a review of public-private partnerships across a range of urban services concluded cautiously that this is not always the case: the evidence is mixed (Batley, 1996, cited in Baud, 2000). There are cases where the quality of service delivery improves, but where the prices gradually increase beyond the paying capacity of the poor. Baud (2000) indicated that there is one form of privatisation that is largely ignored, namely the arrangements

between households and private sector companies, which do not involve the government at all. Such 'unplanned' privatisation is common in cities in developing countries, especially in those areas where local governments exclude unauthorised settlements from basic provisions. The urban poor then buy such services mainly from local, small-scale private enterprises.

Participation and good governance

Although participation certainly does not necessarily mean having a real voice in decision-making, it is evident that decentralisation in many countries has been accompanied by a process of democratisation. However flawed and faltering the process, democratisation has enlarged the space in which citizens, including the poor, can make their voices heard. The growing strength of civil society in many parts of the world has provided other avenues for citizens to demand more and to exert more influence on policy (Devas, 2001).

These changes have led in several localities to innovative (i.e. more process-oriented) forms of urban governance. A very early innovation took place in Brazil, which – confronted with a serious crisis – developed forms of urban governance wherein local government increasingly acts as a partner in a city-wide network of other partners (universities, trade unions, private sector organisations, communities, civil society organisations, etc.) and decision-making on both policy and investment is a process shared by these partners (See Textbox 5). In many other localities this process has not got that far: decision-making is still centralised in the hands of the local or even national government, or well-intended government officials have to face a population that is not yet prepared to act as a co-producer of urban reality, rather than being a passive recipient (Klink, 2002). Nevertheless, the overall tendency indicates a gradual shift towards this process approach, whereby urban management is a shared effort of many actors in the cities.

Simultaneously, there is growing pressure on governments to comply with the standards of good governance. Transparency and accountability are central to democratic 'good' governance. Where processes of decision-making and details of budgetary allocations are open to public vigilance (i.e. are more transparent), local institutions – and especially local governments – can be more accountable. The objective of increased accountability is a good reason to focus on the strengthening of local governments, rather than assigning important functions to other agencies over which there is little or no democratic control, such as parastatal agencies or higher level government agencies, where accountability is more remote.

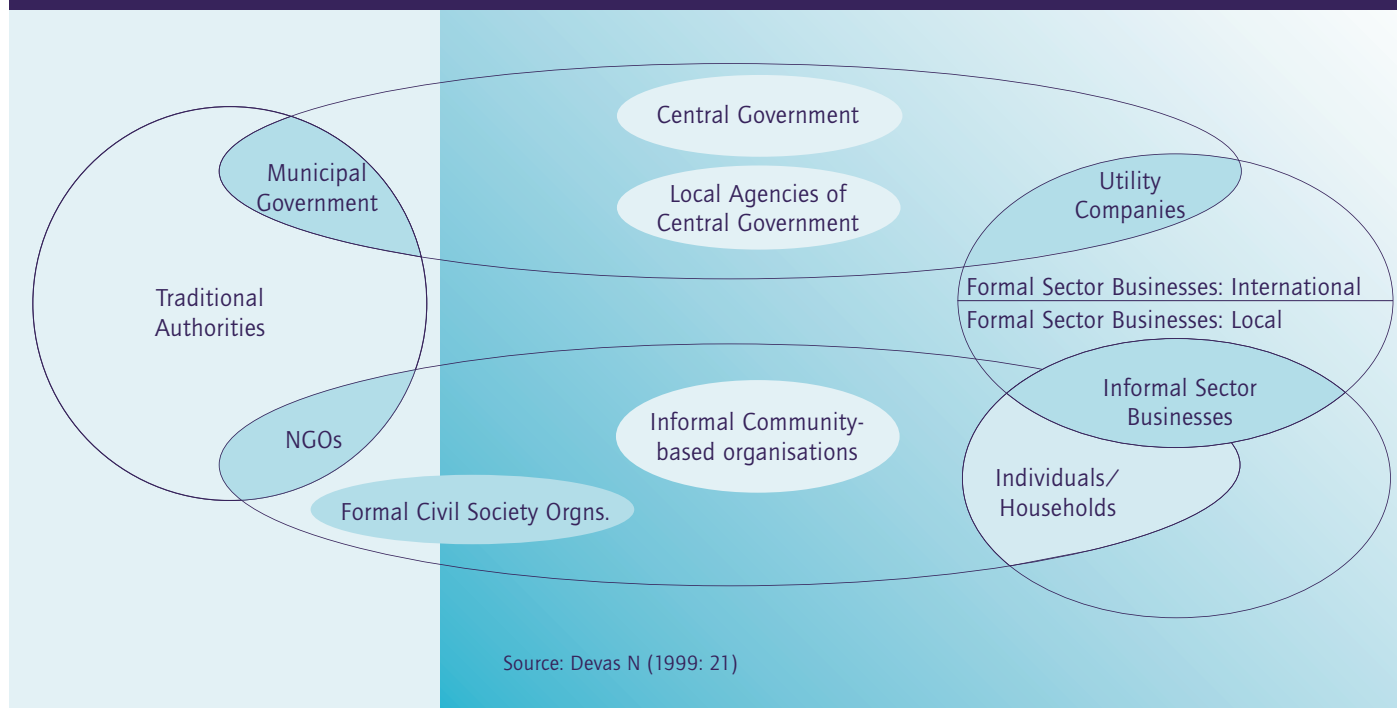
Multi-stakeholder approaches

Market mechanisms are ill suited to redress the problems created by the rapid growth of urban poverty, deepening inequalities and deteriorating environmental conditions without effective regulation. Effective regulation requires good governance (UNCHS, 2001:55), yet effective local governance is more important in the lives of most people than good national or global governance is. The problems associated with rapid urban growth in low- and middle-income nations can only be addressed through the development of a web of accountable local institutions in cities (Satterthwaite, 2002). Such institutions are also needed to ensure that the investments and interventions of national

governments, international agencies and private companies recognise, respond to and are accountable to local needs. There is a need for local institutions that are representative of local populations and ensure that all different views are represented, including those of the weaker sectors in the urban society. Such local institutions need the power and the legal basis that allow them to negotiate effectively with powerful external agencies. Local institutions also need the knowledge and capacity to ensure the sustainable use of local resources and to address inequity (ibid.:29). Thus, the earlier mentioned 'enabling role' of governments must be broader than simply facilitating other actors to enhance local development, and must include responsibility for social cohesion, equity, environmental protection, conflict resolution and support for citizenship in the sense of 'rights to the city'.

As can be concluded from the previous paragraphs, contemporary governance involves multiple stakeholders, interdependent resources and actions, shared purposes and blurred boundaries between formal and informal, state and civil society sectors, and a greater need for coordination, negotiation and consensus-building (UNCHS, 2001:55). A schematic overview of these different actors is given in Figure 1.

Figure 1 *Actors in the urban arena*



Cities mediate the reciprocal relationships between economic globalisation and human development. This makes the role of urban governance in development and fighting urban poverty even more challenging. The dynamic and often unmediated interactions among global actors create a new complexity for policy and practice. The increased

complexity of urban governance in a globalised context gives rise to a need for new knowledge – knowledge that is produced in a new way and is accessible to all actors. The changes in urban governance practice and the recognition that the poor are purposeful actors, profoundly impacts the role of knowledge, knowledge production, the role of research and the role of the professional in the urban development process. It also creates a stronger demand and relevance for research that fulfils the needs of local-level institutions.

4.2 The role of donor agencies in urban development and poverty reduction

International assistance in the 'housing and urban development sector' (as most donor agencies still define it) has evolved over the past three decades along with the changes in emphasis and approaches undertaken by recipient governments. In some cases, donor policies have also facilitated transformations in national and local policies. International assistance in the urban sector was initially characterised by a focus on housing, with sites-and-services schemes and slum-upgrading as the dominant approaches, based on the assumption that these would benefit the poor. The nature of urban poverty was initially much less understood, and urban poverty reduction strategies are less well tested than those for rural poverty are. The process of converting studies of coping mechanisms, livelihood systems, vulnerability and notions of urban sustainability into policy has only recently begun. Urban poverty reduction programmes – with or without external support – have tended to be applied at three levels, namely:

- (i) At the macro level, which involves policy and programme interventions defined and implemented by central government, including investment, subsidy, pricing, taxation and credit policies;
- (ii) At the city level, where municipalities have become engaged in various types of basic infrastructure and slum-upgrading programmes, apart from more general health, education and sanitation policies from which the urban poor also benefit;
- (iii) At the micro level, which involves working directly with community groups in supporting a variety of activities including credit, micro-enterprise development and strengthening community participation.

Traditionally, the first and second programmes have been more targeted by the international agencies and development banks working with national governments, while the third has been promoted and supported more by NGOs and CBOs working with Northern donor agencies.

External support agency (ESA) programmes

Initially, in most countries national and local governments were either unable or unwilling to supply basic urban services to rapidly growing slums or squatter settlements, and certainly not at the rate that people needed them. In fact, in many cities there were large-scale evictions of those inhabiting unauthorised settlements. In view of the official neglect or policy failure, various patterns of community organisation and self-help developed almost everywhere. This was eventually recognised by academics and donors

alike, after which programmes based on 'aided' or regulated self-help were formulated, such as slum-upgrading schemes (including legalising land tenure) and sites-and-services schemes. And even though hardly any municipalities have been able to meet the demand for housing and plots, the principle of allowing self-help has generally endured. Hence, until the early or mid-1980s, international assistance in urban areas was characterised by a focus on housing and physical investment, with a number of bilateral ESAs focusing on technical assistance and capacity-building. During that period, there was no explicit urban poverty reduction focus in the assistance provided, although there was an obvious preoccupation with the provision of low-income shelter and slum improvement, intended to benefit the poor. Good examples of Netherlands development cooperation assistance in this area at that time are the long-term support to slum improvement efforts in Karachi (Pakistan) and to Kampung Improvement in Bogor in West Java (Indonesia). In both cases, the urban poor were seen as the target group, and both projects worked on the assumption that improving slum infrastructure (in Karachi combined with the legalisation of land tenure) would make a contribution to reducing poverty in the areas concerned.

The experience gradually acquired by ESAs brought about a progressive reorientation of their support:

- It was increasingly recognised that low-income shelter/slum improvement issues would not be effective unless attention were paid to broader urban issues of urban land supply, urban infrastructure delivery and urban financial resource mobilisation. This shifted the focus of international support in the sector from housing, through infrastructure and services, to urban management, government and governance.
- With the increased importance of local investment from the mid-1980s, the issue of limited local capacity to deal with this became a paramount issue of concern, and with this the need to better utilise the scarce human resources available for such planning processes, leading to local government institutional development, staff-upgrading and training as major areas of ESA support.
- A strand, which arose from the perceived complexity of urban governance and the need to involve other stakeholders than the state alone, has been support for the 'stakeholder approach' (see below). This involves identifying all parties linked to urban management with a view to developing and implementing a commonly shared programme of action.

Combined, these factors led to changes in the make-up of ESA support packages, which are now directed at enhancing local capacities in urban management to better address urban environmental, urban governance and urban poverty reduction issues. By their nature, the majority of these packages comprise technical cooperation, or non-physical investment ('soft' ware) rather than physical investment ('hard' ware) support. Consequently, the major donor and finance institutions have responded to this need for reorientation to soft ware, and have also embraced urban poverty reduction as a main focus in their urban policies and lending programmes. Both the Asian Development Bank and the World Bank have developed new urban policy frameworks. Similar changes were reflected in the sectoral composition of investment portfolios: during 1996-98, 15.4% of the World Bank's total resource commitments were towards urban poverty reduction; for the Asian Development Bank, this percentage was 11.8 during the same period (for overall urban development, including improved urban services and urban management, these percentages were 22.1 and 25.5, respectively; Satterthwaite, 2002, table 19.2).

Stakeholder approaches

As a consequence of the increased awareness of the complexity of urban governance (see 4.1), regional and inter-regional stakeholder approaches emerged in the area of urban management, supported by UNDP, UN-Habitat, the World Bank and a range of other multilateral and bilateral ESAs. The aim of these programmes is to transfer successful urban management experiences from one country to another.

The most broadly based and long-standing example of such support initiatives is the UNCHS/UNDP/World Bank 'Urban Management Programme' (UMP), which is a capacity-building programme operating throughout the developing world. It was launched in 1986 and is also supported by several bilateral ESAs (see Mumtaz & Wegelin, 2001 for a detailed review). While during its initial phase, urban poverty reduction was not singled out for special attention, from the third phase it was mainstreamed as one of three thematic programme foci (the other two are participatory urban governance and urban environmental sustainability).

An illustration of the stakeholder approach under the UMP programme is the 'city consultation', where key stakeholders related to urban poverty (officials, NGOs, CBOs) are brought together to draft an urban poverty profile, leading to an urban poverty reduction action plan to be jointly implemented. Several case studies have been prepared on household responses to poverty and vulnerability and on local urban poverty reduction action plans. An evaluation of the consultative process in 2001 reconfirmed its validity, but also concluded that strong political will and dedication, strong leadership and the presence of well-organised stakeholder groups were critical factors for success. An offspring of the UMP is the UN-Habitat-executed global Safer Cities Programme, which focuses on a specific dimension of urban poverty, namely urban safety, freedom from crime and access to justice. It essentially uses tools similar to those used by the UMP and Cities Alliance.

The Cities Alliance programme, which is managed by the World Bank/UNCHS, focuses on similar urban poverty reduction support through two major approaches: support for the consultative development of a city-level urban strategy and development programme, and for the upscaling of slum-upgrading. Both approaches are intended to contribute to Target 11 of the Millennium Development Goals (i.e. to improve the lives of at least 100 million slum dwellers globally by 2020), which was adopted by the UN General Assembly in September 2001 as part of the global Millennium Development Goals.

At the regional level in Asia, the UNDP-supported, UNCHS-executed Regional Staff Exchange Programme in Urban Management attempted to cross-fertilise the urban management experiences of certain actors in Asia. Out of this grew the Urban Management Programme for Asia and the Pacific (UMPAP), which, through four sub-programmes, broadened the target group for such exercises to include not only national government officials, but also local governments and NGOs operating in urban management and governance issues in the region. This initiative gave rise to the UNDP-supported The Urban Governance Initiative (TUGI).

A similar initiative is the Municipal Development Programme (MDP), which was launched in 1991 with the support of the World Bank and several bilateral ESAs.

The MDP is a facility that provides quick-disbursing grants to local executing authorities for policy development and capacity-building. It works with partner institutions such as municipalities or local government training institutions to enable them to better define their objectives and priorities, to create a solid policy framework for programme and project implementation in the local government sector, and to improve existing institutions, staffed with skilled and well-trained personnel. The focus is on strengthening the capacity of institutions to set goals, to evaluate alternative courses of action and to exercise leadership.

UN-Habitat

UN-Habitat (former UNCHS) is the UN agency charged with monitoring the implementation of global agendas in the development of human settlements. At this stage, the task consists primarily of monitoring the implementation of the Habitat Agenda, which was adopted at the 2nd UN Conference on Human Settlements (Habitat II) in Istanbul in 1996, and monitoring the implementation of Target 11 of the Millennium Development Goals. In addition, it is a major partner in numerous of the above-mentioned stakeholders' consultations-based programmes, and is the convenor of the biannual International Forum on Urban Poverty. The Forum's role is to monitor urban poverty trends, to facilitate the exchange of good practices in urban poverty reduction and to monitor the extent to which urban poverty reduction actions agreed in the Habitat Agenda and subsequent global agreements are implemented. Over the years, the Netherlands has played an important role in supporting UN-Habitat financially.

Bilateral ESAs

In the 1990s, several bilateral ESAs made urban poverty reduction one of their spearheads in development cooperation policy; these ESAs included the Netherlands Directorate-General for Development Cooperation (DGIS, 1994) and the Swedish International Development Agency (SIDA, 1995). With successive policy changes and greater reliance on multilateral channels of development support, this focus was not maintained in the Netherlands (see below). SIDA has maintained its focus on urban poverty reduction both through programmes of technical cooperation and, importantly, through a major programme of urban research focused on urban poverty and its reduction, operating through cooperative projects between developing countries and Swedish researchers. It has recently started an urban development programme for cities in sub-Saharan Africa. Norway has opened a special support facility for cities in the same region.

Over the years, but especially since 1999, the UK Department for International Development (DFID) has been a steady supporter of urban poverty reduction interventions (e.g. its city-wide slum-upgrading efforts in India). The DFID Strategy Paper 'Meeting the challenge of poverty in urban areas' was issued in 2001. This paper sets out the central role that well-governed, well-managed cities and towns can play in reducing poverty. The key message is that achievement of the Millennium Development Goals will depend in part on the development of strategies that recognise the important role of cities and towns in strengthening poor people's capacity to improve their socio-economic and political conditions. It underlines the need to address the particular characteristics of urban poverty which can constrain these opportunities.

In implementing this strategy, DFID supports some of the stakeholders' consultative initiatives noted above as well as UN-Habitat (DFID is currently the largest contributor to the Cities Alliance and of un-earmarked contributions to UN-Habitat). It also supports local funds for community initiatives and bilaterally supports several major innovative programmes of urban poverty reduction, the largest being the Andhra Pradesh Urban Services for the Poor programme in India. In addition, it assists several international research programmes focused on urban poverty and its reduction, urban governance (see e.g. Devas (ed.), 2001) and urban environmental issues.

Community-based support initiatives

Most of the ESA support programmes noted above, as well as the efforts of UN-Habitat, are directed essentially at national and, increasingly, local governments. In addition, most of the ESA support necessarily works on a government-to-government basis. However, community groups addressing poverty in urban areas in developing countries have developed their own track record over the years. While this record is not uniform, there has been a significant growth in NGO support for these efforts during the last 30 years. Historically, such local NGO support has been backed up by international funding NGOs, which exist in all donor countries (and which are usually funded partly by official development cooperation funds and partly by private donations). The support of NGOs has broadened significantly over the years with the development of such groupings as Habitat International Coalition, national federations of homeless people and slum dwellers in several countries, the international Slum Dwellers International coalition, and the Asian Coalition for Housing Rights. Some of these organisations are supported by Cordaid, which has made urban poverty reduction one of its policy priorities.

These networks form and support local action groups in urban poverty reduction complementary to the above-mentioned more government-oriented ESA efforts. They are complementary not only in that they represent a bottom-up rather than a top-down approach, but also because they have the potential to hold government agencies to account. However, there is an increasing awareness that careful distinction should be made between the various types of CBOs, NGOs and other local interests and interest groups. There is a risk that popular concepts of 'civil society', 'social capital' and 'partnerships' might conceal very real differences between and within communities, CBOs and NGOs. Donor agencies must be careful when supporting civil society organisations, and must make sure that the poor and the most marginalised (i.e. women, the elderly, the handicapped) are included in participatory processes. Some have pointed at the risk that civil society organisations may be dominated by middle-class activists or the 'richer poor' of poor communities (Mohanty, 1995). The problems are well defined by Metha:

Southern Africa and South Asia have highly politicised local environments, frequently misunderstood as benign by many intervening agencies. Who is selected to participate in decision-making and what is deemed as important are political practices that create institutional 'glass walls' effectively excluding the poor from the decision process. (Metha, 2003)

4.3 Urban poverty in the Netherlands' development cooperation

Since the 1970s, many different organisations and institutions have been active in the Netherlands in supporting or studying urban programmes and policies. These bodies include, for example, the research and university network WUOO; the Institute of Housing and Urban Development Studies (IHS); the Netherlands Economic Institute (NEI), which carries out urban projects; the consultancy network URBANETH; and the Foundation Habitat Platform, which supported slum projects in Bangalore and, later, other cities. Dutch development cooperation policy in the 1970s was almost exclusively focused on rural development. It was only in 1990 that a small urban poverty alleviation unit (Spearhead Programme) was established in the Netherlands Directorate General for International Cooperation. The unit started by cooperating with multilateral agencies and their programmes, such as the World Bank, UNCHS and ILO. It published a policy paper (Netherlands Ministry of Foreign Affairs, 1994), and supported many smaller and larger urban initiatives worldwide, for example in relation to the 1996 Habitat-II Istanbul conference. It directly funded urban poverty alleviation programmes in Bangalore (India) and Santa Cruz (Bolivia). However, due to a combination of successive internal Ministry reorganisations and policy reforms – including a concentration of Netherlands aid on fewer countries and fewer sectors – the unit lost more and more ground and was eventually merged with larger Ministry departments.

The Netherlands still financially supports urban programmes, but this occurs almost exclusively through multilateral channels (World Bank, UN-Habitat, UNDP) and, incidentally, through such ministry departments as those for social development, sustainable economic development and urban environment. Examples are the aforementioned Urban Management Programme, the Safer Cities Programme, the Municipal Development Programme and support to UN-Habitat.

This situation at the Ministry is in contrast to efforts by non-governmental organisations and institutions in the Netherlands to promote urban development and reduce urban poverty. These bodies include such agencies as the SNV (which works with local governments) and the co-financing agencies, particularly Cordaid, for which urban poverty is a core issue. Habitat Platform, which is supported by DGIS and the Ministry of Housing, Physical Planning and Environment, monitors the implementation of the Habitat Agenda in the Netherlands and in developing countries. Also, such knowledge institutions as the IHS, ITC, ISS and several Dutch Universities carry out urban projects and are engaged in urban research (see below).

The Ministry presently lacks a core of officials with the necessary knowledge and networks to effectively formulate and help implement urban policy, and to help coordinate and monitor these various ongoing activities in the Netherlands. Other activities needing closer monitoring and support include the urban activities of Dutch embassies and the aforementioned multilateral programmes. The UK could be seen as a model until recently, when DFID contracted out research on a variety of issues, including urban governance and poverty. This both led to a wealth of knowledge on urban poverty reduction programmes and strengthened research capacity in the UK and in the countries where the research was carried out (Devas, 1999; Mitlin, 2003).

4.4 *ESA developments: balancing empowerment and Poverty Reduction Strategy Papers*

There is continued and ever-growing attention for participatory approaches, partly in view of the ongoing shortcomings and costs of regular state-provision strategies. However, increasing importance is being attached to the 'scaling up' of community-based approaches, based on the recognition that many successful interventions are limited to small numbers of people – islands of progress amid otherwise structurally unchanged conditions – while often they are costly to implement. The search is on, then, for 'enabling frameworks' that can be replicated across areas, cities or even countries with potential large-scale impacts, which has obvious implications for research. In addition, there is more and more donor interest in empowerment approaches, especially following the World Bank 2000 World Development Report *Attacking Poverty*, where empowerment (though in a rather depoliticised form) was first mooted as a critical condition for poverty reduction. While Northern NGOs have been supporting empowerment processes for many years, it is interesting to see donor agencies gradually moving towards the recognition that issues of power and equity are central to poverty reduction. It is important to study the dynamics of how ESAs are trying to achieve a balance between the recognised need to address these potentially sensitive issues while not alienating the countries and governments they are supporting. As with participatory approaches, there is continued attention for capacity-building, in terms of both training and organisational development, with increased interest in innovative approaches, such as the training of mixed groups (officials, NGOs, communities) and partnerships between Northern and Southern institutions and organisations.

We are also witnessing a remarkable convergence of the thinking about and policy-making as regards poverty across donor agencies, and this, too, obviously has implications for urban poverty policy. According to Maxwell (2003:5-6), there are five areas in which this is the case:

- The acceptance of the Millennium Development Goals, which have poverty reduction at their core and include a focus on 100 million slum dwellers;
- An international consensus on how to reduce poverty, well-summarised in the World Bank's World Development Report 2000/2001 *Attacking Poverty*;
- A mechanism for operationalising poverty strategy at the country level, in Poverty Reduction Strategy Papers (PRSPs);
- Tools and approaches for delivering aid in support of PRSPs, notably Medium Term Expenditure Frameworks, sector-wide approaches (SWAps) and Poverty Reduction Support Credits, all of which are associated with budget support rather than project funding; and, linked to the above four areas;
- An emphasis on results-based management and a commitment to design tools and indicators to measure policy outcomes.

While this can be judged as positive, if only for the promise of concerted donor action, there are many questions and risks. For one thing, it is not clear how this agenda works out for the urban poor and for cities in general, especially as many of the above plans and strategies have a distinct rural connotation. There is also a problem as regards the relation between urban development and the now dominant SWAps. Cities are not seen

as a sector, and there is a tension between implementing sector-specific policy (e.g. health) and addressing more broad, cross-cutting issues (e.g. urban development) which do not fit within a particular sector. Although this may not be so problematic for such well-established fields as rural development (which can be seen as a sector under Dutch Aid), it has proven a real constraint on promoting and supporting urban development policy, which is a much less institutionalised field.

A final important shift in donor thinking is that towards increased attention for issues of local governance, for example as reflected in donor interest in decentralisation. It is recognised that it is at the level of municipalities that national programmes are translated into local action, and that local government should create the enabling conditions for the activities of local and community-level actors, including income and employment generation, access to credit and support to the informal sector. However, there is a risk that the present emphasis on SWAps may bring with it centralising tendencies if national governments are reluctant to channel sector funds downwards to lower administrative levels such as local governments and municipalities. Also, the present emphasis on these more vertical SWAps may form an obstacle to implementing more integrated horizontal or, more precisely, integrated multi-focused policy, especially at the local government level (Nielsen, 2002).

The field of urban governance and urban poverty policy is undergoing many changes. Different perceptions and strategies follow each other quickly. Many urban poverty and urban services programmes start from the recognition that people themselves can and will eventually take the lead in helping themselves, which, in view of limited state capacities and institutionalised inequalities, would seem the best way to go. However, also here the combined power of conspiring vested interests groups such as building contractors, officials and politicians may form a constraint on cost effective and participatory self-help strategies. As a word of caution, we note that most housing, land and basic services programmes have suffered and are still suffering from the following constraints from the point of view of the urban poor (Mitlin, 2003:395):

- The lack of municipal finance to invest in housing and infrastructure, which is one reason why the search is on for more participatory and partnership approaches;
- Many (often the poorest) do not take part in such collective activities;
- Many conventional development 'solutions' such as housing and credit programmes are often unaffordable or inaccessible to the poorest without a subsidy;
- The level of infrastructure required by conventional urban development may not be affordable to the poor;
- The subsequent lack of provision helps to perpetuate dependency and patronage relations, as politicians (and sometimes officials) dispense infrastructure on an irregular basis, in return for bribes or votes.

5 *Knowledge needs and knowledge production*

Different actors play a role in the framing of policies addressing urban poverty. These policies are increasingly, but by no means always, framed through participatory processes. However, the actors that have a stake and can therefore be seen as relevant partners differ considerably in their positions, agendas, perceptions and possibilities to enter the arena to defend their interests and voices. All stakeholders act from differential power positions, and it is obvious that local government officials and local politicians have more power and say than does an unemployed labourer or a poor slum-dwelling woman heading a household.

The key to achieving partnerships in local urban development is effective negotiation based on the identification of converging interests. Achieving partnerships also depends on ensuring that the weaker partners can negotiate with the stronger ones on an equal basis. Access to knowledge and own sources of knowledge production processes is increasingly regarded as a powerful tool to strengthen the traditionally weaker partners (such as the organisations of the poor) vis-à-vis local government, as well as the position of local government vis-à-vis national government entities and the private sector (Cairo Expert Group Meeting, 2002). Access to knowledge is a necessary condition to adequately address the existing asymmetries that exist and hamper the emancipation process.

5.1 *Knowledge needs of different stakeholders*

Given their very different position in the policy arena, various urban stakeholder groups differ considerably in their knowledge needs and in their potential to produce knowledge. In this context, 'knowledge' means information that has been internalised by individuals, a community, institutions or a society. Information can be transmitted and shared through communication; people can consider it in the light of what they already know and either add it to their knowledge base or reject it. Social networks and social interaction are of decisive influence in the process of evaluating information before it becomes knowledge (Schilderman, 2002). What is and what is not considered valid knowledge is a social construct that often reflects power relations (Cairo Expert Group Meeting, 2002).

Urban poor and their communities

It is fitting to start the exploration of the research needs of the various stakeholders related to urban poverty with those who are to ultimately benefit, namely the urban poor and their organisations, be it the informal CBOs or the more formalised civil society organisations. They have three basic knowledge needs. First, there is a need for knowledge about their possibilities and rights to strengthen and secure their livelihoods. This includes knowledge that improves their access to income-earning opportunities, land markets and housing and such like, as well as their possibilities and rights vis-à-vis urban institutions. Access to information and communication is essential to develop that knowledge and thus enable the poor to be aware and to make the most of any opportunities in a dynamic urban environment, if only in terms of being able to hold institutions accountable. It would, for example, be a great help if a slum community knew how much money had been earmarked by the municipality for roads in their slum-upgrading programme, what the formal procedure is to obtain a widow's pension, or

how much money an NGO obtains to achieve specific objectives in their slum – so that the community can claim and enforce entitlements as a right. Obviously, one key requirement here is literacy, and it is disconcerting that the literacy rate is lowest among the most vulnerable groups such as women, the elderly and orphans. Poor people need information to increase the accuracy of their forecasts, to reduce their vulnerability and to improve their livelihoods. To access information sources, people interact with family, friends, public and private sector bodies, and a range of others.

A second knowledge need is the need to produce, own and leverage the same kind of quantitative data that are so often used as an argument to their disadvantage in policy decisions. Data on poor communities are commonly inaccurate: socially excluded groups are often excluded from official datasets. A fairly common example is illegal settlements in cities with considerable numbers of inhabitants that do not exist in the official statistics. Where the urban poor themselves have started to gather the basic socio-economic data on their settlements in the form of community surveys, this has proven to be an important tool in strengthening their bargaining position vis-à-vis local government and public utilities. In general, the poor have little access to or training in the use of media resources through which their views could be documented and communicated to other stakeholders on a regular basis. Building capacities in the area of gathering quantitative data and in documenting and communicating them would strengthen their position (Textbox 1: Cairo Expert Group Meeting, 2002).

Textbox 3

Knowledge as an empowerment tool: Mumbai Slum Dwellers' Community Surveys

It all began in 1984 when SPARC (Society for the Promotion of Area Resource Centers) started to work with pavement dwellers in Mumbai. In discussions with the women in these pavement communities, it turned out that the general knowledge about the pavement dwellers was totally inadequate. An analysis of the 'scientific' knowledge that had been produced and reproduced in academic and political circles showed that it could be traced back to one quarter-page newspaper article. The reality and characteristics of the pavement dwellers had never been systematically looked at. SPARC therefore decided to do a survey. The results of this survey, which was carried out by community leaders and college students, revealed that the pavement dwellers were not a mobile, ever-changing group, as the myth painted them, but a very stable group of landless agricultural labourers that had been in the city for 20 years. Almost half of them had work, yet earned less than the minimum wage, and since they walked to work, staying near their work was essential.

The report had major impacts. The most significant was on the communities themselves, which now began to see themselves as a group with common needs and aspirations, and to explore the possibilities of organising themselves. They began to understand the politics of the city: if you are not counted, then you are invisible and cannot ask for your entitlements. Based on this experience, SPARC developed the 'community survey', which is carried out by the inhabitants themselves as a tool for empowerment. Preparation for community surveys involves community meetings to

develop a workable set of questions; the inhabitants themselves conduct the survey using the questionnaires. Even more important is that the results are validated in community meetings. This makes the process transparent and the community leaders more accountable, and social control is exercised to ensure that the statistics reflect reality. The community now possesses valuable information: the information it is interested in finding out about itself, as well as information it can use in negotiations with governments. The knowledge base created – which includes a better understanding of their own assets – has two advantages: it enables them to create their own solutions and to act collectively in a more effective manner, and it provides them with information not available to others, giving them an edge in negotiations with outside actors, such as municipal governments. 'If we want to claim our space at the negotiation table, we have to play the game according to the rules of those in power. Managing information is an important asset.'

The National Slum Dwellers Federation nowadays represents more than 400.000 urban poor. Undertaking a community survey is a requisite for communities that want to become a member. The formula has been so successful that it started to play an important role in international exchanges. Indian slum leaders have trained South African leaders. Applying the strategies used in India, the South Africans began to enumerate black townships and federate settlements, and when the majority rule came to South Africa, they began to dialogue with the government to seek land tenure, amenities and services. Through this census they had gathered information about the townships where previously there had been no data or inaccurate data. South African leaders in turn have trained leaders in Zimbabwe Namibia and so on. Now, national federations of the poor from 11 countries form Slum Dwellers International, through which they exchange strategies and help each other to strengthen their local presence and voice their concerns in a global policy environment. These voices have been clearly heard at the Habitat + 5 Conference in New York (2001) and the Urban Forum in Nairobi (2002), reaching even the international organizations. The international exchange through the network of Slum Dwellers International is supported by SPARC and by the British NGO Homeless International, Dutch NGO Cordaid, and German NGO Miserior and Ford Foundation all of whom now provide assistance to SDI.

Presentation by Sheela Patel at the Cairo-workshop, and adapted from Patel, S (2001): How can poor people benefit from research results? In Utilization of Research for Development Cooperation, Linking Knowledge Production to Development Policy and Practice, RAWOO, 2001.

Source: Patel, S. (2001)

Researchers from both universities and NGOs can play an important role as facilitators in this process. Drawing on the knowledge of other communities that have shared similar experiences is a particularly effective way of strengthening the position of poor communities in the decision-making process. To bridge the divide between researchers and the urban poor, the former have to take into account the way the latter produce their knowledge. Individual face-to-face communication with friends, colleagues, kin, accepted 'experts' or other trusted sources is the most common form of everyday

knowledge transfer and exchange for most people, poor or not. Increasingly, mass media have come to play a dominant role in knowledge transfer. Literacy is vital, with the ability to write things down being the critical first step towards more sophisticated methods of storing information of value to the community (Schilderman, 2002).

It also has to be taken into account that low-income groups are not homogeneous in their ability to access the different informal and formal sources of knowledge. The inequity in access to knowledge can be used by, for instance, neighbourhood leaders or local leaders to strengthen their position within the community by monopolising information sources. More powerful actors (such as politicians, bureaucrats and professionals interacting with the urban poor) can misinform, mislead and/or manipulate them by providing insufficient or inadequate information, and thus limit the possibilities of the urban poor to act or to claim their rights (Hordijk, 2000).

The information needs of women may be quite different from those of men, and women's social networks for obtaining information are different from those of men. Women might be constrained in many ways in accessing information, and be prevented by gendered contexts from obtaining valuable information that is available to men in such contexts as bars, late-night meetings and talks in cars. The reasons for this may include their subordinate position in society, higher rates of illiteracy and a lack of authority. In general, the young urban population is better off in terms of access to information than their parents are. They tend to be better educated and to have more access to information channels. However, this does not hold for special groups of young people, such as street children and orphans, many of whom are not reached by conventional systems of information and education. In traditional society, the elderly are the key sources of information and knowledge, which they share orally or by means of demonstration. In the urban context, this tradition is increasingly being challenged. It is of importance to find ways to combine indigenous knowledge and communication sources with external resources and media (O'Farrell et al., 2000).

NGOs

NGOs need the relevant knowledge to fulfil a wide variety of roles in the urban arena. They can play an advocacy role to voice the needs of their constituencies or to lobby for a specific issue, such as local tenure rights, the environment, human rights or gender issues. They can act as an intermediary between local communities and local governments. In many localities they have taken up the role of small-scale provider of basic physical and social services. Their work may include the transfer of technical and financial resources to low-income communities. Some NGOs active at the community level have managed to establish partnerships between CBOs, other NGOs and the local authorities, often around a single priority issue. This tends to improve not only relationships but also information flows, even on other issues. The urban poor sometimes trust NGOs and particularly religious organisations more than they do the state.

NGOs are likely to have access to knowledge in their areas of special interest, and many also have some resources to produce knowledge relevant to their work. This depends on their size, the availability of a knowledge infrastructure and the degree to which they are linked to local, national and international networks of knowledge and information.

They can serve as a resource centre in their specific field of expertise, and can be an important source for the qualitative contextualised knowledge. Working for and with the urban poor, they should be in the best position to systematise and legitimise 'people's knowledge', but of course not all of them are. This again depends on time, interest, demands from their funding agencies and the degree to which an NGO itself is interested in monitoring the impact of its activities. By systematising people's knowledge, NGOs can assess the knowledge assets of the poor, take stock of these assets, and explore the gaps and the ways to strengthen them. Just as the poor develop their knowledge based on practical life experience, NGOs develop relevant, practically oriented knowledge. Similarly, there is a need to systematise and analyse the work and impacts of NGOs, in which frank assessments by target groups and other stakeholders are critical. In order for the urban poor to be able to hold the NGOs accountable, the latter should, as a matter of principle, provide their constituencies with information concerning their objectives and funds (just as local government should).

Textbox 4

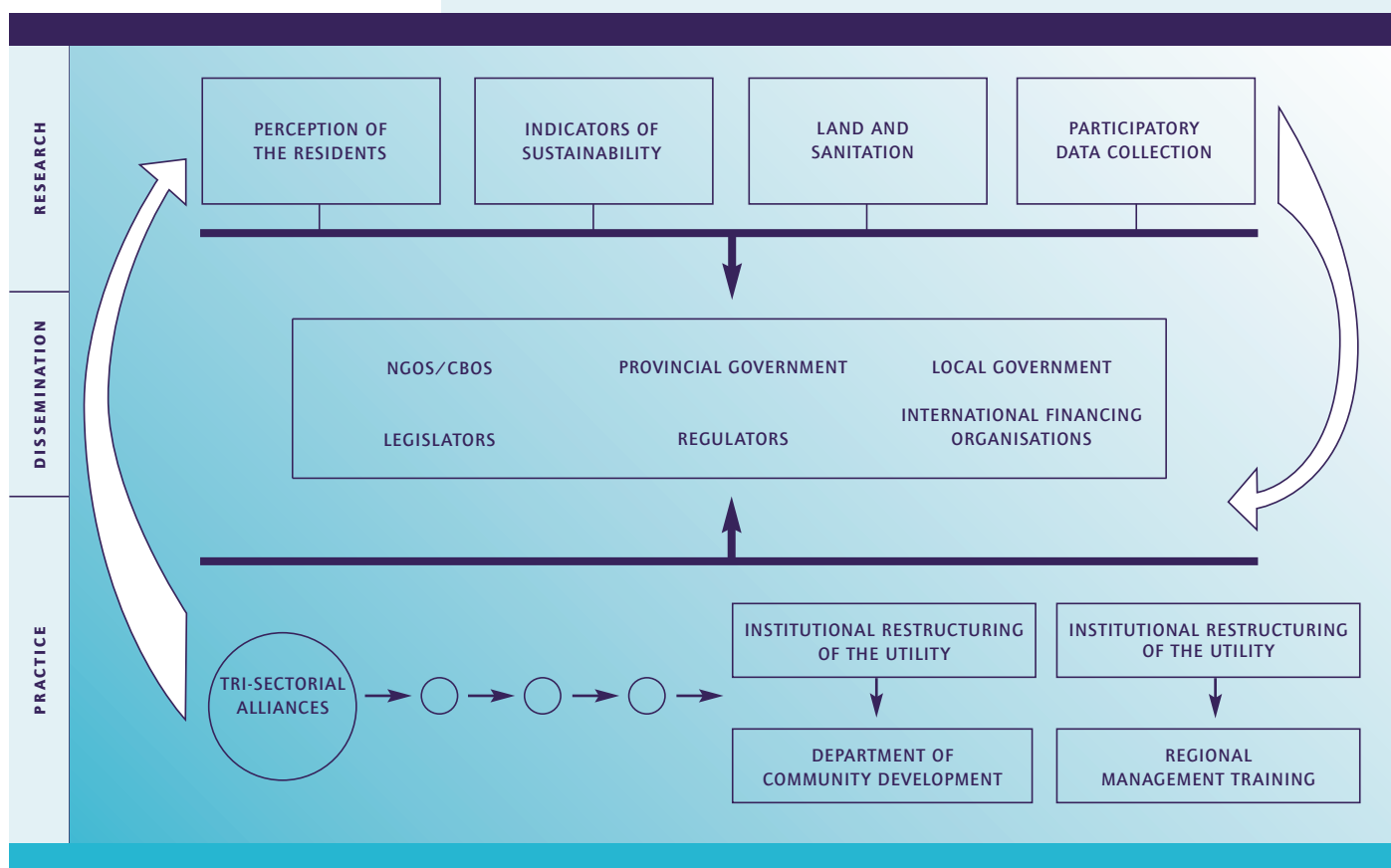
NGO research linking local government and communities

Undertaking research to promote local development can create a certain 'space' where research results can be put into dialogue with practitioners and urban managers. This dialogue has to be a continuous and interactive process. The contribution of research to poverty reduction and improving local governance is exemplified by the contribution of the NGO IIED-AL in the issue of sanitation in low-income areas in Buenos Aires. IIED-AL has been participating in projects to improve basic sanitation since 1990, especially by fostering management associations consisting of low-income organisations, local governments and the privatised water company. The participation of IIED-AL includes direct action in the neighbourhoods, training for communities, government and companies, and advocacy. Steps in the process have included:

- A first tri-sectoral partnership (community, local government, private utility) was established on the initiative of IIED-AL. The NGO played the role of catalyst. It was the first tri-sectoral alliance formed in Argentina. The alliance is not a goal in itself, but a strategy to facilitate the inclusion of the informal settlements, and to give them a legitimate space within the formal system and legislation.
- Since local government and the private utility saw the use of this tri-sectoral alliance, it was replicated elsewhere.
- IIED-AL thereafter conducted research on different themes: perception of the residents, indicators of sustainability, land tenure and sanitation provision, and a participatory diagnosis. All investigations were participatory. Through the participatory process, IIED-AL involved local communities, local governments and private sector (sanitation).
- The results of the research that was conducted to promote local development needs and to foster the dialogue between users, practitioners and managers were fed back into the organisations, and resulted in changes within the private utility (creating a department of community development and establishing a regional management training).

The practical process, described by the aforementioned components, is in constant exchange with the generation, appropriation and transfer of knowledge.

One impacts the other in a reciprocal relationship so that newly gained information affects practice, and new experiences affect researchers. The NGO finds itself at the centre of this dynamic, transferring and making use of information, and mediating between the two.



The key lessons learned about the role of research are that:

- Research must address the necessities and assets of the excluded sectors including the perceptions of those affected;
- Research must promote the validation and transfer of the knowledge produced towards the community organisations involved, in a way that ensures an open discussion of these themes, before they become local policies that are implemented.
- Research networks must be led by local stakeholders, and the interaction between research, service and management should be consolidated from a pro-poor approach. This is the great challenge of knowledge and its place in service.

Source: Almansi, F. (2002).

A limitation of the knowledge of NGOs can be that it is concentrated on their specific area of intervention and therefore limited in scope, both geographically and thematically. For their role as advocates and mediators, NGOs would benefit from better access to general municipal data at the city level, for example on the use, registration and planning of urban land. Such information could be most helpful for their planning and for dissemination to the wider public and, of course, to the people possibly affected (e.g. evicted) as a result of changes to land-use plans. Thus, NGOs should be stimulated to engage in 'action' research, as some already do, and to share the information they have with other NGOs in their city, which is not something they always do. NGOs also need information on good practices and lessons learnt from other cities and even other countries, for which they would benefit from improved linkages with local, national and international networks. An example of such a network is the Asian Coalition of Housing Rights, an umbrella organisation of Asian NGOs working with the urban poor, which supports individual NGOs to be more effective and links NGOs to donor agencies and governments.

Local governments

Local governments can play a crucial role in addressing urban poverty and inequity. Apart from service delivery and the general promotion of welfare and justice, the role of local government has been characterised as coordinating, steering and integrating activities, interests and processes. To be able to adequately perform these complex tasks, local governments have a wide variety of knowledge needs.

First of all they need good quality, up-to-date demographic, social, economic and environmental data on local conditions and realities that enable the analysis of intra-urban differentials. Like national governments, they need these data to develop their policies, to adequately target specific groups or areas in and around the city, to legitimise their policies, and to monitor and evaluate them. These kinds of data, however, are seldom available. In many cases, national-level data cannot be disaggregated to the local level. As far as local data are available, they often do not cover the complete area under the jurisdiction of the local government, and part of the population might be excluded from the official databases, such as people living in informal settlements or in peri-urban areas. Local governments often have to rely on data collected by other actors in the city, who collect them for their own purposes in their area of interest. The result is a highly fragmented and dispersed set of local-level data. Yet, with the increasing emphasis on good governance, transparency and accountability, local governments increasingly need the skills required to gather and process data and to communicate these to the very different constituencies.

The role of local government has also been described as coordinating and mediating between the competing interests of different actors in the city. Local governments therefore need contextualised, qualitative knowledge about the interplay of interests and power structures within their city and on peri-urban linkages. To address the needs and demands of the weaker sectors of society, local governments need not only the disaggregated socio-economic quantitative data, but also knowledge about how the urban poor in the specific context of their city try to cope and secure their livelihoods. They need insights into the opportunities of and the constraints on the low-income groups, and what possible solutions people themselves propose. So-called local or

people's knowledge is a very relevant source of information for local governments and is crucial to any participatory intervention. Most importantly, they need knowledge resources to which they can turn during the governance process – namely the outcomes of research that is an integral part of the policy process to serve policy formulation – or ex post, to serve evaluation (Cairo Expert Group Meeting, 2002).

Textbox 5

The role of research in innovative urban management in Santo André, Brazil

Shortly after assuming power, the Workers Party in Santo André realised that it was faced by a complex challenge: to build sustainable livelihoods for their citizens in the midst of a scenario characterised by an intense macro-economic adjustment, which created unusually high unemployment figures in the older industrialised areas of São Paulo. To make matters even worse, the federal government was increasingly reducing its traditional role as financial agent in the housing and urban development sector. Finance for housing and urban development was increasingly left to the local stakeholders.

Convinced that poverty alleviation should also be a preoccupation at the city level, in 1997 the administration elaborated the Integrated Program Aimed at Social Inclusion. The concept behind its elaboration was in line with the new scenario: social inclusion policies were to replace mere physical slum-upgrading programmes. An ambitious programme that combined slum-upgrading, minimum-income schedules linked to school attendance of children, micro credit, alternative capacity-building for the informal sector, business incubators, and programmes linked to social assistance, were targeted at a large pilot area of four slums, comprising approximately 4000 families (representing around 20% of the city's total slum population). Local government financed about half of the programme's budget, while the rest was raised from a mix of national and international donors, such as the European Community, the federal government and the Inter-American Development Bank. The programme involved numerous partners, such as the Urban Management Program, local NGOs and the University of São Paulo. Some of these partners have been actively involved in the generation of knowledge and indicators, monitoring and systematisation of the experience.

Measurement of social inclusion and local observatory for social inclusion.

Researchers played a specific role in developing a map with indicators of social inclusion and exclusion at the city level. For each region, a relative indicator was elaborated, based on specific variables. This methodology tried to allow for the multidimensional character of social inclusion – going more in depth, therefore, than the usual approaches focused on urban poverty. To be able to do so there was a continuous interaction between local government officials and the researchers. It required a serious effort on the part of the researchers to understand the needs of local government, in terms of what were considered the relevant themes, and to understand the dynamics of local governance and the need for relatively quick results

that could be translated into concrete actions. This was achieved through establishing genuine partnerships with the research institutions and through inviting them to be an actor in the urban governance process instead of outside consultants.

On the basis of the research results (the map of social inclusion and exclusion), the implementation of the programme will be improved. It will allow a better correlation between urban indicators and municipal policies. The map will be dynamic and adjusted over time. Secondly, the understanding of the correlation between several territorial scales at the micro and macro levels (i.e. neighbourhoods, intra-city regions and the overall city) will be improved. Finally, the community will be involved in the elaboration of indicators. This will allow for a rich set of quantitative and qualitative indicators and subjective evaluations.

Source: Klink (2002)

Last but not least, local governments can benefit from the knowledge and exchange of good practices and innovative approaches in other cities on issues of local governance and successful pro-poor policies, and from the knowledge and exchange of technical expertise in order to improve their sectoral policies. It is also important to note that knowledge production as a joint process between the different actors not only serves the knowledge needs, but can also foster a process of overcoming mistrust and strengthening the formation of cooperative relations.

Providers of basic urban services

The providers of basic urban services range from public utilities, through large and medium enterprises to small-scale enterprises. Their direct knowledge needs are the demographic and socio-economic data that inform them of the demand side of the services they provide, technical data such as data on existing infrastructure, data of land registers, etc. and adequate knowledge about regulations and institutional frameworks. Another knowledge need is related to the technical knowledge and skills required to improve service delivery and management. For many large-scale enterprises, access to knowledge is not a problem: they can afford to produce the local knowledge they need and can access wider knowledge networks. The quality of knowledge the public utilities possess is often as limited as the data and knowledge locally available at local governments and NGOs. For small-scale enterprises, access to knowledge is often very limited if not absent: they have to function with the information and insights they obtain through their own formal and informal local networks. It holds for all three types of service providers that their functioning could be improved through better communication links with both local government and local communities. Private enterprises not only have knowledge and information needs, but are also a source of information for others. Although providing information can be of strategic importance in establishing links with clients, the factual information provision has several weaknesses, especially in that it does not pay specific attention to the needs of the poor.

National government institutions

National government organisations are supposed to set the regular and institutional frameworks that enable local governments to fulfil their role, and to formulate the overarching sectoral policies and programmes for economic, social and political development. Especially at the national level, policymaking is often seen as consisting of a series of steps that flow in a logical sequence, namely identification, formulation, implementation and evaluation. These more top-down-oriented models of policymaking place a strong emphasis on technical expertise and the production of generalised, universal statements (McGee & Brock, 2001:3). For their policy formulation, national governments need sound, up-to-date demographic and socio-economic data that allow monitoring and evaluation over a longer period of time. The need for this specific form of knowledge implies that complex phenomena have to be reduced to measurable variables that allow comparisons between different localities and different moments in time (Schilderman, 2002). It also implies a clear-cut division of tasks between the producer of the knowledge (the researcher) and the user of the knowledge (the policymaker). The researcher has to provide the objective, and thus neutral data and the policymaker has to interpret and use these data. In the evaluation phase, the researcher can then measure objectively whether the policy objectives have been met (Max Lock Centre, 2001).

National governments thus need quantitative data aggregated at the national and regional level. These data can be used to formulate policies that target specific groups or sectors, or to underpin and legitimise policies. The same sets of data – which are usually gathered by national statistical offices – are also used to feed the databases of international organisations for their worldwide comparisons and the monitoring of global changes. National governments are often less interested in what has been broadly described as 'local people's knowledge'. Grassroots experiences and evidence is routinely excluded from policy processes because it cannot be generalised or used to form the basis for extrapolation. And although national governments in general have the best access to the available socio-economic data (if they exist at all), these data are often outdated.

Textbox 6

Bridging the research/policy divide: the experience of the Economic Research Forum for the Arab countries, Iran and Turkey (ERF)

ERF is a unique regional networking organisation. It brings together economists and related social scientists to collaborate in research and dissemination. It is independent and non-profit-making, and its mission is to inform the policy community on issues directly related to sustainable development, and to provide a knowledge database.

ERF tailors its research agenda according to policy relevance. In response to the complexity of the development process, ERF's agenda has gradually succeeded in shifting from the atomistic approach of dealing with specific research topics and projects towards a more integrated, multidisciplinary and pragmatic approach. Themes highlighted include governance processes, aspects and determinants of poverty, and the role of small-scale enterprises in development.

ERF deploys several specific strategies to address the research/policy divide. First of all, it invites senior policymakers to be part of the network as ERF Senior Associates. Research findings and policy recommendations are effectively communicated to the Senior Associates, who in turn can disseminate these findings among policymakers.

Similarly, ERF fosters relations with national statistical offices. ERF conducted a workshop on 'Poverty Alleviation and Human Resource Development: Methodological Techniques and the Use of Household Surveys'. The objective of the workshop was not only to teach techniques, but also to demonstrate the use of micro data in policy analysis and, specifically, to engage the producers of data from the region in a discussion on the use of micro-level data. With a heterogeneous group of course participants (functionaries from national statistical offices, local policymakers, students, NGOs), the capacity-building was not limited to teaching new techniques, but also sensitised the participants to the differentiated information needs of the participants.

Source: Handoussa, H. 'Bridging the Research/Policy Divide: The experience of the E.R.F. Network'. Paper presented at the UTI-RAWOO Expert Group Meeting 'The Role of Research in Policy and Practice at the Interface of Urban Poverty, Civil Society Organisations and Local Governance', 22-24 April 2002, Cairo.

Donor agencies

In relation to urban poverty and governance, the knowledge needs of donors would normally be rather similar to those of national governments, namely gross data on poverty trends, overall bottlenecks in finance and administration, and key areas for intervention. However, over time and with the increased acceptance that urban development and poverty reduction are very complex matters and involve numerous stakeholders, the knowledge needs of donors have grown accordingly. It is no longer enough for the World Bank to focus in a top-down way on urban efficiency and infrastructure: the role of urban institutions, NGOs and the scope for empowerment should be taken into account. This situation has been further exacerbated by the increasing emphasis on good governance, which brought to the fore difficult and sensitive governance risks like corruption, electoral fraud and human rights abuses. Indeed, for donors to be able to effectively support the formulation and implementation of programmes, institutional assessments are needed, including a probing of informal mechanisms and strategies, dimensions of power and inequality, and the role of elites, governments and politicians. It is no longer enough for donors to simply invest in development and hope for the best. There is now a clear awareness of what can go wrong in terms of wastage, institutional malfunctioning and elite capture, and there is also donor consensus on the need to measure what has been achieved. All this has major implications for research and knowledge. Research should take into account local or national conflicts of interests, politics, and policy risk as seen from the point of view of the poor. Last but not least, donors need precise information on the performance of their current programmes, such as PRSPs, SWAps and SAPs, and their implications for cities and the urban poor.

5.2 *Review of past and current research*

Urban research since the 1960s: a rough sketch

After the mostly demographic and urban growth studies of the 1960s, the best known of the first cases of specific research on the urban poor is the work of Oscar Lewis, who carried out anthropological fieldwork in cities in Mexico and Porto Rico. His work and his concept of 'the culture of poverty' strongly influenced academics and policymakers alike, while inviting criticism for his overly cultural and psychological explanations of poverty.

In the 1970s, the emphasis shifted to external causes of poverty, such as the failure of economic growth to trickle down, and an emphasis on the social, economic and political determinants of marginalisation. Coinciding with the basic needs paradigm, there was increased attention for survival strategies, the role of social, economic and political networks, and the informal sector. An important milestone was the work of John Turner, who recognised the importance of self-help approaches in basic services and housing; his debates with Rod Burgess (who took an opposing, critical and neo-Marxist position) influenced many both within and outside academia. Turner's recognition that slums were not a problem but the solution to the lack of low-income housing influenced ESAs, who supported slum-upgrading and sites-and-services programmes in many cities. This in turn led to numerous studies on land, housing and slum improvement policies and projects, and formed the start of research into community participation programmes, as these led logically from the demands of self-help infrastructure provision for larger groups.

The 1980s brought increasing, but passing attention to urban social movements, and, more durably, to urban women, their conditions and roles, as well as intra-household inequalities. Finally, in the wake of SAPs that were implemented in many countries, studies were carried out into their impacts on cities and their urban poor.

In fact, all the above issues and perspectives have proven important and remain relevant topics of inquiry, but hardly any attention was paid to such issues as local economic development, city management, the urban environment and national urban strategies. However, in the early 1990s multilateral and bilateral donor agencies started to attach specific importance to cities and their poor (The Netherlands obtained its first urban programme in 1990). Many of these agencies published policy documents or white papers based on research. For example, in 1991 the World Bank published its Urban Policy and Economic Development Paper, outlining a new agenda for the 1990s, based on greater efficiency and related issues of productivity, poverty reduction and the environment. UNDP and UNCHS also published urban policy papers in this period. Especially the UNCHS landmark 1996 Global Report on Human Settlements brought together a wealth of knowledge and information about virtually every aspect of cities worldwide. Important, too, was *Voices of the Poor: Can Anyone Hear Us?* (D. Narayan (ed.), 2002) – a comprehensive study on the rural and urban poor. It relates the stories of poor men and women in many countries of the world, illustrating in detail the hardship, problems and misery faced by millions of poor people as well as the contributions they can make to solve these problems.

In terms of research methods, already in the 1970s there had been some application of 'action research', and this grew in importance when donor agencies funded Southern NGOs (rather than universities) to undertake action-oriented studies of direct relevance to women and the poor. A very important recent mix of approaches comprises participatory 'rapid rural appraisals', participatory action research and participatory learning methods, originally developed by Robert Chambers (UNCHS, 1996:324). These are methods to obtain information and to enhance people's active participation in the research and development process. Since the 1980s, such research methods have been applied in urban contexts, for example in the Million Houses Programme in Sri Lanka. Different approaches, strategies and tools are now being applied, for instance participative mapping, collective planning, community surveys, 'transect walks' (e.g. to identify different informal sector activities), the participatory identification of priorities and exchange visits of squatter representatives (ibid., 325ff). In recent years, there has been a steady stream of research and publications on urban poverty and urban governance, as for example those published in various influential journals (e.g. *Environment and Urbanisation* and *Habitat International*). Much urban research work is being carried out in the UK, particularly by researchers working under contract for DFID (Devas, 2001; Mitlin, 2003; IIED, 2000, University of Birmingham).

Urban research in the Netherlands

Urban research performed by Dutch institutions and scholars in developing countries was relatively limited until the early 1970s, largely as a consequence of an overwhelming focus on rural issues in Dutch foreign aid programmes. An example of early and comprehensive research on urbanisation and the urban poor in a developing country is the series of research projects carried out in Karachi (Pakistan) with the support of the Department of Development Sociology at the Vrije Universiteit Amsterdam. This led to the emergence of a generation of urban scholars^{7]} and a strong urban policy research tradition. The involvement of the Vrije Universiteit in research on and development of *Katchi Abadis* (informal settlements) started with the Azam Basti research in 1967 and went through a series of different levels of involvement. It resulted in a string of original research publications for urban policy until 1991, when interest in this area declined (partly because of the political situation in Pakistan at the time, and partly because of a lack of funding). A major benefit of the long-term involvement of the Vrije Universiteit was the ability to carry out longitudinal studies of the development of informal settlements over time^{8]}.

Another example of innovative urban policy support is the involvement of Bouwcentrum International Education (now the Institute for Housing and Urban Development Studies; IHS) in supporting the Integrated Urban Infrastructure Development Programme in Indonesia through research and capacity-building programme support (1977 to 1990^{9]}). Similarly, since 1980, the Geography Department of the University of Utrecht has been

7] Such as Segaar, de Goede, van der Linden, Nientied and Yap. For an overview see, Schoorl, 1983.

8] Jawaid Sultan and Jan van der Linden, 'Squatment upgrading in Karachi – a review of longitudinal research on policy, implementation and impacts', AFU urban research working papers no. 27, Amsterdam 1991.

9] See e.g. Robert van der Hoff and Florian Steinberg (eds.), *Innovative Approaches to Urban Management*, Aldershot, 1992.

involved in action research on slum improvement in El Alto (Bolivia). All the above efforts enjoyed considerable international interest, as at the time they were recognised to be at the forefront of international development thinking on urban issues, and as they were linked to multilateral development support agencies. In fact, much of the work is still quite relevant today, as reflected in urban policy documents produced by several international support agencies, such as the Asian Development Bank, the World Bank, UNDP, UN-Habitat, SDC and GTZ.

For many years, and coinciding with the rise and demise of the Urban Poverty Alleviation Spearhead Programme of the Department for International Cooperation (de Wit, 2001), there was an active community of internationally/development-oriented urban scholars, researchers, PhD students and teachers, with concentrations at the IHS, Vrije Universiteit Amsterdam, University of Amsterdam, the Delft and Eindhoven Universities of Technology, and the Universities of Utrecht, Nijmegen and Leiden. Netherlands-supported urban research in developing countries was influential and internationally recognised. It was supportive to or the basis for developing urban policy and for organisational learning for two reasons, namely all the supporting research work was institutionally housed in a partner institution in the developing country concerned, and there was a strong link between the action research, academic education and professional training (both in the Netherlands and in the recipient country).

Over time, however, and coinciding with reduced DGIS interest in urban issues, there has been a marked decline in the number of urban-oriented scholars and researchers. The good reputation the Netherlands once had in the field has virtually disappeared. This is not to say that urban research no longer takes place, but its volume is certainly at much lower levels in terms of number of scholars involved, research output and the use thereof.

Presently, joint urban research takes place in the context of the Netherlands Research School for Resource Studies for Development (CERES), which has active working programmes on urban/local governance and decentralisation, and the Indo-Dutch Programme on Alternatives in Development (IDPAD), which in its present phase is funding five comprehensive studies on Indian mega-cities. In accordance with its mandate, the Institute of Housing and Urban Development Studies in Rotterdam is almost exclusively involved in education and capacity-building projects related to urban development, management and poverty, even though the institute has recently been reduced in size. The Institute of Social Studies in The Hague also teaches and carries out projects in the field of urban poverty and development. The Faculty of Economics at the Erasmus University Rotterdam has a research agenda on urban management, and Wageningen University has a centre on urban environmental issues (both with IHS). The Amsterdam Institute for Metropolitan and International Developments Studies (AMIDS) at the University of Amsterdam has an urban research agenda in, for example, the field of urban livelihoods and the urban environment. The University of Leiden – Cultural Anthropology and Development Sociology – addresses the social and cultural dimensions of urban development, including urban poverty, social development and cultural symbolism. It primarily focuses on Indonesian and South-East Asian cities. Utrecht University has urban research and project interests mostly in Bolivia and other Latin American countries and in Africa, while some staff work on urban economics.

A recent overview of many urban-oriented scholars and their work is presented in Baud and Post (2001).

On a positive note, the Netherlands government funds some urban research under its broad research programmes. There is the aforementioned IDPAD and the similar SANPAD programme (Dutch-South Africa research partnership), the urban research financed by WOTRO (NWO) and taking place in the context of the CERES , and the Multi-Annual Multidisciplinary Research Programmes (MMRPs; cf. Nair & Menon, 2002).

Apart from the work of Netherlands academics, there is a wealth of knowledge and information resulting from numerous reviews, evaluations and project appraisals carried out for many of the external support agencies. Much of this 'grey material' has been consulted only once for the specific purpose of project extension or approval, and the vast majority of such reports are gathering dust in the archives or shelves of agency offices. Of course, there are obvious limitations to such research consultancy material, and not all of it is useful, immediately relevant or publishable (Stren, 1995:12), but there would be much more scope for analysing such material if and when relevant to specific purposes.

However, by and large, DGIS does not stimulate or fund specific urban research programmes. It can be argued that this has led to reduced opportunities for the Ministry and the implementing embassies to base policy on detailed and well-informed knowledge and information in terms of, for example, lessons to be learnt and areas deserving priority. It has also, as indicated, led to the marginalisation of specific Netherlands-supported international urban research, which is not sufficiently supported through interaction with officials or strengthened through actual urban research. Dutch urban expertise in developing countries is declining and unless there is a reversal in the Netherlands government *and* global interest in urban issues, this capacity may disappear entirely. This would be both unfortunate and harmful in view of the expected increase in global urbanisation and in the number of urban poor, which will certainly create a need for expertise in the broad field of sustainable urban development.

Urban research in the South

Though often woefully underfunded, Southern academic institutions have a key role in developing the professional and technical capacity needed to improve local governance and urban development. They can play an important role in the collection of both quantitative and qualitative data at the local level, and in local knowledge generation and transfer that can influence local governance and urban development policy. They often form a good source of specialised knowledge at the local, the regional and sometimes even the national level. Relations with national and local governments and/or local communities can be good or poor, largely depending on whether the research and teaching culture at the university actively fosters involvement in local development issues. Where this is the case, universities can play a role in supporting urban communities and/or local governments (Cairo Expert Group Meeting, 2002).

For these local leaders in knowledge production and capacity-building of the next generation of urban professionals, there is a clear need for universities and research institutes to be able to access the knowledge being generated in other developing

countries and in developed countries. The possibility of knowledge exchange and networking nationally and internationally is of critical importance to improve both teaching and training capacities, as well as to function as a local resource centre. Active networking and a positive involvement in pro-poor urban development may be tied to getting access to outside sources of funding.

5.3 Constraints on the contribution of research to urban poverty alleviation

While there is broad agreement that knowledge production through research can play a critical role in urban poverty reduction and in improving urban governance, numerous factors prevent research from being as effective as it could be. Some of these factors are:

1. Communication. Very often research results do not reach local policymakers, but remain within the research groups (universities and/or NGOs) and the funding agency of the research, which can be a function of ignorance about existing research (Sutrisno, 2002). In addition, research outcomes are often not effectively communicated to policymakers, which may also be due to the fact that many research projects are designed without taking into consideration how research results can be made useful to others. Far too often researchers do not understand policy requirements, and thus their research remains irrelevant to policymakers. First, many research agendas are set at the national or even international level, so that the research and knowledge demands of local actors are not reflected in this agenda. Furthermore, the data collected for national or international purposes are irrelevant at the local level. Translating data to the local level is no solution. National aggregates are often based on generalisations, or the kind of data collected do not match the specific needs at local or even micro level (Cairo Expert Group Meeting, 2002).
2. If knowledge and research results do reach policymakers, there is no guarantee that they will be used. Many organisations – and this includes donor agencies, local governments and NGOs alike – are not quite willing to face the facts, namely the unpleasant or critical views on their performance contained in reviews, assessments and articles. There are several reasons for this, one of which is related to the structure and culture of organisations: the information that is received may never reach higher decision-making levels (the relevant minister, director or mayor) due to organisational compartmentalisation. There may also be reluctance on the part of people working in the field or with sensitive information to inform their superiors, as it may be seen as a motion of disapproval, especially in organisations with strong hierarchies and an autocratic leadership. Many organisations are rather set in their ways and may be convinced that they are doing the right thing. They thus reject any criticism as an attack or insult, or shrug off the issue as an irrelevant exception.

All this is linked to the growing recognition that we need 'learning organisations', namely organisations that are open to the outside world, open to comments and criticism, and ready to adjust in the light of clear evidence (Engel & Carlsson,

2002). There are strong links to participation here: staff who learn about problems by listening to slum dwellers should be able to transfer such information to appropriate decision-making levels in order to redress these problems. In other words, people at decision-making levels should be ready to listen and to learn. This may require changes in the organisational culture: allowing staff to be participatory and rewarding them for doing so; taking time to listen to the poor and to be with communities; adopting organisation-wide knowledge dissemination procedures to circulate relevant information so that it can immediately be acted upon; and focusing on processes rather than on products and targets (Thomson, 1998). Participation and the need for a listening and learning attitude does not stop at the door of the municipality, NGO or ministry, but involves all those who work on the other side of the door.

3. Apart from the problems related to agenda-setting and the accessibility and applicability of results, there is a set of problems related to cultural values regarding research. Research is often not sufficiently valued as an instrument in development, either by local government officials or by the urban poor. It is difficult to persuade government officials of the importance of research. As a consequence, policymaking is often based on assumptions or opinions rather than on facts (Sutrisno, 2002). A recent evaluation by the British Directorate for International Development (DFID) concluded that the very limited dissemination of research results in poor communities should be attributed not only to inappropriate information or to the limited access to information by the urban poor, but also to the use of linear communication models which rely heavily on intermediaries (Schilderman, 2002). Communication tended to be top-down, developed and controlled by experts, focused on a single issue, and message or product driven. In more recent participatory approaches it is accepted that actors, previously considered only as 'target groups', have knowledge and ideas of their own, and that communication is a two-way process and can be a powerful tool for self-expression, analysis and empowerment. In addition, there is a need for ex ante and ex post research that informs policymakers for their policy formulation and evaluation. Research that forms an integral part of urban governance processes is urgently needed. Research then becomes an interactive process of continuous dialogue between researchers, communities and policymakers (Cairo Expert Group Meeting, 2002).
4. Researchers are often insensitive to the policy and political cycles of local governments and the need for direct and concrete outcomes. Policymakers and the poor want concrete, visible results within a specific timeframe, and if researchers cannot meet that demand, these stakeholders will lose interest in the research outcomes (Cairo Expert Meeting, 2002). In turn, governments give priority to the research that they have commissioned. They most often use consultants, neglecting other sources of knowledge, such as 'people's knowledge'.
5. Much information in the public domain has been developed and organised on a sectoral basis. Whereas this might be sufficient to satisfy information needs, it is evident that the complex tasks local governments have to fulfil nowadays require a more holistic understanding of the interrelations between different sectors,

actors and policies. And if urban poverty is understood as a matter of multiple deprivations, the urban poor need more than isolated sectoral information to improve their livelihoods (Schilderman, 2002:8; Maxwell, 2003:18).

6. In terms of empowerment, the urban poor, NGOs and even local governments face problems in establishing the scientific validity of practice-based knowledge generation. 'People's knowledge' is often considered 'soft' knowledge vis-à-vis the 'hard' knowledge of science. Whereas policymakers can be dismissive about research and its usefulness, and require improved capacity to recognise and use research results, researchers can be equally dismissive about the practice-based local knowledge. The validity of the different forms of knowledge is then contested. There is a wide gap between those who consider themselves as 'those who know' (academics) and 'those who do' (local government officials, development practitioners, urban poor), and there is a frequent unwillingness on both sides to work with the other side.
7. Urban governance and urban management are inherently conflictive processes. Research may – or even should – unveil conflicting interests that have to be dealt with in the urban management process. If information and knowledge are made accessible to new, possible users of this information and knowledge, vested interests might become contested interests. This might make different actors reluctant to share existing information or to participate in a process of knowledge production; they prefer their interest to remain disguised. However, research can also explicitly be used as a tool to identify conflicts in urban governance. Once these conflicts have been made explicit through research, they have to be dealt with in the negotiations between actors (Cairo Expert Group Meeting, 2002). However, it may happen (as in the case of investigative journalism, and perhaps especially when the stakes are high and vested interests feel threatened) that a researcher faces opposition when proposing to study sensitive issues, or is discouraged or even threatened. It might also be difficult or even impossible to get the research results published. In such cases, a researcher should be able to receive protection and/or be able to obtain impartial support.
8. A major reason for the limited use of research in urban governance practice is that knowledge has the tendency to remain where it is produced; in other words, if knowledge is produced solely by researchers, and the other stakeholders are taken only as 'resource persons', there is a high chance that their findings will remain in the form of unread reports sitting on a desk in a local government office. The often-preached 'wide dissemination of research results' is not enough. There is a strong need not only for a joint agenda-setting to ensure that local demands are targeted, but also for joint research practice, in which urban poor and/or local government officials act as the co-producers of knowledge (Cairo Expert Group Meeting, 2002). Lots of research material and consultancy materials relevant to broader audiences and/or the public might be used only once by an agency, and is then allowed to gather dust.

9. The implementation of an interactive research agenda as advocated here is seriously impeded by a lack, if not the almost total absence of financial resources. There are very unequal patterns in expenditures on knowledge production systems in the North and the South (Baud, 2002). In addition, the few resources that are available for research in Southern countries are often under national government control, and in most cases it is the national government that is negotiating for internationally funded research projects. Most local governments in developing countries have virtually no money to spend on research tailored to their local needs.

10. RAWOO strongly believes that research issues should be formulated in the South and that the research should be carried out by Southern (if possible, local) researchers. Local researchers have a critical role to play, as they are 'standing at the intersection of advanced technology and specific local situations' (Stren, 1995:16). They are uniquely able to apply the newest and most powerful ideas and concepts, and to protect what is of value locally (ibid.). However, Southern researchers, research institutes and universities, and particularly those in Africa, face serious capacity problems. In Africa, research institutes have undergone a systematic decline over the past decade or so, in terms of the number of researchers, facilities, productivity and quality. There has been a mass exodus of experienced teachers and researchers and a loss of commitment to those who have remained, and whole facilities – including books – are woefully inadequate (Mabogunje, in Stren, 1995:36). Obviously, in a context of serious fiscal problems, research institutes were seen as a low priority, and this has had serious implications, including for example a lack of robust national information often including census data. There is a strong case, then, for donor agencies to invest in the capacity-building of Southern research institutes, and especially to support networks of local researchers. This should be central also to urban poverty and governance research: a core of trained and committed activists and scholars who can mediate in the knowledge needs of both citizens and governments should be created and maintained.

6 *The contribution of research and knowledge to urban poverty reduction: Recommendations*

6.1 *The role of research in a new policy context*

Most empirical research on urban issues in developing countries has tended to focus either on urban management (including e.g. service delivery) or on the survival strategies of poor households and communities. With some exceptions, studies on urban management have generally been based on a technocratic, mostly top-down model with an emphasis on performance, efficiency and enabling strategies. Research projects in this tradition often focus on specific sectors relevant to urban management, such as the functioning of land markets, financial markets, service delivery, housing, transport or environmental problems. Moreover, such projects limit the role of research to providing information to substantiate policy decisions. Especially when this research stems from donor agencies it tends to be prescriptive and normative, concentrating more on what ought to happen than on what actually happens. Studies on low-income households and communities are stronger on the analysis of what actually happens at the level of the urban poor, but are often weaker in practical policy implications.

These two foci are more or less synonymous with two distinctive approaches that have emerged in the field of urban policy: a more or less top-down urban management model that focuses on sectors and service delivery, and a bottom-up community model that focuses on household needs, problems of access and the participation of the poor. So far insufficient attention has been paid to the middle ground between these two approaches, leading to neglect of the interactions between the various actors and interests involved in the urban arena (Devas 1999). These interactions and interests often determine what the urban poor do or do not get access to.

The middle ground between these two approaches is an important area for cooperation between policymakers and researchers. This could lead to a new research agenda that will transcend existing sector-specific perspectives and include questions related to processes and products (i.e. service delivery), as well as choices and interactions, including informal bargaining processes. This new urban agenda must be based on the notion that policy formulation and implementation is not a linear but a fluid, malleable process. Taken together, a number of small acts can set the directions and limits of government policies. Policy-making frequently involves marginal adjustments to existing options.

Interactive research that forms part and parcel of urban governance can do justice to this iterative process of policy-making – iterative between top down and bottom up, and iterative as a learning process. In addition, shifting the focus away from policymakers to a much broader constellation of actors engaged in the process of making and shaping policy brings the dynamics into clearer view (Brock et al. 2001:2).

Urban poverty is a complex of multiple deprivations, and urban governance must take this complexity into account. To adequately cover the urban dynamics, culturally and politically embedded institutional structures and negotiation processes should be included. Moreover, we are faced with a tremendous diversity both among and within cities. Therefore, there are no general recipes for urban poverty reduction. Instead, interventions need to be tailored to the particular local context, recognising the cultural,

social, economic and political processes – informal as well as formal – operating at the local level. There is a clear need for research that actively contributes to this process of urban governance. We elaborate in section 6.3 how this need could be addressed.

6.2 *The role of the Netherlands*

The Netherlands has a solid reputation in sustainable urban development. It has managed to establish adequate rural-urban linkages and good urban planning practices, and its policies for low-income neighbourhoods and urban services (including water, sanitation, urban public transport, housing, etc.) have received international acclaim – as have its consultancy firms and research & training institutions, which have frequently joined hands. The country's municipalities, knowledge institutions and consultants are actively involved in both international and localised research work and policy dialogue. There is an increasing demand from professional institutes and municipal and national agencies in developing countries for urban development programmes, for support in enhancing capacity, and for assistance related to urban poverty alleviation and service delivery programmes. However, although the demand is increasing, the supply of both specific programmes and existing expertise is stable or even decreasing.

Because both urbanisation and the number of urban poor are increasing at a rapid pace, it is imperative that the Dutch government pay explicit attention to urban poverty and urban governance issues, with a view to initiating new activities and better coordinating existing activities. As a small and relatively independent donor, the Netherlands could play a crucial role in reviving and increasing interest in the urban agenda, and could position itself strategically in the discussions and policies that are certain to come. This would mean responding positively to the emerging demand for international cooperation in the fight against urban poverty, as well as mobilising the capacity and expertise present within and outside the Dutch government.

Therefore the Council's overarching recommendation is:

- **The Netherlands government should pay explicit attention in its development cooperation policy to sustainable urban development, including urban poverty reduction and improved urban governance.**

The Minister for Development Cooperation should make specific provisions to better initiate and better monitor urban programmes. This would require the establishment of a task force within the Ministry to undertake the necessary activities and to attune the complementary skills with the contributions of other actors, including the research community, in both the Netherlands and the partner countries. Such focused urban attention should be based on solid urban research, as elaborated below.

In this context the Council recommends that:

- **Both research and the application of knowledge in urban poverty reduction should be enhanced.**

More specifically:

- **All public and private actors in the Netherlands involved in the production and application of research in the field of urban poverty and governance should take action to individually and collectively promote or carry out more research on the extent and nature of urban poverty worldwide and on the modalities to reduce it.**

The Minister for Development Cooperation has a special responsibility to stimulate urban poverty research and to facilitate partnerships between knowledge institutions in both the North and the South, and other national and local stakeholders. It is crucial that the Netherlands embassies be actively involved in creating and monitoring such partnerships.

6.3 Towards an agenda for urban poverty research

One of the barriers to the uptake of research in poverty reduction strategies is that the research agenda is mostly set by external agents (including national governments and/or donors) instead of by local actors. Local stakeholders are calling for a new research agenda which is developed with them and adequately reflects their problems and knowledge needs. Such knowledge needs may relate to specific themes or to locally relevant levels of scale, timeframe and/or the purpose of planned interventions.

For uptake of research in urban governance, research priorities must be locally developed through a participatory process with the different stakeholders. This report therefore prefers not to indicate sector-specific issues but to make general recommendations concerning the promotion of a demand-driven research agenda.

This does not mean that research focusing on sector-specific issues has become irrelevant. There still is a need for research on specific issues such as local economic development, gender, land tenure, land value, housing, basic services (e.g. water, sanitation, health, education) and environmental issues. Certain developments and issues, especially at the macro level, need research even if this is not suggested by or perceived as a priority at local levels. This could include such issues as corruption, misrepresentation or electoral fraud, as well as, for example, gender, local economic development (including the role of the informal sector) and fiscal issues (including intergovernmental transfers and the impact of tax systems on equity). There is also a need for evaluation studies that critically assess the impacts of the urban poverty reduction programmes carried out by governments, donors and NGOs. In this, the poor should take the lead. In addition, research is needed on the implications and impacts of PRSPs, Millennium Development Goals and SWAp vis-à-vis cities and their urban poor.

The overarching need is for research that informs the various stakeholders in the governance process and sheds light on the interdependence between these distinct issues. It is up to these local actors to determine which issues should have priority in their locality and how these issues should be addressed. An effort to jointly set the research agenda implies paying specific attention to involving, right from the start, local

stakeholders, including communities, local government officials, NGOs, CBOs and private sector agencies.

Our analysis revealed several constraints which should be considered when identifying local needs and setting the agenda. One is that local stakeholders often do not consider research to be useful, sometimes because of earlier disappointments related to the applicability of research. Another constraint is local communities' lack of access to adequate and reliable information and statistical data during their negotiations with authorities and service delivery agencies. Some of the examples in our report show that enabling local actors to initiate the agenda-setting process leads not only to an agenda tailored to local problems, but also to a direct product orientation, a sense of ownership, and commitment during the subsequent process of research and uptake in policy and practice.

- **The urban poverty research agenda should be developed by government agencies and non-governmental local actors through interactive and participatory processes, thus ensuring that it adequately reflects their different knowledge needs.**

These needs refer not only to specific themes relevant to their locality, but also to locally relevant levels of scale, timeframe, purpose of the knowledge production and research process. This research should be carried out in the majority of cities in a country, as there is often a lack systematic local-level data (comparable between cities) needed for contextualised intervention programmes.

- **All research should take the position and prospects of poor women explicitly into account.**

In view of the rapid feminisation of urban poverty and the suffering of many poor urban women, the urgency of their problems must be inculcated into local and national authorities; also solid data are needed to form the basis for urgent and appropriate policy. As male researchers are less able to work with women or might neglect women's issues as a relevant field of inquiry, it is crucial to increase the number of female researchers and networks of female researchers in the South.

- **In the programming of urban research, financial resources should be earmarked for data collection at the local level for local governance purposes.**

Statistical data need to be complemented with qualitative micro-level studies to enable the understanding of micro processes of decision-making, interests and power structures. National aggregate statistical data should be made accessible to actors at the local level.

6.4 *Fostering the participation of the poor*

One of the prerequisites for sustainable poverty alleviation and service delivery is the participation of the poor in urban governance and related research such that they find their perspective clearly voiced in the process. Too often the urban poor are taken as 'resource persons', whereby at best their needs and perceptions are collected. In order to be able to help themselves, the poor must be given access to existing knowledge, their

own knowledge must be systematised and legitimised, and their own capacities to produce, own and leverage knowledge relevant to the improvement of the own situation must be strengthened. The urban poor will participate in setting the agenda and in the desired knowledge production processes only if these satisfy their knowledge needs.

Making existing information and research results available to the urban poor requires the use of dissemination strategies that take the characteristics of poor communities into account. The urban poor depend to a great extent on word-of-mouth communication, for which they draw on their social networks. A one-way communication strategy appears to be less effective than an interactive approach. This once again underlines the need to communicate through sources other than written ones and to regard the urban poor as co-producers of knowledge. Researchers can play a key role in consolidating newly emerging, community-owned forms of knowledge production, in gathering, systematising and validating existing local knowledge, and – where necessary – in translating this into a commonly shared language.

The knowledge required to improve the living conditions of poor residential areas is not restricted to local knowledge. It can be of great importance for the urban poor to get access to information and research outcomes to which their government/donors refer to in their efforts to legitimise policy choices. It is equally important for them to have access to knowledge networks in which these policy choices are contested. Only by having access to both sets of research outcomes can the urban poor contest the information in the government and donor documents that affect their lives.

- **Knowledge production through interaction between researchers, local communities and policymakers should be stimulated as an integral part of the urban governance process and urban poverty alleviation efforts.**
This implies that the policy and planning process should include such interaction on a regular basis, which itself is an issue that needs the support of external support agencies. The nature and extent of interaction could be criteria applied by such donor agencies as DGIS in their regular monitoring and evaluation of the quality of their intervention strategies.

We conclude, with Devas (1999), that very few studies have revealed how formal and informal processes interact with each other in the urban arena, and how these interactions determine what happens in cities. Why is it that some local governments adopt inclusive policies, and others do not? Why is it that some local governments are successful in addressing the needs of the poor in their cities, and others are not? What are the common features of more responsive, equitable and effective local government arrangements? How do urban governance institutions seek to distribute the benefits of economic growth, how does this work in practice and who benefits from these processes of distribution? How can and do the poor influence the agenda of the institutions of city governance in their interests?

The above-mentioned questions require an understanding of the roles of all actors and interests involved, of the context and constraints in which they operate (including their sources of power, authority or legitimacy), and of the relationships and processes of decision-making (including, of course, who benefits from the outcomes and who does

not). This requires locally specific efforts and national, regional and international cooperation.

- **Knowledge that reflects the interests of the urban poor should be valued at least as highly as other forms of knowledge and information – even if this has political implications and leads to power struggles.**

The relevance of research to the urban development process must be enhanced through research efforts that directly provide guidance for local interventions and lead to improvements in local conditions. This implies that what is needed is not only formal or legally correct information, but also knowledge about actual informal practices which do not conform to legal standards.

Supporting grassroots organisations to develop their own knowledge, as illustrated by the case of the Mumbai Dwellers' Community Surveys (textbox 3), is another strategy where knowledge is deployed in order to empower the poor.

Therefore:

- **Community-based organisations should be supported in building knowledge centres at the neighbourhood level, if they express such a need and have the capacity to establish and sustain such centres.**

This process would be facilitated if such centres were linked to the community development agencies of a municipality, NGOs and/or local donor-supported bodies. At such centres information can be collected and exchanged, also with other centres and institutions. To support the scaling up of knowledge provision, networks of CBOs and NGOs should be supported in exchanges of knowledge and learning between localities both within and between countries; this would strengthen CBOs and NGOs in bargaining processes in their own localities.

6.5 Partnerships and networks

Working in networks and partnerships contributes to the creation of trust and cooperation and is likely to reduce conflict. Working together on the basis of a jointly produced and commonly shared understanding of a certain problem contributes to the building or rebuilding of trust. To frame it in the words of the sustainable livelihoods approach: processes of joint knowledge production can increase the stock of social capital between the different actors.

By participating in knowledge production networks (be it within their own locality or as part of national or international exchange networks), the poor can improve their access to knowledge at wider levels of scale. As communities and CBOs invest in demonstration projects and in scaling up, their learning level can increase rapidly. Sharing learning and knowledge is vital. However, funding for documentation and exchanges that facilitate this sharing is scarce.

Textbox 7

Knowledge Networks: The Cities for Life Forum in Peru

The Cities for Life Forum is a Peruvian network of 28 municipalities, 30 NGOs, 7 universities and various community based and private sector organizations, striving to improve quality of life in Peruvian cities. They do so through joined knowledge production and capacity building in a loose cooperative network of information exchange and mutual learning.

There is a capacity building programme in Urban Environmental Management at 3 of the member universities, carried out in cooperation with the Dutch International Education institutions IHS and ITC. Students are stimulated to do applied, policy relevant research, in coordination with local government and/or local communities. Similarly NGO-members and the university try to address the research needs of the participating municipalities through case studies.

A second branch of knowledge production and capacity building is an exchange of information through seminars, expert group meetings, local fora and through electronic means. Participants in the network constantly share experiences on what works and what does not work in urban environmental management, urban governance and poverty alleviation. They do so to develop local answers to local problems based on local knowledge.

The Cities for Life Forum aims for a better understanding among urban actors: between urban managers and civil society, within civil society, with other actors, between those who cause and those who suffer from problems, those with some control or power and authority and those without, those who direct information and knowledge production and those who can lead the changes in the cities. Following this logic, the professionals – and most participants in the network are professionally involved in urban governance and/or poverty reduction – change their role to facilitate this process of creating a common understanding. They have to spread information and generate, systematize and analyze local experiences, and allow the development of a collective knowledge. Recognizing the intrinsic subjectivity of each of us, even when we investigate, recognizing that we learn especially from our concrete experiences, recognizing that we are social beings and generally our practices are given in a world of social relationship, the learning and generation of knowledge is mainly performed in a process of social interaction and exchange. This kind of work is a long term process that requires patience and perseverance.

Developing knowledge as a shared process of the committed actors in the city, particularly the urban poor, is a way of de-concentrating power. Therewith the self esteem, confidence, voice and negotiation capacities of actors – and especially the urban poor – are strengthened. This might contribute to building up the necessary leadership and to strengthening institutions.

Source: Miranda, L. (2002)

There are ample possibilities to form knowledge networks or research partnership at the city or metropolitan level. City-level teams of municipal authorities, slum dwellers, NGOs and private sector organisations need financial support to learn from the experiences of other cities, and to get more long-lasting support from people who have already gone through similar processes (McCleod 2001). However, there is also a need for other forms of networking and partnerships at higher levels of scale, so that local actors can benefit from experiences and good practices elsewhere. That this is not confined to intercity cooperation is demonstrated by the international exchange visits of Slum Dwellers International, (see textbox 3).

Our analysis revealed that stakeholders appreciate knowledge production in the form of an interactive process that is locally owned. Urban governance, however, is a multi-level effort strongly influenced by what happens at higher levels of scale. Therefore, there are strong reasons to foster knowledge networks beyond the city level, both horizontally (city-city) and vertically (city-state). It is of great importance to constantly validate locally produced knowledge. In order to be able to scale up and replicate, it is of importance to differentiate between the factors that are relevant locally and those that can have relevance elsewhere. Therefore, comparative research is needed to contrast local practices with each other. This can be fostered through horizontal interaction between researchers and other stakeholders from different cities in different regions. Such exchanges facilitate comparative studies that can reveal general trends. They also facilitate the generalisation of local knowledge and make it possible to contrast location-specific knowledge with regional and global thinking. Therefore:

- **In programming urban research, specific attention should be paid to taking stock of comparisons of local practices in different cities, especially those concerning institutional (enabling) arrangements that foster pro-poor and gender-aware urban governance and poverty reduction policy.**
This could take the form of a horizontal exchange between Southern cities. Such an exchange should be based on their requests and interests, involve carefully selected representatives of key stakeholder groups and be followed by the wide dissemination of the findings. In addition, comparative research is needed to compare local practices, both good and bad. This form of research can benefit from interaction between researchers and other stakeholders, both from the North and the South, and from different cities in different regions.

6.6 The researcher and learning organisations

Generally speaking, participation in agenda-setting and the implementation of research is a condition for uptake among donors, governments and local communities. If research and the quest for more effective modes of knowledge production and utilisation are to be an integral part of the urban governance process in the way described above, the researcher must become an actor in a wider, dynamic network, one which is full of checks and balances, and in which he or she is confronted with technical, social and political issues. In addition to fulfilling the traditional role of 'observer', the researcher will increasingly adopt the roles of knowledge mediator, catalyst and resource person for local stakeholders, rather than that of an outside expert. Therefore:

- **New forms of knowledge production should be introduced in tertiary education institutions for the next generation of professionals.**

In addition, local and national refresher training for mid-career professionals should be promoted.

This report makes a strong case for more research into urban development issues. This is based on the implicit assumption that the research results and findings will automatically result in positive outcomes, such as improved projects, empowered people, adjusted and more effective policy, and a better match between people's needs and the provision of services. However, there is one critical and often forgotten step needed to translate research outcomes into effect or impact: the outcomes must be put to use, which is by no means an automatic process. Instead, it is linked to the functioning of organisations, be it a municipal agency, a donor organisation or an NGO. All such organisations have access to general knowledge, and often also to specific knowledge and information in terms of reviews of their policy or projects, evaluations by external experts or indicators of achievements in target areas or with target groups.

What is needed are open learning organisations, in which staff are rewarded for being receptive to robust knowledge and both positive and critical input, and the leadership is ready to act upon lessons learnt and to institutionalise learning frameworks with feedback loops. Creating learning organisations demands enlightened leadership, vision and adjusted incentive systems, leading to organisations being participatory in relation not only to their target groups but also internally. Therefore:

- **Donor and development agencies – multilateral, bilateral and NGOs – must give a good example by applying the lessons they have learnt themselves, as this will encourage the institutions they support to do the same.**

It is one thing for organisations to engage the urban poor in participatory methods, but it is another thing for organisations to be sufficiently flexible to adjust their strategies and policies in view of the available knowledge, especially if it challenges existing policies and practices, and if organisations are reluctant to change. And while there is a welcome shift to impact measurement in donor policies, care needs to be taken to ensure that the wealth of available knowledge is actually applied in institutionalised feedback loops to change policy in what should be learning organisations.

6.7 Institutional strengthening

There is a strong case for donor agencies to address the capacity issues of Southern institutions, including research and governance institutions. North-South research partnerships can help in capacity enhancement and institutional reform. Capacity-enhancement is understood as strengthening both research and professional capacities, and the linkages and interactions between research and governance. In view of the Dutch government's intention to pay more attention to Africa and the fact that urban poverty is increasing most rapidly here, a specific or initial focus on Africa could be well defended.

- **The Netherlands, and the multilateral and NGO agencies it supports, should invest more in strengthening the capacities of knowledge institutions and the institutions which have a role to play in the uptake of research findings for governance purposes in the South.**

This should include equipping researchers with the skills relevant to their new roles related to urban governance in a complex and rapidly changing urban context.

This report has emphasised the knowledge needs of local actors, including the need to understand the negotiation processes over diverging interests. We observed the need for an urban research agenda focusing on urban governance processes. This research agenda would serve not only the governance process as such, but also the international, national and local dialogues on 'what does and what does not work'.

We have highlighted several unanswered questions, such as: 'Why do some local governments embark on pro-poor policies and others do not?' and 'What are the common features of more responsive, equitable and effective local government arrangements?' It is especially in this area that under specific conditions North-South partnerships in knowledge production can be a very fruitful instrument. Such partnerships can help to create space for reflection on local practices and research outcomes in a neutral environment. They can also help to place local practices and knowledge in a wider context. North-South research partnerships can play an important role in capacity-strengthening processes. Such capacity strengthening must be understood as a form of mutual capability enhancement, which should include making Northern partners more responsive to the needs of their Southern colleagues.

To enable a fruitful North-South research partnership in knowledge production, several preconditions have to be fulfilled. Funding arrangements between the North and the South are still very uneven. This applies not only to the smaller sums assigned to Southern researchers. Another decisive feature underlying the inequity is the decision-making on how funds available for research have to be spent. It is common for the partner in the consortium that takes the budget decisions to dominate the process. To ensure that North-South research partnerships function on an equal footing, they require equitable budgets and shared decision-making concerning how the budgets are to be spent. Therefore:

- **North-South research partnerships should be promoted that reflect interactive, mutually beneficial and equitable ways of knowledge production. Special attention should be paid to substantive organisational cooperation and financial arrangements promoting equity in the South.**

Sufficient time and resources should be allocated to enhancing the ability of both Southern and Northern partners to acquire expertise in interactive ways of producing analytical frameworks, collecting data and disseminating results. The experiences available on interactive research programming from sources within and outside RAWOO should be utilised to promote such capacity more widely.

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List of abbreviations

AMIDS	Amsterdam Institute for Metropolitan and International Developments Studies
CBO	Community Based Organisation
CERES	Netherlands Research School for Resource Studies for Development
Cordaid	Catholic Organization for Relief and Development Aid
DFID	UK Department for International Development
DGIS	Directorate General for International Cooperation
ECES	Experimental Center for Recycling and Environmental Development
ERF	Economic Research Forum for the Arab countries, Iran and Turkey
ESA	External Support Agency
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
HIC	Highly Industrialised Countries
HIVOS	Humanist Institute for Cooperation with Developing Countries
ICCO	Interchurch Organisation for Development Co-operation
IDPAD	Indo-Dutch Programme on Alternatives in Development
IHS	Institute for Housing and Urban development Studies
IIED	International Institute for Environment and Development
IIED-AL	International Institute of Environment and Development – Latin America
ILO	International Labour Organisation
ISS	Institute of Social Studies
ITC	International Institute for Geo-Information Science and Earth Observation
LAC	Latin America and Caribbean
MDGs	Millennium Development Goals
MDP	Municipal Development Programme
MMRPs	Multi-Annual Multidisciplinary Research Programmes
NEI	Netherlands Economic Institute
NGO	Non Governmental Organisation
NSDF	National Slum Dwellers' Federation
NWO	Netherlands Organisation for Scientific Research
ODI	Overseas Development Institute
PRSP	Poverty Reduction Strategy Paper
RAWOO	The Netherlands Development Assistance Research Council
SANPAD	Dutch-South Africa Research Partnership
SAP	Structural Adjustment Programme
SDC	Swiss Agency for Development and Cooperation
SDI	Slum Dwellers International
SIDA	Swedish International Development Agency
SNV	Netherlands Development Organisation
SPARC	Society for the Promotion of Area Resource Centres
SWAp	Sector Wide Approach
TUGI	The Urban Governance Initiative
UMP	Urban Management Programme
UMPAP	Urban Management Programme for Asia and the Pacific
UrbAct	International Advisory Services for Urban Action
URBANETH	Netherlands Network for Urban Development

UNCHS	United Nations Commission for Human Settlements
UN-Habitat	United Nations Human Settlements Programme (former UNCHS)
UNDP	United Nations Development Programme
UTI	Urban Training Institute
WOTRO	Netherlands Foundation for the Advancement of Tropical Research
WUOO	Research and University network for Urban Research

The role of RESEARCH in Urban Poverty Alleviation and Improving Urban Governance

Results of the International Expert Group Meeting (22/4-25/4) organized by The Netherlands Development Assistance Research Council, RAWOO and The Urban Training and Studies Institute of Egypt, UTI, Cairo

Draft, 28 April 2002

From 22 until 25 April a small group of experts representing policy makers (national and local), NGOs, researchers and development programs from Asia, Africa, Latin America and the Middle East discussed the need for research in urban poverty alleviation and local urban governance. The aim of the meeting was that professionals from the South would have the opportunity to share their experiences and to discuss options for follow-up in accordance with their needs.

The meeting concluded that RAWOO, in its capacity of advisory council to the Dutch government, should give follow-up to the conclusions and recommendations of the meeting through the Dutch government and, if possible through, the meeting of the Urban Forum.

Textbox

Pro-poor knowledge production and horizontal and vertical linkages; 3 examples

In the federation of community organizations Slum Dwellers International (SDI) the poor themselves collect and process all the relevant information about their settlements. A cohesive data set is being produced and validated by means of community surveys and community mapping. This locally produced knowledge is an important tool in negotiations with the powerful, such as local government. In many cities data on poor communities are unreliable and/or inadequate; nevertheless they are used to legitimize government decisions. Empowered with their own data – reliable and validated – communities claim their rights at the negotiation table and contest 'anti-poor' government decisions.

In Cairo the Experimental Center for Recycling and Environmental Development (ECES) uses participatory research methods to map the reality of Cairo's informal solid waste collectors, the Zabaleen. The functioning of the solid waste collection and recycling in Cairo depends on the Zabaleen, and the Zabaleen depend for their livelihood on solid waste collection. Despite this mutual dependence the Zabaleen communities are constantly under threat of being evicted or losing their livelihood. Pro-poor action research aimed at both data collection (relevant for policy making) and directly enhancing the communities' capacity to survive and improve its living conditions, without losing its key economic role in solid waste management. For the Zabaleen

this research is an important tool against external threats, such imposed by privatization policies.

The municipality of the city of Santo André (Sao Paolo, Brazil) formed a city wide network of many different stakeholders to develop a 'social inclusion map', which includes a set of indicators of social inclusion/exclusion. On the basis of a pilot project, elaborated for 4 slum areas, involving some 20% of the slum population of Santo André (some 16.000 persons) a program of social inclusion was being developed. The programme was implemented through a partnership approach involving 14 different local, national and international stakeholders.

In all three cases the initiators form horizontal partnerships for local knowledge production, and search for vertical partnerships that enable feed back to and empowerment and dissemination of local innovations.

Conclusions

The meeting concluded that the changing context of urban governance – increased incidence of urban poverty and more participatory forms of urban governance involving many stakeholders – implies a profound change in the role of *research*, the role of the *researcher* and the role of the *other stakeholders* involved in the alleviation of poverty and the improvement of urban governance.

Research has a major role to play in the empowerment process of the poor. To be an empowering tool it does not suffice that knowledge is equally accessible for all stakeholders. Knowledge has to be locally produced, transformed and owned. People working at the grass roots level need to be enabled to get access to research outcomes to which (new) government and donor policies often refer. Locally produced knowledge should be compared with knowledge from other localities, and with knowledge about regional and global trends.

Recommendations

Research should be an integral part of the efforts to alleviate urban poverty and improving urban governance. This new form of interactive knowledge production creates a wide variety of owners and users. This implies that:

- Local government, local communities and other stakeholders should be involved in the early stages of research agenda setting.
- A researcher/professional involved in urban poverty alleviation and urban governance must be an actor in a wider and dynamic network, where they have to face criteria that are not only technical and product oriented, but also social, political and process oriented.
- The role of the researcher changes from an outsider and expert into a facilitator of the knowledge production process. The researcher has to act as sensitizer, broker, resource person and 'peer' in the process of shared knowledge production.
- The researcher has a key role to play in consolidating newly emerging, community owned forms of knowledge production; gathering, systematizing and validating existing local knowledge and, where necessary, translate this into a commonly shared language.

We recommend that knowledge production through continuous interaction between researchers, local communities and policy makers is stimulated as an integral part of the urban governance process and urban poverty alleviation efforts. Research results have to be directly followed up by concrete actions that improve quality of life, and should be included in the training and capacity building efforts.

The newly emerging research agenda must transcend existing sectoral perspectives and will have to address newly emerging questions related to 'process/product', 'choice(s)' and 'interaction' in the urban arena. Research is never neutral; it always touches upon power relations. Research must, therefore, unveil conflicting interests and consequences of policy choices. Specific research on how and why decisions are made and governance/institutional analysis will increase our insights on who can take part and who is excluded.

Location specific knowledge production in the context of empowering the poor is in need of mechanisms for feedback and reflection. Therefore we recommend the fostering of city-networks. There is a strong need for horizontal and vertical interaction between researchers and other stakeholders from different cities in different regions. Such an exchange allows comparative studies that can reveal general tendencies. It allows to generalize local knowledge and enables to contrast location specific knowledge with regional and global thinking. Vertical linkages need to be actively promoted to empower and disseminate local innovations.

Specific attention must be paid to the funding of Southern researchers and research networks. Decentralization has created a clear demand for research at the local (government) level. However most local governments are unable to influence the national research agenda and/or lack funds for their own research. In addition to this there still is a severe imbalance between funding available for Northern versus funding available for Southern researchers. This imbalance should be redressed.

Considering the existing shortcomings, there is a clear need for reliable statistical data at the local levels. Statistical data have to be complemented with qualitative micro level studies.

We plea to retain the possibility of direct bilateral research funding. This allows (local) governments to present their own research agendas and complement the conceptual frameworks and methodologies proposed or even imposed by multilateral organizations.

Participants of the Cairo Expert Meeting

Claudio Acioly, jr., UTI/IHS, Brazil.

B.B. Adekoya, Ijebu-Ode Development Board for Urban Poverty Reduction, Nigeria.

Florencia Almansi, IIED-AL, Argentina.

Isa Baud, RAWOO and University of Amsterdam, the Netherlands.

Asef Bayat, American University of Cairo, Cairo, Egypt.

Peter Kofi Dadzie, National Development Planning Commission, Ghana.

Szilard Friczka, UN-Habitat Nairobi, Kenya.

Ahmed Galal, Egyptian Centre for Economic Studies, Cairo, Egypt.

Heba Handoussa, Economic Research Forum, Cairo, Egypt.

Michaela Hordijk, RAWOO, the Netherlands.

Heba El Laithy, Center for Developing Countries Studies, Cairo University, Egypt.

Jeroen Klink, Municipality of Santo André, Brazil.

Ed Maan, RAWOO, the Netherlands.

Mostafa Madbouly, UTI, Cairo, Egypt.

Sohair Mehannes, American University, Cairo, Egypt.

Liliana Miranda Sara, Cities for Life Forum, Peru.

Takawira Mumvuma, Municipal Development Programme, Zimbabwe.

Sheela Patel, SPARC, Bombay, India.

Tarek El-Sheikh, UTI, Cairo, Egypt.

Azza Sirry, UTI, Cairo, Egypt.

Sutrisno, Municipality of Sleman, Indonesia.

Gamal Zekrie, Experimental Center for Recycling and Environmental Development, Cairo, Egypt.

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Colophon

Production

RAWOO secretariat

Language editor

Jeremy Rayner

Graphic design

Heike Slingerland bNO, Vlaardingen

Printer

Albani, The Hague

Publication No. 28

September 2005

ISBN 90-71367-36-3

© 2005

Netherlands Development Assistance Research Council (RAWOO)

*RAWOO
Kortenaerkade 11
PO Box 29777
2502 LT The Hague
The Netherlands*

*Tel. +31 - 70 - 426 03 31
Fax +31 - 70 - 426 03 29
E-mail rawoosec@rawoo.nl
Web address www.rawoo.nl*