Urban Governance, Partnership and Poverty

Theme Paper 20:

Connections between Urban Governance and Poverty: Analysing the Stage 1 City Case Studies

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November 2000

Introduction

This paper explores the inter-connections between urban governance and poverty. It seeks to address the core questions of the Urban Governance, Partnerships and Poverty research:

What are the urban governance issues which influence:
a. the extent to which the poor benefit from city economic growth? and
b. the extent to which the poor are able to influence the agenda of the institutions of city governance?

The paper draws on the material collected in the nine city case studies in Stage 1 of the UGPP research.

The significant issues and factors are grouped under the following broad headings:

1. Civic leadership: the role of the mayor or other civic leaders
2. Representative democracy: the role of elected councillors
3. City government jurisdiction and responsibilities, capacities and resources
4. The attitude of urban government towards poverty and participation
5. Specific policies and practices of city government which promote or impede access by the poor to livelihoods, assets and services
6. Relationships between city government and civil society.

There are many other factors which are critical to the position of the urban poor but which are the subject of other papers in this research. These include the pace and pattern of urban economic growth, changing patterns of employment, livelihood systems and strategies of the poor, the nature of civil society, and the context of national programmes and policies affecting the poor. Thus, for example, rapid national economic growth in Chile, together with the fall in unemployment, has probably been more important than anything done at city level to improve the conditions of the poor. The relatively labour-intensive nature of urban economic growth, and the large number of jobs created, particularly for women, has been significant in our Indian case study cities. The dynamic nature of civil society, and the way that the position of NGOs is enshrined in the constitution, in South Africa and Philippines, has enabled the urban poor in those countries to make claims on public resources. The long-standing tradition of social and welfare expenditure in Sri Lanka, resulting in relatively high HDI levels, provides an important context for anything done at the city level.

Nevertheless, what the institutions of city governance do also has an impact on poverty, whether positively or negatively. By institutions of city governance, we are referring not just to the municipal government, but all the agencies of the state operating in the city, as well as private businesses, NGOs and other elements of civil society.

It is also important to recognise that, however good a city may be at addressing urban poverty, the numbers living in poverty may continue to rise. This is because cities are not isolated from either the national economy or from their rural hinterlands. Thus, poor national economic performance can undermine the efforts of the city to reduce urban poverty. At the same time, prosperity in the city attracts the rural poor to the city, so that the numbers of the poor in the city are constantly augmented.

There are enormous risks in generalising across three continents, based on just nine city cases. Perceptions and priorities vary enormously: for India and much of Sub-Saharan Africa, the dominant issues are acute poverty and lack of basic services while in Johannesburg and Santiago the dominant concerns are inequality and insecurity. Generalisations are also dangerous since, for every example it is possible to produce a counter example. In the end, what happens to the poor in a particular city depends on a complex web of interactions between numerous actors, each pursuing particular interests, within a socio-economic and political context which is peculiar to each city. Nevertheless, there do appear to be a number of factors which are significant across the range of case study cities.

Civic Government: Mayors and Councillors

Before any analysis can be made across the case cities, it is important to acknowledge the significant differences in city government structures. These differences affect the way city governance can be interpreted. The case study cities fall into two main groups, albeit with several variations:

- those with a directly elected, executive mayor, where elected councillors play a secondary role of approval of legislation and scrutiny of the executive: Cebu, Santiago are the two examples

- those with a mayor elected from among the councillors, and with councillors playing an active part in the executive through a committee system: the Indian cases, Colombo, Johannesburg and Mombasa have this model.

In addition, there is the case of Kumasi, in which the mayor (technically called the District Chief Executive) is a central government appointee, and the local elected Assembly has little real power. But the influence of centrally appointed officials is not confined to that case. In Indian cities, a state appointed Municipal Commissioner exercises considerable authority over the mayor and council. This can create considerable tensions with the elected mayor and councillors. In several other case study cities, there is also an uneasy tension between the elected local government and the government appointed District or Provincial Commissioner.

It is not possible to say that one model is superior to the other. Both have their positive and negative features, and the poor have possibilities for both influence and exclusion under each system. The directly elected mayor may be in a better position to produce results – but that depends on a great many other factors, as will be discussed later, and positive results are by no means guaranteed.[1] Because the election of the mayor is city-wide, the candidate needs the votes of the poor who represent a large proportion of the population, perhaps the majority. But this does not guarantee sensitivity to the interests of the poor. By contrast, in those systems where

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[1] Nickson's study of local government in Latin America concluded that while directly elected mayors might be well intentioned and successful in getting things done, including for the poor, more often they depend on non-poor electorates, pursue personal; aims, and take decisions regardless of the longer-term consequences, particularly where they are not able to stand for re-election (Nickson, 1995)

elected councillors have an executive role, our case studies suggest that a system ward-based councillors can provide the urban poor with an avenue for influence – something which is greatly weakened where councillors are limited to a legislative or scrutiny role. However, having ward based councillors by no means guarantees that the voice of the poor will be heard.

What can be said with more certainty is that domination of city government by an centrally appointed official is unlikely to produce outcomes which are beneficial to the urban poor. This is for the simple reason that such a person has little reason to heed the views of the poor. Having said, that, well disposed and effective central or state appointees can exert a positive influence, as has been the case of at least one Municipal Commissioner in Ahmedabad.

In the discussion which follows, the limitations of these different models need to be taken into account. Thus, the following discussion of the role of the mayor does not presume that a directly elected mayor is the ideal model, but rather seeks to identify what are the significant factors which affect whether or not the poor benefit in those systems which have directly elected mayors. Similarly for the discussion about the role of councillors.

1. Civic Leadership: The Role of the Mayor or Other Civic Leader

It is clear that the leadership of city government has a significant impact on how the city runs. This leadership is most commonly in the shape of an elected mayor, whether elected at large or by fellow councillors, but may also come in the form of an appointed chief executive (as in Kumasi) or municipal commissioner (as in many cities in India). In Latin America, and in Philippines, directly elected, executive mayors dominate city government. In other places, the role of mayors is more limited but nevertheless often critical. The impact of the civic leadership on the poor in turn depends on a number of factors, and the more positive features that are present, the more likely it is that the poor will be heard and will benefit.

a) <u>Leadership Qualities</u>: The leadership capacity of the individual mayor (or commissioner, etc.) is important: clearly some have more vision, more integrity and greater capacity to make the system deliver than do others. Mayors often stake their reputation on being able to deliver on particular agendas. Positive examples include Osmena and Garcia in Cebu, both of whom managed to implement a range of significant reforms, and Balala's brief spell as Mayor of Mombasa. A particular Municipal Commissioner in Ahmedabad is quoted as being responsible for turning around the fortunes of the Municipal Corporation. The future of GJMC in Johannesburg depends greatly on both the person who emerges as Mayor and the ANC-appointed Chief Executive. Any individual, of course, works within a system and as part of an organisation, and organisational cultures and systems are hard to change within the short tenure of a mayor. But some manage to do so, others do not.

b) <u>Mayor's Electoral Mandate</u>: Where mayors are directly elected by popular vote, and are available for re-election, it is more likely that they will be responsive to the demands of the poor, who represent a substantial share of the vote across the

city. Cebu is a good example, with both Osmena and Garcia being re-elected with increased majorities. Whilst mayors elected by other councillors may also be responsive to the poor, their executive powers are limited and the line of accountability is much less direct. Thus, it was possible for a reforming mayor in Mombasa to be deposed by his council colleagues (Gatabaki-Kamau, p.81). Appointed mayors/chief executives/municipal commissioners can also be responsive to the interests of the poor. But the absence of any direct line of accountability to the local electorate means this is much less likely. The Chief Executive of Kumasi, for example, owes nothing to the local electorate in that city, and thus has little interest in meeting their needs. Also, for municipal commissioners in India, their tenure in office may be very short (on average not more than a year in the case of Ahmedabad).

c) <u>The Mayor's Agenda</u>: whether or not the poor benefit depends *inter alia* on whether the mayor has a clear pro-poor agenda, as evidenced for example by his/her electoral platform, and a commitment to carrying that out once in office. Again the contrast is indicative between recent Mayors of Cebu, whose pro-poor platform and performance were scrutinised by a forum of city NGOs, and the current Chief Executive of Kumasi, who has not had to campaign on any platform, pro-poor or otherwise. There is, of course, a difference between rhetoric and reality: many mayors may claim a pro-poor agenda without having either the real commitment or the ability to deliver. Thus, Mayor Balala in Mombasa, whilst effective as a reformer and well versed in pro-poor rhetoric, actually pursued a number of policies which were anti-poor (Gatabaki-Kamau, p.79). Whether or not a mayor is held to account against a stated agenda depends on the condition of civil society and the media (discussed in section 6), as well as his/her eligibility for a further term.

All the above assumes that the voting system is reasonably free and fair, that there is a choice of candidates, and a free dissemination of information. In none of our case studies was it suggested that this was not the case, although situations varied. Some of the issues about elections are covered in section 2. The above also assumes an adequate range of functions for city government, sufficient freedom to exercise those functions, and sufficient skills and resources, so that civic leadership can actually have an effect on the position of the poor. The latter points are covered in 3 below.

2. Representative Democracy: The Role of Elected Councillors

As has already been noted, in some systems elected councillors (some or all) play an executive role in city government, including the allocation of resources and decisions on the services provided to citizens. In other systems, such as Latin America and Philippines, their role is much more limited – essentially one of legislative approval and scrutiny. According to Rodríguez, in Santiago councillors do little more than approve the municipal budget (Rodríguez p.62). In such systems, the powers of councillors are essentially negative – vetoing the actions of the executive, although the executive may allow councillors some role in the choice of projects as a *quid pro quo*.[2]

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[2] The case study on participatory budgeting in Recife illustrates this with a long-running conflict between councillors and the mayor over whether councillors could nominate projects for particular

But even in those systems in which elected councillors have an executive role, they often appear to be ineffective in representing the interests of the poor or in gaining benefits for them. There are many reasons for this: corruption of the electoral system, short-term, personal interests of those elected, and individual councillors' lack of influence on what actually happens. In addition, seats in the council may be reserved for members nominated by the government. In Mombasa, this has been used to ensure control by the ruling party (Gatabaki-Kamau, p.75), and in Kumasi, to ensure a core group sympathetic to the government. The following are a number of factors which appear to influence the effectiveness of the voice of the poor through elected councillors.

a) <u>Ward-Basis for Election of Councillors</u>: From some of the case studies, it seems that councillors representing individual wards are more likely to represent the interests of poor neighbourhoods than are those who are elected according to a party list system. The former system strengthens the direct link of accountability to, and avenues of influence for, poorer communities[3], while the latter gives more power to the party machine. In Colombo, the shift from ward-based councillors to the party-list system is perceived as having made elected members more remote from their electorate and reducing the voice of poor communities. The present system is also regarded as being excessively complex, more open to vote rigging, and offering less of a constraint on corruption than the previous ward-based system (Fernando, p.59). In India, the 74th Constitutional Amendment required the replacement of multi-councillor "divisions" with single councillor wards, in order to make representation at ward level more effective (Benjamin et al, p.13). Certainly, the evidence from the Bangalore case study is that, in a system where councillors are part of the executive, ward councillors provide a vital avenue of influence and action for poor communities (see Box 1).

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areas; in the end, the mayor agreed to this in return for the legislature abandoning its proposal to abolish the participatory budgeting system.
[3] This applies to the poor who geographically concentrated, but not, of course, to poor groups who are dispersed throughout the city.

> **Box 1: Ward Councillors in Bangalore**
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> "An active councillor means more to a slum than a lot of broad based policy objectives..... A slum which does not meet the criteria to be part of an improvement programme, but has an active councillor, can be better provided in terms of infrastructure than an adjacent constituency that does meet the criteria but has no one to endorse them."
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> "The authority, be it a political one like a councillor, or a non-political one like an NGO, is regarded as a source of goods…a source to be treated with respect, do not bite the hand that feeds you….Only the political source is accountable, needs something from the dwellers as well, and can be voted out of office, whereas the NGO remains aloof, untouchable."
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> (M Dewitt: "Slum perceptions and congnitions", in Schenk 1996, p.109-110, quoted in Benjamin p.106)

b) <u>Gender Balance and Representation of Minorities and Excluded Groups</u>: A significant criticism of the ward-based system is that it may make it more difficult for women and minority groups to get elected. For example, there is only one elected woman councillor in Mombasa. In Johannesburg, GJMC is proposing to increase the proportion of seats elected by proportional representation (PR) from 40% to 50% in order to ensure a greater representation of women.[4] Although that still leaves half the councillors representing individual wards, there is a risk that the latter, with potentially greater obligations to maintain relations with their constituents, will be marginalised by those elected by PR who may be favoured by the party leadership. Despite the present PR system in Colombo, there is only one woman member of Colombo Municipal Council. Another way to try to achieve gender balance and minority representation is through the reservation of seats, as in India (see Box 2). In Philippines, too, a proportion of seats is reserved for under-represented and marginalised groups (Etemadi, footnote 9).

c) <u>Multi-Party Competition</u>: Multi-party competition potentially offers opportunities for electoral choice according to clear policy packages. Where parties can overcome factional rivalry to develop a clear, pro-poor agenda, the poor may benefit. In Ghana, where local government elections must be fought on non-partisan lines (although in practice parties are there in the background: Korboe p.120), political choices are less clear. This also makes it easier for the Chief Executive in Kumasi, appointed by the ruling party at the national level, to play off individual assembly members against each other. However, the fragmented nature of party politics in many countries, often based on tribal or ethnic loyalties, lacking in coherent policy packages and dominated by factional fighting, greatly reduces the value of multi-party democracy. This is apparent in Mombasa, where factionalism prevails over development issues (Gatabaki-Kamau p.114-5). It can also result in hegemony of one party, effectively denying those who elected opposition politicians any influence. However, this can change over time: in Johannesburg,

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[4] In addition, the new Municipal Structure Bill requires that 50% of party nomination lists are women (Beall et al, p.104) .

the dominance of the ANC is increasingly being challenged by other parties (Beall et al, p.96).

In Indian cities (Bangalore, Vizakhaptnam), powerful families have been able to maintain political influence by having family members stand for competing political parties, thereby ensuring that they always have someone in a position of power.

Box 2. Affirmative Action: Reservation of Seats for Women and Minorities

In India, certain seats on municipal councils are reserved for women, and others for ethnic and caste minorities. This does help to redress the gender and ethnic imbalance on elected bodies, and offers avenues of influence for otherwise excluded groups. But it raises questions about how far those occupying reserved places maintain accountability to the groups they supposedly represent. The Bangalore case suggests that the ruling party uses these reserved seats to "destabilise" the opposition (Benjamin et al p.14). Blair also notes that, in Bangalore, where both the mayor and deputy mayor are women, along with 34 out of 100 councillors, "their husbands continue to manage public affairs through them" (Blair, 2000, p.24).

In addition, mayoral positions are sometimes reserved for minority groups such as "backward castes", as in Vizakhapatnam. In principle, this offers an opportunity for at least certain sections of the poor to have a voice at the heart of city government. But it is clear that such people depend heavily both on political party machines to mobilise support, and on businesses to finance their campaigns, thereby limiting their freedom of manoeuvre to address the needs of the poor (Kumar p.12).

The Vizakhapatnam case study suggests considerable patronage of the backward castes (BCs) by upper caste business circles, since BCs hold the key to the success or failure of candidates in elections (Kumar p.29-30). Voter turnout in that city is much higher among slum dwellers than among the middle class (Kumar p.32). This does potentially give such oppressed groups some political power. Yet despite this, "slum dwellers do not think politicians can be made to act in the common interests of slums. Rather, political interaction is viewed as an unofficial process meant for gaining political favours." (Kumar p.33). In the end, the oppressive social control of the caste system has effectively prevented the democratic process from transforming the position of the oppressed castes (Kumar p.31). Blair, too, notes that, despite their representation on Karnataka's local councils, Dalits have still been unable to demand more equitable siting of basic infrastructure like water and electricity lines (Blair, 2000, p.24).

In Colombo, the Mayor has chosen to include opposition politicians in key decision-making bodies and as chairs of Council Committees. There is obviously a balance here between genuine participation of all elected members, and the de-politicisation and incorporation of opposition leaders.

d) <u>Electoral Turnout</u>: Turnout at municipal elections is an indicator of relative satisfaction with the system, and of the strength of the mandate of those elected. World-wide, turnout at local government elections is generally much lower than for national elections, sometimes alarmingly low. In the case study cities, Cebu achieved rates between 65% and 84% in the last three municipal elections, a remarkably high rate, while in Colombo the rate was 69% in 1997. Santiago achieved 78% in the 1996 municipal elections, but in Chile voting is compulsory, so that 22% abstentions or spoilt ballot papers suggests quite a high degree of dissatisfaction, and this proportion has been increasing. In Vizakhapatnam the figure is 55-60%, and is significantly higher in the slum areas than in the middle class areas. In Mombasa and Johannesburg it was around 45% - comparable with many developed countries, while in Kumasi, turnout for the 1998 local elections was a mere 27%, compared to 74% in 1996 national elections.

e) <u>Electoral Process</u>: None of the case studies suggests any significant rigging of ballots or intimidation of the electorate, although there have been cases of ethnic violence associated with elections in Mombasa (mainly national elections) and in Ahmedabad. The Vizakhapatnam study suggests that "only 2-4% of the vote is thought to be rigged" (Kumar p.32). Nevertheless, the widespread use of "vote-banks", and the extent of political patronage within a stratified and deferential culture such as India, has an impact on the political process. All case studies reported there to be a free and competitive press, reporting on local issues, with local radio playing an important role in several cases (e.g. Johannesburg and Kumasi). The low level of literacy among the poor in some cities, notably in India, makes them more vulnerable to manipulation. The same comment is made in relation to Kumasi (Korboe, p.121)

f) <u>Calibre and Motivation of Councillors</u>: The calibre of the candidates themselves is a factor. A recurring debate concerns the educational level of elected representatives, and it is often argued that people who are illiterate cannot cope with the requirements of public office (Gatabaki-Kamau, p.77). However, whilst they may lack certain skills expected in a bureaucratic system, such people may still be effective representatives of the poor. In Kumasi, the electorate seem to have little faith in their representatives, perceiving them as arrogant, corrupt and interested solely in their "sitting allowances" (Korboe p.113). Similar views were expressed about local politicians in Ahmedabad (Dutta, p.77). Stren, writing about Mombasa in the 1970s noted that councillors were primarily interested in discretionary allocations of public resources such as housing, regulatory controls and patronage in council employment. Not much has changed since then.

Box 3: Vote Banks, Patronage, Clientelism and Ballot-Rigging

Many of the case studies refer to political patronage and clientelism, and some (notably the Indian ones) refer to vote banks. Do these practices undermine the democratic electoral process or are they a natural part of the political process? At one extreme, they clearly can conflict with free and fair elections. If by "vote-buying" we mean that political agents actually purchase from voters their voting cards which are required for casting votes, and then use them fraudulently to stuff ballot boxes, then clearly that is undemocratic. If, on the other hand, politicians

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can persuade whole communities to vote for them on the basis of promises to improve services to them, then this is the very stuff of politics. If the politicians fail to deliver on their promises – a common enough experience anywhere in the world – they can be held to account and turned out of office at the next election.

In between these two is the practice of sweetening local electors with minor bribes of money, drink or food, to gain their votes – something common enough in Britain in years gone by. But so long as the ballot is secret, then there is no guarantee that the bribery will succeed, although widespread dissent would be apparent from the ballot results and communities may be "punished" for their disloyalty by the withdrawal of benefits. Physical intimidation is another matter, and there are suggestions that political agents who "control vote banks" may use unscrupulous methods to ensure that local electors deliver the right vote.

Patronage and clientelism can be seen either as negative conditions which create dependency, or as a natural part of the political process: voting in return for the delivery of goods. Of course, in a hierarchical society, the relationship is unequal, and the poor can be exploited and kept dependent. However, the vote – if it is secret – does put a small amount of power in the hands of the electors with which to reward or punish their patrons. Political systems in every country involve a network of relationships of mutual interest and inter-dependence, more so in some systems than others. Thus, the Santiago case refers to the "traffic of influence" between politicians and their supporters who expect favours to be returned, particularly in the form of jobs (Rodríguez p.61). Rewarding supporters with jobs is not unusual: it is alleged that a virtually bankrupt Nairobi City Council took on 2,000 additional workers after the last election. Such excesses of patronage need to be addressed through increased public accountability for, and transparency of, decision-making.

The limited evidence from the case studies suggests that vote banks in India work in favour of the poor: they provide a mechanism which delivers at least some goods. That is why voter turnout in poor areas is often higher than in middle-class areas. The evidence also suggests that patronage and clientelism, so characteristic of the political system in Philippines, for example, does deliver to the poor. Groups of the poor in Cebu are well organised to lobby and negotiate for services and infrastructure from the Mayor or congressmen, in return for publicising the patron's generosity and supporting him or her in elections. Of course, not all poor groups are equally able to organise themselves, and such clientelistic dependency is inferior to an equitable and transparent system of resource allocation. But in the absence of such an ideal arrangement, clientelism does deliver something to the poor.

Finally, ballot-rigging clearly does conflict with democratic choice, if what is meant is fraudulent alteration of results: stuffing of ballot boxes, losing ballot boxes, failure to register electors, registration of those not eligible, failure to follow proper rules for the nomination of candidates or for the conduct of the election. However, none of the case studies suggested such practices were common.

g) <u>Influence of Councillors</u>: Finally in this section, is the extent to which elected councillors actually have any influence on decisions and actions of the city government. This influence is often severely limited. For one thing, decisions may all be taken by the mayor or a caucus of politicians and/or officials. Thus, in Kumasi, elected Assembly members feel seriously frustrated by their inability to influence what happens because of the dominance of the appointed Chief Executive. Those who have opposed the Chief Executive have found services to their area, such as waste collection, cut off (Korboe, p.43). In Santiago, councillors have a very limited role unless the mayor chooses to involve them is specific municipal tasks (Rodríguez p.62).

The limited range of functions, and the limited capacity of the city government, financially or technically, may mean that the city government can do little to benefit the poor; this will be discussed under 3 below. The way the system operates may give councillors very little scope for action. In Johannesburg, for example, after an initial flurry of spending on projects to benefit disadvantaged areas, GJMC encountered a fiscal crisis which brought the programme to a halt before there could be a more radical reappraisal of the spending patterns and operations of the city government. Cash flow problems during the course of the year – a common experience – tend to reinforce the power of the leadership, and particularly of the municipal treasurer, in making ad hoc decisions about how to cope with the situation.

However, it is clear that in most of our case study cities, councillors have at least some capacity to deliver something to their constituents, and this is the reason they are elected. As noted in Box 1, councillors in Bangalore are the main avenue for the poor in seeking to claim access to services or tenure security. In Colombo, an amount of money (Rs 1 million) is allocated to each council member to use - in accordance with the master plan - for developing infrastructure in under-serviced areas (Fernando et al, p.67). A similar arrangement is found in other cities, for example, Bangalore (Benjamin, p.11). This enables elected councillors to demonstrate that they are delivering something to their constituents. On the other hand, it could be seen to reinforce the vote-bank and patronage system, to the disadvantage of candidates who are not elected.

3. City Government Jurisdiction and Responsibilities

It is often assumed that city governments are, or should be, the main agencies for addressing the needs of the urban poor. In a survey in Santiago, heads of poor households identified municipal governments as second only to national politicians in terms of influence over local living conditions (Rodríguez p.50). Yet the scope which city governments have to respond to the needs of and demands from the poor is often heavily constrained, because of their limited area of jurisdiction, their limited range of responsibilities and their limited resources of finance and qualified personnel.

a) <u>Boundaries</u>: A city government's ability to address the needs of the poor is often constrained by it boundaries. In many cities, such as Bangalore, a large proportion of the poor live on the periphery, beyond the boundary of the city

government's jurisdiction. This is also where population growth is most rapid and the infrastructure and service needs are greatest. In Ahmedabad, the urban periphery is divided between 163 village, town and municipal councils, together with a number of special purpose agencies. "The result is an uncertain patchwork of provision, or no provision at all." (Dutta, p.72). The capacity of the adjoining local governments to address the needs of the poor may be very limited indeed.

In Santiago, city government is divided between 34 municipalities. Whilst it can be argued that this brings government closer to the people, it means there is no strategic decision-making body for the city as a whole. It also means that the poor tend to be concentrated in certain municipalities, with major disparities in the resources available to the different municipalities (per capita revenues in the six richest municipalities are six times those in the six poorest municipalities – Rodríguez p.82). Indeed, it was a deliberate policy of the Pinochet Government to subdivide municipalities, effectively separating poor neighbourhoods from richer ones.

Johannesburg has spent the years since the ending of apartheid trying to address the legacy of racially defined jurisdictional boundaries. Under apartheid, the Greater Johannesburg area was divided into 13 racially separate jurisdictions. The current, interim arrangement of four local councils under the Greater Johannesburg Metropolitan Council (GJMC) has been an attempt to redistribute resources within and between jurisdictions. The effect has been unsatisfactory, with bizarrely shaped local government areas and political resistance to transfers of resources. From 2001, the lower level will be abolished leaving a unitary city council for over 4 million people. This will bring about the objective, long cherished by the ruling party, of "one city, one tax base", but will make for a huge organisation remote from its electorate.

b) Community Level Tier of Government: One way to address the remoteness of large city government, and the difficulties which that creates for the urban poor to have any influence, is to have a lower level of community government. In Philippines, there is a well developed system of Barangays, each with its elected councillors and certain very local functions, notably security. In Cebu there are 80 Barangays with an average population of 8,000. Each Barangay has a budget financed from equitably shared national and local taxes, although for any substantial investment Barangays are still dependent on the city government. Barangays provide, in principle at least, a more accessible form of local government and an avenue for poor communities to influence city government.

In Kumasi, there is supposed to be a hierarchy of community level government, from Sub-Metros through Town Councils to Unit Committees. But most of these exist in name only and do not provide any effective mechanisms for resource allocation to, or influence by, the poor. Other case study cities lack any lower level institutions, although the CDCs in Colombo could be seen as an attempt to create something along those lines (see Box 4).

c) Responsibilities: The scope which city governments have to benefit the poor is likely to be greater if they provide a wide range of services. This is the case in Cebu, where there has been a significant decentralisation of responsibilities under

the Local Government Code of 1991 (Etemadi, p.38). More typically in our case study cities, city governments are responsible for waste management, sanitation and local roads, but not for water supply, electricity, primary health care, education, land and housing, or police and security services – all services which have a profound effect on the poor. These are generally provided by state enterprises in the case of water and electricity (although in Johannesburg both are provided by the city government), and the others by central or state government departments or agencies. In Johannesburg, and indeed in most of the case study cities, the bulk of pro-poor expenditures (on housing, welfare, health and education) lies outside the city government's control.

In several cities, notably Ahmedabad, Bangalore and Colombo, responsibilities are divided between a great range of special purpose agencies such as development authorities, slum clearance boards, and public utility companies. These often operate in competition with each other and with the municipal government, and in most cases with minimal accountability to the electorate. For example, out of 23 people on the board of the Bangalore Development Authority, only two are elected members of the Municipal Corporation (Benjamin p.52). By contrast, in Cebu, although the Metro Cebu Water Division is technically a central government enterprise, the members of the Board are nominated by the city's Mayor.

In Kumasi, the decentralisation law placed education and health services under the Metropolitan Assembly, but in practice the resources for these, and therefore the control, remain firmly with the central ministries. Similarly, Mombasa Municipal Council nominally has responsibility for primary education but with central government paying the teachers, head teachers being responsible for running the schools, and maintenance of schools being met largely from fees, the Municipal Council does little more than advise on school budgets (Gatabaki-Kamau, p.97).

Responsibilities for land and housing are often shared between combinations of central, state, parastatal and local agencies, and in the case of Kumasi, traditional authorities. In Indian cities, investment in housing and infrastructure, including slum upgrading is often in the hands of special purpose authorities, usually with an unfortunate title such as "Slum Clearance Board". These arrangements break the accountability link with local voters, as well as creating problems over the long-term operation and maintenance of infrastructure. The Bangalore case suggests that state agencies and development authorities are more accessible to middle and upper income groups, while the poor have somewhat greater access to the municipal corporation through their elected councillors. Thus, the shifting of responsibilities away from municipal government to state level agencies tends to reduce the scope for access and influence by the poor (Benjamin et al p.13).

With decentralisation, municipal governments have often been given increased responsibilities for welfare and poverty alleviation, but often without the resources to meet those responsibilities. In Johannesburg, this "unfunded mandate" is becoming a major political issue. According to the Ghanaian Local Government Act, Sub-Metro Assemblies are legally responsible for formulating poverty reduction interventions, but they have no resources at all for this (Korboe, p.36). In India, the 74th Amendment proposed that local bodies should be responsible for

poverty alleviation programmes but this has not been backed up with commensurate financial resources (Benjamin, p.13).

d) <u>Performance of Municipal Government and Staffing</u>: Having said all that, in many of the case study cities, the services under the control of local government are significantly worse than those provided by central government or parastatal agencies. This may in part be because of the nature of the service (sanitation is more difficult to provide and manage than electricity, for example), and partly because of the greater resources available to central government and parastatal agencies. But it is also partly to do with weak technical and management capacity at the local level, as well as with inappropriate political interference in the management of services (for example, the "privatisation" of public toilets in Kumasi to members of the Metropolitan Assembly who supported the Chief Executive – Korboe, p.17).

Technical and management capacities are weak at the local level in large part because of the poor rates of remuneration on offer, so that capable and ambitious staff move to the private sector or to central government. Because of the weakness of local technical capacity, important services and large projects are often transferred to separate agencies, thereby making local governments even less attractive places to work. Political interference and malpractice compounds the situation. In Colombo, despite an ODA-funded technical assistance programme, management remains weak and systems inadequate. Recruitment is the responsibility of the national and provincial Public Service Commission, so CMC has little scope to do anything about its staffing situation. In some systems, e.g. Kenya and Ghana, key local government staff are posted to local authorities from the centre. This undermines the allegiance of senior officials to the local government and contributes to demoralising disputes between officials and elected members (Gatabaki-Kamau, p.77). Clearly, all this reduces the capacity of city governments to deliver anything to the poor.

By contrast, in the best cases, Cebu and Santiago, city governments are well staffed with professionals and are able to perform altogether more effectively. In Johannesburg, there was a marked division between the skills and capabilities available to the former "white" local governments and those available in the former "black" areas. Attempts to redistribute staff resources involved innumerable reorganisations which have demoralised staff and led to the loss of experienced personnel. The need for affirmative action has also resulted in skill shortages in critical areas (Beall et al, p.121). But even where skill levels are high, professional training and attitudes may be an obstacle to responsiveness to the poor. In Johannesburg the culture of high infrastructure and service standards for the few has made it difficult to address the needs of the poor majority within the available resources. In Ahmedabad, engineers were reluctant to divert service lines into slum pockets for fear of reducing supplies to the regularly serviced areas (Dutta, p.76). Inter-department rivalry has also been an impediment to responsiveness to the demands of the poor.

e) <u>Financial Resources</u>: The lack of financial resources is perhaps the factor which most inhibits city governments from addressing the needs of the poor. Most of the case study cities have potentially substantial resource bases but are unable to

exploit them effectively. Local tax instruments are often unsatisfactory: difficult to collect and impinge on the poor. Property tax is highly visible and therefore unpopular, and lacks buoyancy in the absence of property revaluations. Large amounts of tax remain uncollected because of political, administrative or legal obstacles: less than 80% of property tax is collected in Mombasa, 86% in Cebu, 67% in Kumasi, and less than 20% in Ahmedabad. Mombasa Municipal Council is effectively insolvent, and is able to do little more than pay its staff. Johannesburg was forced into financial crisis because of low collection rates on electricity and water charges as well as property tax.

Unwillingness to pay in Johannesburg is a hang-over from the days of political struggle but has proved difficult to change. As an example of the tensions surrounding the issue, two Johannesburg councillors were murdered during the Government's recent campaign to improve utility charge collections. Enforcement action against defaulters is undermined by intimidation against utility company staff, and the ease with which illegal (re)-connections can be made. Whilst some of the poor may benefit from such illegal connections and from non-payment, there are serious problems of inequity between those who pay and those who do not. Inter-agency arrears is a major problem in a number of cities, with government and parastatal agencies failing to pay their property tax obligations (e.g. Vizakhapatnam, Mombasa). There is also much political interference with revenue collection.

In many cases municipal governments fail to collect budgeted revenues, with the result that expenditure cuts have to be made during the course of the year. This nullifies the formal budget process, in which ordinary elected representatives may have had at least some say, replacing it with ad hoc decisions by senior politicians and officials, notably the treasurer, in the light of available cash. In Kumasi, only half of the capital budget for 1997 was implemented (Korboe, p.135). Cherished and hard fought for capital projects in poor areas may be abandoned, as occurred when the fiscal crisis hit Johannesburg in 1997.

f)   Improving Financial Performance: Finance is an area where committed and effective leadership can turn things round. In contrast to many Indian cities, Vizakhapatnam is regarded as being well-run: it has achieved modest surpluses on its budget, and has successfully reformed property tax collection (Kumar, p.18). Under the dynamic leadership of one Municipal Commissioner, Ahmedabad Municipal Corporation was able to turn a long-running deficit into a surplus over the space of four years, mainly by decisive action to tackle persistent collusion and fraud in the collection of octroi, as well as controlling expenditures (Dutta p.72-74). However, the Corporation was not able to have the same impact on property tax collection, which remains at a woefully low level (Dutta, p.102). This is in spite of tough penalties for enforcement, exempting low value properties from taxation, and a landmark court ruling which cut down the amount of litigation over property tax appeals.

In Cebu, the city government was able to achieve a substantial increase in property tax revenue (150% in real terms over four years), partly as a result of computerising the system (Etemadi p.44), but collection rates still remain too low. In Colombo, some improvements were made to property tax collection, but

arrears rates remain far too high. In Johannesburg, in the light the fiscal crisis, GJMC has embarked on an ambitious plan to improve revenue collection and hive-off non-core businesses. Credit control measures have succeeded in raising collection rates from 85% to 92% over three years, although those averages mask much lower rates in certain areas of the city. However, the seriousness of GJMC's financial position was not recognised until rather late in the day. This was because the use of accrual accounting had disguised the position and allowed GJMC to continue to budget as if all revenue was being collected when, in fact, it was not. Consequently, GJMC was forced to borrow heavily to fund short-term cash-flow shortfalls. This provoked the Government to impose a tough financial control system on GJMC, and diverted attention from poverty reduction initiatives.

g) <u>Inter-governmental Transfers</u>: Some cities receive significant transfers from the centre. For example, the central government provides over half of Kumasi's budget, through both salary support and a share of the Common Fund. This has given KMA considerably greater discretionary resources for investment, but not much of this appears to have been used on services which benefit the poor.[5] By contrast, there has been until now no system of inter-governmental transfers in Kenya, so Mombasa has received nothing from the centre. In Santiago, the vast majority of resources for public investment (more than 85% in 1994) come from various central government funds and only 15% from municipal budgets (Rodríguez, p.78). These resources are distributed between the municipalities of Santiago by the Regional Council, on which the municipalities are represented (p.76). In Cebu, the share of the city's budget coming from central government increased from 30% at the start of the decentralisation process in 1988 to 40% in 1992 (Etemadi, p.44), but has now fallen back to around 32% as a result of the cut in the tax sharing rate in 1999. This central transfer comes in the form of a share of national tax revenue, and gives the city full discretion over its use.

In our other case study cities, inter-governmental transfers are much less significant. Given that these are all large cities with substantial own revenue bases, this is not unreasonable. For example, less than 5% of Johannesburg's budget comes from transfers – a figure which has been reduced over recent years as the Government has redirected resources to poorer local governments. State and Union transfers represent only 10-15% of the budget in both Ahmedabad and Vizakhapatnam.

Uncertainty over transfers creates budgeting problems, as does the failure to pay what is due - for example, the government's failure to pay its contribution in lieu of rates in Mombasa. In Colombo, central government is supposed to meet the costs of staff but in fact it only meets 50-60% of these costs, creating financial problems for the municipal corporation. In Santiago, the government is supposed to pay for primary education and primary health care, but only provides part of the costs, leaving the municipalities to pick up the remainder (Rodríguez, p.88). In Bangalore, projects promoted by the State government, and over which the Municipal Corporation has no say, result in maintenance and debt service obligations which diminish the value of any state transfers to the Corporation (Benjamin, p.53).

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[5] 20% of the Common Fund is supposed to be used for income generating activities for the poor, but it does not appear that this has been the case in Kumasi (Korboe, p.36).

h) <u>Inter-governmental Conflicts</u>: One particular constraint on municipal government arises from political conflicts with central and state government. This is especially severe in India where opposing parties may be in power at state and municipal level. As a result, state governments may oppose actions by city governments simply on political grounds. This has occurred in all three of our Indian case study cities. The Bangalore case notes the dominance of State institutions, and how, because land is a state matter, municipal governments are effectively prevented from regularising land and thereby increasing their tax base (Benjamin p.57). (The 74th Amendment to the Constitution is intended to provide a degree of protection to municipal government from arbitrary interference from state governments.)

In Colombo, there have been frequent conflicts between the provincial (and central) government, controlled by one party, and the Municipal Corporation, controlled by another. The Western Provincial Council has persistently obstructed CMC's attempts to invest in poor communities, perceiving this as a political threat (Fernando et al p.67, 72 and 34). It has also sought to control the flow of central government funds to CMC, creating delays and preventing services from being improved (Fernando et al p.68 and 73).

Overlapping responsibilities and rivalry between central and municipal government has also been an issue in Mombasa, especially since the central government's District Administration has the same boundaries as the Municipal Council. There have been numerous examples of central government interference in the local political scene, including the curbing of the powers of mayors in opposition-controlled local authorities (Gatabaki-Kamau, p.75). The tight control exercised by the government appointed Chief Executive in Kumasi has much to do with the fact that that region is the centre for opposition parties. There are also bureaucratic controls exercised by the centre which do little to improve local performance, and merely result in delays and costs. The Ministry of Local Government's role in the approval of local budgets in Kenya is a case in point, a process which creates delays, obstacles and rent-seeking opportunities but little if any improvements in outcomes.

In Cebu, one of the factors in the city's success in the late 1980s and early 1990s was the good relationships between the city and provincial governments, but that seems to have broken down in recent years.

i) <u>Legal Constraints</u>: A further constraint on city governments is imposed by outdated legislation which inhibits constructive engagement in informal housing areas. A number of countries have laws or regulations prohibiting the expenditure of public resources on "illegal" or irregular settlements, or areas which are not paying property tax. Thus, in Colombo, CMC was prohibited from spending money in the under-serviced settlements which do not pay property tax, until the Mayor was able to obtain a dispensation (Fernando et al, p.67). In India, there is an elaborate system for defining categories of "slums", and the ability of authorities to intervene depends on the classification. Thus, the Slum Clearance Board in Bangalore cannot provide water or remove waste from "non-notified slum areas", and the municipal government cannot regularise land tenure without state government sanction (Benjamin p.57). It may suit some municipal

governments to hide behind such regulations if they wish to ignore informal housing areas, but in other cases it can be a genuine obstacle.

j) <u>Mechanisms of Accountability</u>: Few of the case studies identify specific mechanisms for holding city government accountable, and experience elsewhere suggests that in most cities these are woefully inadequate and ineffective. Budgets, whilst formally public documents are rarely available, and are not disseminated in ways which the public can engage with. Similarly, final accounts are often not produced on time, or at all, so it is very hard for citizens to hold the municipal government to account for the use of money. The role of the media is critical, and in some cities it performs better than in others in conveying the important issues to citizens (discussed in more detail in section 6). Some city governments do provide opportunities for some form of public scrutiny. In Colombo, the Mayor holds "Division Days" and public day "interviews" with electors and tax-payers, as well as dialogues with professional groups, Ratepayers Associations, etc. (Fernando et al, p.65). The Santiago study refers to a variety of mechanisms for participation and accountability (Rodríguez p.5). The Cebu case identifies a number of specific mechanisms (Etemadi, p.46) including:

- council meetings being open to the public
- the mayor meeting with marginalised groups appraising him of their plight
- independent organisations funding studies to monitor the implementation of the Local Government Code
- the Committee on Laws, Public Safety and Accountability examining all activities of the city government in terms of legality, efficiency and probity
- investigative reporting in the local media.

k) <u>Corruption</u>: Finally in this section, there is the issue of corruption. Corruption has a negative impact on the urban poor in numerous ways: in reducing the resources available to the municipal government, in biasing the allocation of those resources, and in the payments demanded by municipal and other agency employees for services or protection. While the case studies do not identify many specific instances of corruption, it is there in the background in all of them. At the lowest level, there is the need for "connections" in order to get anything done, rather than the system being responsive to legitimate demands in a transparent and orderly way. More serious are the payments demanded by municipal and other agency officials for providing the services that they are supposed to provide routinely. Thus, in Kumasi, while the official charge at a health clinic is Cedis 500, it is common for people to have to pay ten times that amount if they want to be treated. In many systems, no application is processed and no permit is issued without "speed money". In Bangalore, it is apparently routine for the police to require daily payments from street traders for protection. Elected councillors often perceive their job primarily in terms of the rents they can extract from their position, which they need in turn to finance their re-election campaign. In Kenya, land-grabbing by well-connected politicians has been a major issue: it was Mayor Balala's attempt to resist one such land-grab that led to him being ousted (Gatabaki-Kamau, p.82-3).

There are, of course, ways in which the poor benefit from certain forms of corruption: illegal electricity and water connections and non-enforcement of

trading regulations, for example. But the poor may not be in a position to pay what is demanded, and the overall impact of such arrangements is clearly inequitable.

Differences in corruption levels can be explained in many ways: local culture and tradition; levels of public sector remuneration; the effectiveness of financial management systems and the severity of penalties for abuse; the effectiveness of media scrutiny and the openness of civil society; etc.[6] Some of these will be referred to again in section 6. The Cebu study notes a number of specific instances of corruption which were dealt with (Etemadi, p.46). Interestingly, while Kumasi's Chief Executive is much vilified for his autocratic, idiosyncratic and oppressive style of management, he is not, it seems, accused of significant corruption. The Johannesburg study notes the dualistic system, with ponderous, rule-based, bureaucratic systems operating in the affluent areas and a fractured system of informal, political control, patronage and corruption in the areas where the poor live (Beall et al, p.101). It also notes that corruption in Johannesburg is fuelled by the present administrative uncertainties (p.103).

4. The Approach of City Government towards Poverty and Participation

A critical issue is whether city governments perceive themselves as having any role or responsibility in relation to poverty reduction, and how they seek to go about that. Many city governments, like many national governments, see poverty as being addressed primarily through economic growth and increased employment. Thus, they seek to increase their city's competitiveness through investment in roads and infrastructure to meet the needs of investors, and seek to attract large-scale inward investment.[7] Some city governments may see the mechanisms of "trickle down" from such investment as being sufficient to address poverty, but others would recognise the need for more explicit, redistributive policies to address poverty. In practice, these conflicting views are played out in the politics of almost every city government, although more explicitly in some than in others (for example the tension in Johannesburg between the claims of "Smart Gauteng" and political pressures for radical redistribution).

In the past, city governments may not have perceived it to be their role to tackle poverty, and might not even have seen a connection between their statutory responsibilities for infrastructure and services and issues of poverty. That certainly would have been the case in pre-1992 Johannesburg. Indeed, in many systems, redistribution is explicitly a central rather than a local government responsibility, with welfare systems centrally administered, while poverty is perceived as being addressed by charitable institutions and NGOs. Increasingly, though, this limited view of local government has come under challenge. However, many local governments, particularly in Africa, are barely able to carry out their minimum statutory responsibilities, and pay their staff, never mind addressing the huge problems of

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[6] The experience of members of CDCs in Colombo was that the demand by officials for bribes was rarer than was normally the case in that city (Russell in Fernando et al. p.100). This was mainly because the officials assigned to the project were highly motivated, but it may also be that the process of engagement with poor communities had an impact on the behaviour of officials.
[7] These issues are discussed in Working Paper 1 of this research project, by Elizabeth Vidler

urban poverty. Whether and how city governments seek to address urban poverty is affected by a number of factors.

a) <u>Poverty-Focused Discourse</u>: The extent to which national and local political discourse embraces poverty reduction relates in turn to nature of civil society in the country and city concerned. In post-apartheid Johannesburg, it would be inconceivable for politicians not to adopt the rhetoric of poverty reduction. Similarly in Cebu, with NGOs in the mainstream of national and local governance, poverty issues are at the forefront of political discourse. In Indian cities, too, supposedly pro-poor arrangements have been institutionalised. That is not the case in Kumasi or Mombasa, although politicians and officials may quickly see there are advantages in adopting the rhetoric of poverty reduction, particularly where this triggers a response from donors. But it remains only rhetoric if it is not backed by real political will to confront entrenched interests, if it is not institutionalised in the bureaucracy and if it is not supported by real resources.

In Johannesburg, political discourse recognises that addressing poverty means redistributing resources from rich areas to poor areas; this has already provoked an articulate and well organised response, as evidenced in the Sandton rates boycott. In Santiago, with economic prosperity dealing with the worst problems of absolute poverty, the discourse has shifted to issues of inequality and exclusion. However, there is less political will to address these latter issues, and the state's approach remains one of targeted, short-term assistance (Rodríguez, p.92).

b) <u>Pro-Poor Agenda</u>: Whether the city government is able to develop a clear pro-poor agenda which recognises difference (gender, ethnicity, age, etc.) and which feeds through into budgetary choices and implementation of specific policies and projects depends on the capacity and commitment by officials as well as elected representatives. In both Cebu and Johannesburg, the array of well equipped NGOs which have been on hand to assist with the process of developing appropriate poverty strategies is impressive, although in Johannesburg, implementation has been somewhat derailed by the city's fiscal crisis. In Cebu, the city has adopted an integrated approach to poverty reduction, recognising the inter-related causes of poverty, and this has been institutionalised in the form of the Division for the Welfare of the Urban Poor (Etemadi, p. 48 and 81). In Santiago, there is an array of centrally-driven programmes to address poverty which municipal governments can access, but whether they add up to a clear pro-poor agenda is another matter.

In Kumasi, by contrast, there is little conception of a strategy to address poverty. Whatever activities exist are donor or NGO driven, with little impact on KMAs approach. KMA's contribution has been limited to providing counterpart funding (Korboe, p.36). In Mombasa, the Municipal Council is beginning to feel its way towards some sort of poverty strategy, largely as a result of a DFID-funded programme (Gatabaki-Kamau, p.92). In Indian cities, approaches to poverty are perhaps more formalised, in terms of specific programmes addressed at particular categories of the poor and official definitions of poverty, but perhaps lack a holistic strategy. In Vizakhapatnam, by far the largest poverty-focused intervention has been the externally-driven slum-upgrading project funded by DFID.

c) Responsive and Participatory Leadership: Another important factor is whether the city government adopts a style of leadership and management which is responsive to demands from below, which encourages participation, especially by the poor, which provides mechanisms of accountability of elected representatives and officials, and which ensures transparency in decision-making and budgetary choices. There is a marked contrast on this between our case study cities. Through the interaction of civil society and city government, decision-making in Cebu has become more responsive, participatory, transparent and accountable – although still far from perfect. That process has yet to begin in Kumasi. Even the preparation of Kumasi's Medium Term Development Plan, a process which was supposed to have involved local citizens extensively, was actually done by external consultants and a "counterpart team" from KMA (Korboe, p.118). In Mombasa, contacts between MMC staff and local residents are described as being "infrequent and antagonistic" (Gatabaki-Kamau, p.90), although there are exceptions where staff have been effective in bringing about improvements in poor neighbourhoods (p.91). In Johannesburg, there have been real efforts to open up the political process to all citizens, for example through RDP (Reconstruction and Development Programme) forums, involving the various elements of civil society in formulating the city's development objectives and plans (Beall et al, p.105 and 115).

Given their limited responsibilities and resources, and the multiplicity of other agencies involved, city governments may be reluctant to open the flood-gates to the demands from the poor. But this may rather be an excuse for not adopting a more responsive and participatory style in those areas in which they can have an effect. In Santiago, there is an elaborate, participatory process for producing a local development plan. However, such plans are often not operationalised because of the lack of resources or because there is no commitment to it from the mayor (Rodríguez p.69). One of the most interesting examples is the participatory budgeting model adopted in a number of Brazilian cities. But how much this process genuinely determines budgetary choices, how much the poor really participate, and how far the process is simply used as a power play between the Mayor and the elected legislature, are issues which will be considered in one of our case studies in Stage 2.

d) Availability of Information: The level of understanding, and the extent of information which the city government has about poverty, affects the city government's ability to address poverty. In most cities, data is woefully inadequate. If data does exist, it is often national in scope rather than local, out of date, and at a high level of aggregation, providing little illumination on the differentiated nature of poverty or the livelihood systems of the poor. Indian cities probably have the most detailed data on poverty, but again this is highly formalised around definitions of poverty lines. The position is somewhat similar in Colombo. In Cebu, alternative sources of data show widely differing pictures of the level of poverty, and whether the situation is getting better or worse (Etemadi p.31-32). City governments also lack essential data about environmental conditions and the impact of these on different groups. They even lack basic information about the services which they are supposed to be providing: on service levels to different groups, service reliability, who benefits, who pays and how much, etc. Furthermore, the information they do have may simply exclude informal or irregular settlements, making

Box 4: Community Development Councils in Colombo

One of the most interesting examples of city government engaging with poor communities is the establishment of Community Development Councils (CDCs) in Colombo. CDCs were established under the Government's Million Houses Programme (MHP). The Urban Basic Services Programme (UBSP), a sub-programme of the MHP, was designed to address the conditions in the city's slum and shanty settlements. The programme was a partnership between the Health Department of Colombo Municipal Corporation (CMC) and the National Housing Development Authority (NHDA), funded initially by UNICEF. CDCs were established in each community in which the programme worked, both as a means of consultation with the community and to mobilise resources from them for project implementation. Although clearly "top-down" in origin, CDCs soon became a vehicle by which communities could press CMC and government departments for action. Their voice was strengthened by the establishment of the Housing and Community Development Committee (HCDC), chaired by the Mayor and including representatives of CDCs, CMC officers and NGOs. The establishment of a system of Community Action Planning, a process driven by CDCs was also important in giving them voice. Between 1979 and 1998, 623 CDCs were registered. CDCs are made up entirely of members of the community, although in the early days, CMC supported them by providing Health Instructors to act as Committee Secretaries. CDCs formed a federation which further strengthened the voice of poor communities.

There is no doubt that CDCs have had a major influence on the way the Municipal Corporation has addressed the needs of poor communities. They have given those communities an effective voice in negotiating for improved infrastructure and services. However, from the high point of the early 1990s, most CDCs now seem to have become inactive. There are a number of reasons for this:

- a lingering perception that CDCs were government-based organisations, used by government for its own ends, such a mobilising labour and cost recovery
- a change in government in 1994: the new government saw CDCs as instruments of the previous UNP regime, and so backed away from them; even though CMC is still controlled by UNP and the HCDC continues to function in Colombo, the new Mayor was less committed to the idea, and the withdrawal of high level political support weakened the credibility of CDCs
- exhaustion of the time, energy and resources of the leadership of CDCs, all of whom are drawn from poor communities, and who have to face multiple problems and political pressures within their communities; having perceived that their pressing needs had been met, the leadership ceased to be active.

This is not to say that the whole experiment is at an end. Most CDCs are regarded as being dormant rather than dead, and would revive if faced with fresh challenges or opportunities, and a more supportive political environment.

Source: Steven Russell: Community Development Councils: Grassroots Testimony on Community Development Councils: Local Activists' Experience and Perspectives, in Fernando et al, 1999 pp.87-114

nonsense of aggregate figures. Without such information, it is difficult to see how a meaningful poverty strategy can be developed or implemented effectively.

2. <u>Donors</u>: In most of the case study cities, donors have played a key role in relation to poverty. Donors such as UNICEF, UNDP, DFID and World Bank have funded programmes which have, to a greater or lesser extent, addressed poverty. These programmes, like the slum-upgrading programme in Vizakhapatnam, and the UNICEF-initiated Urban Basic Services Programmes in a number of cities, have been the most significant anti-poverty interventions in the cities concerned. In Kumasi and Mombasa, donor funded interventions in sanitation, water and health have been practically the only poverty-related activities, but appear to have had little impact on the city governments' approach to poverty. In Cebu and Johannesburg, donor funding has been much less significant, although donors are increasingly becoming involved in the restructuring of city government in Johannesburg and its attempts to address the needs of the poor. Because Chile is no longer regarded as a poor country, donors have no role in relation to poverty in Santiago. Instead, poverty reduction programmes are centrally driven with elaborate conditionalities reminiscent of donor projects (Rodríguez p.70-74).

5. The Impact on the Poor of Specific Policies and Practices

Whatever the official plans, policies and statements, the impact on the poor is the result of the actual practices of the municipal government and other institutions of city governance. Whilst in none of our case study cities is the city government actively pursuing major anti-poor policies such as the large-scale forced relocation of residents of informal housing areas, there are numerous policies and practices which impact positively or (more usually) negatively on the poor. In practice, it is much easier for city governments to disadvantage the poor than it is for them to do anything to assist the poor.

a) <u>Approach towards Informal Sector Businesses</u>: In Bangalore, the tacit acceptance of informal sector activity in slum housing areas, despite contravening formal regulations, has allowed that sector to flourish. That case study emphasises the crucial importance of location and networks for the informal sector, and the vulnerability of such businesses to any attempt to relocate or regularise them. In Cebu, the city government has adopted a pragmatic approach to the informal sector, allowing it to operate even in contravention of bylaws. By contrast, in Kumasi, the municipal government – or more specifically the Chief Executive – adopts a harsh policy towards informal sector traders in the city centre. In raiding parties which the Chief Executive leads, traders' stalls are wrecked and goods destroyed. However, elsewhere in the city, a more tolerant attitude appears to prevail. In Kenya, local council *askaris* are notorious for harassment of traders who infringe the often arcane by-laws and licensing requirements. In Mombasa, the Municipal Council, in its desire to provide a clean image for tourists, is prone to denying licences and harassing street traders (Gatabaki-Kamau, p.79).

Box 5: Shifting Patterns of Control over Programmes for the Urban Poor

Bangalore's Urban Basic Services Programme (UBSP) was established in 1985 to improve the access to basic services of the urban poor, particularly women and children, through the development of community based organisations and initiatives. In 1997, UBSP was merged with Swarna Jayanthi Rozgar Yojana Scheme (SJSRY), thereby extending the scope of the programme to include slum areas beyond the city boundaries. SJSRY built on the structure of local community organisations (Neighbourhood Groups and Neighbourhood Committees) established under UBSP. But although the city government (BCC) continued to be involved, the direction of the programme shifted to the state government. Members of the State Legislative Assembly and Legislative Council (MLAs and MLCs) and MPs were the political representatives involved in the programme, rather than local councillors. According to Benjamin, this has "centralised political circuits away from councillors". The SJSRY programme operates on the divisional rather than the ward level, amalgamating lower level political territories. Councillors still play a role in an informal way, but their influence depends on their status within the party and their political capital.

  "In both UBSP and SJSRY programmes, the link to the councillors is
  not formalised. However, in the former, fund allocations were at the
  ward level. Thus, councillors could informally influence the extension of
  the programme to areas highly deficient in services but not covered.
  The ward basis also helped to maintain accountability in the system
  since problems or solutions could be directly linked to the elected
  councillor. In the earlier USBP programme (or for that matter normal
  BCC programmes) implemented at the ward level, there are possibilities
  for poor groups to pressurise their respective councillors to extend the
  programme to their areas........In the existing SJSRY, not every slum
  has a representative on the CDS (Community Development Society).
  The dwellers thus feel that those who are members and political
  connected at the State Government level would channel money
  programmes only to their respective areas." (Benjamin, p.13-14).

b) <u>Recognition of Informal Settlements</u>: In most of the case study cities there are areas of informal housing which the city authorities refuse to recognise, and hence to provide with even the most basic services. In some cases this may be because of legal constraints, but in others it may simply be a naïve view that such areas should not exist and so will not be recognised. In Bangalore, where over 700 areas are defined as "slums", including some areas of perfectly good housing which happen not to conform in some respects (Benjamin p.22). Such areas are vulnerable to private or public sector interventions. For slums on privately owned land or railway land, tenure problems often mean that the area cannot be "regularised", with the result that nothing happens. But while the Slum Clearance Board in Bangalore simply ignores such slums, it may still be possible for residents to get services through the political patronage of their councillor (Benjamin p.31-32). Generally, official programmes tend to ignore slums which

have significant problems over land rights – which in practice means most of them. Thus, according to Benjamin, such programmes "by-pass those poor groups which cannot afford to stay in situations with secure legal status" (p.17). In practice, slum residents may regard tenure regularisation as less important than obtaining infrastructure, and indeed may be wary of regularisation, which could actually increase their vulnerability (Benjamin p.107). Residents in areas zoned for some of the city's "mega projects" are particularly vulnerable to being forced out.

In Cebu, there are a variety of initiatives to address the needs of informal housing areas. Because insecurity of tenure is often the critical issue, these initiatives have focused mainly on mechanisms for the poor to acquire tenure rights, rather than on infrastructure upgrading, which has been the more common approach in India and Africa. The city has been fairly pragmatic about this. Where land tenure problems prevent the use of the national Community Mortgage Program, the city has used its own funds. Similar, where unresolved tenure issues prevent provision of permanent access routes within informal housing areas, the city provides concrete blocks for the community to use as stepping stones. The main weakness is that the scale of these initiatives has been small in relation to the overall needs.

c) <u>Repressive Bylaws</u>: Most of the case study cities have inherited a collection of by-laws, and planning and building standards, which are unsuited to the needs and the ability to pay of the poor. In Colombo, 90% of residents in the city's under-serviced settlements occupy plots that are less than a quarter of the size specified in the regulations as the minimum plot size (Fernando p.23). In Mombasa, applicants for official allocations of plots have to show their ability to undertake permanent construction within two years, which effectively excludes the poor. Also in Mombasa, there are regulations regarding plot sizes, land use and building materials which are unachievable by the poor. Of course, such regulations are rarely enforced, but their existence can provide rent-seeking opportunities for the enforcers. At the same time, regulations which are important, such as those concerning the disposal of hazardous wastes, fire protection and structural stability of buildings, are also not enforced. The main losers are likely to be the poor.

d) <u>Expenditure Patterns</u>: The pattern of city government expenditures has an impact on the poor, but little analysis is ever made of the benefits of expenditures for different income groups. Such an analysis is made more difficult because most budgets are prepared on an input basis, with large proportions going on wages and salaries, so that it is not clear what the outputs are, let alone who benefits. An analysis of Kumasi's capital budget showed a large proportion going on waste management, which serves mainly the upper income groups, and significant expenditures on the Assembly buildings and the Chief Executive's house (Korboe, p.196). Colombo's capital budget for 1997 allocated Rs 30 million for two Pilgrims' Rests and a holiday home, Rs 60 million for reception halls and community centres, but only Rs 1.5 million for toilets, a key priority in the under-served settlements (Fernando p.67). An analysis of the Bangalore municipal budget by the Public Affairs Centre concluded that there had been a decline in expenditures on public services benefiting the poor (Benjamin p.8).

In terms of making claims on the budget, it is not surprising to find that middle and upper income groups have greater influence than the poor. In Johannesburg, the budgetary consultation process with local communities in Soweto identified the tarring of roads as the top priority, suggesting the ability of the better off to push their priorities ahead of those of the poor. The Bangalore case shows how officials are more likely to regard claims by those living in planned housing areas as being more legitimate than those from informal settlements without title (Benjamin p.96).

e) <u>Pricing Policies for Services:</u> Pricing policies for local services have an obvious impact on the poor. There are plenty of examples where increased "cost sharing" charges for health services have meant the poor have been denied basic health care. Privatisation of domestic waste collection in Mombasa resulted in low income groups being unable or unwilling to pay the higher charges demanded by the contractor, with the result that the service was withdrawn from them (Gatabaki-Kamau p.44). In Kumasi, the increased charges for public toilets following their "privatisation" created a significant burden for poor households (for a family of five, using the toilet each once a day would absorb at least 10% of a basic wage (Devas and Korboe, 2000 p.130), and resulted in increased indiscriminate defecation.

Tariffs for water supplies are often made "progressive" on the assumption that higher income groups consume more water. In principle this may be right, but in practice low income households often share a single tap. As a result of high consumption from that tap, users end up paying at the highest rate. This is the case in Kumasi, for both water and electricity. In Cebu, the water supplier differentiates between single household connections and shared connections, so that the latter are not adversely affected by progressive tariffs.

As well as considering the immediate impact of service charges on the poor, pricing policies need to ensure that there are sufficient resources available to maintain services and extend them to those not currently served. There is a clear contrast between the privately provided toilets (Sulabh) in Vizakhapatnam, which are cleaned and maintained in return for a charge, and the public provided facilities which are poor constructed and maintained, and therefore fail to serve their purpose (Kumar p.24).

Subsidised services often do not actually benefit the poor, since the poor may not receive the service at all. The subsidised public housing in Mombasa benefits only the few occupants, many of whom may not actually be poor (Gatabaki-Kamau, p.101) – indeed much of it is sub-let at far higher rents. In Kumasi, a substantial proportion of city's budget goes on waste collection, the costs of which are only partly met from charges, and yet the service is really only provided to high income neighbourhoods.

In Indian cities, and in Colombo, there is a long tradition of free public taps (over 5,300 in Bangalore, serving more than half the city's population – Benjamin et al p.44). But the number of people using each standpipe is often very large (sometimes over 100), taps are often broken, water pressure is often very low,

and water may only be available for very limited periods. In Kumasi, the Water and Sewerage Corporation has abandoned its provision of public standpipes, preferring to install group connections, even though the initial connection charge is likely to be beyond the capacity of the poor to pay. Cross-subsidised tariff structures for water are common, with higher tariffs for large volume consumers. However, this practice can end up penalising poor households who share a common tap, since they end up paying at the maximum tariff. This is certainly the case for a large proportion of the poor in Kumasi, and applies to electricity as well as water.

In Santiago, subsidies for water are based on ability to pay: those with incomes less than a certain level receive a 50% subsidy for consumption up to 20 m3 (Rodríguez p.101). Such a system of targeting subsidies depends on being able to assess incomes. In Johannesburg, there is an embryonic "indigents policy", but the driving force behind this was the need to take enforcement action against those who could afford to pay, rather than as a support for the poor (Beall et al, p.98). The "Indigents Register" is used to identify the poorest so that enforcement action will not be taken against them for non-payment, but the arrangement still leaves such people with the debt, and is open to abuse in the form of "meter switching". Nor does it provide the water undertaking with any financial compensation for the water consumed.

In many cases, what matters more than subsidised pricing is extending the network to serve all areas, and ensuring that the system actually delivers water. Several of the case study cities have very extensive networks. In Santiago, over 98% of households have a water tap inside the house or on the plot. The figure for Johannesburg is also 98%, but there are still areas which are inadequately served. In Kumasi, although the network is quite extensive, and official statistics claim that 99% of households are served by piped water, many have to purchase water from neighbours or vendors. There are also large areas which are inadequately served, where the cost of vended water can be 100 times than of the public supply (Korboe p.74). A DFID-funded project is currently examining ways in which the network can be extended to benefit poor areas. This will require investment which will have to be paid for by an increase in the overall tariff, but the effect should be to reduce the costs currently paid by the poor. The current plans to commercialise the water supply undertaking in Johannesburg could also result in increased charges, and careful consideration needs to be given to the design of a tariff structure which protects the poor.

f) Access to Land and Housing: Access to land is crucial, as is flexibility of land-holding arrangements, not just for housing but for informal economic activities. The Bangalore case study illustrates the ways in which the poor are able to make use of a range of different forms of land-tenure, degrees of security and levels of infrastructure, to match their particular needs. Redevelopment schemes, and even upgrading and tenure regularisation, can upset the delicate balance for the poor. That case study also illustrates the way the formal land allocation system bypasses the poor and is open to manipulation and corruption (Benjamin p.139). Land ownership is also often concentrated in the hands of a few families. In Indian cities, slums are often located on public land, and the city government's willingness to recognise informal settlements and regularise them, without

disturbing the delicate balance, can have a major impact. The slum upgrading project in Vizakhapatnam is a good example of this.

In Kumasi, the traditional land allocation system, although extensively commercialised, does offer access to land in ways which are affordable by the poor – at least for natives of the region. It also restrains large-scale land speculation (Korboe p.96). The prevalent system of compound housing with a resident landlord appears to result in somewhat better housing conditions and services for poor tenants than other rental systems. In both Kumasi and Mombasa, the bulk of the housing occupied by the poor is provided by private landlords. In Colombo, controls on the rented sector have tended to reduce the supply of private rented accommodation, making that less accessible for the poor. Past reliance on public housing in cities like Colombo, Bangalore and Mombasa have left a burden of maintenance costs whilst completely failing to meet the needs of the urban poor (Gatabaki-Kamau, p.101).

In Johannesburg, much of the pent-up demand for housing for the poor has been met through backyard shacks interwoven into the old public housing areas like Soweto. There has also been a major programme in South Africa of subsidies for housing development for those on low incomes. Funding for this, for both the house construction and the supporting infrastructure, are outside the control of the city government (p.118). Whilst this programme has delivered a large number of housing units, it has been criticised for focusing on home ownership as the only model, and for the dominance of private developers in the process. In Johannesburg, it has proved difficult to obtain sufficient land, particularly because of "NIMBY-style" objections from higher income groups (Beall et al. p.105). At the same time, an informal "land Mafia" has emerged, acquiring portions of public owned land and enticing the poor to purchase housing which they cannot afford (p.102).

In both Santiago and Cebu there are a variety of subsidised housing options for the poor, leading to improved housing conditions. In Santiago, between 1990 and 1998 the number of people living "precarious settlements" dropped from 50,000 to 11,000 (Rodríguez, p.75). The main criticism is that the quality of housing provided through the subsidy programmes has been poor. In Philippines, the dominant mechanism has been the Community Mortgage Programme (CMP). The main problem is that funding for CMP is centralised, and Cebu city appears to have received too small a share of resources. Other problems identified in Cebu are the failure of the city government to enforce the law requiring developers to allocate 20% of housing schemes for social housing, and the high cost and unsuitability of medium-rise housing being promoted by the city (Etemadi p.92).

g) <u>Specific Programmes for the Poor</u>: city governments and government agencies are involved with a wide variety of specific programmes and projects designed to address the needs of the poor. In most cases the funding comes from central government (or donors) rather than local government, with city governments often playing only a supporting role. The following are examples of specific programmes in the case study cities:

<u>Ahmedabad and Bangalore</u>: SJSRY emphasises employment creation, both self-employment, e.g. credit for micro-enterprises, skill development, provision of work places and marketing facilities, labour-intensive construction, programmes for women and children. According to Benjamin, only preparatory work has been done so far, no one has yet actually benefited from the scheme (Benjamin p.12-13).

<u>Vizakhapatnam</u>: by far the largest contribution to the poor has been the ODA-funded Slum Improvement Project, which has covered 85% of the slum population (Kumar, p.26). The programme includes support for health and education, credit and training as well as physical infrastructure.

<u>Colombo</u>: Urban Basic Services Programme (UBSP): UNICEF funded programme to promote environmental health and community development in slum and shanty settlements, together with the Million Houses Programme (see Box 4), plus the recent World Bank-funded Clean Settlements Project, aimed at improving the physical, social, economic, political and environmental conditions of under-served settlements. Sri Lanka also has a range of national welfare programmes: distribution of food, food stamps, grants for establishing micro-enterprises, income transfers, etc, targeted on those defined as poor (nearly half the population, although actual recipients in Colombo amount to 16%) (Fernando et al, p.23-28).

<u>Mombasa</u>: previous World Bank-funded sites-and-services and upgrading projects, involving regularisation of land tenure, provision of infrastructure, housing loans, and provision of space for income generating activities, tended to be implemented in a non-participatory way. UNICEF-funded Child Survival and Development Project, aimed at improving access to basic services, particularly basic health care, through involvement of local communities and NGOs.

<u>Johannesburg</u>: despite the great amount of rhetoric, a multiplicity of initiatives, and real attempts to re-orient regular programmes towards the poor, there are few actual programmes addressing urban poverty. Probably the most significant is the housing subsidy (a capital contribution to housing construction and related services for those with incomes below a specified level).

<u>Cebu</u>: there are a great many specific programmes. The most comprehensive is the Urban Basic Services Programme, which covers health, nutrition, water, sanitation, education, support for women and street children, tenure issues, skills training and community building. UBSP involves a wide range of governmental agencies, NGOs and community organisations (Etemadi, 54-58).

<u>Santiago</u>: there are a large number of state-funded programmes directed at the poor, including a range of housing options. There is also a range of state programmes which municipal governments can access to address the needs of poor areas. Significant among these are FOSIS, which funds social programmes (credit and technical support for micro-enterprises, social development and empowerment projects, cultural and recreational activities for youth, etc.), and FNDR which finances urban infrastructure, including health and education facilities. Criticisms of these programmes include the lack of an integrated approach, with a resulting loss of synergy, and the reinforcing of spatial segregation of incomes groups as a result of targeting (Rodríguez, p. 55 and 76).

h) <u>Law and Order, Security, Crime and Justice</u>: These are important issues for the poor who are so often the victims. But city governments rarely have jurisdiction over these matters, although there may be ways in which they can have some

influence on them. In Johannesburg, the city government perceives crime and insecurity as a major issue, and one that is damaging the city's economy, but has little capacity to address the issue. High income groups, who are the most vociferous on the issue, have retreated into privatised solutions (protected compounds, armed guards), while the poor, who actually suffer most from crime, are left which inadequate public protection. In Cebu, the role of Barangays in providing local security helps to increase local-level accountability for the service.

6. The Interaction between City Government and Civil Society

Among our case study cities there is huge variation in terms of the range, capability and maturity of civil society institutions. The interaction between civil society – in its widest sense – and city government is the other key factor determining whether the poor benefit and whether the needs of the poor are heeded. Another paper will look at this interaction from the side of civil society: this section focuses on the various relationships mainly from the government side.

a) <u>Relationship with the Business Community</u>: Businesses have resources that can be used to benefit the poor, but in addition, the way that businesses operate can profoundly affect the lives of the poor. Holding businesses to account for their policies in relation to employment and the environment is a key role for civil society. The reality is that most city governments are powerless in relation to businesses, both the large, formal sector businesses, including MNCs, whose decisions are made far away, and the small, informal sector businesses which survive by evading regulatory controls on their operations. Slightly more amenable may be the medium-sized, city-based businesses, whose owners may be prominent local citizens and who may be amenable to pressures for civic responsibility. The long involvement of textile mill owners in civic life of Ahmedabad is an example, as is the involvement of hotel owners in Mombasa during Balala's brief tenure as Mayor. Of course, such relationships are not necessarily beneficial to the poor. "Growth coalitions" such as those in Ahmedabad have been primarily concerned with economic growth, with little or no regard for the interests of the poor. Local business élite may use civic positions merely for personal aggrandisement or to further their business interests. But by coming into the civic arena, there is a somewhat greater chance that they will be confronted with the effects on citizens of their business interests.

Ahmedabad offers a good example of socially responsible engagement of the business community. There, a partnership was established between one of the main textile companies, Arvind Mills, local NGOs and the Municipal Corporation (AMC) to upgrade a slum area, in co-operation with the slum community. Alas, whilst that scheme seems to have been successful, Arvind Mills pulled out of subsequent projects citing differences with AMC in working culture and decision-making structures (Dutta p.89). This underlines the difficulty of making partnerships work. However, a Trust established by Arvind Mills continues to provide training for the poor in slum areas and access to employment.

In Colombo, the new Mayor elected in 1997 involved the business community and professional groups in agenda setting, as well as in a range of activities such as

maintenance of dispensaries, sections of road, traffic islands, street names, etc. (Fernando et al, p.65). Other cities have been able to achieve modest partnerships with businesses, particularly on clean-up campaigns and city beautification, for example in Mombasa. This was achieved because of the then Mayor was also the chairman of the city's hotel owners association. However, such "clean-up" campaigns can easily disadvantage the poor who may be seen as part of the problem, with consequent pressure to move informal sector traders and beggars off the streets.

One aspect to the relationship between city government and business concerns probity. There is a fine line between genuine partnership on the one hand, and favouritism and corruption on the other. Businesses enter partnerships because such arrangements offer benefits, but there is a risk that these arrangements stifle competition and conflict with the due processes of government, for example over tendering. This calls for transparency over who is involved, who benefits and the procedures used.

The interests of businesses may conflict with those of the poor in many ways, particularly over land and environmental issues. In Bangalore, as in many cities, there is a conflict between the city government's desire to project an image that will attract hi-tech businesses, including making land available, and the interests of the poor. In Johannesburg, there is a similar tension between the city government's commitment to the poor and its identification with the provincial government's slogan of "Smart Gauteng". The hope is always that new businesses will provide jobs, both directly and indirectly, but whether these will benefit the poor, and at what cost to the poor, is a well-worn debate.

Does the business community seek to interfere with city government? The Cebu case suggests that the business community takes little interest in city government so long as there is an environment conducive to business and there are no undue restrictions on its activities (Etemadi, p.44). In Johannesburg, too, in contrast to the past where the business community played an active role, it is now "strangely absent" from municipal politics (Beall et al, p.106). This may be: because the white business community has little or no political connection with the new municipal politics; because the management of city does not transgress the interests of the business community; or because the business community simply wants to keep its distance from city politics and needs little from the city. In Mombasa, there is a more murky involvement in city government of the powerful business community, 80% of which is controlled by the Asian and Arab minority population, which is not averse to using its strong links to national politics (Gatabaki-Kamau, p.78).

b) <u>Trade Unions and Trade Associations</u>: One might expect trade unions to be at the forefront of campaigning for the poor. The trade union movement in South Africa was centrally involved in the struggle against apartheid. But our case studies show little evidence of effective campaigning on behalf of the poor. On the whole, trade unions seem concerned solely with their own members, who are rarely the poor, and certainly not the poorest. Liberalisation of trade has also eroded the power of trade unions. But public sector unions are still powerful, particularly in India, and have put up fierce resistance to public sector reforms. In Johannes-

burg, the powerful municipal workers union has refused to co-operate with GJMC in restructuring city government, something which could de-rail the whole process and prevent resources being released to improve services for the poor.

Trade associations can play an important role. The best example from these case studies is Ahmedabad's Self-Employed Women's Association (SEWA) which has had a huge impact among poor women. There are examples in other cities, such as the talia-producers association in one of the low-income settlements in Kumasi (Korboe p.156). Shop-keepers, traders and taxi drivers in that city have also been increasingly forceful in defence of their interests, for example, traders' resistance to recent increases in licence fees (Korboe, p.114). But their interests may conflict with those of other poor groups, for example over public transport fares.

c) NGOs: There are substantial differences between our city case studies in terms of the number of NGOs, their capacity and their degree of engagement with the poor. In Cebu, there is a vast array of NGOs assisting poor communities and groups to articulate their demands, and in holding city politicians accountable in terms of their response to the poor (Etemadi, p.40). A city-wide alliance of NGOs and community groups plays a crucial role in mayoral elections by examining the platforms of each candidate in terms of their impact on the poor, before endorsing one of the candidates. A GO-NGO consultation forum has been involved in agenda setting for the city, and NGOs have negotiated effectively on numerous issues critical for the poor (Etemadi, p.42-43). However, it is debatable how far all these initiatives really determine what happens. There are also highly developed and articulate NGOs serving the poor in Ahmedabad, but in Vizakhapatnam there are reported to be no NGOs working specifically with the urban poor (Kumar p.34). In Johannesburg, there is an extensive network of NGOs, built up during the years of struggle, which interact formally and informally with city government (Beall et al, p.114). But with many of the former NGO activists now themselves part of city government, this also presents dilemmas for NGOs wishing to press radical demands.

In Kumasi and Mombasa, whilst there are plenty of NGOs, they tend to be limited to more traditional poverty-reduction initiatives and to have little capacity to interact with city government on behalf of the poor. Despite the large proportions of the population which belong to either churches or mosques in these two cities, neither Christian nor Islamic organisations seem to engage with city government to any extent. In Santiago, after a period of intense and radical civic engagement in the years leading up to democratisation, NGOs (with the exception of environmental groups) have become increasingly co-opted by the state as managers of social programmes (Rodríguez, p.92). This is also true to an extent in Cebu and Johannesburg, with a shift from opposition to critical engagement.

In some of the city case studies (Colombo, Bangalore), residents in informal settlements expressed considerable cynicism about NGOs, which they considered were often opportunistic, motivated by their own interests, and lacking any long-term commitment. Also, "While NGOs are connected generally with the softer issues like awareness building, substantive infrastructure improvements usually come out of public interventions pushed along via political contacts." (Benjamin p.106, quoting Dewitt).

d) <u>Community Organisations of the Poor</u>: What the poor do for themselves is clearly of the greatest importance. In this, community based organisations (CBOs) are critical. In some cities, there are well established systems of local community organisations, such as the CDCs in Colombo and *sangas* in Bangalore. But community organisations of the poor face many problems. One is the limited resources of time, energy and money which poor communities have to put into such organisations. Both the Banagalore and Colombo cases show how such organisations tend to fizzle out once immediate objectives have been achieved (see Box 4).

CBOs have to cope with competing interests and political conflicts within communities that sap the energy of the leadership. Ethnic, religious and political divisions often undermine solidarity (Benjamin p.14). Other issues are how the leadership maintains accountability to the members, and how the organisation avoids capture by local politicians or domination by more powerful groups with different objectives (Kumar p.36; Benjamin p.96). In addition, a deferential culture among the poor may mean they are reluctant to challenge authority, and prefer to leave decision-making to leaders (Korboe, p.127).

CBOs often lack the skills to negotiate effectively with governmental organisations. NGOs can assist with this, but there is always a risk of dependence. Evidence from Ahmedabad, where there are over 1200 CBOs, suggests that dependence is less where there is a strong ideological basis, or where issues are of vital interest to the community, like land (Dutta p.119). Federations of CBOs can provide mutual support and greater scope for collective action across the city, such as the Home Owners' Associations and Water Users Associations in Cebu (Etemadi, p.97-101). In Bangalore, it seems to be the informal network between local *sangas* and the elected councillors which is the most effective avenue (Benjamin p.66).

In Johannesburg, the community based "civics" were a central element of the struggle against apartheid, and provided the alternative system of local

governance to the discredited Black Local Authorities. In the post-apartheid era, these civics, along with many other community organisations, have been incorporated into the public consultation process on the city's development (Beall et al, p.115). But it is important to recognise that not all CBOs represent the interests of the poor. In Johannesburg, the most effective CBO is the Sandton Ratepayers Association, representing residents of a high income area, which was able to organise a massive rates boycott, with severe consequences for the city's finances. Such organisations are able to command substantial resources and influence. But they too face problems of building solidarity when interests conflict, especially since the issues which face rich communities may be rather less critical to their survival than those facing the poor.

Community organisations may not always be spontaneous responses but may be creations of the state, or at least the outcome of state sponsored programmes. That is how the CDCs in Colombo began. In Kumasi, there are 403 Unit Committees, the lowest level of a hierarchy of local governance, which are intended to serve as the channels of communication with, and mobilisation of, the local community. But the approach is top-down, and the absence of resources available to them, together with unresponsiveness of KMA, means that Unit Committees have little credibility. In Bangalore, Neighbourhood Groups, Neighbourhood Committees and Community Development Societies have been established under the UBSP and SJSSRY programmes (Benjamin, p.11). In Santiago, many of the community organisations were established in response to government programmes, and others, like the Neighbourhood Boards are maintained through the availability of state finance. Such arrangements can help to make social programmes more participatory and accountable to those they are intended for. But as the Santiago report notes, "There is a deficit of social capital and neighbourhood politics, a general lack of will to form a social movement which is concerned with representation and not just accessing state programmes." (Rodríguez, p.50).

e) <u>Supportive Ethnic Networks</u>: A number of the case studies identify supportive ethnic (and caste) networks as an important element of social capital. While ethnicity and caste are commonly a basis for discrimination against the poor[8], they can provide networks of support and avenues of influence for poor groups. Ethnic networks may provide access to employment opportunities, housing and support for newly arrived migrants. Ethnic and caste groups often have their own organisations for mutual support, and may be able to gain access through influential people of their own group. This can be particularly significant in India where there has long been reservation of certain public offices for "backward" caste or tribal groups. In Santiago, where there is a long history of discrimination against the indigenous people, urban indigenous organisations have flourished in recent years (Rodríguez, p.47). In Mombasa and Kumasi, "home area" welfare organisations are important in providing support to kinship groups (Gatabaki-Kamau, p.89; Korboe, p.153)). But in every city, the poor are divided by ethnic, caste and religious differences, inhibiting solidarity in pressing their demands.

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[8] The Vizakhapatnam case illustrates how seriously the caste system institutionalises discrimination and poverty (Kumar p.30-31)

Under this general heading, mention should be made of the role of Chiefs in some of the African cases. In both Kumasi and Mombasa there is still a system of Chiefs with certain statutory powers and responsibilities. In Kumasi, the authority of the traditional Chiefs remains significant, particularly in relation to matters of land and the settlement of disputes. This traditional structure provides, potentially, a channel through which the concerns of poor communities can be articulated to city government (Korboe, p.128), but there is little evidence that this happens. In Mombasa, Chiefs are simply low-level functionaries of the state, divorced from their traditional origins. Chiefs, and the local elders whom they appoint, tend to be mainly channels of communication from government, and to dominate decision making locally, often lacking legitimacy in the eyes of residents. Their actions do not necessarily reflect the interests of the poor (Gatabaki-Kamau, p.89).

f) <u>Building Alliances with the Middle Classes</u>: In the cities of the developed world, a turning point for the urban poor came when middle classes recognised their common interest with the poor in improving conditions (Moore, 1999). Examples include the Victorian improvements to sanitation to prevent the spread of diseases, and the development of universal welfare benefits to protect all citizens from hard times and prevent civil unrest. There is some evidence of this from some of the case study cities (Ahmedabad, Johannesburg, Cebu) but not much. The Cebu case refers to the city government being able to "tap the civic-consciousness of the private sector and professional groups who provide funding and technical expertise to support socio-economic projects" (Etemadi, p.44). There are examples, particularly in India but also in some of the other cities, of highly motivated members of the elite working with poor communities. The motivation may not always be altruistic, but it often is.

g) <u>Media</u>: The media plays a crucial role in articulating issues of governance, analysing public policies, and calling elected representatives and officials to account. In all of the case study cities there is an active and free press – there is no significant state censorship in any of the countries concerned. In some cities, the attention of the press to local issues, and its ability to raise the debate on governance issues, is greater than in others. The Cebu study refers to the application of investigative journalism to city government (Etemadi, p.46). Capital cities tend to get greater attention than provincial cities, but there can also be strong local and regional media. In some places (Johannesburg, Kumasi) local radio has become an important vehicle for public comment and debate, and one that is not restricted to the well educated (Beall et al, p.108; Korboe, p.123). However, there are always questions about the ownership of the media and the interests which they serve. Close links between the media and political parties or business interests can severely bias the analysis. In Johannesburg, it seems that the media's fixation with crime and security in the central city may reflect the interests of the owners in suburban property development. In Santiago, the media has been able to put issues of smog and crime at the top of the agenda, even though these are probably not the primary concerns of the poor. But it has been less effective at exposing corrup-tion, partly because of its "self-censorship" and "permeability to political, economic and moral influences" (Rodríguez, p.67). The Mombasa study cites an attempt by a local businessman-politician to bribe journalists (Gatabaki-Kamau, p.78).

h) <u>Protection of the Courts</u>: One other element in civil society is the protection offered by the law and the courts. All too often, these serve the interests of the rich. The poor may be excluded from protection because they cannot afford it or lack tenurial rights. However, in India, there is a long tradition of the courts offering protection to citizens, poor as well as rich, whose rights are threatened. There are many examples of organisations of the poor using the courts to prevent eviction or exploitation – examples are discussed in the Bangalore case study (e.g. Benjamin p.66). Recourse to the courts is likely to require assistance from NGOs or motivated outsiders to support the claims of the poor, but it is significant that courts in India do, on many occasions, prevent powerful interests from dispossessing the poor from their land.

i) <u>Public space</u>: Finally, there is the role of public space, both physical and socio-political, in which communal activities and public debate can take place. Public space is essential for good governance. The extent of public space, and how it is treated and used, differs between cultures and systems. In some countries, particularly those emerging from periods of political repression, public space may be expanding. But in many others it may be contracting. The Santiago case study laments this decline in public space and the consequent increase in perceptions of insecurity:

> "The public domain is the place where the inter-relations are apparent between political decisions and their consequences for the use of economic and social resources for development. ….It is in the public space that the decision-making system finds solutions to the social, economic and political conflicts generated in the development process…..Physical public space in Latin American cities has been reduced and privatised. It is an unprotected space that does not protect the citizen (Borja, 1998)….that leads citizens to seek refuge in private space (Oviedo and Rodríguez 1998)…..The socio-political space has also been reduced and privatised. The social and economic integration issue relates directly to the effective participation of different groups in public spaces. The fact that we observe exclusion, inequity, poverty and violence shows us that access to public space by many social sectors is limited…" (Rodríguez p.2).

Conclusion

This paper has looked at the series of nine city case studies to identify those factors which appear to influence whether the poor benefit from city economic growth, and whether the poor succeed in influencing the agenda of the institutions of city governance. Clearly, there is no one factor which alone can explain why it is that the poor benefit more, or have greater voice, in some cities than in others. There are a great many factors, several of which are beyond the scope of this paper. Some are important in certain cities, others elsewhere.

It is also not elements in isolation but the combination of factors which is important. An effective mayor with a commitment to the poor, or a ward-based councillor system in which councillors have real influence on decisions, when combined with financial

resources, a capable administration, and responsibility for a range of services, could be expected to produce positive outcomes. These are all the more likely within the context of a demanding civil society and effective NGOs and CBOs, But a dynamic mayor or dedicated councillors without any resources or without responsibilities for key services, can achieve little for the poor. Similarly, without adequate checks and balances in the government system, and without a challenging civil society, executive mayors or councillors are likely to pursue their own interests with little regard for the poor.

Some of our case study cities exhibit several of the essential elements for responsiveness to the poor. Those cities which have emerged from "struggle situations", and those with more mature democratic systems, seem more likely to possess the essential elements. However, there is no "blueprint". Whether the poor benefit, and whether city governance is responsive to the poor, are the outcomes of messy political and institutional processes, which take place within particular economic and social circumstances of the city concerned. The Stage 2 case studies will explore in more detail the political and institutional processes, informal as well as formal, which determine whether decisions – and outcomes – are pro-poor and inclusive.

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