The Habitat II Global Plan of Action and the Urban Challenge

A Contribution to the South Africa Submission, by Isandla Institute

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1. INTRODUCTION

Background

In June 1996, the United Nations Centre for Human Settlements (UNCHS) held an International Conference on Human Settlements, **'Habitat II'** or **'the City Summit'**. The purpose of Habitat II was to address issues relating to the development and management of the world's towns and cities in the context of rapid urbanisation and globalisation.

The conference was concluded with an agreement whereby all participating member states of the UN committed themselves to the **Habitat Agenda**. This is meant to guide the development of sustainable human settlements into the next century. 'The Istanbul Declaration and Habitat Agenda together constitute a new social contract towards improving human settlements conditions in the world's cities, towns and villages.'[1]

The Habitat Agenda was developed along the themes of "Shelter for All" and "Sustainable human settlements development in an urbanising world". It offers a vision of sustainable human settlements - where all have adequate shelter, a healthy and safe environment, basic services and productive and freely chosen employment.[2]

In South Africa the National Department of Housing was charged with co-ordinating the implementation of the Habitat Agenda. As part of this mandate the Department must also provide a report to the United Nations and the global community on South Africa's progress with regard to its implementation. As a first step in the review, in January 1999, the Department commissioned a 'Report on the State of Human Settlements in South Africa: 1994-1999'.

Contributing to the debate

Central to the Habitat Agenda is the participation of civil society organisations in the formulation, implementation and evaluation of the Global Plan of Action. This paper forms part of a contribution to the South Africa submission by Isandla Institute[a]. The objectives are twofold: firstly, to provide a critical and constructive contribution to the South Africa submission, and secondly, to use the submission and discussions around it as a vehicle to invigorate the urban debate in general, and South Africa in particular. To this end, it will pose the question 'Are our urban policies and programmes making any impact in achieving more integrated, vibrant and sustainable cities?'

The following section provides a summary of the goals and strategies of the Habitat II conference and the Global Plan of Action.

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[a] Isandla Institute is a research and policy organisation committed to poverty eradication and the promotion of effective development interventions.

2. THE HABITAT AGENDA AND THE GLOBAL PLAN OF ACTION

Habitat II
The ultimate goal Habitat II was to increase the health, safety, equitability and sustainability of the world's cities, towns and villages. The conference sought to promote this through the following: placing urbanisation and urban/rural relationships at the top of international and national development agendas; promoting new policies and strategies for managing urbanisation and housing development; helping improve living environments of people; and highlighting needs and opportunities for investment in infrastructure and services.

The Habitat Agenda/Global Plan of Action
The Habitat II conference culminated in all member countries agreeing to a set of principles, goals and strategies, known as the Habitat Agenda.

The overarching goal of the Habitat Agenda is to improve the quality of human settlements. With this in mind, two themes were identified: "Adequate shelter for all" and "Sustainable human settlements development".

The key implementation strategies of the Habitat Agenda are as follows:

- adoption of enabling approaches
- formation of partnerships
- activation of participatory mechanisms
- building of capacity among all partner groups
- and monitoring and assessment of progress through networking and modern information technologies.

The principle mechanisms for implementing the Habitat Agenda are national and local plans of action, partner plans of action and the support programmes of multilateral and bilateral co-operation agencies. In addition, and in order to inspire all partners with a positive vision of urban development and to inform through practical examples, identification, nomination and analysis of good and best practices are advocated. Tools for the monitoring and assessment of human settlements conditions take the form of best practices and indicators[3]

3. CONTEXTUALISING THE HABITAT AGENDA: THE INTERNATIONAL URBAN CHALLENGE

The global picture
Over the last 3 decades, the world's towns and cities have been transformed by several external political and economic forces. These include rapid urbanisation, a surge in the intensity and spread of economic globalisation, dramatic technological changes in the movement of people and information, and the progressive adoption of western style democracy and neo-liberal economic policies as the dominant political and economic models. These forces have caused changes in social and economic structures, increased the complexity and diversity of the city, and reductions in the fiscal capacity of national and local governments.

Direct or indirect outcomes of the scenario painted above are growing poverty and inequality (as the benefits of globalisation are reaped by a relatively small percentage of the population),

greater social divisions, increases in crime and violence, inadequate or deteriorating levels of infrastructure and services, intensifying environmental degradation from the impact of unbridled economic and industrial activity, and diminishing resources with which to address the multiple challenges. The restructuring of local government, moves towards decentralised governance, the privatisation of service delivery and limited resources have increased the complexity of urban development and governance. In short, most governments are facing a multitude of complex urban challenges at a time when cities have become the 'linchpins of the new global economic order'[4] each under immense pressure to be globally competitive.

Key Challenges

Several key challenges to urban development can be drawn from the above: rapid urbanisation; increasing poverty and inequality; fragmentation of the city and informality; new demands on local government.

- **Rapid urbanisation**
  By the year 2001, 47.5% of the world will be urbanised. At the current rate of urbanisation, within 2 decades, this figure will have risen to 56.7%[5] and all of that growth will have taken place within the developing countries. This trend is accompanied by an increase in the size of urban centres, which, in turn, is related to the demands of the global economy and the importance of agglomeration for efficient economic production.[6]

  The consequences of rapid urbanisation include service and infrastructure backlogs, poor human settlement conditions which are characterised by overcrowding, insecurity of tenure, environmental and health hazards. This places significant demands on local governments to provide basic services to its citizens as well as to provide the infrastructure necessary for businesses to thrive and compete at the global level[b].

- **Poverty**
  One of the most pressing and taxing global development challenges is increasing poverty and finding appropriate strategies to address it in an environment where the state is under enormous pressure to reduce expenditure and improve performance. The challenge is intensified by mounting evidence to suggest that those bearing the brunt of the impact of globalisation and structural adjustment are the existing poor. [7] And as urbanisation increases, so does urban poverty. At the present time, around 50% of the world's poor live in urban areas. Taking the current rate of urbanisation growth, by the year 2025 poverty will be a predominantly urban problem.[8]

  Poverty refers to lack of physical necessities, assets and income, as opposed to simply inadequate earnings. It is caused by insufficient resources to satisfy basic needs, social exclusion, constraints on sustainable livelihoods (the diverse ways that people adopt to survive), barriers to human development (constraints on peoples' life choices that enable them to have a long and healthy life), and context or location[9]. A key to fighting poverty, therefore, is to understand that it is multi-dimensional and complex, requiring an integrated and comprehensive response.

  Because poverty is caused by a combination of social, economic, spatial, environmental and political factors it is a dynamic rather than a static condition. While some individuals or

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[b] The new forms of knowledge-based production require a different kind of infrastructure from the traditional manufacturing of commodities production, such as telecommunications, transport, cultural industries and information to become globally competitive (See UMP, 2000, forthcoming).

households are permanently poor, others become impoverished as a result of life-cycle changes, specific events, or when external economic conditions deteriorate.[10] In other words, poverty depends on the causal factors a household or individual is most exposed to and unable to overcome.

The poor have access to certain poverty reducing factors, or assets, that they mobilise in the face of hardship. The asset[c] portfolio and the way in which these assets are managed, influences their vulnerability to poverty. The more effective the accumulation and management of an asset portfolio, the less vulnerable the poor are to external shocks and stresses[11]. Moser (1995) refers to five forms of assets to which the poor might have access.

Table 1

The Asset Portfolio of Poor Households[12]
a) <u>Labour</u>, or the possibility of additional household members seeking work. b) <u>Human capital</u>, or the capacity to generate an income through access to education, skills, health care and other social facilities. c) <u>Productive assets</u>, such as housing, which might improve the household's ability to earn an income. This could be through the letting of rooms or a home-based enterprise. d) <u>Household relations</u>, or the ability of the household to adjust its composition in order to reduce vulnerability, by adding or loosing members, for example. e) <u>Social capital</u>, or the ability of households to draw on social networks which could be neighbourhood- or kin-related. These relationships depend on the degree of trust among households and degrees of community organisation.

- **Inequality**
  The poverty challenge sits alongside that of inequality. A characteristic of the global economy is its highly unequal impact in terms of the countries, regions and cities that benefit. It is argued, for example, that much of Africa has been largely marginalised from the 'benefits' of the globalisation processes[13].[d]

  Within the city, inequalities take economic, spatial and social forms. Economic inequality is increasing due to the changes in the international reorganisation of production. The reduction in traditional commodity manufacturing towards knowledge based production of goods and services, for example, depends on few highly skilled people and a minimal workforce. There is also a tendency towards 'high level investments' with poor labour conditions, and an increasing economic gap between the formal and informal sector.[14]

  Spatial inequality takes the form of residential segregation, with high income suburbs as the one extreme - with the wealthy seeking to barricade themselves behind defensive architecture characterised by high walls and heavy security - and informal or illegal settlements as the other. Just one of the negative scenarios that results from such segregation is the social violence experienced, particularly, by vulnerable groups such as women and children.

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[c] These include tangible assets (savings, stores of goods or resources) and intangible assets (i.e. claims that can be made with neighbours, family and friends for help or resources when in need).
[d] Since the 1980s, real incomes in Africa have fallen at an annual rate of 1% and the African share of foreign direct investment (FDI) has declined. Increasing capital outflows, poor economic growth, high debt to export ratios and the continent's minimal share of world trade has resulted in institutional and socio-economic disintegration.

Addressing inequality is a particularly complex challenge in the light of the changing (and some would argue, diminished) role of the state in urban development and management, and its financial incapacity as a result of the demands on cities to be internationally competitive and attractive to capital.

- **The complexity, diversity and fragmentation of the city**
  A recent study on the dimensions and scope of increasing globalisation concludes that a salient feature is new lines and forms of stratification between places, people and groups[15]. As a result of increased mobility, massive transnational migration and the insecurity brought about by the unpredictable moves of international capital and production, the contemporary city is frequently characterised by a diminishing sense of locality, shared place and identity[16]. This means, for example, that the traditional concept of 'community' has changed because the factors that gave rise to it - social homogeneity, immobility and the need to co-operate are no longer there.'[17] 'Communities' are thus increasingly defined as the basis of common interests rather than in geographical terms.

  Exacerbated by intensifying inequalities, the scenario above has increasingly led to social fragmentation, fear and alienation. And, as noted, a characteristic of the international urban environment is growing social and physical segregation.

  In short, the 21st century city is becoming more heterogeneous, with increasingly diverse cultural, economic and spatial forms. One of the most critical challenges to urban development and governance, therefore, is the need to redress the fragmentation of the city, to shape spatial configurations so as to promote solidarity across divides, and to cultivate a sense of shared responsibility and citizenship[18].

- **The 'informal city'**
  For several decades, mainstream approaches to urban management and development have assumed that the informal 'deviations' with respect to land and property market practices would be reconciled into formal norms[19]. Far from being subsumed into the formal, however, informal systems in the development of human settlements have diversified, commercialised, and in some areas significantly expanded[20]. In the major cities of Asia, Africa and Latin America, an average of 40%, and in some cases up to 70%, of the population are living in illegal or informal[e] settlements[21].

  A similar scenario applies to the economic informal sector. In Africa, more than 75% of the basic needs of the urban population are provided by the informal sector[22], and of the 54% of the African population expected to be living in urban centres by 2025, it is projected that a majority will be working in the informal sector[23]. In Asian cities the informal provides a wide range of services to the formal sector, including water, transport, generation of jobs and skills, solid waste management, education, health and warehousing[24].

  The 'informal city' should not be glamorised.[25] Informal settlements in Asian cities, for example, are characterised by overcrowding, poorly located in ecologically dangerous areas, lacking in social and physical infrastructure, with residents often experiencing insecurity of tenure and exploited by the middlemen. However, the endurance, growth and the fact that the informal is often the only option for the poor in their struggles for survival, demands

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[e] Using the definition of Fernandes and Varley (1998), this refers to settlements that have been developed outside the law in terms of land tenure, infrastructure requirements and building standards.

appropriate policy responses. Internationally, public policy towards informal settlements varies between rhetoric and practice. The International Forum on Urban Poverty (1997), for example, selected 'the informal city' as one of 4 key themes for local action. Despite this, and two Habitat (UNCHS) conferences serving to focus the world's attention on human settlements[f], both the building and bulldozing of informal settlements increases every year[26]

Moreover, conventional policy responses (typically involving government intervention in terms of finance systems, land, service or housing provision) have proved largely inadequate in making sustainable improvements in informal settlements[27]. It often argued that the reason for this failure is that they are all derived from an approach with a particular development 'science' that is inappropriate to the political, economic and social logic of the informal.'[28] By implication, a whole new approach to managing 'the informal' is required.

- **New demands on urban governments**

  Economic challenges
  In the increasingly globalising economy, cities are 'engines of economic growth' - centres of production, of financial and commodity markets, making a disproportionate contribution to national economic growth. They are also crucial platforms from which to achieve global competitiveness. City governments, therefore, have a pro-active role to play in encouraging and supporting economic growth by investing in urban areas in order to maximise growth potential.

  However, there is also an imperative to balance local economic development policy aimed at both urban competitiveness with strategies to promote poverty reduction.[29] This means responding to the demands of the private sector and the needs of local citizens. The first demand infrastructure and an environment conducive to their effective functioning in the global economy and the second need access to basic services to 'ameliorate their growing impoverishment and vulnerability'.[30]

  Meeting this balance is complicated, however, by the severe financial constraints on national and local governments as a result of the need to be competitive and fiscally attractive to capital. The last two decades have seen decentralisation applied almost globally, increasing the responsibility and mandates of local government. Over the same period, development and 'poverty alleviation' strategies have shifted focus from the macro, to the community, to the intermediary - local - level[31]. In urban areas, this translates to the municipal level. However, it is often argued that decentralisation and the transfer of responsibility has been pursued in a purely administrative form, without the concomitant transfer of financial capacity to local government[32].

  Institutional complexity and 'heterarchy'
  Contemporary urban development and management is characterised by dramatic increases in the complexity and number of agents involved[33]. This follows the widespread acknowledgement that the participation of a wide spectrum of civil society in decision-making and planning is critical to ensure effective implementation of policies and programmes. It is also the result of a shift towards the privatisation of, or shared (public-private) responsibility for, urban services delivery.[g] In addition, the outsourcing of activities is increasingly taking

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[f] Habitat 1 in 1976 and Habitat II in 1987.

[g] And in many places, downsizing of the public service has resulted in the increased use of consultants to formulate and implement public policy.

place, for example, through the use of consultants, increasingly used to develop and even implement programmes in the wake of institutional 'rationalising' and 'downsizing'.

A second level of complexity is found in the 'heterarchy' of the contemporary city, whereby a multitude of authorities compete with the state in terms of governance. The rules and institutions that constitute relations of authority are not all formal or related only to the state[34]. In effect, forms of governance other than the state can, at times, 'have a greater influence over the distribution of urban resources than the state itself'[35].

> 'Local governments throughout Africa, Asia and Latin America are confronting new development challenges which necessitate the adoption of amended roles, immersion into new task environments and engagement with new sets of actors.'[36]

The result of the above is that effective governance now involves negotiating and co-ordinating a range of different and often competing parties and 'requires relinquishing control by a single institutional or sectoral actor over how the urban is to be remade'[37]. However, two decades of structural adjustment policies have weakened the role of the state. The result is that local government capacity to function effectively in addressing the multitude of challenges is severely limited, particularly in the developing world. Capacity issues are often still prevalent, and officials are at some disadvantage to perform to the high standards increasingly demanded of them.[38]

In short, the challenges presented by urbanisation and globalisation require policy makers and local governments to question the way in which they function and how they intend to develop their localities. The extent to which 'business as usual', traditional approaches to urban management and development is capable of coping with the speed and complexity of growing demands,[39] and of negotiating the range of different parties, is questionable.

It is within this context that the Global Plan of Action must be viewed, and the South Africa response evaluated. The following section of the paper assesses the extent to which the report helps us to understand and give direction to the key urban challenges as they are manifest in South Africa.

4. CRITICAL NOTES ON THE STATE OF HUMAN SETTLEMENTS REPORT

'The State of Human Settlements in South Africa: 1994-1998' report produced for the Department of Housing is the first step of the review process for the Habitat II Global Plan of Action. The objective of the report is to assess human settlements in South Africa against the Habitat goal of improving the quality of human settlements. It also seeks to identify strengths and weaknesses in government policies and programmes at a national level that impact upon human settlements.

Poverty
The document highlights the fact that poverty exists in South Africa and will remain 'prominent on the agenda for some time to come' (:16), but little analysis is provided as to the specific nature and demographic characteristics of South African poverty. For example, poverty is described as a purely income related problem and no link is made between poverty and basic services or poverty and political empowerment.

Implicitly, the report questions the extent to which urban public policies are benefiting the poorest and reducing poverty, but this issue demands further analysis and prominence. For example, while it is noted that 92% of subsidies granted have gone to households earning less than R1 500 a month (:46), there is little discussion as to whether the poor are benefiting in the long term, or what is known about differential benefits.

There is, however, evidence provided to suggest that in some instances the housing programme is having a negative impact in qualitative (i.e. social and economic) terms on the lives of the poor. For example, although social facilities such as schools, clinics, crèches, sports facilities are 'essential to the well-being of residents' (:65), integrated developments that provide a range of services are largely not being produced (:59), with the exception of the Special Presidential Projects on Urban Renewal (SIPPs).

Even more significantly, the report notes the possible negative impact of new housing developments on the survival strategies of the poor: 'The location of new settlements and decisions around whether to upgrade existing informal settlements in their current locations has one of the greatest impacts on quality of life of any intervention action.' (:61). And while 'optimal location is a key quality of a viable community' (:64), 'most settlements are poorly located....[and] becoming further removed from urban opportunities than ever before'(:60). Research is cited that indicates "The housing may not alter beneficiary's standing in any way......in certain instances the housing subsidy can unintentionally accentuate economic disadvantage, social exclusions, institutional isolation, and lack of employment opportunities." (:60). Moreover, home based enterprises and social structures are often destroyed by insensitive interventions (:95).

In addition, the report indicates that public programmes of the past five years have not made an impact in deracialising, defragmenting and integrating the city 'the characteristic qualities of the built environment resulting from the many years of segregationist and apartheid planning are, in many cases, unmitigated' (:95)

The poor location of new settlements is blamed on the vagaries of the land market and the NIMBI factor. As such, the report draws our attention to the *political* nature of land use and land markets, adding that the location issue will only be rectified by addressing current land ownership patterns: 'the shift of the onus for location away from private developers and more towards local authorities holds out more hope ...[but] there is no substitute for political will' (:60). The implication being that current policies and programmes relating to land release require more of a proactive and political intervention on the part of the state.

While agency, choice and participation of the poor in finding solutions to their own development challenges is recognised as critical in order to realise people centred and sustainable development, the report identifies several problems with respect to the issues of 'participation and choice'. In an assessment of sites and service schemes, the report concludes that 'under certain conditions, there are higher returns in the form of levels of resident satisfaction through more meaningful participation' (:72). However, 'While conceptions of participation are well-developed at a community level (although not without their problems), the idea that individual households can be given choices of product and local at a project level have been largely overlooked.' (:70) and 'Time allowed for consultation processes was too little.' (:78).

Equity

The issue of inequality, like that of poverty, is noted but inadequately analysed in the report. In the section 'Forces of Change' (:15), no mention made of inequalities within the cities, or between rural and urban areas, or discrepancies between provinces. And although inequality of income between races is said to be 'considerable', there are no figures provided in clarification (:15). This makes it difficult to assess the scale of intervention that is required.

Debates over the allocation of urban resources (who is getting what and where) in terms of regions, provinces and settlement types, is critically important when assessing the extent to which the policies are increasing equity. However, the distribution of subsidies and government investment is not examined in the report, although it is mentioned that 'information of the spatial location of [welfare] facilities is not available, so to establish whether certain settlement types are better served than others is not possible' (:66). The report does, however, imply that urban public policies are inadequate in redressing inequalities. It is noted, for example, that both Social Development Initiatives and Consolidated Municipal Infrastructure Programme funds are demand driven and application based' (:62) and and 'There is no broad spatial logic guiding the overall allocation of infrastructure investment nationally and provincially' (:58).

The fragmentation and complexity of the city

Immigration trends are discussed under 'Forces of Change' (:15), with the statement that 'South Africa annually loses almost twice as many people through emigration than it gains through immigration' (:17). While this is a contested statistic, (given that official statistics do not take into account undocumented migrants), the reality is that migration from other African countries to South Africa is significant. The report fails to pick this up in the analysis and findings, however, and misses the critical point that public policies in South Africa largely to embrace and accommodate the migrant population and their 'rights to the city'. The housing programme, for example, applies only to South Africa citizens and permanent residents.

The complexity of the contemporary South Africa city is hinted at, but not given much attention. In fact, the document attempts to further categorise the city into distinct compartments or 'settlement types' (:27) which does not seem a very helpful approach to addressing issues of urban or rural development.

The challenge of the informal and people's housing processes

The paper touches on the scale of informal settlements in South Africa: 'In calculating the housing shortages within the country, it is [those living in informal settlements] that constitutes the main part of the backlog being addressed by the housing policy' (:6). It gives prominence to the 'inadequate attention given to in-situ informal settlement upgrading: 'Given the levels of informal settlement in the country, in situ upgrading is not as common as might be expected' (:72) and 'In the drive to create new housing, the option of *in-situ* upgrading has often been neglected.' (:72). This is despite the advantages of upgrading which are noted as: 'the favourable location…closer to economic opportunities….and informal settlements can also take place on smaller parcels of land' (:72); the fact that in-situ upgrading is less disruptive than other interventions; 'high levels of resident participation …..are easier to achieve in upgrading'; and 'survivalist activities such as some home-based enterprises are also supported' (:72). The reasons for this neglect are not explored, however, much beyond the fact that it largely depends upon the prioritisation of local authorities.

While the report notes that 'There is little doubt that assisted self-help processes result in a more appropriate product' (:72) and 'Communities, especially in informal settlements, are also

becoming increasingly involved in the providing their own housing and service needs.' (:6), it argues that the impact of people-driven processes are limited. The report fails to mention, however, the continuing - and some argue, increasing - destruction taking place of informal settlements in the major urban centres[40] and the implications thereof.

The report calls for 'the institutional support for self-help projects to be strengthened' (:73) and emphasises the inadequacy of the state to support people's own efforts through in-situ upgrading. Beyond the fact that local authorities have '[limited] capacity of local authorities [to support people's processes]' (:73), the report does not analyse the more deep-seated problems which appears to be the inability or unwillingness of state institutions to respond to, and support, community initiatives. Research elsewhere indicates that political will and poor understanding of the process also appears to play a strong role in determining local authority attitudes towards self-help and People's Housing Process approaches[41]. This applies to both people's housing processes as well as the upgrading of informal settlements and highlights the need for a greater understanding and responsiveness on the part of state organs to people's own initiatives.

The paper implicitly criticises the technically and sectorally driven approach to development that still prevails in South Africa: 'More than anything else, the overall qualities of human settlements where there has been state intervention of some kind, are a product of a series of actions by the many line departments..' (:64) and 'The main driver of development is the provision of bulk infrastructure' (:67). It also notes that all evaluations to date - and indicators applied to - the housing programme have all been along quantitative lines, based upon numbers of 'housing opportunities' delivered. This suggests that there is a need for a greater focus on the social aspects of the development and 'social auditing' in terms of the impact of public policy.

Challenges to local government

Institutional challenges
In many places the report refers - implicitly or explicitly - to the limited capacity of the state sector and the relationship between problematic delivery and institutional constraints, for example, 'Some of the limitations to the effectiveness of policy ....arise out of a lack of capacity to implement it' (:99), and 'shortfalls [in housing subsidy allocations to certain provinces] may be indicative of weak institutional capacity' (:44). It is suggested that the limited impact of legislation such as the Development Facilitation Act and Integrated Development Plans is 'because of limited human capacity and funds' (:53). However, the issue of limited state capacity is too easily used as a blanket explanation for problematic delivery. It is an area that deserves far greater analysis beyond limited finance, the 'lack of horizontal co-operation between government departments' (:56) and poor co-ordination of investment programmes. This is particularly critical as the national housing budget is systematically decreasing, placing significantly more pressure on local government to facilitate and enable the delivery of housing.

The report implicitly highlights the complexities of contemporary urban management 'Issues such as crime prevention, poverty alleviation, and disaster management require a high degree of integrated management and co-operation between different line functions.' (:79) and the reality that 'crime prevention requires inputs from criminal justice, social and economic interest groups and other community based groups' (:80), However, the multitude of competing forces and pressures in the city is understated. Notable for its absence, is any reference to the many 'alternative authorities' and the implications in terms of public policies and programmes. This is despite the rise, over the past 5 years, of movements such as the People Against Gangsterism and Drugs in Cape Town, and the increasing power of the gang-lords in some of South Africa's

major cities to the extent that in places like Mannenberg in Cape Town, the gangsters have, on occasions, even assumed responsibility for the allocation of public housing[42].

The role of NGOs and civil society organisations is similarly overlooked. NGOs and civil society organisations are only given passing reference in the section on civil society growth (:16), and no mention is made of their record or involvement in delivery or in pioneering approaches to housing and urban development. This is despite the fact that the Homeless People's Federation is widely acknowledged to be delivering some of the best quality and sustainable housing and the approach adopted by the Federation with regard to savings is now being mooted at the national level as the way forward for sustainable housing delivery[43].

One of the most important prerequisites for effective urban governance is strong, effective and enabled local government. Yet the report falls short of analysing the link between the decentralisation agenda and effective urban governance.

Financial crisis
In the section on Masakhane, the report notes that 'In March 1998, R8.9m was owed to local authorities country-wide' (:68) and 'levels of payment for municipal services … directly affect the viability of local authorities' (:68). However, it fails to make the connection between the delivery of housing and increased financial responsibility for local authorities. Largely because subsidy housing is going to the poorest section of the population, housing delivery is actually increasing the financial burden on local governments due to the incapacity of beneficiaries to pay rates and service charges[44]. This highlights the need for a more holistic and systematic approach to urban development in South Africa, with greater integration between different sectors, departments and subsidies to establish sustainable interventions.

In addition, while the decline in the national housing budget is noted (:34), the implications are not highlighted. The housing budget has decreased as a percentage of the national budget from 3.4% in 1995/96 to 1.6% in 1999/2000. It is also argued by some analysts that, in comparison with other countries with similar profiles to South Africa, the housing budget should be at least in the region of 5% of the national budget (ref).

The last point also needs to be linked to the declining fiscus of and increasing responsibility of, local authorities generally. The 'unfunded mandate' is one of the greatest challenges to municipalities in South Africa at the present time. For example, newly mandated 'Developmental Local Governments' in municipal areas have experienced progressive reductions in Intergovernmental Transfers, under pressure to raise 90% of revenue from local sources[h]. This raises the critical question as to how local authorities are to fulfil their developmental mandates with so few resources?

Local economic development
As far as Local Economic Development (LED) is concerned, the report reveals that although LED is receiving a lot of attention nationally, there is confusion and lack of direction at the municipal level as to how to promote it: 'LED is being promoted as a local approach that addresses the problems of inequality, poverty, unemployment and other short-comings regarding basic human needs….and putting the responsibility for economic development of the locality in the hands of the new local role players' and 'it enjoys a widespread acceptance amongst most local stakeholders' (:85). However: 'there is generally confusion and a lack of clarity around the

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[h] This has been accompanied by discussions, and in some places moves towards, privatisation of electricity provision, something that is likely to have a severely negative impact on local government finances.

meaning of LED (:85)and 'Of grave concern is also the limited awareness of municipalities of the different resources, subsidies and facilities that exist in various national departments to support local communities and better processes' (:85). The implications of this is severe, particularly in light of the increasing pressure on local communities and local governments in promoting LED for sustainable development.

While 'The notion that a community's economic and employment creating future is increasingly dependent upon the initiatives that its own citizens take is gaining increasing acceptance in South Africa' (:82), the LED section of the report does not mention the informal sector. This is a serious ommission given the scale of the informal sector in South Africa, which accommodates an estimated R1 740 000 workers and is receiving increasing attention in terms of its potential to address poverty and economic development at a national policy level[45]. This serves to accentuate the bias of the report - in particular the evaluation aspects and recommendations - towards housing, and the neglect of other, equally important, components of urban development.

Conclusions

The State of Human Settlements report is explicitly and implicitly critical in its assessment of the impact of South Africa's urban policies and programmes over the past 4 years. It is noted that 'The largest impact of any single initiative on human settlements in the last five years must be the *government housing programme'* (:69). However, according to the report, housing produced within the government's subsidy programme tends to be characterised by: 'low densities, little experimentation ….uniformity… neglect of the public realm…. mono-use residential areas, similar to the dormitory towns of the past….poor quality due to poor workmanship'. Nor is the housing programme contributing towards the integration or deracialisation of South Africa urban areas, and the extent to which it is reducing, eradicating or even exacerbating poverty is also questioned.

In some respects, the report reveals that South Africa's urban programmes are also having an indirect negative impact, socially and spatially, for example: 'Land invasions in cities have occurred in an effort to position the participating households as more worthy recipients of State benefits', and 'Household structure can be influenced by manoeuvring to qualify for the housing subsidy' (:69).

In addition to the above, the report touches on some fundamental and critical issues relating to urban development and management in South Africa. These include, for example, 'underlying contradictions between the RDP and GEAR' (:33); problematic implementation of civic engagement and community participation in government programmes (:49, 99) (implicitly emphasizing the tension of a private sector and numbers driven housing programme with people's participation/empowerment); basic needs versus a market driven approach' (:95); '[increasing levels of] crime and violence are leading to higher levels of fortification and economic segregation' (:95); 'The conflicts between housing and other infrastructure policies and economic realities [and] spatial tensions they set up' (:62); 'confusion and a lack of clarity around the meaning of LED (85); neglect of the opportunities for informal settlement upgrading (:96); the need for more socially 'sensitive' interventions; 'reduction of environmental impact versus delivery of an affordable product or service' (:98); location - need versus strategic views derived from regional planning initiatives (:98).

It is the contention of Isandla Institute that recognition of the problems is the most important step to rectifying those problems. In this respect, and many others, the report is a very successful and important document.

The report does, however, raise two fundamental questions that require further discussion and analysis. Firstly, how can/should the key tensions noted above be resolved at a policy level? In other words what are the criteria by which such policy decisions should be taken? A weakness in the report is that it does not propose practical ideas about how policy should inform the resolution or management/ balance of these choices. It falls short of asserting the importance of state-society engagement on the trade-offs implied in managing and mediating these tensions.

The second question implicitly raised is whether we are actually on the right track and our urban policies adequate to deal with the complex set of challenges on the table?

One of the reasons that we may not be on the right track is because both the GPA and the South African approaches to urban development and management tend to be overly technocratic, rational and 'professionally' driven[i], with 'success' evaluated in quantitative terms. They tend to take a sectoral focus and assume that technical interventions will solve problems requiring political solutions.

The relatively a-political nature of the strategies also serve to cement the power relations of the urban form. But urban development and governance is more than just a question of proficient management, it is the expression of contradictions and countervailing pressures as to how resources are generated and distributed and how space is used[46]. In their current form it is questionable as to whether South Africa's urban policies are unlikely to redress past and present inequalities in the distribution of public resources.

The approaches are also founded upon the unreconstructed institution of the state which is in control, as 'repository and guarantor'[47], of development and management. Moreover, within this traditional framework, bureaucracy is entrenched and 'professionals' ascend the ladder of hierarchy by conforming to convention and avoiding error[48]. In such an environment, the state is - almost by definition - unable to respond to and support the activities of the poor, and is likely to be unable to embrace 'informality' and 'the other'.

In many respects, South Africa's urban policies align themselves closely with the approach laid down in the GPA. As the report itself notes, 'South Africa is in the privileged position of having new policy that reflects many of the tenets of contemporary development thinking' (:33). As such, the evaluation process represents a missed opportunity to rigorously assess the difficulties of implementing the GPA, and problems and limitations associated with the implementation of the chosen strategies, or to assess their appropriateness against the South African context..

And finally, one of the most burning concerns arises from the report is South Africa's absence of a coherent urbanisation strategy that straddles and guides the range of government programmes and departments. The impact assessment and conclusions focus largely on the government's housing programmes. But urban development and management is more than just housing, it comprises a range of elements from roads to health to governance, demanding an integrated approach. Recent policy statements to the effect that the housing budget is likely to be redirected to the rural areas and small towns underscores the absence of an urbanisation strategy. But urbanisation will continue. The numbers of urban poor will continue to escalate and one of the greatest challenges to national and local governments is to develop policies and programmes that will equip South Africa to negotiate and manage urbanisation and urban poverty in a systematic way.

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[i] Unsurprisingly, the report falls into the same trap, notably in its typology of settlement forms - seeking to categorise, compartmentalise, explain and control what is, essentially, uncontrollable.

5. MOVING FORWARD

Based upon the discussions above, it is possible to distinguish a number of strategic areas from which to build an approach to urban development and management on the part of city governments.

A. Building economies

<u>The urban economy</u>

The critical role of local authorities in supporting local economic development is universally recognised. This means making cities attractive to international investment, supporting the private sector to be internationally competitive and encouraging the growth of local business. To create and maintain this 'competitive' environment, the importance of local government in being entrepreneurial and skilled in forging relationships and conducting negotiations with regional, multi- and national capital has been stressed. In addition, the last two decades have seen city officials striving to produce office blocks, commercial free trade zones and enterprise areas in order to attract and retain multi- and trans-national corporations[49]. The success of such initiatives is varied, however, and it is more recently being that the most profound economic statement a local government can make is 'a reputation for effective administration and efficient service delivery.' [50]

<u>Building social economies</u>

The role of the 'social economy' is gaining prominence - particularly in Europe where it is the fastest growing sector[j] - as a means to fight poverty, social and economic marginalisation in specific local communities. The 'social economy' is a concept used loosely to encapsulate a range of organisations and processes that do not conform to the conventions of either public or private sector economic activity. Such organisations tend to be private and non-profit that operate in the sphere of economic growth and social regeneration[51] - from the identification of basic needs to local service provision, to the operationalisation of income generating initiatives[52].

With a focus as much on social as financial gain, the social economy has the potential to enhance economic activity and job creation by providing new forms of employment for disadvantaged and marginalised groups. It also enhances local ownership, empowerment[53], combating social exclusion by promoting a sense of community, and can help 'democratise' regeneration activities[54]. The UK government's recent *National Strategy for Neighbourhood Renewal,* includes the development of the social economy as a key element to build human and social capital, create sustainable development and promote community capacity building.

Drawing from recent research in Ireland, support approaches should include financial support (such as a specialised banking service), training and support, network and forums, and a proper legal framework within which such initiatives can thrive[55]. For more discussion of analysis of appropriate ways to support civil society, refer to Table 3 below.

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[j] A key research finding in recent years has been that within a Europe marked by cutbacks and growing unemployment, the social economy has managed to 'swim against the tide and grow', (Molloy, A, McFeely, M, and Connolly, E, 'Building a Social Economy for the Millenium', NICDA Social Economy Agency: 11).

<u>Supporting the informal economy</u>
The large size of the informal economy in relation to the formal is a characteristic common to a majority of developing countries. Research suggests that the explosive growth of the informal economy over the past two decades is the consequence of a number of international influences, including stalled globalisation, structural adjustment policies, the progressive emasculation of the formal economy, external shocks to urban formal economies, and declines in real wages[56].

In international policy circles, as in South Africa, the informal economy is increasingly being seen as one of the key instruments for achieving employment creation, economic redistribution and the enhancement of competitiveness. The romanticisation of the informal sector, however, often fails to take into account that much of the activity remains survivalist. In South Africa, for example, some estimates suggest that as much as 80% of the sector are merely 'scraping' through[57], with average salaries in the sector as low as R16 a day.

Because of its many negative characteristics[k], the informal sector should not be naively perceived as providing the universal solution to the problems of poverty and unemployment. However, in light of the diminishing capacity of the formal economy in accommodating the workforce of a country or a city, the importance of providing support to the informal sector is largely uncontested. Research suggests that informalisation of work can either result in conditions of dependency, exploitation and sweatshop working or generate prospects for the growth of dynamic micro-enterprises, contingent upon effective policy interventions. The challenge lies in designing programmes that balance the objective of maximising the employment-creating and poverty-alleviating potential of informal enterprises with the necessary social protection and regulation[58]. This means devising support mechanisms that counteract the negative and build on the positive aspects of the sector, and providing a range of assistance that will help those trapped in the survivalist sphere to make the transition to dynamic micro-enterprises.

Drawing from a range of literature and research, Khan suggests a number of appropriate interventions to support the informal economy:
- provision of financing and credit
- provision of infrastructure and services (particularly support to home based enterprises)
- good urban management
- expanding business linkages development through subcontracting arrangements enabling and flexible regulation and legislation (rather than prohibiting rules and laws)[59]

B. Poverty eradication and redressing inequity
There is a pool of evidence to suggest that economic growth is insufficient to reduce or eradicate poverty[60], and policies focusing on 'global competitiveness' must go hand-in-hand with strategies to eradicate poverty and increase equity. Such strategies need to take into consideration the multi-dimensional character of poverty and, as such, several inter-related approaches are necessary. These involve forging developmental relationships between government agencies, markets, civil society organisations and households, designing and

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[k] For example, the informal economy is said to simultaneously encompasses 'flexibility and exploitation, productivity and abuse, aggressive entrepreneurs and defenceless workers, libertarianism and greediness' (Castells, M. & Portes, A. 1989: 'World Underneath: The Origins, Dynamics, and Effects of the Informal Economy' in M.Castells, et al (eds), *The Informal Economy: Studies in Advanced and Less Advanced Countries*, Baltimore:John Hopkins University:11.

implementing redistributive policies, building human capital, supporting the initiatives (and institutions) of the poor and reducing social vulnerability (Firoz, ref).

<u>Multi-sectoral interventions</u>
Poverty is caused by more than just a lack of income. It is also caused by inadequate infrastructure or the inability to gain full access to opportunities and is exacerbated by social, spatial and political isolation or environmental degradation[61]. As such, a range of strategic actions are necessary at the policy and programme level.

A recent study for the Cape Metropolitan Council[62] identified five fields of action for municipal local government in the fight against poverty. The first is a social safety net for vulnerable people with no or minimal income, for example, through subsidies and welfare benefits. The second is the provision of basic services and infrastructure (physical and social) to create a liveable environment, access to opportunities and to enhance productive opportunities. The third is advancing spatial integration and developing sustainable living environments. The fourth is the promotion of job creation through facilitating access to both formal and informal employment and income generating opportunities. The fifth is supporting the livelihood strategies of the poor by reducing vulnerability, as outlined in Table 1 below.

<u>Building the asset base of the poor and reducing vulnerability</u>
Policies relating to the asset base can either be categorised as macro, meso or local. In addition, they may be sectoral or multi-sectoral. They may need to address directly the causes of poverty, or the needs of poor households, or seek to reduce poverty directly.[63] At the city, or local, level, interventions are best focused on enabling households to take advantage of opportunities by increasing their capabilities, removing constraints and assisting them to accumulate assets. It must be noted, however, that the 'success' of such interventions are also dependent upon appropriate macro or meso level policies.[64]

Using the asset management/vulnerability framework, Moser[65] outlines a number of potential policy interventions that could be developed to build up the asset bases of the poor and assist them to overcome 'vulnerability'.

Table 1

Type of Vulnerability	Outcome	Potential Solution (provision/support of)
Labour	• Loss of income	- NGO credit schemes for home based enterprises - Adequate non-traditional skills training appropriate to the community
Human Capital	• Inability to maintain investment levels in education and preventative health • Inability to provide clean safe water	- Adequate, accessible low cost health care - Resources for primary education - Credit for education expenditures such as uniform - Repair and maintain water supply - Safe, easily accessible standpipes
Housing and Infrastructure	• Inability to use housing as a productive asset	- Facilitate plot ownership - Review regulatory framework for land - Electricity so that people can operate home-based enterprises
Household Relations	• Increased domestic violence • Lack of adequate childcare • Lack of caregivers for the elderly • Split households	- Police stations managed by women - Community based, community supported care for children and elderly - Time saving and labour-saving technology
Social Capital	• Decline in the attendance of CBOs,	- Through social funds, provide real opportunities for CBO organised interventions that recognise

	particularly by women • Increase in youth gangs • Increase in crime & homicide • Lack of physical mobility, esp. at night and for women • Decline in night school attendance	paid as well as voluntary work - Priority to community facilities, especially for youth - Community based solutions for crime - Policing capacity - Water supply close to residential neighbourhoods - Safe transport - Technologically appropriate lighting - Wide, open thoroughfares for vendors - Locate night schools close to residential neighbourhoods

(Moser, 1996)

It is important to note that strategies for supporting the initiatives of the poor require constant refocusing in line with the changing needs of the communities and households in question. Such an approach also requires flexibility, responsiveness and an open-mind on the part of officials, councillors and/or other kinds of support organisations.

Social capital
Assets are social as well as material and the asset-vulnerability framework highlights the importance of social networks and associational practices that underpin various survival strategies. In other words, the quality and strength of domestic and social relationships influence a household's survival capacity. These trust, reciprocal arrangements, and social networks are known as 'social capital' [66]. Means of encouraging and promoting social capital formation are discussed below on page 24, under the section on Governance.

Redressing inequities
Globalisation trends are increasing inequalities, between countries and regions, and even within cities. Redressing this scenario requires strategies and policies to promote social inclusion and redistribution. Social inclusion and redistribution can be addressed through the establishment of effective participatory governance as will be discussed below. Redistribution can take various forms, from more proactive intervention in urban land markets, for example, or through the initiation of symbolic projects to catalyse new forms of resource allocation and integration. Redistribution also requires cross subsidy, notably through the injection of resources to marginalised areas. This could include capital investments as well as improved service delivery.

C. Effective and Participatory Governance
Current urban challenges strategically position local government as a pivotal actor in development and management - as mediator between the realisation of global competitiveness and local needs, between formal state structures and civil society, between LED and the workings of the local and household economy of low income residents[67]. In a context of scarce resources and the complexity of the contemporary city, these challenges demand that city governments are efficient, effective, responsive and *participatory*.

Effective local government
Without an effective local government, all policy interventions are likely to remain largely at the level of rhetoric. Experience of local level poverty reduction efforts strongly suggest that any interventions will not bear fruit unless such efforts go hand in hand towards good local governance[68]. Research also shows that operational and capacity problems of government will

negatively affect the extent and effectiveness of civil society engagement and participation (i.e lack of resources, lack of skills, focus or strategy)[69].

While a lengthy debate on institutional development is beyond the scope of this paper, several components that contribute towards effective local government can be identified. These include, among other things, effective and performance related management, competent civil servants, adequate financial resources, inter-departmental co-ordination, and clarity of tasks[70].

Participatory local government
Because the multitude and complexity of urban challenges demand that local government move beyond its traditional role of service provision and regulation, conventional institutional development approaches based purely upon managerial competence and efficiency are necessary but insufficient. It is argued by some, for example, that traditional modes of governance 'are out of kilter' with the rapid change and complexity of late 20th century societies[71] and that a different form of governance structure is required. This means creating an institution that is able to negotiate and co-ordinate a range of different and often competing parties, where the participation and efforts of actors at various levels in society can be realised[72].

'Participatory local government' is about joint or interactive planning and decision-making. For authorities, this means adopting an approach that encourages the actions of, and active collaboration between, the multitude of different stakeholders[73]. In practice, this involves internal restructuring and the adoption of mechanisms to encourage and embrace the efforts of civil society (particularly institutions of the poor) and the private sector. It also means relinquishing control and creating flexibility, by refocusing the capability of officials to enhance coping strategies of poor households, for example.

Mechanisms to realise participatory governance include entering into partnerships with, and negotiating with, various actors; community mobilisation; providing support to civil society organisations and poor households. Features of participatory governance include high levels of trust and reciprocity between different actors (expressed through some form of political contract embodying political equality, tolerance and inclusiveness), decentralised decision-making and accountability[74].

A robust civil society and institutions of the poor
A critical ingredient of success with respect to development activities ranging from poverty eradication, economic development, and the promotion of participatory and democratic governance is the presence of a strong civil society - particularly the institutions of the poor[75].

Experience reveals that institutions of the poor can act as catalysts for local development initiatives and projects, disseminate new ideas and innovations, act as intermediaries between the people and government; 'empower' people to make and follow through their own choices, mobilise resources, generate and interpret locally specific knowledge, design and run development projects[76]. Akin Akina argues that they are 'agencies of massive transformation ....a place and point where lessons in autonomy, empowerment, popular participation and democratic struggles are learnt, internalised and disseminated into the community of the poor.'[77] In terms of promoting democracy and equity, such organisations have demonstrated their capacity to challenge larger, more powerful structures, such as governments, multi-national and local corporations and local land-owners[78].

An active civil society is a necessary condition for the development of a democratic system of governance[79]. It has been well documented that a strong, vibrant, pluralistic and democratically organised, civil society enhances accountability, transparency, and predictability of state structures,[80] thus serving as a check and balance to state power. The positive impact on the promotion of political democracy is maximised if civil society exhibits the following qualities: organisational plurality and autonomy, a democratic structure, a broad popular base and an open recruitment of membership[81]. Democratically managed organisations also provide a training ground for local leadership.

Encouraging the establishment of, and providing support to, civil society and the organisations of the poor is therefore an important aspect of participatory local governance. Recognising that 'communities' and community organisations are not, by definition, supportive of equitable development[l] and democracy, a focus on providing support to organisations demonstrating democratic features - marked by popular participation and legitimacy - is necessary[82].

<u>Fostering and supporting civil society activity</u>
Experience suggests that poor communities tend to mobilise and organise themselves and 'social' organisations emerge under the following circumstances[83]:
- when citizens cannot rely on the state to provide public goods, and 'a burst of organising in civil society' often results. For example, the withdrawal of the state from broad areas of the economy can result in the formation of an array of collective action institutions aimed at securing the basic provisions of life[m].
- when people come together to oppose projects or programmes that are a perceived threat to freedoms or livelihoods, and to devise collective solutions and responses to common problems
- in an absence of central state power, where the formation of organisations is stimulated by the vacuum created[n]

Interestingly, research has also shown that popular initiative is incomplete and less sustainable without government support. And while it is widely recognised that the essence of civil society lies in its autonomy from the state, total independence is virtually incompatible with political influence[84]. As such, effective, participatory governance requires that public agencies co-operate with civil society organisations. Moreover, legal, financial and administrative innovations can assist public authorities respond to the needs, and build the capacities of civil society and the poor.

Tables 2 and 3 below explore ways in which the actions of the state - and particularly local government - can vary from discouragement to proactive support of civil society activities, to the extent of institutionalising civil society participation at a programme and policy level. Table 2 presents a scale compiled by Hadenius and Uggla, in which state treatment of 'civil activity', and therefore civil society organisations, ranges from hostile to benevolent[85].

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[l] For example, some groups or individuals can use such organisations to exploit local resources to their advantage and other's loss.
[m] In many places, neo-liberal economic policies and structural adjustment programmes have had such an impact.
[n] An illustration of which can be found in the case of Uganda during the civil war.

Table 2

State Treatment of Civil Activity	
Stage 1. The state does not tolerate independent civil activity Threshold: de facto right to form autonomous organisations	Hostile State
Stage 2. State accepts autonomous organisation but does not provide a space for it Threshold: state withdrawal, opening up space for independent activity	

Stage 3. A space for independent activity exists, but the practice of governance does
      not promote autonomous organisation
      Threshold: favourable institutional structures	

Stage 4. The state provides favourable structures but no active support Threshold: active state programs in support of civil society	
Stage 5: The state actively promotes autonomous organisation	Benevolent State

Hadenius and Uggla.1996

Apart from supporting civic action, an array of mechanisms exist through which local governments can encourage and institutionalise the participation of civil society organisations in the development and management of the city. Evans[86], for example, suggests a number of ways in which active government and mobilised communities can enhance each other's development efforts. Through a series of international case studies, he highlights the importance of both 'embeddedness' - whereby ties connect citizens and public officials, and 'complementarity' - whereby governments deliver certain kinds of collective goods which complement inputs more effectively provided by the private sector[o].

Table 3 below suggests a number of ways in which the state can foster civic activity and institutions of the poor - from providing favourable conditions to institutionalising civil society action.

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[o] It is also argued that through appropriate action along these lines the state can contribute to the construction and consolidation of developmentally oriented social capital.

Table 3

State Action	Range of State Disincentive to Proactive Support
Disincentive Institutionalised participation Proactive Support	• Non-acceptance of independent organisations • Permit formation of independent organisations • Formal recognition of independent organisations • Provision of space within which organisations can act • Provision of arenas for interaction and action • Provision of channels for influence • Transparency and openness to allow for full involvement in decision-making. (i.e. information flows to increase public knowledge of affairs relating to local management). • Mechanisms for consultation, negotiation, and co-ordination amongst all agencies within an institutional framework (tools that allow for planned and broadly negotiated actions, including conflict resolution). • Effective public administration • Facilitative legal-administrative framework[p] • Decentralised state structures[q], management and decision-making that allow for civic engagement • Appropriate programme and project designs • Municipal Community Partnerships[87] • A change in mindset on the part of officials: open mind and acknowledgement of the legitimacy of alternative processes/other actors. • Public officials working directly with poor households & communities (i.e. health care workers) • Programmes of explicit support: i.e. information, education, training, capacity building to assist organisations engage as partners (i.e. through assisting organisations to become more articulate, or building management and technical skills so they can participate equally and effectively)[88][r] • Provision of support to networks of organisations

(Adapted from Hadenius and Uggla and Habitat International Coalition [89])

It is important to note, however, that there is no blue print for the establishment of effective partnerships and civil society participation in local government and development because each situation is different and requires a specific response.

In addition, in order to achieve collaborative, equitable and participatory governance, it is necessary to acknowledge unequal power relations within the city and between different parties. The challenge is to find interpretive tools and policies that take into consideration, and compensate for, power imbalances[90].

Supporting the formation of social capital
As noted above, the quality and strength of social capital is important for short term household survival strategies. However, social capital, manifest in co-operative behaviour and interaction with political and civil society organisations, also helps to determine access to resources and opportunities for a household or individual.[91] This is important in terms of increasing equity and promoting participatory governance as will be discussed below.

In order for the state to support the informalised systems of support and reciprocity known as social capital, the first step is a recognition that it exists. Thereafter, development planning

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[p] 'Rule of law' is a important resource for the poor in efforts to organise themselves.
[q] Care has to be taken, however, that decentralisation does not result in increased manipulation and control of state apparatus by traditional patrons which can be detrimental to civil society (Hadenius and Uggla, 1996: 1631).
[r] Through training in the more technical language of project objectives, budgets and evaluation, for example.

must be shaped in such a way as to to augment these relations and not just to replace them. Again, the work of Evans[92] is also useful in illustrating ways in which the state can encourage and support the building of social capital *through* the provision of services. Examples include the provision of transport for Mexican subsistence farmers, enabling them to meet and exchange experiences....

<u>Social inclusion: promoting equity and embracing diversity</u>
Contemporary cities are characterised by cultural diversity and fragmentation; they are multi-racial, multi-ethnic and multi-national. Massive urban and trans-national migration has challenged 'traditional' notions of citizenship. Against a backdrop of economic and environmental problems, this diversity is accompanied by claim-making on both urban space and resources[93].

> Perhaps the most visible characteristics of [global] cities are struggles over space, which are really two kinds of struggles: one a struggle of life against economic space and the other a struggle over belonging.[94]

Rapid socio-economic changes and associated feelings of insecurity have also led to rises in ethnically or religiously based violence against 'the other'. The result is that current debates around planning in the city take place in the contested terrain of race and gender, class and ethnicity, with struggles for survival and power played out in physical spaces and built environments. Urban development and management has to be viewed as part of a complex map of deal-making and heavy contestation over local space.[95]

Given the scenario above, one of the key challenges to city governments is how to create equity in the use of urban space and resources?

While many decision-making bodies are currently involved most urban projects - from banks to estate agents, government agencies and resident activists, a critical role for the authorities is to ensure that all affected parties are represented in decision-making forums and that all voices are heard. This means making provisions for power imbalances so that democracy with regard to voice and influence is ensured and controlled.

To embrace the needs and voices of the diverse urban populations, city management and development must be equitable, democratic, inclusive, culturally diverse and participatory, embodying a new definition of social and cultural justice. It must address problems of marginalisation, disempowerment and cultural imperialism. This means, for example, moving away from an approach that is based upon science and technical knowledge, to one that recognises the value of experiential, intuitive, local and 'alternative' knowledge. This will ensure that those without professional training are included - particularly those hitherto excluded from the urban discourse[96], and those whose activities have been dismissed as informal and outside of recognised, legitimate norms.

The nurturing of difference, diversity and equity requires 'a politics of difference based upon the identity, needs and rights of specific groups'.[97] Basing her findings on a number of case studies from developed and developing countries, Sandcock argues that this requires the development of conscious social and urban policies and the effective participation of marginalised (or oppressed) groups at decision-making forums. She cites two examples where such participation has been institutionally enforced; in Chicago, where the mayor refused to

proceed with meetings unless all those affected were present; and the incorporation of poor neighbourhoods into the municipal budget process in Porto Alegre in Brazil[98].

Other mechanisms for promoting equity and embracing diversity are provided by Sandcock. These include:

- participatory democracy grounded in recognition of difference and formal group representation
- providing institutional mechanisms for the recognition and representation of the voices and perspectives of marginalised groups/multiple publics
- resources channelled to support self-organisation of such groups
- group generation of policy proposals and/or mandatory negotiation over policy proposals that affect a group directly
- cultivation of a 'civic culture' which embraces a sense of common destiny - or a sense of public rights. This can be achieved through fostering institutions and procedures for joint discussion and decision-making as the norm.
- greater understanding and analysis of economic, cultural, and social issues difference.

Building citizenship and community

The processes of globalisation are remapping social relations and giving rise to unprecedentedly complex senses of place and belonging[99]. In this environment, traditional conceptions of 'community' are no longer relevant. In many ways, however, the renewed focus at the local level actually provides an opportunity in terms of ensuring protection of ways of life, communities and local culture. The local can be seen as an arena where people can defend themselves from aspects of development, fuelled by the centralised state or potent market forces[100]. It also provides the potential to foster meaningful debates about 'identity'.

D. Negotiating and Supporting the Informal

In South Africa as well as many other countries, the evidence is clear that formal markets are unable to meet the demand for land and housing for a majority of urban residents. By implication, urban authorities can no longer afford to ignore the reality of what is taking place in their cities. Given that most conventional policies towards improving the informal have failed[101], policies and strategies for managing and developing the whole city calls for a new approach to 'the informal', its inherent characteristics, and its relationship with 'the formal'. Section A above dealt with issues relating to the informal economic sector. Outlined below are a number of suggestions for dealing with informal land and property markets.

Informal land and property markets

As with the informal economic sector, informality in land and property markets is dynamic and takes care of needs that are not accommodated by formal markets. It is also, however, characterised by a number of negative features such as the prevalence of gangsters and exploitative middle-men. The challenge is to find ways in which the state can support informalised systems while trying to guard against exploitation of the weak and vulnerable.

Drawing from a number of international studies, Varley, Fernandes and Durand-Lasserve[102] outline a number of ways in which local government can negotiate and support informal land and property markets. Essentially, this involves challenging the conventional role of the state in urban management and the regulation of property markets, and adopting a development approach that is more appropriate to the political, economic and social logic of the informal.

This means managing and regulating the diversity of property rights and practices rather than seeking to dominate and subordinate them and includes:

- State recognition and accommodation of informal systems regarding property rights and social practices beyond the conventional 'rule of law' (the progressive incorporation into state law of alternative, residual or popular legal systems).
- More in-depth understanding of informal settlements and how they work, including customary practices and practices of illegal land sub-dividers and developers.
- A decentralised approach to management. By working at the local level, residents and community authorities often devise innovative approaches to land management issues.
- The application of norms and standards more appropriate to the informal.
- Security of tenure; not necessarily freehold individual title, but with sufficient security to ensure freedom from the fear of eviction (i.e. state recognition of the status quo, of occupancy rights, of the legitimacy of the informal process, formal legalisation).

Endnotes:

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[12] Moser, C. 1996.

[13] Swilling, M., Simone, Abdou-Malique & Khan, F. (forthcoming publication): *My Soul I can See': The Limits of Governing African Cities in a Context of Globalisation and Complexity* & Getu, M. 1996: *Micro Enterprise Development and Poverty Alleviation in Africa* in P.F.Alexander et al (eds), Africa Today: A Multi-Disciplinary Snapshot of the Continent in 1995, Canberra: Australian National University: 519

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[19] Durand-Lasserve, 1998

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