Contemporary Urban Strategies and Urban Design in Developing Countries

A critical Review

R. Burgess / M. Carmona and Th. Kolstee

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The Hidden Assignment

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Introduction

The purpose of this position paper is to structure the activities associated with the proposed International Exhibition and Seminar to be organized in Rotterdam in the Netherlands Architecture Institute from the 5th to the 7th of October this year around the theme Urban Strategies and Urban Design: The Hidden Assignment, At Home in the City. The paper will proceed in the following way:

First, the Basic Objectives of the Exhibition and Seminar will be stated.

Second, the General Background of the proposed subject will be examined, and a case will be made for support for the activities in this context.

Third the Organizational Structure of the events will be presented that shows the conceptual and organizational relationship between the activities that are proposed.

Fourth, there will be a discussion of the Selection of the Projects in the context of the goals of the Exhibition and Seminar.

Fifth, the main Organizing Themes will be identified around which the Exhibition and Seminar will be structured.

I. Basic Objectives

- To discuss the way in which contemporary urban policies and practice have changed the role and professional practice of architects and planners.

- To compare and contrast different policy and planning approaches to the urban development and shelter problem through the presentation and discussion of a range of urban projects and programmes from Latin America, Africa and Asia.

- To encourage an analysis and evaluation of recent and contemporary urban shelter policies in the context of changing macroeconomic strategies.

- To contribute to an improved understanding of the "current state of play" of urban theory, policy and architectural and planning practice in Third World cities.

- To help inform the Dutch general public opinion of the shift in the development debate towards the urban dimension.
II. General Background

A general justification for supporting the proposed events must be grounded in an emphasis on the continued increase in the significance of the urbanization process for Third World and global development. From a global viewpoint it is a somewhat sobering thought to remember that at the start of the century only 13% of the world's population lived in cities, and that according to current UN estimates over 51% of the world's population will be urbanized by the year 2010.

Over the last 40 years or so the greater part of global urban growth has been occurring in Developing Countries. In Developed Countries stabilization at high levels of urbanization and low rates of urban growth has generally been achieved.

However, despite variations in different world regions (which will be brought out in the Projects and Seminar), the tempo of urbanization in Developing Countries has increased rapidly. According to the World Bank between 1950 and 1990 the urban population of Developing Countries increased fourfold from 300 millions to 1.3 billions. In the 1990s between 12 and 15 million households will be added to cities in developing Countries each year so that there will be over 2 billion urban dwellers by the year 2000.

The consequences of this dramatic and rapid shift of population and resources from primary and rural, to secondary and tertiary urban sectors not only constitute the essence of the contemporary urban planning challenge but are also increasingly recognized as being a central issue in the general development process.

In the late Eighties aid donors and global institutions in a series of conferences and policy initiatives recognized the central significance of urban trends and policies for development. Thus the urban focus on the development question was recognized in the OECD (DAC) recommendations for the reconstruction of urban lending (1988); in the Global Strategy For Shelter in the Year 2000 of the UNCHS (1988); in the Urban Development Policy paper of the UNDP (1991), and in the recent Urban Sector (1991) and Housing Sector (1993) Policy Papers of the World Bank. The activities associated with the proposed International Seminar and Exhibition are intrinsically related to these developments and reflect current trends in developing thinking.

Whilst the "urban focus" of development has now become the dominant trend in professional, academic and development circles it is also probably true to say that public opinion in Developed Countries has tended to lag behind this trend and that a rural and agricultural perspective of development has remained dominant. A major objective of the proposed activities especially those associated with the Exhibition will be to help inform public opinion of the general shift in the development debate towards the urban dimension.
A more specific justification for sponsoring an International Seminar and Exhibition around the proposed theme at the current moment can also be put forward. The past twenty years have seen dramatic developments in the nature and scale of urban problems and in the urban development and shelter-related policies that have been implemented to deal with them.

Current policies and practice of urban professionals towards squatter settlements, slums and low income settlements evolved out of the "revolution" in housing policy that occurred in the Seventies. A general rejection of the earlier policy formula of tackling the housing shortage through top-down central planning based on slum and squatter settlement eradication, and the provision of state-sponsored housing units built to minimum standards, occurred at this time. In its place a new policy consensus emerged based on an acceptance of the Self-Help, Appropriate Technology and Urban Informal sector Schools.

The new policies that emerged out of this consensus included sites and services and self-help housing projects, "core housing"; slum and squatter settlement upgrading, tenure regulation programmes; improved access to financial, managerial and technical assistance, the stimulation of small scale enterprises and informal sector activities in project areas and an attempt to expand the provision of public services.

This revolution affected the professional practice of urban planners, architects and builders. A new process was developed involving learning from the articulations of the various levels (regional, metropolitan, urban, local and neighborhood) and from people's experiences in modelling their own built environment according their own needs and expectations. The rejection of the old policy formula and the triumph of the new emerged and was consolidated at the first Habitat Conference held in Vancouver in 1976.

The recommendations of the Conference were in a large measure taken up by national governments, and bilateral and multilateral agencies and were incorporated into urban shelter and servicing policies. There was a proliferation of Focal Institutions and External Agencies for supporting and upgrading knowledge on the built environment and a rapid growth of non profit organizations working at the community level. These constituted a new field of practices for architects, planners, and builders and involved a greater integration with the other disciplines concerned in community upgrading and institution building.

In the Eighties the changes in the world economy obliged many countries to implement adjustment programmes to improve their international position, and a new consensus arose on the significance of national economic growth for meeting complex urban needs, and on the relationships between national development and urban development. Macroeconomic policy imperatives meant that urban policies evolved in new and often unexpected directions. The role of the urban professional have also changed significantly with the shift from project to programme lending and with the vise of the theory and practice of enablement.
With the approach of the second Habitat Conference in 1996 public and professional interest is becoming increasingly focussed on an evaluation of these policies both in terms of their achievements and in terms of their ability to satisfy burgeoning needs under conditions that have changed significantly since the Seventies.

A central objective of the International Exhibition and the Seminar will be to encourage an analysis and evaluation of contemporary human settlements policies and urban strategies and changes in professional practice through the presentation and discussion of a range of urban projects and programmes from Latin America, Africa and Asia. The Organizing Themes will provide the framework in which this evaluation and dialogue will be undertaken.

III. Organizational Structure

Organizing Themes

Three principal themes have been selected which will structure the proposed activities and which will facilitate the objectives outlined above. These themes, which are based on current preoccupations in planning, architectural and development circles are:

a. the macroeconomic context - how changes in the global economy demand a new role for urban development and how urban productivity can be increased according to social objectives.
b. the environmental and spatial strategies emerging from this new macroeconomic context and
c. how this new macroeconomic context influences urban design practice, the role of the professionals, community participation and partnership.

In each theme two or three principal policy approaches will be identified and a number of questions will be presented for discussion and analysis in the workshop. These selected themes will be cross-cutted with five best selected cases having ultimately in mind the preoccupations of Habitat II Conference (i.e poverty, environment, governance, shelter, disaster preparedness)

The Five Case Studies

Five best case studies have been selected to highlight the question of historical linkages between settlement development and city restructuring. These five cases provide the opportunity to analyse the impact of structural changes and the impact of policy making in different national contexts. The idea is to review urbanization and shelter strategies, institutional frameworks and legislation. Important issues will be the analysis of gender oriented strategies, sustainability and partnership criteria.

The case of Peru analyzes of the possibilities and constraints of the participatory planning practices embodied in the Metropolitan Plan of Lima which have been considered as an unique Urban Planning experience in Latin America. It
also puts questions the future of community participation, self-management and building practices in the 'barriadas', which have been taking place since the early 70s, in face of the major economic and institutional reorganization that is currently taking place in Peru.

The case of Brazil, a highly indebted New Industrializing Country, reveals the dilemmas confronting architectural practice in conditions of rapid urban growth and economic change. The rapid cultural modernization, pauperization, and growing market relations within the self-built areas in Sao Paulo constitutes the context for the discussion of the re-urbanization of low-cost residential areas. The re-location of dwellings to provide room for roads, the organization of the construction work, the participation of the population, and the building firms involved in the building of infrastructure, will be examined. The urban management experience of the former administration will also be discussed, along with issues such as operational details on legal, political and project strategies to incorporate 'favelas' into the urban tissue; an analysis of the connection of the area to the main infrastructure works; forms of building production and employment, and the choice of building techniques and materials.

An Asian NIC, Thailand, provides an analysis of the impact of rapid economic growth in a highly rural society and the formation of slum and squatter settlements in the capital city, Bangkok. The case will analyse the strategies for solving the most crucial problem affecting human settlement development in Bangkok: the private ownership of land. Land-sharing and other experiences in community development and institution building will also be discussed, through the presentation of three projects in different urban locations.

Indonesia, a fast growing country, with very little state control on the economy, provides the analysis of the impact of the National Urban Development Strategy on the urban form and the environment. This country is characterized by its rapid change in the settlement pattern, which has put pressure on the available resources. Spontaneous urban growths have shown that infrastructure developments are lagging behind the urban spatial growth. The problem lead the country to apply Integrated Urban Infrastructure Development Program especially in the large the cities. The case of Indonesia examines this program and also the challenges of these issues for architectural practice and community participation.

Finally the case of Johannesburg, a city in rapid transition provides evidence on the various influences which determine the current urban form, demographic profile and urban needs. The case presents the issue of urban renewal of the downgraded inner city and the way in which NGOs can work with popular organizations in the provision of secure and affordable housing. The project case will provide information on the role of the various actors involved (community, business sector, urban planners and designers) as well as policy and legal constraints which face the development of social housing. The case study will outline the policy reform measures which will need to be put in place by the current democratically-elected government.
IV. Organizing Themes

Theme I.

THE CHANGING MACRO-ECONOMIC CONTEXT

The Macro-Economic Strategies: Urban Productivity and Poverty Alleviation

During the Seventies and early Eighties in many countries the new urban development and shelter policies were introduced in the context of favorable, or at least sympathetic macro-economic development strategies such as Redistribution with Growth and Basic Needs. These strategies aspired to alleviate poverty, unemployment and inequality through balancing growth with redistributive measures, the stimulation of small scale enterprises and labour intensive technologies, the deregulation of the urban informal sector and the introduction of transfer strategies in public services expenditures.

However in the Eighties there was a dramatic slow-down in rates of economic growth in large parts of the Third World (including negative GDP per capita growth rates in Latin America and Sub-Saharan Africa). This condition was associated with reduced demand in Developed Countries; falling commodity prices, high interest rates on ever-increasing debts; growing balance of payments deficits, a dramatic decline in foreign capital inflows and declining investment rates. It was hardly surprising that these conditions produced a decline in popular standards of living and worsening rates and levels of unemployment, poverty and inequality, particularly in cities.

These developments accompanied an acceleration in the structural transformation of the global economy which has been variously described and explained by a variety of theories as the "transnationalization" or "globalization" of manufacturing and service activities, or as the development of a "New International Division of Labour". One of the most significant aspects of this process has been an almost universal shift from "import-substitution" industrialization strategies based on the protected development of internal markets to "export-oriented" industrialization strategies geared to the production of goods and services for the Developed Country markets. This process has been undertaken by Transnational Corporations which have internalized a new global division of labour inside their corporate structure and operations to take advantage of the comparative advantages offered by different countries (and regions and cities within countries) with respect to resources; wage and non-wage labour costs; flexibility of labour markets; capital subsidies; trade incentives; availability and costs of infrastructure provision, and the development of a critical mass of consumer demand. As a result the share of developing countries in world manufacturing exports jumped from 10% in 1980 to 22% in 1993. However the greater part of this industrial capacity has been concentrated in a group of about twenty countries variously described as "Newly-Industrializing Countries", the "Semiperiphery", or "Emerging Market Economies".
These developments (particularly after the Mexican Debt Crisis of 1982) led to the rise of a new macro-economic development strategy: Structural Adjustment Strategies based on neo-liberal supply-side theories of development that stressed the market determination of wages and prices to allocate production inputs and finance became dominant. The basic goals of adjustments strategies were to restore the country's balance of payments situation, to increase its debt-service capacity, to attract foreign investments and to achieve economic growth by restructuring trade and financial flows. The emphasis now fell on measures to increase the share of exports, and particularly non-traditional and manufactured exports. Measures to promote free trade and export expansion included: removing protective tariffs on domestic industry and import quotas; the liberalization of prices and interest rates; the devaluation of currencies; improved export incentives and the deregulation of legal constraints on foreign investment. Stabilization measures included: privatization of state assets; the retrenchment of civil servants; the withdrawal of a wide range of subsidies on food, energy, transport and shelter; the introduction of cost-recoverable prices for public services, the introduction of new taxes and the compression of government social expenditures. Privatization, deregulation and decentralization became the key goals of Structural Adjustment derived from an economic philosophy that identified state interventions as largely producing "supply-side constraints".

It is clear that these new macroeconomic conditions and strategies have had a profound impact on the living conditions of urban dwellers (especially the poor). They have also entailed and demanded fundamental transformations and adjustments to the spatial structure of Developing Countries at the national, regional, urban and rural levels. In the late Eighties significant changes occurred in urban planning and shelter policies generally derived from neo-liberal free market and labour market analysis, public choice theory and the concept of a small, efficient and "enabling" state. The new policy environment has moved the Habitat I policies in new and often unexpected directions.

Currently a remarkable unanimity exists amongst bilateral and multilateral agencies and national governments on the significance of macroeconomic linkages and policies for the urban economy and on the repercussions of urban policies for national development. Consensus has emerged on the need to harmonize urban policy with national development policy, and on two principal strategies that can be used to achieve this harmonization - the enhancement of urban productivity, and the alleviation of urban poverty.
Sub-theme A.
ENHANCEMENT OF URBAN PRODUCTIVITY

In earlier periods cities were often seen as centres of unproductive consumption and there was much talk of the problems associated with urban bias and overurbanization. Currently urban growth is seen as a vital for economic growth and social development. Cities are seen as "engines of growth" adding value to rural products, providing services to regional markets and attracting manufacturing and services investments. Higher levels of urbanization are associated with higher GNP per capita levels, higher female participation rates and higher levels of education and skill. As urbanization proceeds apace so too does the urban contribution to the national economy. The World Bank has estimated that cities produce over 50% of the national GDP in developing countries and that this will rise to 65-80% by 2000. Their contribution to national manufacturing value added can be even higher.

The shift to planning policies based on the enhancement of urban productivity has to be understood in the context of this reappraisal, and in terms of the macroeconomic policies associated with Structural Adjustment and Export Oriented Industrialization Strategies. Constraints on urban productivity were identified as vital constraints on growth and included the following. Inadequate and inefficient coverage, maintenance and operation of infrastructure increased the production costs of urban firms, lessened their competitive advantage and diminished labour productivity. Excessive government regulation of land and housing markets (particularly in relation to inefficient and inappropriate land use, infrastructure, zoning and building standards) produced demand or supply side constraints that decreased the quantity of investment available to expand coverage, decreased affordability, and led to subsidies. Inefficient and inadequate shelter, infrastructure, health, educational and training facilities constrained labour productivity, whilst excessive regulation of businesses and the informal sector diminished employment and income generation opportunities. A wide range of financial and institutional constraints on productivity was also identified associated with inadequate urban management capacity and skills; inappropriate distribution of powers between central and local government; weak local taxation capacity; inappropriate subsidies and inadequate financial services for urban development.

Neoliberal planning policies to improve urban productivity and efficiency include the development or "enablement" of markets and privatization; deregulation or reform of regulatory regimes; decentralization and increased popular participation; and institution and management capacity building on a city-wide, programme and sectoral rather than project basis.

Major improvements to urban productivity it is argued require large scale trunk infrastructure, services and upgrading investments to expand coverage and tackle maintenance problems. As only market pricing mechanism can provide the right incentives the government should withdraw from direct provision, eliminate market bottlenecks, and adopt market-oriented strategies that encoura-
Deregulation and reform of regulatory regimes in land, housing, finance, infrastructure, services and employment markets are seen as essential for increasing overall levels of urban productivity and efficiency.

The decentralization of urban management powers from the central to local governments level and the participation of popular and community-based groups in project design, implementation and financial recovery are seen as vital for increasing efficiency and ensuring full cost recovery, replicability and affordability. City-wide programmes rather than projects run by decentralized and financially-strengthened local governments in partnership with NGOs, CBOs and the private sector are being widely proposed. Financial and institutional constraints on urban productivity and efficiency are to be tackled by city wide and sectoral financial, policy and institutional reforms. Emphasis is being given to institutional-building and the development of urban management skills by support for training and technical assistance.

Shelter policies reflect these trends and currently stress the removal of demand and supply side constraints by developing property rights; the rationalization of subsidies; the development of mortgage finance systems; regulatory reforms; the provision of residential infrastructure; the upgrading and rehabilitation of slums and squatter settlements; the development of the building industry, and the development of housing institutions.

CRITICAL ANALYSIS OF URBAN PRODUCTIVITY POLICIES

National System of Cities and the Urban Productivity

Despite the "keystone" significance of the concept of urban productivity for these policies, it is far from clear what is meant by it. Taking a broad definition of productivity as the relationship between the product and the resources used to obtain it, total factor productivity would seem to be the central issue, but most measures are concerned with improving labour productivity. This may well be justified but the detailed analysis of the relative significance of different kinds of productivity improvements for urban productivity has certainly not been widely discussed. This is surprising given that there are probably substantial variations in their relative significance in different cities and world regions.

It is also the case that the "urban" side of the urban productivity concept is not clearly defined. When there is talk in the same breath of the need to improve the productivity of individuals, households, communities and cities there has been a subtle shift from social categories to a spatial one. It is doubtful if the concept of productivity can be spatialized in this way. More correctly the concern has been on improving the productivity of the urban economy, but cities are more than just economies, and planning policies also have to reconci-
le their often conflicting functions and uses.

More important still, in all the recent major policy documents on urban development policies the concept of the urban that underpins the discussion of urban productivity has been a "single city oriented view" that tends to identify cities as self-contained economies. This tends to ignore the fact that much of the rationality of the city derives from its insertion in an urban system in which it performs specialized functions associated with a spatial division of labour. A basic question then to be asked is:

When we talk of the need to improve urban productivity are we talking of increasing the productivity and efficiency of cities in themselves or of increasing the productivity and efficiency of urban systems?

Some might answer "both", but it is far from demonstrated that specific improvements in the productivity of individual cities lead inevitably to overall improvements in the productivity of national urban systems or that equal productivity improvements to all cities in the urban system will occur under conditions of adjustment and liberalised markets. The issue is significant because the pattern of investment derived from maximizing the productivity of the urban system could be very different from that derived from maximizing the productivity of individual cities.

These issues become clear if current urban productivity policies are discussed in the context of Structural Adjustment and Export-Oriented Industrialization strategies. The expressed goal of Structural Adjustment policies is to achieve growth through adjustment, but it is worthwhile considering the reality which national economies are supposed to adjust to. This reality is of course that of a rapidly changing and complex global economy increasingly integrated by production, trade, finance, aid, technology and labour circuits. Measures such as the restoration of the balance of payments situation, the stimulation of non-traditional and manufactured exports, the encouragement of foreign direct investments and the improvement of the debt-servicing capacity are designed to restructure the role of national economies to the new realities of the globalization process. In many cases these measures involve the break-down of the structures built up by the previous model of national development, that of Import-Substitution Industrialization. In a sense this model led to the compartmentalization of the global economy based on the development of protected internal markets. These economies now have to adjust to new structures of transnationalized production, involving the production of manufactured exports for Developed Country markets within a global division of labour.

**Deregulation, Growth and Regional Development**

In this scenario what is of interest to the national governments, transnational corporations and banks, and global trade and aid agencies which dominate and regulate this process is the comparative advantages offered by different countries, regions and cities in a climate of increasing international competitiveness
and high level of mobility of capital.

Policies to improve urban productivity must be seen in this context. If growth is achieved and sufficient benefits either trickle down or are directed towards lower income groups then progress has been achieved. But if growth remains low and its benefits are increasingly appropriated by upper income groups or by unregulated foreign corporations, then the question has to be asked:

**Who captures the benefits of urban productivity improvements and how are they distributed?** Moreover as the process is undertaken in a context of liberalized market forces and a reduced role of the state: **What guarantees are there that the market will organize the distribution of productivity investments in ways that harmonize the goals of efficiency and equity?**

These observations are relevant for the spatial implications of the new macroeconomic trends and policies. The policies are aimed at stimulating urban productivity and efficiency through the free operation of market forces, deregulation, political and administrative decentralization, privatization and the limitation of state interventions to an enabling role. Given that the comparative advantages to which the market most effectively responds are unequally distributed within the urban system and between different cities and regions in the national space economy, it has to be asked:

"**What will be the effect of these policies in generating or diminishing inter-urban, regional and spatial inequalities?**"

This question is particularly relevant for those countries which through spatial planning had attempted to create a balanced system of regions and cities and an integrated national space economy geared to the requirements of the development of an internal market. Although the achievement of these policy goals was generally limited, it is clear that current urban development policies will result in major spatial adjustments as an unrestrained market facilitated by a non-interventionist state allocates resources according to perceived comparative advantages. One possible consequence is a possible tendency to fragmentation of already weakly-integrated national space economies as successful cities or agro-export regions increasingly prioritize and orient infrastructure investments according to the dynamics of the external markets.

There are also fears that these policies could strengthen already powerful tendencies towards urban primacy within Developing Countries because it is precisely in these cities that many of the comparative advantages and productivity gains can be most quickly realized. Sao Paulo for example already contributes 40% of Brazil’s GDP and 60% of national manufactured value-added. Outside of equity considerations (including the public character of services and infrastructure) policies which could stimulate the further growth of mega-cities at the expense of other urban centres must be carefully scrutinized. In the long term the scale of the investments necessary to counteract growing externalities could well make them inefficient. However it is true to say that
some observers have identified global export-oriented manufacturing trends as encouraging the integration of small and intermediate urban centres with markets, through again this has been in countries with the sort of strong interventionist powers currently out of favour in neo-liberal planning orthodoxy.

**Urban Productivity Policies and Local Government**

It is also the case that the relationship between urban productivity policies and spatial decentralization processes and polices is far from clear. Policies in favour of concentrating investments in secondary and tertiary centres were widely favoured in the second half of the Eighties and seen as encouraging both an efficient and equitable distribution of urban resources and agricultural development.

Decentralization of political and administrative power to local authorities does not automatically imply spatial decentralization - indeed given the differential capacity to raise revenues it could well lead to growing disparities between authorities and to "two-speed" development.

Current urban productivity policies place a great deal of emphasis on expanding investments in the urban sector and in trunk infrastructure. But given the scale of the commitments required for these type of investments and the constraints on public expenditures imposed by adjustment considerations it is important to ask where the money will be coming from. Despite planned increases in urban lending by bilateral and multilateral agencies the principal source of revenues will be from enhanced local property taxes and user charges, and from enhanced central governments revenues derived from growth, savings made on subsidies, privatization proceeds, increased government efficiency etc. But given the time required to put in place the management capacity and institutional networks to secure these revenues and the tardiness of many economies in achieving the growth anticipated by adjustment measures, the ability to realize these investments quickly and on the scale required must remain in doubt. Certainly there has been some disquiet that these urban policies - which do after all emphasize "software" policy rather than "hardware" projects - have as yet produced so little on the ground.

Deregulation and institutional development are given an important role in removing the constraints on urban productivity and in solving the problem of replicability. In the Eighties the question of replicability was considered in the context of the "affordability-cost recovery-replicability" formula which did at least focus attention on the crucial variables. In current policies the problem of replicability has been located in the context of the shift from projects to policies and programmes and in the need for urban management and institutional reform. But is the failure to achieve replicability really an urban management or institutional problem? No doubt the failures is in part due to institutional factors, and institutional reforms seem to be a prerequisite for replicability, but it is a large step to suggest that institutional reforms by themselves will bring
about replicability. The question can then be asked:

"Does the replicability problem derive from institutional factors or from the inability to realize the "affordability-cost recovery-replicability" formula under conditions of escalating costs and increased austerity?"
Sub-theme B.

URBAN POVERTY ALLEVIATION

Currently there is also a growing recognition of the relationship between macro-economic strategies and the growth of poverty. The scale of the setbacks of the Eighties is indicated by the fact that the World Bank’s 1969 prediction of 1 billion absolute poor in Developing Countries in the year 2000 was actually realized in 1990.

The dominant trend has been for a relative increase in urban poverty combined with a decrease in rural areas. Current estimates indicate that about a quarter of urban households in LDCs live in poverty (330 million people) and that by the year 2000 the majority of the poor in these countries will be living in cities. The World Bank believes that this proportion will not decrease over the next twenty years and that urban poverty will become “the most significant and politically explosive problem in the next century”. The recognition of the growing problem of the urbanization of poverty has led to the formulation of specific policies for urban poverty alleviation.

Poverty policies have generally been derived from the dominant macroeconomic strategy, and have changed with these strategies. In the modernization decades that ended in the late Sixties there was little direct concern for poverty as it was believed that it would automatically disappear under the impact of the trickle down effects of increased incomes, and with the growth of modern sector employment opportunities. Yet poverty and income inequalities continued to increase, often in those countries with the highest GNP growth. In the Redistribution with Growth and Basic Needs strategies that were dominant in the Seventies and explicit policy concern for poverty emerged based on the belief that the objectives of growth and equity were not in conflict. Growth could be achieved by policies that directly attacked poverty, inequality and unemployment.

Under the Structural Adjustment strategies of the Eighties policies that directly addressed poverty again took a back set. It was argued that liberalized market forces would give low income groups higher incomes as a result of higher productivity, savings, investments and exports. Although it is true to say that there have been some winners amongst the poor (eg. small farm owners) the evidence indicates that Structural Adjustments policies have led to a serious deterioration of the living conditions of the poor associated with increased unemployment, declines in the real minimum wage, decreased public expenditures and the removal of consumer subsidies. There is a consensus that despite targeted transfer strategies the most vulnerable group has been the urban poor who have been particularly hard hit by unemployment, currency devaluation, agricultural price liberalization, cuts in basic subsidies for water, energy, fuel transport and shelter, and by cuts in public social expenditures.
In the early Nineties there was a resurgence of interest in poverty alleviation policies derived from increased criticism of the effects of adjustment strategies on the urban poor and the politicization of development issues that has accompanied democratization and decentralization trends. There has not, however been a change in the dominant macro-economic strategy of Structural Adjustment, and poverty analysis remains firmly embedded in the discourse on urban productivity.

The World Bank whilst admitting that adjustment makes urban poverty "particularly problematic" insists that the trade-off of strategies to promote economic growth and to reduce poverty is not required. Rather the growth in urban poverty is derived from demographic growth and productivity constraints on the poor that limit employment generation, access to productive inputs, assets, credit and income growth. The key to poverty alleviation lies in improving this productivity by improving human capital resources, access to employment opportunities and the intensity of productive investment. Measures currently favoured to achieve these goals include: removing regulatory constraints on the productivity of the informal sector and micro-enterprises; increasing the labour force participation of women; improving the access of households, communities and firms to land, infrastructure, building materials and finance, increasing the access of the poor to basic education, health, nutrition, family planning and vocational training, and the construction of safety nets and compensatory measures for the most vulnerable.

Some countries have emphasized national anti-poverty programmes, creating National Solidarity Funds that act as welfare institutions and/or banks for the poor. They provide direct short term transfers of essential goods and services to the most vulnerable or credit, training and technical assistance to informal, small scale and micro-enterprises and community-based organizations. Assistance has generally been for employment and income generation schemes, infrastructure, health and education projects. National level organization of this type have generally been concerned with policy formulation (with varying degrees of grass roots participation) whilst implementation has increasingly been through decentralized public and private institutions, NGOs and community based organizations. Others have tended to favour neighborhood development based on the integrated development of endogenous resources through partnership between the community, NGOs, local governments and the private sector.

**Critical Analysis of Urban Poverty Alleviation Policies**

In the analysis of the relationship between macroeconomic strategies and urban poverty alleviation policies perhaps the most important question that can be asked is: Are adjustment policies compatible with basic needs goals?

In answering this question attention must focus on the known effects of adjustment policies on the urban poor, and on the ability of adjustment policies to achieve growth.
There is currently a consensus amongst observers, including pro-adjustment policy makers that these policies have had serious effect on the urban poor through reduced living standards, increased unemployment, the lowering of the real minimum wage, decreased public social expenditures and the removal of consumer subsidies. However the pro-adjustment lobby argues that these consequences are necessary but transitional and that liberalized market forces will eventually provide sufficient growth, savings, investments and exports to give the poor higher incomes as a result of greater employment, higher productivity and higher wages. It is therefore important to ask whether the declared aims of Structural Adjustment Policies to improve levels of growth, exports, investments and to cut balance of payments deficits have been achieved. The World Bank has recently claimed that adjusters are getting higher growth rates than non-adjusters, but the IMF has argued the opposite and a recent independent study 'Aid and Power' (Moseley et al 1991) has argued that Structural Adjustment lending has had a small negative effect on growth. Certainly the two major world regions most affected by adjustment policies, Sub-Saharan Africa and Latin America had negative GDP per capita growth rates in the Eighties. Average real income per head in Latin America in 1993 was still 5% below its 1980 level whilst average GDP per capita in Sub-Saharan Africa shrank by 1.2% per annum in the early Nineties. Although there has been an improvement in the balance of payment situation this was largely been achieved by reducing net investment and capacity utilization, and most studies show a marked decline in investment as a proportion of GDP which augurs badly for future growth. There have, however, been substantial increases in export growth rates, combined with an even stronger compression of import growth. Given small and declining rates of per capita private and government consumption, and high negative per capita domestic investment rates, it seems likely that the extra export revenues rather than being deployed to increase local economic activity went rather to service the debt. The ratio of external debt payments to total export of Developing Countries increased dramatically in the Eighties.

Of course it is difficult to isolate specific policy effects from other causes when explaining the persistence and growth of urban poverty. These other causes include structural factors such as the inability of existing technologies to create a sufficient number of jobs to meet the growth in labour supply, growing inequalities in the distribution of wealth and income, and the effects of recession. Nonetheless it is important to reiterate that urban poverty alleviation policies must remain just that - policies that aim to lessen the numbers of the poor or to lighten the burden of poverty no matter what the underlying trends are. They are not to be confused with policies of poverty eradication.

Current policies also emphasize that the key to urban poverty alleviation lies in measures to improve the productivity levels of the poor. The question therefore arises: are the goals of urban poverty improvement compatible with the goals of poverty alleviation?

Market-oriented and deregulatory policies tend to reinforce existing income and
wealth inequalities. Whilst labour market deregulation, for example, can increase opportunities for the generation of income and employment, it can also leave the poor unprotected against the worst forms of exploitation. Again it is highly doubtful that market-oriented strategies for the provision of infrastructure and services which operate on profit-making criteria under conditions of technical monopoly can deliver services at prices that are affordable by the poor in the absence of substantial subsidies.

How could be possible to enhance productive activities in those areas where they do not arrive spontaneously and how to focalize those backwards areas and social groups (i.e. ethnic, women, older) which are kept outside the benefit of growth.

Given the general pessimism about the persistence of a large mass of the poor in the cities it is clearly important to defend and expand the coverage of safety net provisions. It is therefore important to know especially in the presence of budgetary constraints derived from adjustment policies:

What proportion of GNP can or is being spent on poverty alleviation, and where do or should the funds for poverty alleviation come from? In many countries it is already known where are the poor and how many are they, the problem is how to prioritize social investments (both public and private) on projects able to favour small productive activities; that can help productive reconversion of backwards regions; that are able to prioritize secondary roads and infrastructure that help vulnerable groups to integrate to the general modernity process.

Some policy makers and academics are skeptical of the degree of macroeconomic determination of the life chances of the urban poor and have suggested the possibility of bottom-up development as an alternative. These avenues need to be explored and the question:

To what extent can neighborhood development be used to alleviate poverty? needs to be discussed. What are the most important constraints on small enterprises to increase their technological level and be able to articulate with formal firms; to participate in export programs and to compete in the global market?

Important debates also exist about the appropriate form of implementation of poverty alleviation policies. These relate to the discussion of the relative merits of projects and programs and of the most appropriate allocation of powers and functions between the various levels of the state, community and NGOs. Important questions also exist about the political dimensions of poverty alleviation programs and projects. These will be discussed in the third Organizing Theme.
As the rates and levels of urbanization in Developing Countries have accelerated so too have urban environmental problems.

Recently the significance of urban environmental issues has been recognized and urban environmental policies are now seen as vital for any effective urban development strategy.

Attention has focused on the specific characteristics and effects of Third World urbanization on the deterioration of local environments and its contribution to global environmental change; on the socio-economic impacts of urban environmental degradation; on the significance of environmental issues for the efficient and effective provision of urban goods, infrastructure and services; on the environmental impacts of different architectural and planning practices and policies; and on the significance of environmental issues for the sustainability of cities and development models.

It has been long recognized that cities are the areas of greatest environmental transformation, where virtually all the effects of ecological modification derived from development come together. In Third World cities these transformations have been particularly dramatic given the rapid rates of physical and demographic growth and the large number and continuing expansion of already huge megacities. 18 out of the 21 megacities with more than 10 million population in the Nineties will be in Developing Countries. Environmental problems have been exacerbated by lack of resources and insufficient investment in urban infrastructure and services and the generally uncontrolled and poorly-regulated pattern of urban development and expansion.

Atmospheric changes associated with Third World urbanization include changes in radiation and rainfall levels; increased cloud cover; and the creation of 'urban heat islands' that produce dust domes and convectional wind systems that circulate pollutants over the city. However by far the most significant transformation is the generation of high levels of air pollution. Five out of the six cities in the world with maximum levels of air pollution are to be found in Developing Countries.

The principal sources of air pollution are the domestic burning of firewood and coal for heating and cooking; motor vehicle emissions; power station combustions; industrial emissions and emissions from toxic and hazardous materials and wastes. The major pollutants of urban air are oxides of sulphur and nitrogen,
carbon monoxide, hydrocarbons, photochemical oxidants (ozone, organic aldehydes and peroxycal nitrates), chlorides, ammonias and a range of particulates including lead, cadmium, asbestos, arsenic, benzene and vinyl chloride. In addition cities also produce large quantities of greenhouse gases including carbon dioxide, methane and CFCs that contribute to global warming or ozone depletion. In absolute terms energy consumption in Developing Countries is expanding rapidly and energy use per unit of output is high. The situation in cities is worsening rapidly because of continued growth, increased industrialization, increased power generation, wider car ownership and street congestion, the close proximity of workers to the sources of pollution and the lack of regulation and enforcement of environmental standards.

Major modifications to the hydrological cycle also occur with urbanization. Urban growth initially involves the removal of vegetation and soil erosion, and the release of a large volume of sediments that fills drainage channels. The imperviousness of urban surfaces increases with further construction, leading to increased run-off and incidence of flooding. A general model of increased storm peaks and inter-storm low flows has been established, a pattern which is highly accentuated in tropical areas. Consequently flooding has become a serious problem in many Third World cities.

In many countries the failure to develop adequate systems of water provision and the irregular collection and treatment of solid waste and waste water has endangered the water cycle. Water consumption is often greater than the replacement capacity of primary sources.

The total volume of water required by a city depends on population size, living standards, the climate and the demand from industries. The demand for high quality water is increasing rapidly in Third World cities straining existing sources (rivers, lakes, and groundwater) and requiring massive investments in treatment plants and distribution networks. Excessive withdrawals from existing sources can cause further environmental problems. Subsidence derived from lowered water tables is a serious problem in many cities, exacerbating urban flooding problems and causing damage to buildings and infrastructure that is costly to rectify. Subsidence rates of up to 14 cms p.a. have been measured in S.E. Bangkok. In some coastal cities (eg. Manila and Djakarta) the water table has been lowered to the point where salinization of water supplies has occurred because of seawater seepage.

The critical significance of safe drinking water for the improvement of health and productivity led to intensified efforts in the Eighties to improve supplies. However, at the end of the International Drinking Water and Supply Decade, it was estimated by WHO that 25% of all urban dwellers in Developing Countries lacked access to safe water supplies and over 50% lacked access to an adequate sanitation system. It has been estimated that by 2000 more than 600 million urban residents will lack adequate sanitation and 450 millions safe drinking water. The lack of maintenance of water production and distribution systems result in the loss of vast quantities of water before its arrives for consumption.
Inadequate coverage combined with the longer term effects of short term solutions (eg. soil infiltration from pit latrines), and poorly designed and inadequately maintained water supply and sewerage systems can lead to further environmental problems, particularly water contamination. Shallow groundwater sources in urban areas with inadequate sanitation and high levels of infiltration are often polluted.

Cities in Developing Countries also have other serious and growing problems of water pollution, particularly where there has been a rapid expansion of industrial activities. A wide spectrum of pollutants is being discharged into groundwater, rivers, lakes and coastal waters from untreated human sewage and animal wastes and from industrial, transport, mining and chemical sources. These include oxygen-demanding wastes, agents of infections diseases; plant nutrients; synthetic organic compounds, inorganic chemicals and minerals, oil and sediments.

Third World cities are often built in naturally hazardous areas: in areas of high relief, or the floodplains of major rivers; in seismically active zones or in the pathways of tropical cyclones. These cities are prone to landslides, floods and the destruction of people, infrastructure and buildings. Often the pattern of Third World urban development leads to an exacerbation of these hazards. The deforestation of catchment basins, the destruction of vegetation through air pollution and the rapid and uncontrolled expansion of settlement especially by the poor into fragile environments (steep hillsides, floodplains, wetlands and coastal zones) leads to regular disasters sometimes on a very large scale. Swamp infills for settlement in Lagos and Manila have blocked river outflows and led to flooding. In addition serious health risks are also derived from the release of toxic and hazardous materials into the urban environment as a result of inadequate systems of solid waste storage, disposal and management.

Although the impact of environmental degradation on socio-economic development has been increasingly recognized in recent years, it is still far from clearly understood. In urban contexts attention has focused on environmental impacts on the health of urban residents; on urban productivity and efficiency; and on the costs of providing and maintaining efficient and effective infrastructure, shelter and services. Some observers believe that current practices threaten the sustainability of cities and ecosystems.

Environmental Degradation and Socio-Economic Development

A consensus has emerged in recent years that environmentally-related health risks and the incidence of infectious diseases have increased rapidly in Third World cities.

Within the cities it is the poor living in slums and shantytowns who are most at risk, and whose health is suffering the most. Infantile mortality rates amongst the urban poor are often two to three times higher than those for middle and
upper income groups in the same city, and often higher than the rates for the rural poor. These settlements not only have the lowest environmental quality but health problems are also compounded by widespread malnutrition, inadequate hygiene and health care and a low economic capacity to spend on health. The urban poor suffer from the full spectrum of infectious, chronic and social diseases.

The high incidence of infectious diseases amongst the urban poor is related to environmental factors such as: poor shelter conditions that involve overcrowding, poor ventilation, exposure to heat, noise, dust, rain, insects and rodents; to water scarcity and the contamination of drinking water; and to the accumulation of human wastes and the presence of stagnant waters which act as vector breeding grounds. These conditions expose the poor to high risks of infection from diarhoea, cholera, gastro enteritis, hepatitis, tuberculosis, trachoma, tropical cluster diseases and intestinal worms. In Mexico City hepatitis was listed as an airborne disease after dried excreta became pulverized and contaminated the air. One of the most serious problems in poor neighbourhoods is indoor air pollution derived from the use of wood or coal-burning cooking fires under conditions of poor ventilation. This can result in respiratory infections (especially in the young), chronic lung diseases and cancers in adults, and adverse pregnancy outcomes. Those suffering form cardio-vascular and chronic respiratory diseases (chronic bronchitis and asthma) are particularly at risk. In the Eighties unpaved human settlements caused 60% of air pollution in the Santiago Metropolitan area and induced grave respiratory disorders amongst slum dwellers.

The urban poor are also exposed to the health risks associated with the occupational and ambient environments. Fatalities and injuries from mud and land slides, earthquakes, fires, floods and cyclones tend to be heavily concentrated amongst the poor because they live in areas and built environments that are most at risk. For economic reasons low income settlements are generally located in close proximity to the major sources of air and water pollution, and many residents are employed in these installations. Solid waste collectors present high levels of respiratory problems and other diseases. High levels of birth defects and respiratory disorders have been recorded around steelmills, chemical and fertilizer plants and oil refineries. Injuries and deaths associated with exposure the heavy metal particulates and toxic chemicals are set to increase as industrialization expands and as the chemical composition of output increases. Lead poisoning derived from industrial and transport emissions is common and produces neurological, blood and reproduction disorders in adults, and lowered IQ levels and behavioural disorders in children. The poor are also widely employed in small firms which are likely to have worse sanitary conditions and lower environmental and safety controls than large firms. Journalistic reports (El Pais, May 1994) on 'social dumping' have highlighted the environmental conditions of confections firms in Philippines and Indonesia based on children labour and similar.

There is also a heavy concentration of social diseases amongst the poor derived
from instability, poverty and insecurity to which environmental conditions make a significant contribution. These include alcoholism, drug abuse, and venereal disease.

**Environmental Degradation and Urban Productivity**

It is also increasingly recognized that environmental degradation has a significant negative effect on urban productivity and efficiency. Although research in this area is increasing rapidly much remains unknown about the nature and scale of these effects. Clearly environmentally-related disease and poor health has a significant impact on the labour productivity of individuals, households and communities, though the scale of the costs involved is unknown.

Female labour productivity is particularly constrained by irregularities in the water cycle. Deficiencies in the delivery, use and elimination of water oblige women to expand the time spent on domestic and family reproduction work.

The waste of productive time involved in long journeys to work, traffic congestion, queuing for water and collecting firewood must be prodigious. Some economist believe that pollution represents a squandering of scarce resources (energy, raw materials), free goods (air, water, soil) and labour time.

Environmental degradation (such as soil erosion, landslides, flooding, subsidence and acid rain) clearly has a significant effect on urban efficiency and the productivity of existing investments in the built environment. Clogged drainage channels, ruptured water and sewerage lines, corroded buildings and materials, structural damage to buildings and infrastructure have an effect on productive activities. Preventative measures are cheaper than rehabilitation in the long term, and the extra costs involved in taking account of or rectifying environmental degradation are immense. It has been estimated that the total amount needed just to clean up Mexico City's air is $2.5 - $3.0 bills. Environmental degradation can also undermine important economic activities such as horticulture, fishing and tourism. The environmental sustainability of many Third World Cities particularly in relation to energy, food and water supplies is under question.

The formulation of explicit environmental policies for urban development is a relatively recent development, and the implementation of these policies largely remains a future task - albeit an urgent one.

**Development Strategies and Environmental Approaches**

**The Fifties and Sixties**

During the modernization decades of the Fifties and Sixties economic growth was emphasized and little was done to protect the quality of land, vegetation, water or air. As in the modernization analysis of poverty and inequality it was believed that environmental problems would automatically be resolved with
growth. Once growth was achieved the protection and reinstatement of the environment could be realized. In the meantime no explicit policies were required. This approach saw nature as a 'bottomless pit', environmental components to growth as free goods, and predicted no major difficulties in the environmental and economic sustainability of the development model.

The Seventies
In the Seventies under the impact of rapid urban development it became increasingly recognized that the urban form and its development had to be rationalized in relation to its environmental support capacity. Urban planning practice sought to do this through regulatory planning using building, land use, zoning and development controls. Investments in various infrastructure systems were decided and realized at central government level according to priorities established by local comprehensive master plans. There was also a recognition in the concept of the 'public character' of infrastructure and services that these investments had to respond to welfare and need as well as to demand, and subsidies were widely employed to extend infrastructure and services to poor neighbourhoods. It fell to local government to coordinate and harmonize the rationalities of the different systems and to cover operating and maintenance costs. An important example at this time was the Curitiba urban planning and urban management strategy.

The Eighties
As the Eighties proceeded a marked and escalating deterioration of urban environments occurred. In many countries emphasis was placed on spatial decentralization policies which attempted to address the economic and environmental problems of primate and mega-cities by redistributing urban growth to secondary and tertiary centres in the urban system. Within the cities some isolated environmental measures and managerial, tariff and subsidy reforms were introduced but explicit environmental policies were still absent despite growing alarm about the environmental sustainability of Third World cities.

The Nineties
By the early Nineties concern for the urban environment led to a recognition that explicit urban environmental policies were required and that fundamental reform of existing policies was essential. The justification for these reforms was based on neo-liberal theories that emphasized supply-side constraints largely related to the excessive intervention of the state in the market, and to institutional, financial and policy obstacles. In this analysis the goals of environmental sustainability, urban productivity enhancement and poverty alleviation were intrinsically related. The marked deterioration of the urban environment led to a general increase in environmentally-based health and safety hazards, constraints on the efficiency of productive activities and regressive inequalities in the availability and costs of basic services to the poor. The underlying causes of environmental degradation according to neo-liberal analysis could be traced to massive demographic growth; misguided economic policies; inadequate investment in infrastructure and services and pollution control; deficient regulatory and institutional frameworks; weak management
capacity and skills; misguided and inefficient subsidy and taxation policies; inappropriate distribution of powers between central and local government and the community, and lack of political will.

Although a number of new policy measures and instruments were proposed the overall policy framework was based on the neo-liberal pantheon: the withdrawal of the state, privatization and the enablement of the market; regulatory reforms and liberalization; price, subsidy and financial reforms; urban management and institutional capacity-building, political/administrative decentralization and increased community participation.

The State, the Market and the Urban Environmental Policy

The neo-liberal analysis places great emphasis on institutional and policy factors for explaining (and solving) environmental degradation. Chronic underinvestment in the delivery and maintenance of infrastructure and services is identified as a major factor. Environmental degradation derived from water and sanitation problems is largely seen as being caused by inefficient and ineffective public sector monopolies providing subsidized services at well below economic cost. These agencies it is argued are overmanned; provide a ripe environment for 'rent-seeking'; are unaccountable to users, provide few incentives for efficiency improvements, and tend to make subsidized services available to the middle classes at the expense of the poor. The solution is for the government to refrain from the direct provision of services, to break up existing monopolies and to involve the private sector in service delivery. This can be achieved through a range of policy alternatives including contracting out services from public to private agencies, joint ventures with private capital and franchising. It is admitted that some activities are more amenable to these alternatives than others (eg. water distribution, public transport, solid waste management, shelter-related services). Direct government action is justifiable for trunk infrastructure particularly trunk drainage, sewers, excreta and waste water treatment plants and for area-wide pollution control. However the allocation of investments must be based on demand and the principle of full cost recovery.

Although it is recognized that environmental improvements depend both on the extension of coverage and on quality improvements through infrastructure upgrading in slums and squatter settlements, it is not clear how these investments will be prioritized.

The Urban Management Programme currently stresses the improvement in the quality and reliability of services rather than the extension of coverage. Some suggest that performance indicators for investments should be based on the amount of service land generated and the amount of value-added created through land and property valuation rather than the length of the networks laid down. This again suggests an emphasis on upgrading rather than coverage.

Current policies also attach a great deal of significance to legal and regula-
tory reforms to achieve the twin goals of environmental protection and improvement in urban productivity. A systematic elaboration and codification of environmental legislation is recommended along with strict enforcement, effective inspection and civil and criminal penalties for violators.

A systematic review of the environmental implication of regulation governing land use (including zoning and density controls), land subdivision, infrastructure standards, rural/urban land conversion and building standards should be undertaken and reforms enacted to improve access to open and green spaces, to minimize air pollution, to increase the use of energy intensive materials, increase access to serviced land and to provide incentives for upgrading. New environmental standards should be determined and should be realistic, appropriate, affordable and enforceable. Strict controls may well be necessary for some activities (eg. lead levels, toxic emissions, land use controls for disaster management), but incentives and liberalized and flexible standards are generally encouraged (eg. tradeable emission permits for air pollution and flexible construction standards).

These reforms should be enacted in the context of dynamic proactive Structure Plans that guide the general process of urban development in line with an Urban Strategy based on regional and sustainable environmental support capacity considerations rather than through Master Plans based on rigid and detailed land use planning. Reactive Action Plans are also recommended to target investments that tackle specific bottlenecks.

Environmental issues should be fully integrated into urban planning systems and policies and the environmental impacts of all projects should be analyzed in the planning stage.

Financial reforms and changes in pricing and subsidy policies are also seen as vital for counteracting those aspects of environmental degradation that are derived from the waste of resources.

It has been estimated that Developing Countries use 20% more electricity than they would if consumers paid the true costs of supply. If infrastructure and services are incorrectly priced, it is argued, then waste automatically follows and coverage is restricted. Full cost recovery is seen as essential for replicability and must be integrated into infrastructure projects (through valorization charges, rates, property taxes, user charges). Tariffs should be increased and the revenue base broadened. Indiscriminate and widespread subsidies should be eliminated because they go to the rich rather than the poor. They substitute for improvements that would have been made by users anyway, and they often encourage consumption that is detrimental to the environment and health. Usually the way to achieve correct pricing is through market prices of inputs regarded by polluting industries as free goods (air, water) but which in reality have a scarcity value. Calculations of this type (based on the cost to the environment of a proposed project) are also necessary in the determination of "environmental impact fees" payable into Environmental Impact Funds at the
In general it is argued that the best policy for water and sanitation provision is the 'demand-driven' approach to provide those services that people want and are willing to pay for.

Urban service provision to become less wasteful, more efficient and more accountable has to become more responsive to consumer demand rather than subsidized need. However, subsidies are justified in those cases where there are broader environmental benefits and where households are less willing to pay (eg. trunk sewers and waste water treatment). Safety net provisions can also be targeted on the poor.

However the reality of private supplies of drinking water undermines the regulation and privatization discourse. Many secondary cities rely for a great proportion of their water from water tank transport, as do many peripheral areas in metropolitan regions. In Barranquilla, Colombia about 30% of the population is supplied by water tanks, and the monthly consumption of a marginal family is 6.5 M3 in comparison to 40M3 of a high income family. The marginal family pay the equivalent of $US 2 per M3 against $US c 30 cents per M3 for a high income consumer.

From 'Hardware' Projects to 'Software' Programmes

Neo-liberal policies also directly link environmental problems to failures in urban management and institutional weaknesses. The enhancement of environmental management capacity and institution building are seen as fundamental prerequisites for addressing urban environmental issues, and for creating city-specific environmental strategies. These reforms involve a fundamental shift from 'hardware' or project level approaches to city and market wide programme approaches. It is only through city wide management and urban level institutions, that effective coordination of the agencies in charge of different infrastructures can be achieved in areas such as planning, joint financing and joint cost recovery. They are also a prerequisite for the evolution of institutional and physical strategies to deal with disasters, and for comprehensive and coordinated approaches to the collection, removal, treatment and disposal of solid, liquid and toxic wastes. Accordingly a large part of environmental resources in recent years has been directed at establishing 'software' facilities to improve institutional and managerial capacities, including training networks, technical assistance programmes for planning, management, accountancy, effective cadastration and tax collection and assessment.

Community Participation, NGO's and Environmental Protection

Political and administrative decentralization from central and regional government to local authorities is also seen as a policy reform that is essential for efficient curative and preventative action on the urban environment. In the past central government generally planned, financed and built environmentally-
related infrastructure and services whilst local authorities were responsible for operations and maintenance. The transfer of decision-making and capital investment to local authorities power with funds on-lent from central government or derived from greatly enhanced local tax revenues is seen as an essential measure. Democratization and empowerment of local government are seen as vital for breaking out of the culture of public inertia and for increasing the political will to act on environmental issues.

The new environmental policies also recognized a significant role for community participation and NGOs in addressing environmental issues and achieving environmental improvements. Experience has shown that community involvement in planning and production produces cheaper, better and more adequately maintained projects.

UNCED's "Local Agenda 21" initiative encourages local authorities to develop their own environmental action plans through consultation and consensus-building between citizens, civic, community and business organizations.

Some argue that environmental sustainability can best be achieve through community labour and management inputs and through their adoption of maintenance responsibilities. Numerous examples exist where community action in collaboration with NGOs has produced significant environmental improvement through low cost water and sanitation projects. Some agencies such as the ILO and UNDP are willing through loans and technical assistance to promote community-based initiatives such as sidewalk paving, recreational improvements, clearing and extension of drains and water systems, recycling, the construction of health posts, and the planting of trees. Their support derives as much from their ability to generate employment and incomes as for their environmental effects.

Major environmental improvements are also identified with effective hygiene and educational programmes aimed at women and children; the provision of school medical services and diet programmes; the shift from curative to preventative health care, and emphasis on primary health care and vaccination programmes.
CRITICAL ANALYSIS OF URBAN ENVIRONMENTAL STRATEGIES

Environmental Problems and Changing Macro-Economic Conditions

The policies described above bring up a number of issues and questions that are worthy of consideration in the International Seminar.

The question of the relationship between macro-economic development strategies and environmental problems and policies remains controversial. This is hardly surprising as the relationship between growth, development and the environment is far from clear and lies at the heart of current debates on ‘sustainable development’ and ‘eco-development’.

A central problem is that both growth and the lack of it can generate environmental degradation. A macro-economic strategy that does not generate growth and which lets poverty increase can be expected to generate massive environmental degradation, which environmental policy measures can do little to counteract. On the other hand a development strategy that generates high levels of growth but which does not tackle the poverty issue can similarly maximize environmental degradation. A development strategy that achieves high growth and steady eradication of poverty can result in a decrease in environmental degradation, though much depends on the role of effective environmental policies.

For most Developing Countries the dominant macro-economic strategy has been that of Structural Adjustment.

Which of these scenarios best fits the relationship between this development strategy and environmental issues?

The answer is far from clear not just because of the perpetual difficulty of separating policy from non-policy effects, or because of disputes about the performance of adjustment policies in relation to their goals. Part of the problem, particularly from the urban side, is the serious lack of research into this question. Whilst there has been some generally critical research into the environmental effects of adjustment policies in rural areas the question:

What have been the effects of adjustment policies on the urban environment in developing countries? and What has been the impact of urban environmental policies on these effects? have scarcely been addressed.

A number of issues relating to these questions can be brought up.

First, a central plank of neo-liberal urban environmental policy is the need to increase urban infrastructure and service investments in order to deal with environmental degradation. Yet there is a great deal of evidence to indicate that in many countries structural adjustment policies have cut rather than increased these investments. A number of reasons have been suggested for this:
Some have argued that the central policy goal to increase the share of tradeable goods and services has led to priorities being given to investments that generate foreign exchange over those that do not. Governments that subscribe to the `foreign exchange theory of value` have mistakenly identified urban public investments as unproductive because they do not directly generate foreign exchange.

Others point to the central goal of adjustment policies to restore the balance of payment situation. This has been achieved by reducing net investments and capacity utilization. In Latin America between 1980-1988 per capita domestic investment decreased by 5.4% p.a. Moreover, it has been suggested that the decline of public investment as a proportion of GNP has come about as a result of the compression of the development rather than the recurrent budget for political reasons.

A third reason suggested for public disinvestment under adjustment regimes has been fiscal reforms that aim to cut the public budget deficit. Budgetary allocations to local authorities for basic urban infrastructure, services, shelter etc. have consequently been squeezed.

Whatever the disagreements over the nature of these trends, and whether they are long term or short term, most observers agree that they have accentuated the problem of urban poverty. Many observers believe that `poverty is the greatest polluter`, it is the poor who suffer from the consequences of environmental degradation and poverty is often its greatest cause. A deterioration in the conditions of the urban poor, such as that which has occurred under Structural Adjustment, consequently would worsen the environmental degradation of Third World cities. The question therefore has to be asked:

Are the goals of neo-liberal urban environmental policies realizable under adjustment regimes?

Perhaps the most significant of the macro-economic determinants of the success or viability of current urban environmental policies is the size of the `resource pool`, the financial resources available to make the necessary investments in urban environmental improvements. Where will these resources come from? A range of sources is indicated. Central government revenues and transfers to local authorities are given prime importance. The size of these revenues depends largely on the growth which must take place, as the World Bank cautions `without jeopardizing financial stability`. This constraint (largely related to the Debt Problem) clearly indicates that the ability to raise revenues from debt-financing is limited. A third source -aid- is unlikely to provide capital on the scale required. UNCED estimates that only about 6% of development assistance is devoted to areas, and resources devoted exclusively to urban environmental problems were overlooked in the Rio environmental financial commitments. Neo-liberal policymakers therefore place a great deal of reliance on local authority revenue enhancement and the private sector to find the necessary investments. The problems associated with these sources will be
discussed shortly. But even under the most optimistic scenario and allowing for a dramatic reduction in the standards of provision of environment improvements the resources available will only be a fraction of the required investment funds.

Annual investment requirements for urban environmental improvement are probably more in the magnitude of the annual capital flows occurring between Developing Countries and Developed Countries in the form of debt repayments.

**The City Size and the Environmental Problems**

Another basic issue that is critical for success in dealing with urban environmental degradation is its relationship with the primacy that characterizes so many Third World urban systems.

In the Fifties little attention was paid to explicit decentralization policies as it was believed that regional divergence would be corrected automatically with further development -regional convergence would come about as a result of the trickle-down effects of unbalanced growth. In the Sixties and Seventies it was argued that regional convergence required a more active set of government policies and doubt was cast on the wisdom of allowing 'excessive' growth to occur in primate cities. Policies were introduced based on tax incentives, infrastructure-led development, and capital inputs to decentralize industrial and urban development in 'regional growth poles', 'resource growth poles' and 'regional growth centres'. In the early Eighties the focus on regional systems of cities and national urban systems continued. The theory of 'polarization reversal' identified regional convergence as being achievable by promoting the growth of secondary cities. Some countries undertook national urbanization strategies where the principal goal was to target national urban infrastructure investments on those cities with a strong development potential. In others equity concerns were predominant -to equalize regional incomes and to guarantee minimum service levels throughout the national territory. In some countries regional or metropolitan level decentralization was promoted. During the Eighties doubts grew about the wisdom of a 'relaxed' attitude towards urban primacy as it became realized that very high environmental costs accompanied the benefits of an 'excessive' concentration of economic activity in primate cities. It was argued that these costs were not borne by those who produced them, and that they could be reduced if urban growth was more evenly distributed throughout the urban system.

In the late Eighties and early Nineties with the consolidation of adjustment measures and neo-liberal supply-side theory there has been a dramatic shift in focus in spatial planning: now it is the 'city in itself' rather than regional or national urban systems that is identified as the locus of productive activities. This shift has led to the demise of regional planning and explicit spatial decentralization policies and the rise of 'urban policy' narrowly-defined on the single-city model. In a climate of increased intensification of international competition associated with export-oriented industrialization neo-liberal policy-
makers argued that it was unwise to disturb the market determination of the relationship between location and economic activity by government regulation. Indeed attempts to do so could slow the rate of national growth and exacerbate regional inequalities. Planning should facilitate national economic growth and gains in inter-personal equity rather than being concerned with misguided attempts to achieve convergence of regional incomes and service provision in the name of equity.

In this context it is argued that development priorities should be based on maximizing comparative advantages, and that investments should go to those cities with the greatest existing and potential comparative advantages for the production of tradeable goods and services.

These cities are the large conurbations and primate cities which are seen as essential for maximizing growth.

The neo-liberal approach

The neoliberal approach tends to downplay the contribution of urban primacy to urban problems. It argues that no causal relationship has been established between the incidence of urban problems and city-size: size itself is not a problem, and if anything has net benefits. The key policy issue for solving urban problems -including environmental degradation- is rather the enhancement of urban efficiency and productivity.

There is a need to correct environmental externalities in order to raise returns for capital, and environmental problems are themselves correctable by policy measures to increase urban efficiency. The best environmental policy therefore is to improve urban infrastructure, urban efficiency and urban environmental management in all cities; to adjust tax rates and infrastructure pricing so that they more adequately reflect social costs; to issue tradeable permits for polluting industries; to reform regulatory regimes and restrict only the location of certain types of heavy industries.

The neo-liberal interpretation of the relationship between urban environmental policies and regional and spatial decentralization policies raises a number of important questions. It is clear that this interpretation proposes that there is no conflict between attempts to stimulate urban productivity and efficiency and attempts to deal with environmental degradation.

Improvements in urban productivity and efficiency will both attract further growth and help reverse urban environmental degradation. It is assumed, but not explained, that the beneficial policy effects on the urban environment will be greater than the costs of the additional environmental externalities generated by growth. It is difficult to see how this can be achieved without serious attempts to transfer the social costs of environmental degradation onto the firms and individuals responsible for producing them through high administered prices. It is reasonable to expect that the payment of high externality costs) if
they are absorbed by the producers) would diminish their capital returns. In a weakly regulated national and global market this would diminish the comparative advantage of the city in question and would lead firms to locate in those countries and cities where these costs were less.

In this context the wisdom of 'single-city' approaches to current realities can be questioned: *Are effective urban environmental policies realizable on the basis of a 'single-city' model?*

**The Sustainable Development Approach**

In recent years many of those subscribing to sustainable development and 'sustainable cities' have challenged - from an explicitly environmental viewpoint - the wisdom of facilitating the further growth of megacities and primate cities under a 'development style' of market liberalization and with exclusively 'efficiency-oriented' investment criteria. From this viewpoint the complexity of the relationship between the built and natural environment in Third World Cities cannot be fully comprehended by traditional economic parameters that fail to correctly price free goods; that fail to recognize critical environmental thresholds; that fail to internalize negative environmental externalities, and which fail to explicitly address the health and safety aspects of environmental degradation.

Although it is agreed that 'city-wide' policy measures to eliminate the waste and inefficiency that underpins much environmental degradation are necessary, they are not seen as sufficient to achieve environmental sustainability.

*It is argued that even with existing population size, consumption levels and inequalities many megacities are already exhausting their environmental support capacity with water consumption exceeding the replacement capacity of primary sources, the destabilization of ecosystems, and air pollution levels that are highly injurious to human health and safety.*

Given these trends it is argued that it is highly unrealistic to believe that further market-led urban growth can continue up to the point where negative environmental externalities make it no longer profitable for producers to locate in the city.

Sustainability arguments thus challenge the current wisdom that city size can be taken out of the equation for dealing with urban environmental issues, and assert that spatial decentralization and regional policies are important policy instruments for dealing with urban environmental problems.

According to sustainable development theory there is a specific environmental rationale (that is not adequately comprehended by neo-liberal economic reductionism) that has to be considered in the choice and construction of urban, regional and national urban systems policy framework and analysis.
The environmental rationale demands the reassertion of a territorial basis for planning based on a close and detailed integration of socio-economic and environmental parameters at various spatial scales.

The environment operates as an integrated system, and modification even if they are local in nature may precipitate a chain reaction of multifarious effects that are regional, national or even international in scale. Urban environmental sustainability cannot be achieved by discrete and poorly-integrated policies that confine themselves to the household, neighborhood, municipal or city-wide levels. Rather the metropolitan, regional and urban systems levels of planning have to be reinstated and a territorial planning structure instituted that is geared to securing the sustainability of ecosystems at different scales. Thus the question can be asked:

*Can current neo-liberal urban environmental policies realise environmental sustainability in the absence of regional/metropolitan and spatial decentralization policies?*

**Environment, Infrastructure Supply and Market Laws**

A number of issues and questions can also be raised about the environmental impact of policies to privatize and deregulate the provision of urban services, infrastructure and land development.

Neo-liberal policymakers argue that these measures are necessary because the previous welfare state model which recognized the "public character" of services and infrastructure provision was neither efficient nor equitable, leading to the development of significant environmental externalities.

Privatization, regulatory reforms and the marginal cost pricing of goods and services that involve charging the real cost of maintenance and repair, and the costs of extension of central production and distribution system would eliminate these inefficiencies, allow extension of coverage, improvements in quality and in combination with safety-net subsidies they would prove to be more equitable. However, questions can be raised in terms of both efficiency and equity, about the ability of these policies to achieve these effects.

The efficiency improvements claimed for urban infrastructure and services privatization in Third World cities remain an assertion rather than a verified result. There are a number of reasons for this.

First, privatization attempts in these cities although a dominant trend are relatively recent, in many cases far from complete, and comparative and systematic analysis with a global coverage have yet to be undertaken.

Second evidence from Developed Country cities where the models for Third World privatization were first developed, has a longer time span and is more widely available. However, controversy surrounds the relevance of these
findings given the fundamental differences that exist between infrastructure and service provision in cities in Developing and Developed Countries.

Third, the range of policies described by the term 'privatization' is considerable, and it is clear that only in certain sectors and activities (which vary from country to country and city to city) has there been a full linear progression or conversion from the public sector to the private sector. More commonly there has been a profound restructuring of the articulation of public and private capital, and much remains unknown about the nature and implications of this new relationship even amongst those who are its strongest protagonists.

Certainly there are those who claim that the combination of privatization and deregulation measures which has been implemented in many Developed Countries will not achieve the sought after efficiency and environmental goals in Developing Country cities.

A primary target for neoliberal theory and policy in search of efficiency improvements through privatization has been the publicly-owned, centralized and hierarchical monopolies that dominate the provision of technical infrastructure (water, electricity, sewerage, roads, drainage, transport and communications).

Here the quest for profit and competition has involved the transformation of profitable monopolies or segments of public monopolies into private ones; the residualization of the less profitable segments; the privatization of fragments of networks according to local or regional capabilities, and the division of public and private responsibilities according to functional operations within the system. Many policymakers believe that the advantages of private ownership can be neutralized by government regulation and therefore the process must be accompanied by deregulation.

Others have argued that the concept of a self-regulated market for urban infrastructure is not appropriate for Third World cities. It is argued that the hierarchical and monopoly characteristics of public infrastructure are not optional or statutory but are a function of the technological rationality of systems delivering socialized consumption goods and services. Access to these goods and services depends on an integrated hierarchy of production and distribution networks - in water and sanitation for example on central processing plant, trunk distribution and capillary distribution systems. These networks are natural or technical monopolies in which market laws often do not apply and where regulation is essential to achieve efficiency at the level of the whole system. Privatized segmentation of these systems can jeopardize their larger rationale: localized productivity gains in one subsystem do not necessarily feed through the whole system; the fission of networks into distinct local capabilities can generate significant quality and quantity differences between regions, and network viability is often underpinned by the need for large scale equalization of costs throughout the network, arrangements that can be foregone with privatization.
Again expansion of central processing capacity without coordinated increases in distribution networks can lead to inefficiencies and high costs associated with underutilization of capital and equipment, whilst rapid expansion of distribution systems without increases in central processing capacity can lead to system failures.

In current policies the ability of public agencies or mixed companies responsible for trunk infrastructure and central processing plant to effectively match and coordinate their investments with volatile demand for capillary systems associated with market liberalization of land and housing development can be questioned.

Given their technical rationality and according experiences from Developed Countries seems to indicate that monopolies persist despite the shift in ownership from the public to the private sector. In some countries where fiscal pressures are severe, the guarantee of future monopoly profits and a weak regulatory regime has been used to render infrastructure systems more attractive to capital (including foreign capital), prompting political concern over the lack of public control of strategic resources.

**Transfer of Managerial Experiences from Developed Countries**

Differences between urban realities in Developed and Developing Countries are also another reason why doubt has been cast on the appropriateness of the privatization/deregulation formula. In Developed Countries urban population growth rates are low and sometimes negative; there are high levels of consolidation of investments in the basic system; virtually complete coverage and high levels of technological homogeneity. As the costs of the basic system have been paid off, privatization is largely concerned with adjusting and rehabilitating elements of the system and with upgrading quality standards. In Developing Countries, on the other hand, privatization occurs under circumstances of rapid urban growth, a low level of consolidation of investments in the basic system, and high levels of technological heterogeneity.

Here the main issue for privatization has to be the expansion of the basic system in ways that bring positive health and productivity benefits and which are environmentally sustainable. The ability of the private sector to realize what are massive investments with slow rates of return has been questioned. This is not to deny that these cities are also characterized by high levels of waste, and low quality associated with underinvestment in the maintenance and repair of the existing systems.

The decision to prioritize investments between extension of coverage and improvements to the existing system is technically environmentally and politically complex and needs to be undertaken within an integrated, regulated and coordinated framework. Doubt has been thrown on whether current policies with their emphasis on weak regulation, demand determination, and market allocation can provide this framework.
Private and Social Objectives

Certainly a commonly-heard objection to the "demand-driven" approach to water and sanitation provision is that given household choice water provision will precede sanitation provision, and water use will exceed waste disposal capacity with few environmental or health benefits. It has also been argued that the weak or "flexible" regulation can have deleterious effects which will ultimately require reregulation. In the mid-Eighties, inner city air pollution in Santiago, Chile exceeded permitted levels by 300% after the privatization of collective transport, which was found to be responsible for 70% of the increment. Some have also argued that tradeable emission permits merely give firms a licence to pollute rather than compelling them to cut back.

Questions have also been raised about the ability of neoliberal policy to generate a more equitable distribution of infrastructure and services. These doubts derive from the perceived discrepancy between the exclusive pursuit of general productivity indicators, marginal cost recovery, and demand-driven investment in the supply and allocation of outputs, and the neglect of the social and environmental objectives embodied in the concept of the "public character of services". The conflict between these objectives ("social efficacy") and economic efficiency is particularly acute when a large part of the population is beyond effective demand, and in these circumstances it is argued that state regulation is essential. It is difficult to avoid the conclusion that rigid adherence to marginal cost recovery and the widespread withdrawal of subsidies would lead to the exclusion of a large part of the population from access to these basic goods and services, which would then assume the status of a privilege rather than a right. Given the social and political implications the state would have to fulfill this need without access to the cross subsidies possible in the pre-privatized system. In this context it is interesting to note that after the privatization of Santiago's water and sanitation systems in the early Eighties 30% of households were unable to pay the new tariff.

In the prospect of privatization one would also expect to see a rapid increase in non-invoiced consumption of water and electricity (pilferage), and measures to control this would be rendered less effective given the erosion of social and political legitimacy associated with an ideology of commodification.

Similarly the privatized segmentation of networks and the extension of coverage solely on the basis of the ability to pay could generate a serious polarization of social and environmental living conditions in the city, and will contribute to the formation of sub-systems through the high costs of transportation, and the high cost of non-conventional supply of drinking water. The ability to service squatter and low income settlements would be seriously set back precisely because it is in these settlements that the technical complexity and costs of service provision are highest because of fragile environments, geo-morphological vulnerabilities, disorganized layouts, environmental hazards etc. Safety net provisions could prove to be inadequate in the absence of equitable tariff
structures with subsidies to the poor and recovery rates adjusted to cadastral values, income levels and consumption levels.

Environmental Problems and Decentralisation

A number of important issues and questions also needs to be considered about the relationship between environmental problems and policies and the decentralization of political and administrative power to local authorities.

Neo-liberal theorists argued that in large measure the failure of earlier policies and the growth of environmental problems could be traced to weak, inefficient, inflexible, ineffective and unaccountable local government. Serious misuse, underuse or overuse of resources was associated with excessive concentration of decision-making in central government. In this context neo-liberal theory proposed the transfer of power and resources to the local government level.

Numerous models were proposed for this decentralization process and significant differences exist between them. In Developing Countries the most commonly applied version was one where executive responsibilities were transferred to municipalities but regulatory powers and fiscal resources remained at the central level. Here the central state retained management control and flows of finance to local authorities and monitored the planning and execution of projects. However, local authorities has greatly enhanced powers to choose, plan, prioritize and implement these projects, and were empowered to raise revenues from services and local taxes. These measures in combination with privatization; access to international loans; training in urban management; technical assistance and institution-building would result in a greatly enhanced environmental capacity derived from debureaucratization, a buoyant fiscal base, greater accountability, improved contract management and improved service standards. In some versions of political/administrative decentralization (often supported by a wider political spectrum) empowerment was associated with the extension and consolidation of democratic rights. Here the local authorities increased their role in coordinating and organizing community organizations, citizens groups, cooperatives, NGOs, enterprises and households. Some argued that increased participation and accountability to the citizen was a prerequisite for "bottom-up" environmental improvements based on local knowledge and priorities, and were essential for achieving increased cost recovery and local taxation on the principle of "no taxation without representation".

Much of the commentary on the viability of neo-liberal decentralization measures centres on fiscal issues. Although the flow of central transfers is clearly critical for local environmental improvements, emphasis is placed by neo-liberal theory on the ability to increase the contribution from local taxes and user charges. This ability depends on a range of technical, administrative and political issues and yet has to be demonstrated.
Concern has been expressed that the generation of local revenues for environmental and urban improvements is inspired more by the need to fill the resources gap created by cut-backs in central government transfers to local authorities as a result of adjustment policies.

Under these circumstances decentralization measures can be seen as a means of transferring responsibilities for the effects of national austerity policies into local government without providing the resources to deal with them.

Some argue that the effects of municipal decentralization on the equitable distribution of environmental improvements will be negative. Those municipalities with an existing or potentially healthy tax base will make improvements whilst in the absence of compensatory payments, poorer municipalities will experience further environmental deterioration. If these differences were allowed to grow, the net environmental effect at the macro-level could again be negative. A "local government" focus for urban development could also exacerbate, rather than resolve environmental policies in those many cities or metropolitan areas which come under the jurisdiction of more than one authority. Decentralization of power and resources could here lead to an intensification of inter-municipal competition to generate tax bases through the relaxation or lowering of environmental standards. Some municipalities are just too small and cannot afford either the equipment or professional skills required for the provision and regulation of services. The political and administrative complexities involved in overcoming this difficulty (mergers, umbrella organizations, joint service boards etc) can make these arrangements expensive and ineffective. The effects could be an intensification of many of those irrationalities in the urban form that threaten its environmental support capacity - the uneven distribution of infrastructure and services, green and open areas, differential land use and zoning standards etc.

Critics of the universal applicability of political and administrative decentralization measures have pointed to the absence of strong local government traditions in many countries, and have doubted the ability of current policies to make much of an impact for a long period of time. In those cases where regulatory competence has been transferred to the local level, many doubt that local authorities will have sufficient power to confront greatly strengthened private sector interests. The question can therefore be asked:

What is the most effective distribution of regulatory powers over the urban environment amongst the various levels of the state?
Sub-theme B.

SPATIAL STRATEGIES

Some observers argue that major transformation in the urban systems of Developing Countries are occurring. These transformations bring forward new questions regarding sustainability and state competence in the management of the built form. A new spatial model is evolving as the transformations of the Nineties shape a new social urban structure in which the growth of poverty is not necessarily in line with the growth of informality.

The Sixties

In the Sixties the dominant spatial models that underpinned urban policies in Developing Countries were derived from modernization theory with its strong Western bias. It was argued that the urban structure of cities in Developing and Developed Countries was different because they were at different stages of a similar urbanization process whose dynamic revealed the growing approximation of the former to the latter as modernization and development proceeded. Third World cities were at transitional stages in the framework of "universal" typologies derived from the historical pattern of Western urban development. Although phenomena such as rapid urban growth, squatter settlements, overurbanization and urban primacy were seen as remediable only through further growth and development, differences existed about the extent to which planners could and should intervene. In general and again in imitation of planning theories and practices that were dominant in the Developed Countries, it was believed that strong regulatory intervention (based on Western minimum standards and solutions) was necessary in order to control, direct and rationalize urban growth. The principal planning tool used to achieve this was the Master Plan which attempted to regulate and "direct" land uses, location of activities, and infrastructure, services and transport networks. In some countries often sophisticated planning tools such as spatial interaction models were integrated with master planning.

Dualistic theories and models of the city were also highly popular (eg marginality, culture of poverty and dual labor market theory), and were used to explain and formulate spatial, employment, social and cultural issues and policies. In their spatial form they expressed the notion of two polarized forms of spatial organization defined according to physical criteria (eg. native/western, modern/traditional, marginal/conventional settlements). It was argued that the rapid proliferation of shantytowns on the urban periphery and on 'non-urbanizable' land was a result of the direct migration of rural peasants to the city who reproduced in these settlements the social economic, cultural and physical living conditions associated with the "traditional" or "marginal" cultures which were seen as obstacles in the progression towards modernization. Urban policies were thus based on a refusal by the state to extend services and infrastructure to these settlements, where possible to eradicate them, and to construct conventional core-units with "minimum" standards in their place. The failure of these policies was clear by the late Sixties: slums and shantytowns proliferated beyond state control, the supply of new conventional units was
miniscule in relation to need, and despite being heavily subsidised they were unaffordable by up to 75% of the population.

The Seventies
In the Seventies a new policy consensus emerged that was consolidated at the HABITAT I Conference (1976). This approach adopted a far more positive attitude to the growth and servicing of peripheral squatter settlements, and was underpinned by a new spatial model of the city. The new model discarded the polarized spatial dualism of the earlier model and functionally related rented inner city slums and peripheral squatter settlements through the mechanism of the economic and residential mobility associated with the migrant's life cycle in the city. In this model inner city slums were identified as deteriorating reception areas for new migrants and peripheral squatter settlements were seen as the constantly-developing last point of residence for established migrants. The model was based on the assumption of continued socio-economic mobility of urban residents; the transition of residents from renting to owner-occupation, and a clear differentiation of those settlements based on rental tenure from those based on legal or quasi-legal owner-occupation. Research in the peripheral settlements revealed that households and communities, in contrast to the public sector, were building affordable housing through an evolutionary process of self-help and self-management. It was argued that the incorporation of these principles and process into public housing policies and the extension of public investments, infrastructure and services to these settlements would allow the expansion of state output and increase the propensity to invest savings, labour and management skills in shelter and urban development. They included a recognition: of the significance of home - ownership and security of tenure for housing improvement and finance; of the need to incorporate progressive development procedures for built areas, materials, structures and services; of the need to reduce housing and infrastructure standards to affordable levels; of the need to develop and provide access to appropriate technologies and materials; of the need for self-help contributions and community participation in project implementation, and of the need to encourage informal sector and labour intensive activities in housing provision and settlement development.

The new policies that emerged out of this consensus included sites and services and self-help housing projects; core-housing; slum and squatter settlements upgrading; tenure regularization programmes; improved access to financial, managerial and technical assistance; the stimulation of small scale enterprices and informal sector activities in project areas, and an attempt to expand the provision of public services. In line with the logic of the general spatial model, policies generally encouraged owner-occupation, the exacerbation of low density sprawl and the linear extension of arterial systems on the urban periphery and there was a general neglect of inner city slums and the needs of the rental market.

During the Seventies and early Eighties it was recognized that projects had to satisfy affordability, cost recovery (ie minimal subsidies and defaults) and replicability criteria if they were to provide the quantities and quality of
housing and services required for low income groups. The pursuit of the "affordability - cost recovery - replicability" formula became more rigorous under growing economic, fiscal and political pressures, and led to significant changes in policy over the decade. In the early Seventies attention focussed almost exclusively on sites and services projects but in the face of high infrastructure, services and land costs and large scale middle class encroachment it rapidly became clear that these solutions were not affordable by the poor, and they could not meet cost recovery or replicability criteria.

The Eighties
Consequently in the second half of the Seventies the emphasis shifted towards slum and squatter settlement upgrading in the form of "Integrated Development Projects", sometimes combined with sites and services to permit de-densification. Some slum and squatter settlement upgrading projects were more replicable and by incorporating middle class groups in project areas were capable of generating cross subsidies for larger numbers of the poor. Some countries (eg India, Indonesia) did manage to achieve urban improvement on a large scale using these projects, generally under the supervision of unified "metropolitan authorities". However, problems of affordability and cost recovery often emerged in newly upgraded projects as exposure to taxation, increased rents and the costs of the improvements led to expulsion of lower income groups. Attempts in the early Eighties to further reduce standards, increase densities and to stimulate labour intensive employment and community participation could do little to counteract these trends.

By the mid-Eighties with the emergence of the Debt Crisis, Structural Adjustment, austerity measures and escalating land and production costs the possibilities for using these policies to satisfy the "affordability -cost recovery - replicability" formula dramatically receded. Under the impact of economic recession, shrinking public expenditures, and reduced subsidies, sites and services projects were almost entirely phased out, slum upgrading projects were reduced in number and almost exclusive attention was paid to squatter settlement upgrading. In general, emphasis was placed on the provision of public and private housing finance, on the reduction and targetting of subsidies, on financial regulatory reform and on an increased emphasis on private sector provision, but again the poor were largely denied access to resources. In some countries, however, housing was used as a macroeconomic tool for reactivating the economy and significant increases in output were achieved (eg, Colombia, Turkey). However, by the end of the Eighties it was generally recognized that these policies were incapable of making significant inroads into the urban shelter and services problem.

The Nineties
By the beginning of the Nineties a new urban policy framework was elaborated based on the neo-liberal analysis of the reasons behind the failure to achieve the "affordability-cost recovery- replicability" formula. Although it was recognized that some progress had been made in realising affordability it argued for drastic new measures to achieve the cost recovery and replicability of urban goods and
services. Fundamental significance was attached to policy, institutional and managerial reforms rather than "bricks and mortar" and technical approaches for achieving these goals. Policy measures reflected the general goals of neoliberal analysis: elimination of supply and demand side constraints; withdrawal of the state and encouragement of privatization; elimination and targeting of subsidies; deregulation and regulatory reform; institutional capacity building; increased participation and political/administrative decentralization.

**Market Laws and the New Spatial Model**

Neoliberals turned to the concept of 'enablement' to provide the theoretical underpinning of the new policy framework. As the principal supply and demand side constraints on 'free markets' were derived from state intervention, the state should withdraw from the direct production of goods and services, and repeal measures that 'distorted' demand. Instead it should facilitate or 'enable' the private sector, formal and informal producers and popular groups and organizations to provide land, housing and services, and restrict itself to regulation and coordination of the sector. Enablement of efficient markets was thus proposed as the principal mechanism to produce the levels of output commensurate with demand (if not need) and to resolve the replicability problem. A range of 'enabling' policy and lending instruments were proposed that would help to create a well functioning housing sector and which would 'serve the interests of all participants in the sector'. They included measures to stimulate demand such as the development of property rights (expanded regularization and registration of land, privatization of public housing stock); the development of mortgage finance and the targeting/rationalization of subsidies. Measures to facilitate supply included the provision of residential infrastructure; reform of urban regulations and standards, and the stimulation of competition in the building industry. The privatization of appropriate services, contracting out of work to small scale enterprises, informal workers, private firms, NGOs and the community organizations were all encouraged. In the framework of enablement state housing policies were not directly concerned with the creation of new housing stock, but confined to the provision of trunk infrastructure for marketized land development and the upgrading of settlements.

**From Projects to Programmes**

In seeking to explain the failure to realize the 'affordability-cost recovery-replicability' formula, neo-liberal analysis also pointed to the inadequacies of the 'project oriented approach' and recommended a shift to programme, sector and policy level planning.

It was argued that projects were more likely to fail from macro-economic policy rather than project design defects: 'a good project in a bad economy was likely to be a bad project'; that the project cycle rationale imposed constraints on innovation and change; 'getting prices right' and the adequate rates of return in project contexts was difficult; project approaches were
generally too small to make an impact and were non-reliable; and project organization and finance made no consideration for future maintenance costs and responsibilities. Aid agencies were also concerned that project lending did not easily permit the large scale ‘money-moving’ required by the global financial system, and pointed to the ‘fungibility’ problem associated with project-based lending.

**The Spatial Model and Urban Management**

It was argued that there should be a shift from ‘housing’ or ‘project sites’ to ‘city wide’ or ‘market wide’ programmes such as land and housing finance. If the shift from projects to sector and policy level approaches was to achieve replicability a strong emphasis on improved urban management and institution-building was also required.

Consequently urban resources should be deployed in reinforced institutional, managerial, training and technical capacity in areas such as management, accountancy, planning, effective cadastration, tax collection and administration etc.

Domestic resource mobilization and cost recovery were essential and could be achieved by tax reforms; cost recovery prices for public services; the reduced coverage or termination of a wide range of subsidies; and the reform of urban regulations and standards on the basis of findings from cost-benefit analysis (‘regulatory audits’). Decentralization of power and resource to local authorities and improvement of their managerial, financial and planning capacity were also required and increased popular participation was deemed necessary for implementation and accountability; full cost recovery on user charges; effective tax collection and improved maintenance. On the left support for these measures was based on a redefinition of the concept of enablement to accomodate the democratization and empowerment of popular organizations in a ‘bottom-up’ planning system; settlements would be ‘self-determined, self-organized and self-managed’ and NGOs and CBOs would be the principal organizations of urban management.
CRITICAL ANALYSIS OF SPATIAL STRATEGIES

These policies bring up a number of issues and questions that are worthy of consideration in the International Seminar.

The Relationship between Urban Policies and the Urban Strategy

The first concerns the relationship between current urban policies and the overall urban strategy. In the Seventies and the Eighties the spatial strategy governing urban policies was to reinforce the dynamic of the residential mobility model. By the end of the decade as a result of the impact of these policies and macro-economic trends and policies doubt was expressed about the wisdom of further pursuing this strategy, and the relevance of the spatial model underpinning it.

In the Eighties the principal thrust was for peripheral development, squatter settlement upgrading and an increase in the supply of informal housing through extending owner-occupation, tenure security, and the availability of services.

The concentration of investments and improvements on the periphery was accompanied by a neglect and "downgrading" of the inner city residential areas. On the periphery a process of low density urban sprawl was unleashed leading to a rapid expansion of the urbanized area. For example between 1969-85 Lima's population grew by two and a half times, but its built area by almost three and a half times. In private, state-sponsored and informal settlements the search for affordability, "autonomous residential systems" and immediate survival strategies often led to the use of low densities, low rise construction, inappropriate locations and layouts, excessive public service standards, non-hierarchized roads, inadequate network layouts etc. The deleterious effects of these policies on urban productivity and the urban environment have already been discussed. It is also clear that the concentration of public investments on the periphery maximized lineal meterage of infrastructure and services and involved massive "hidden" urbanization costs that increasingly excluded the poor from access to them, and which made it increasingly more difficult for the state to service distant locations at rational cost. Attempts in the Eighties to increase densities and rationalize layouts in order to increase cost recovery through the expansion of capillary systems could do little to offset the costs of extending trunk infrastructure in this way.

The Downgrading of the Inner City and City Informal Growth

The reverse side of these policies has been the general neglect of the inner city; the phasing out of attempts at slum upgrading; the absence of any consistent policy for rental units; the failure to use and explore alternative forms of tenure - including communal, co-operative, and leasing arrangements, and the relaxation of controls over market-led development.

A general downgrading of the built environment and infrastructure has occurred
leading to underutilization of technical infrastructure and inner city space, increased maintenance costs and an increase in health, safety and environmental hazards.

Redevelopment policies to promote commercial and high density developments, decongestion and land use rationalization have often led to the expulsion of the poor, the destruction of informal sector jobs and an increase in inner city rents.

Thus by the end of the Eighties a policy-assisted pattern of urban development was created that was characterized by high levels of spatial segregation; uneven distribution of population densities, infrastructure and services; large areas of underutilized space and facilities, and a marked and escalating deterioration in environmental and social living conditions that threatened the long-term sustainability of the model.

The Changing Spatial Pattern

The adequacy of this spatial strategy and the spatial model underpinning it were also undermined by the effects of macro-economic trends and policies on urban areas in the Eighties. Recession, macroeconomic policies and structural adjustment measures have affected the supply of urban goods and services by increasing the real costs of land, materials, finance and construction. Hyperinflation and currency devaluation have probably increased the attractiveness of land speculation and hoarding. The real costs of building materials and fuel inputs have been affected by import compression, currency devaluation and foreign exchange rationing. Public expenditures on housing and services in many countries have been cut back as part of adjustment packages. Mortgage finance has been squeezed by declining revenues associated with rising unemployment and falling wages; by reduced external commercial bank loans, and by government attempts to reserve credit for the tradeable goods and productive sectors. Macroeconomic policies have also had a serious effect on the demand for urban goods and services through reduced real wages, increased unemployment, increased taxes and user charges and the withdrawal or reduction of a wide range of subsidies. This has affected both low and middle income groups who have found that access to land, housing and services has become more difficult.

There is little doubt that these conditions have changed the spatial relations of the social classes in Third World cities. The exposure of the poor in peripheral settlements and upgrading projects to rapidly escalating land and property prices and increased user charges and taxes has led to their expulsion from the settlements and a shift back to rental accommodation either in the inner city slums or in the rapidly developing peripheral rental markets. On the other hand the dwindling supply of conventional housing for middle income groups with reduced incomes and access to mortgage financing has forced them increasingly to enter informal housing markets where they compete with low income groups for access to scarce resources. In many cases this takes the form of middle class encroachment into recently upgraded settlements, or the development of

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"upmarket" middle class housing markets by informal suppliers within low income settlements. It has been suggested that this may have led to a narrowing of formal and informal land price differentials in some cities.

It is now increasingly recognized that the long term shift in tenure patterns from renting in inner city slums to owner occupation in peripheral settlements slowed down in the Eighties, and in some countries may have been reversed, despite state policies to encourage ownership. Reasons suggested include: declining real incomes; rising housing costs; cuts in subsidies; the disappearance of non-commercial access to land and an increase in government controls over illegal settlement; increasing petty-commodification of self-help housing. There has been a widespread recognition of the growth of rental and sub-rental markets (often kin-related); the break-down of the spatial differentiation of rental and other housing markets; the rapid densification (rooming) of inner city areas, and of the difficulties now confronting the young and new migrants for repeating the pattern of residential mobility achieved by earlier generations.

The blockage of the transition from renting to ownership is a phenomenon with acute social, economic, cultural and political significance.

It is widely recognized that Third World cities are currently experiencing a dramatic increase in renting with up to 70% of households now renting in some North African and Asian cities. There is evidence from several cities that rents have begun to rise rapidly in relation to prices and incomes.

In this context the basic questions which present themselves are:

**What is the spatial strategy of current neo-liberal urban policies? and Do these policies recognize the new realities of Third World cities in the Nineties?**

In one sense it can be admitted that these policies and the analysis that underpins them emit a profound 'a-spatiality'. The changes that are proposed in policy imply a shift in focus from material structures involving investment in human and physical capital to policy reforms which are not so much structures as government actions designed to influence resource allocation. This shift is regarded as fundamental for policy success, and in its assertion the impression is left that spatial issues are considered to be a secondary concern and that the spatial implications of the policies have not been considered: 'the best spatial policy is a set of efficient sectoral policies'.

A second view argues that the new urban policy framework has not so much challenged but reasserted the spatial strategy of the Eighties, at a time when its relevance has been superseded. It is certainly the case that the main emphasis of current policies remains focussed on peripheral development - both in terms of the extension of trunk infrastructure, the upgrading of low income settlements, the stimulation of informal peripheral land and housing development and in terms of policies to encourage owner-occupation. Similarly despite being the
main location of the urban poor it seems that inner city slum upgrading and rehabilitation is to remain a secondary concern. Certainly the question has to be asked:

In the context of changing spatial processes what priorities should be attached to the rehabilitation of slums or the upgrading of peripheral squatter settlements?

Moreover given the serious conflicts of interest involved in the control and use of inner city land, space, buildings and services the question can be asked:

Does the policy emphasis on urban efficiency and productivity and market-led development increase the incidence of inner city eviction and involuntary displacement?

It is also surprising given the rapid increase in renting that current policies pay so little attention to promoting rental housing, and other forms of tenure. An ideological pre-Disposition towards owner-occupation is characteristic of neo-liberal analysis. The attention of neo-liberal policy-makers has focussed on the deleterious effects of rent controls which are seen to subsidize businesses and relatively affluent tenants, discourage maintenance and improvements by landlords, and decrease the supply of low income rental accommodation. Others have argued that rent control and regulation is necessary to stabilize and protect the inner city poor, and that comparative research has indicated that the effects attributed to rent controls persist in contexts without them. Rent decontrol has been urged by major aid agencies in recipient countries but given its political sensitivity it has as yet not been given particular priority. The questions therefore have to be asked:

To what extent do current policies facilitate the transition of low income groups from renting rooms to owner-occupation? and To what extent do current policies increase the supply of rental housing?

Some observers argue that current policies and planning styles in the context of changing spatial dynamics will do little to counteract and may even intensify, the problems associated with peripheral sprawl and inner city downgrading. They argue that this model is inefficient, unjust and ultimately unsustainable.

Planning should consist of establishing goals and standards for urban development, and elaborating their implications for existing land uses, housing, infrastructure, economic development and resource use. These goals and standards must aim at rationalizing the character and development of the urban form in line with its environmental support capacity, efficiency, cost-minimization criteria and social goals.

It is argued that sustainability can only be achieved through the concept of the compact city and a general spatial strategy of densification of the built area.
This would require a return to regulatory and development planning in the context of urban structure plans that differentiate zones with different levels of consolidation. Differentiated land use, subdivision, building and service standards would be established for specified zones in order to rationalize densities, settlement design and urbanization costs, and to harmonize urban development in a more integrated and efficient fashion.

It would also incorporate the social goals embodied in encouraging the mixed use of space in inner city areas; the sale of development rights to prevent urban sprawl and to generate funds for low income urban development; the creation of differentiated equitable and efficient tax and tariff structures; legal protection and access to rental housing for inner city tenants, and the use of cash and direct subsidies to poor 'end users' rather than owners.

It is clear that an interventionist, integrated and regulatory framework of this type is far removed from current enablement policies which forego a desirable end state and which emphasize the creation of conditions rather than the imposition of restrictions. It is clear therefore that a central question for debate must be:

**Should there be a concerted policy to consolidate, renew and densify the existing built area rather than the continued promotion of the expansion of the periphery?**

It also can be asked whether a fundamental problem exist with current shelter policies. As we have seen their principal thrust is for upgrading and increasing the supply of informal and private housing through extending security and land tenure, access to finance, infrastructure and services. This is occurring under conditions where there has been a small or declining supply of conventional housing and tighter controls over illegal settlements and prohibitive access costs to low income groups for solutions on the periphery.

However the essence of the urban housing problem in Developing Countries is the relationship between the rate of creation of new housing stock and the rate of new household formation. The World Bank has estimated that each year 12-15 million new households are added to Third World cities through natural increase and migration. The question must therefore be asked:

**Do current shelter policies really address themselves to the need to intensify the rate of creation of new housing stock?**

Upgrading, land tenure regularization and the extension of services are largely concerned with the existing housing stock, and additions to the stock are limited to the creation of new rental units in these settlements. Given the low rate of supply and the rapid rate of household formation these policies must result in increased subdivision, overcrowding, sharing and renting and the built up of pent-up demand. The rapid overcrowding of both inner city and periphery demand should be a major priority for housing research. Poverty now has
broadened to middle income sectors, and overcrowding is a major social phenomenon of the 90s affecting different social sectors with different shelter needs. In many cases extreme poverty is not solved through a housing solution.

The only way existing policies could be used to significantly increase the housing stock would be by closely coordinating them with a land policy that rapidly provided new households with land and services. It is doubtful if land readjustment measures could provide the quantities of land required at a sufficiently low cost. Two other policies are possible.

First the state could relax most controls over squatting and illegal subdivision and quickly move in to provide tenure and services. It is doubtful if this could happen over a prolonged period given its effect on budgetary demands and the rate of migration.

Secondly access to land could be achieved by prior land banking with the state purchasing large quantities of land in advance and releasing them at cost to new householders. Again there would be great difficulties in achieving this because of budgetary restrictions and a tendency for the policy to increase speculation.

Any serious attempt to expand the provision of infrastructure and services to create new housing stock will require a coherent land policy. However, despite the fact that the expanded provision of infrastructure for residential development has been made a major goal of neo-liberal policy there is no clear idea, outside of market stimulation, of how this land will be supplied and regulated. The question has to be asked therefore:

**What land policy should be pursued in order to facilitate the expansion of infrastructure and services?**

A number of other questions also emerge about the significance attached to policy regulatory, institutional and managerial reforms in current policies. The problem of replicability for example has been located in terms of the shift from projects to programmes, and the need for urban managerial and institutional reform.

But is the failure to achieve replicability really an institutional or management problem?

Rather institutional reforms would be seem to be necessary but not sufficient to achieve replicability under conditions of escalating costs and increased austerity. Again concern has been expressed that the shift from projects to programmes could diminish the coverage of the poor because the link with poverty groups is less clearly defined in less site-specific project. Although projects are in a sense material structures, policy and institutional reforms are more concerned with rules, regulations and procedures to guide resource allocation. Although this may offer some insulation from the commonly heard criticism that 'so little has been achieved on the ground' it is also the case that the
reform of institutions, legislation and regulatory instruments is an intricate, costly and lengthy business, and that speedy action is required to deal with many urban problems. The question that emerges:

What is the time-frame within which the results on the ground of these policies are expected to be realised?

If urban planning has been 'deterritorialized' and 'despatialized' by neoliberal theory it is also the case that in a significant sense housing has also been 'dematerialized'. The concept of housing as an artefact has been subordinated to a concept of housing as an economic activity governed by productivity values. In effect housing has become a bundle of goods and services rather than a physical structure that provides the material support for these services. Housing policy consists of indirect measures to enable the private and informal sectors to fulfil the 'materialization' process. Some architects, planners and professionals are increasingly concerned that policymakers in this way have become 'shelter-blind' and that this step could mark the demise of housing studies.

Whatever the case it is clearly important given the 'distanced' relationship of policy-making to the 'real' circuit of goods and services that effective means be found for measuring and evaluating the results of these policies.

Research on the urban form is particular important given the growing evidence of the relationship between the deterioration of living standards and physical downgrading. Personal security scores high as a principal problem in almost all Third World megacities. The relations between man and nature, family and dwelling, community and neighborhood cannot be understood merely in terms of payment capacity, but rather in terms of their wider dialectical interactions. Consequently the built environment - and it architectural discipline - can become a powerful instrument to accelerate and facilitate the development of human and communal values, or it can become a source of social pathology that obstruct the possibilities for further collective upgrading. It seems that there is an educational and capacity building function for and through the dwelling.
Diagram 2: A MODEL OF ENABLEMENT

CENTRAL STATE

MARKET ENABLEMENT
- Macroeconomic Policy Reform
- Deregulation, Regulatory Reform
- Decentralization
- Urban Institution Building
- Fiscal Input
- Solidarity Funds

POLITICAL ENABLEMENT
- Decentralization
- Urban Institution Building
- Managerial+Institutional Reforms
- Democratization
- Fiscal Input
- Solidarity Funds

COMMUNITY ENABLEMENT
- Participation
- Legalization
- Regulatory Reform
- Democratization
- Solidarity Funds

LOCAL STATE

MARKET ENABLEMENT
- Contracting Out
- Privatization
- Material+Financial Inputs
- Deregulation

POLITICAL ENABLEMENT
- Project Screening
- Technical Design
- Research
- Advice
- Contract
- Participatory Planning
- Material+Financial Inputs
- Deregulation

COMMUNITY ENABLEMENT
- Advice
- Research
- Marketing
- Credit
- Training
- Quality Control

FOCAL INSTITUTE
- Building Research Institute
- Planning Department
- Standards Institute
- Local Branch Min. of Employment/Housing
- Public Service Agency

MARKET
- Microenterprises
- Users’ Assoc.
- Citizens’ Groups

COMMUNITY
- CBOS
- NBOS
- COOPS
- Users’ Assoc.
- Citizens’ Groups

LOCAL STATE
- Contractors
- NGO
- Back up
- National Agency
- Local National International

CENTRAL STATE
- NGOs
- Advice
- Back up
- National Agency
- Local National International
- NGO
- Advice
- Back up
- National Agency
- Local National International

COMMUNITY
- Market
- Microenterprises
- Users’ Assoc.
- Citizens’ Groups

FOCAL INSTITUTE
- Building Research Institute
- Planning Department
- Standards Institute
- Local Branch Min. of Employment/Housing
- Public Service Agency

MARKET ENABLEMENT
- Training
- Advice
- Research
- Monitoring Quality
- Marketing

POLITICAL ENABLEMENT
- Training
- Advice
- Research
- Monitoring Quality
- Marketing

COMMUNITY ENABLEMENT
- Advice
- Research
- Marketing
- Credit
- Training
- Quality Control

FOCAL INSTITUTE
- Building Research Institute
- Planning Department
- Standards Institute
- Local Branch Min. of Employment/Housing
- Public Service Agency
Theme III
ENABLEMENT, PARTICIPATION AND THE ROLE OF THE PROFESSIONAL

In the previous sections we have described and analysed the characteristics, goals and outcomes of neo-liberal development theory and urban planning policies in the areas of poverty alleviation and macroeconomic, environmental and spatial strategies. In this section we shall be concerned with the social, political and administrative aspects of these policies and the way in which they change the interactions between the state, the community and the professional. The three key planning concepts and principles underpinning the transformations introduced by these policies in the Nineties are specific applications of Theory of Enablement: Market Enablement, Political Enablement, and Community Enablement. The revolution of the Seventies which changed the professional practice of urban workers is now challenged by these three policy transformations. A new role for professionals and a new form of professional practice for urban workers appears to be emerging from these overall changes.

The discussion of these themes will be undertaken with reference to the Model (see Model 2, page 52). The Model shows that the central state has established enablement strategies for three areas - the market, the local state and the community. The local state also carries out enablement strategies in relation to local markets and local communities. In some context a Focal Institution (e.g. Standards Institute, Housing and Building Research Institute, Local and Urban Management Programme) is empowered to carry out enabling measures for the market, the local state and the community. Relations between the local state, the market and community are often mediated by the enabling actions of NGOs. These transformations have profound social, political and administrative consequences and involve fundamental changes in the concept and activity of professional practice.

Two points have to be made before proceeding. First, the model is based on a composite picture - differences exist between countries and policy makers over the relative significance that should be attached to enablement of the market, the local state or the community. In some formulations emphasis is placed on market enablement and little significance is attached to community enablement (participation), in others political/administrative decentralization is stressed with or without participation and so on.

Second, the neoliberal assertion that enablement serves the interests of all participants - consumers, producers, financiers, central and local governments - can be challenged. Rather it will be argued that urban development involves conflicts of interest between different activities and social, economic and political groups and is manifested in phenomena such as expulsion, gentrification, involuntary displacement, landlord/tenant conflicts, unequal provision of services and infrastructure etc. Moreover, conflicts of interest also exist between and within the central state, the local state, the market and the community, and enablement policies can intensify or diminish these conflicts as well as generate new ones.

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Sub-theme A.
MARKET ENABLEMENT AND THE ROLE OF THE URBAN PROFESSIONAL

Market enablement lies at the heart of most neo-liberal policy frameworks. This is hardly surprising given the supply-side constraints model that underpins neoliberal theory. It argued that the earlier 'excessive' state intervention characteristic of the Keynesian welfare state/mixed economy model was in large measure responsible for inadequate rates of growth. This model pursued active and direct state intervention in the allocation and production of selected goods and services, the use of trade, interest rate, exchange rate and price controls to generate employment, output and incomes, and the use of taxes and subsidies to deliver comprehensive coverage and equal access to public services. Interventionist planning through the use of regulations and planning controls was deemed necessary to secure longer term urban and development goals, to protect national interests and to protect consumers from market failures.

Neoliberal theory argued that these policies by interfering with the free market determination of resource allocation, pricing and incentive systems led to major supply-side constraints. It was argued that state bureaucracies stifled initiative, were inefficient, uncompetitive, inflexible and unresponsive to demand signals. Excessive regulation protected enterprices from competition, increased costs and held back growth. High social spending, income and wage taxes acted as disincentives to growth, savings, investment and enterprise; budgets deficits were inflationary and welfare payments discouraged work.

Given the significance of state intervention in generating market constraints, neoliberal theory proposed a restructuring of the relationship between central and local government and the market. The state's role in production, ownership, finance, marketing and regulation should be "rolled back", and its activities restricted to those of "market enablement". Government was to be a coordinating and facilitating rather than an interventionist force. Enablement meant facilitating and promoting the formal and informal business sectors and entrepreneurs to provide market solutions for the production, distribution and exchange of urban goods and services. Where possible the state should withdraw from their direct provision and in all cases expose them to market disciplines. By removing market obstacles, mobilizing resources, encouraging entrepreneurship, skills, and innovation it was argued that market enablement would increase the supply of good and services; it would produce sustainable long term growth and employment gains and it would reduce the prices of urban goods and services to more affordable levels.

A number of instruments were available for implementing the market enablement strategy. Macroeconomic and sector-level policy reforms were seen as vital for facilitating market forces, and for creating the legal, institutional and financial framework for enablement. Measures aimed at the elimination of price distortions in factor, product and financial markets and included the liberalization of government controls over prices, exchange rates, interest rate ceiling and credit restrictions, and the opening up of the market to foreign capital,
products and competition through the removal of protective tariffs and import quotas.

Deregulation and regulatory reforms were seen as essential for stimulating growth and competition and for increasing the access of small scale enterprises and the informal sector to land, credit, services and building materials. The privatization of urban housing, infrastructure and service provision was encouraged either through direct sale to the private sector or through the contracting out of work in central or local government housing, service and infrastructure agencies or projects through competitive bidding. Here the role of government was limited to organizing tendering, monitoring the performance of contractors, technical control and contractor training. Contracting policies could be used to favour small or large, formal and informal firms wherever appropriate. Central and local governments could also use their own resources to advance the goals of market enablement. Measures commonly used included: the provision of trunk infrastructure; land development; regulation of construction; promotion of housing finance; and access of informal and small scale enterprises to credit, improved services, technical assistance and training in skills and business management. In allocating resources and contracts governments could disseminate locally-based building materials, processes and technologies.

Market enablement is carried out through a variety of national and local government agencies. NGOs are also widely used (often under contract) to mediate between the market and local government and to provide technical, legal, administrative and economic consultation and resources. Focal Institutions can be empowered to enable the market and the local state in areas such as the dissemination of research and advice on standards and specifications; training and technical assistance; marketing and project screening.

**Critical Analysis of Market Enablement Policies**

It is clear that enablement strategies involve a major restructuring of the relations between the public and private sectors. Although the general ideological drive is towards the elimination of the state from the market, in reality what has occurred is a new form of articulation of public and private capital established through a framework of asset transfer, partnership, mixed equity relations, franchises and concessions. The resulting reallocation of regulatory and productive functions and human, physical and financial resources is justified in terms of higher levels of growth, efficiency and productivity. The political and social consequences of this new alignment of the state and capital however are currently not well understood.

One concern that has emerged is that the concept of the state embodied in market enablement has diminished the equity, welfare and social goals embodied in state interventions and that the market does not generate socially-acceptable patterns of welfare distribution. State withdrawal through deregulation, privatization and marketization has thrown into question the basic equity
objectives embodied in such planning principles and instruments as the social function of land; the public character of services; differentiated tariffs; progressive taxation and subsidies, and social and spatial planning regulations and standards. This has occurred precisely at a time when the social and economic situation of those groups whose interests should have been protected by these measures has deteriorated dramatically.

Concern has also been expressed that some aspects of market enablement have been motivated more by the desire to relieve budgetary pressures derived from adjustment goals, than a concern to maximize efficiency gains. There is a fear that from this view enablement is seen more as a vehicle to deny traditional responsibilities than one to create new ones. Recently the relationship between enablement strategies and export-oriented adjustment priorities has been questioned-particularly the detrimental effects of reserving state finance for the tradeable goods sector, and the limitations of orienting informal sector output towards export markets.

A case can also be made that the generally pejorative view of the state held by neo-liberal theory - as the source of market 'constraints', 'supply-side obstacles' and 'price distortions' - has led to a 'passive' rather than 'active' role for the state in market enablement: most public resources have been used to remove state constraints rather than to actively stimulate resource mobilization.

It is also the case that the political aspects of market enablement are far from clearly understood. It would certainly be naive if not foolish to assume the political impartiality of these measures, or to ignore their political effects. It has been suggested that privatization and enablement measures have seriously disadvantaged the poor and sections of the middle class, and have benefitted owners rather than tenants, and the periphery rather than the inner city. The political consequences of these policies are far from clear and the question:

**What has been the effect of market enablement on the nature and dynamics of urban politics?** needs further research.

Some have suggested that the privatization of public goods and services delivery and the increased use of contractual relations may have contributed to a weakening of the influence of patron-clientage and traditional power structures in their allocation. Others have suggested that these structures either persist in the new arrangements or that they have been used to consolidate new constellations of political power. Certainly the question:

**Do market enablement measures destroy or consolidate traditional power structures or create new ones?** needs further research. It is the case that enablement policies have politically strengthened certain groups and classes (small and large formal and informal sector entrepreneurs, merchants, foreign capital, real estate monopolies etc) and weakened others (private and public sector unions, the urban poor, civil
servants) and this has generated new political alignments and conflicts.

It is also difficult to see how market enablement policies can transcend the well documented conflicts of interest between and amongst producers and consumers and regulators over the allocation of urban public resources, and this question also needs further research. Questions have also been raised about the ability of NGOs to maintain their political neutrality as they are increasingly enmeshed in a web of contractual and financial dependence on national and local government and international agencies.

It is also clear that the methods of enablement and the restructuring of market and state relations in the provision of urban goods and services has had a profound effect on the position and role of the professional. It is true to say that the stress on economic efficiency has led to a more positive recognition of the economic significance of good architectural, structural design and planning practice. However, many professionals still have difficulty in accepting the subordination of long held technical and social parameters to more narrowly defined market imperatives. It is also clear that many aspects of enablement demand a new concept of professional practice based on a 'service-orientation' which requires the learning of new and broad skills, but the consolidation and codification of this practice is far from complete. The disorientation of urban professionals has been further compounded by the dramatic changes in the employment structures brought on by market enablement and adjustment measures. The shift from the public to the private sector has seen widespread retrenchment of full-time professionals especially at the central state level, and the expansion of short and part time contractual and consultancy work for contractor firms, NGOs, public and private agencies, and focal institutions. In some countries shortages of skilled personnel have been reported in local government departments given the low levels of remuneration offered. It is also the case that the increased emphasis on training and technical assistance, and need for skilled personnel in the redrafting of regulations and standards has created employment opportunities for some professionals in a new role. However little research has been carried out into the question:

What has been the effect of market enablement on the employment structure and opportunities of urban professionals?
Sub-theme B. **Political Enablement, Reorganization of the State**

The second of the three modes of enablement outlined in the Model is political enablement defined as a transformation in the structure and function of central and local government, the relations between them, and their relations with the market and the community. Political enablement is achieved through political/administrative decentralization, democratization, managerial and institutional reform the widespread use of NGOs and community based organizations and through adopting enabling strategies towards the market and community in the allocation of material and financial public goods and services.

The justification for these policies is based on a coherent theory of the state and central/local government relations that uses economic techniques and concepts to analyse political processes. Given that the optimal allocation of goods and services can only be achieved through the market, excessive government centralization and bureaucratization were amongst the main reasons why past development strategies had failed. Central government bureaucracies, particularly those associated with the welfare state model were inherently inefficient and inequitable (tending to benefit the middle classes) because in the absence of market disciplines and electoral accountability bureaucrats have a personal interest in budget-maximization and oversupplying goods and services through deficit financing. Centralized governments is prone to 'log-rolling' and 'rent-seeking' activities by corporate interest groups leading to the misappropriation or misallocation of government resources. The scale diseconomies associated with excessive centralization of power and administration included: the stifling of initiative and innovation, the proliferation of agencies often with overlapping jurisdictions; professional compartmentalization; diminishing accountability, and growing problems with inter-agency coordination especially at the local level.

Similarly it was also argued that the failure of earlier policies (and in some versions project-based approaches) was due to weak, inefficient, inflexible and unaccountable local government which led to budget maximization, short-termism; inadequate planning and technical policies and practices; poor maintenance; inadequate local revenue-generation and inadequate cost recovery on user charges.

Neoliberal policy reforms were directed at 'rolling back' the state in line with a market-oriented ideal of a small and efficient service or customer-oriented state, which would increase initiative and redirect welfare expenditures. There would be cutbacks in the size of the central civil service, privatization of public agencies, ceilings on public expenditures and the introduction of competition and market disciplines in public bodies. Central/local governments relations would be restructured by diminishing or stabilizing the contribution of central government transfers, using fiscal incentives or penalties to encourage local efficiency improvements, and by encouraging competition between local authorities ("Tiebout forces"). There would be a fundamental decentralization of powers and resources to the local government level. Numerous models were
proposed involving a range of different financial, organizational and institutional alternatives. In some countries decentralization measures amounted to little more than a strengthening of central government local representatives and the delegation of powers to national decentralized parastatals. More commonly the central state retained control over fiscal transfers to local authorities and regulated the planning and execution of projects; whilst local authorities were given greatly increased power to choose, prioritize, plan and implement projects, and to raise revenues from services, local taxes and international loans. Decentralization of this type it was argued would give greater accountability; a more buoyant fiscal base, improved local coordination of state projects; improved cost recovery; better maintenance; improved contract management; better and cheaper services delivery and a more equitable distribution of public expenditures. However, it was also recognized that these goals could not be realized without policies to strengthen the managerial, institutional and planning capacity of local authorities. This was to be achieved through institution-building, training and technical management development; an increased emphasis on planning through incentives rather than controls; the abandonment of the project-unit approach, and the shift to city-wide or sectoral - level programmes such as land development and housing finance rather than projects.

In an increasing number of countries local government decentralization and empowerment have been associated with the extension and consolidation of democratic rights and a restructuring of the relationship between the state and civil society. Here decentralization takes the form of representation of local communities through a council or assembly, with strong powers over the local executive. Democratization is identified as a key element in political enablement for several reasons: making local elites accountable to the local electorate would decrease the incidence of rent-seeking; representation would better expose local needs and priorities; political freedom is inherently productive and innovative, the democratization of urban management and the political legitimation of local authority were necessary to obtain the reconciliation between technical efficiency and social effectiveness essential for efficient service delivery; and political representation was a necessary prerequisite for increasing local taxes and rates of cost recovery and for improving maintenance.

Political decentralization and democratization provide the context in which an empowered local government can advance enabling strategies with the local market and community. Here local government activities become a set of social and political practices through which popular demands and technical administrative responses can be negotiated, implemented and maintained. Local governments are expected to act as a force for enablement in a development style based on consultation, community participation and accountability. Local authorities increase their role in coordinating and facilitating households, community organizations, citizens' groups, self-help groups, cooperatives, NGOs and the various market enterprises to provide goods and services. Measures most commonly used include: the provision of trunk infrastructure and services; access to secure land tenure, credit, building materials, appropriate regulations and standards and skills training, and the propogation inexpensive
local technologies, materials and designs. NGOs, Focal Institutions and closely supervised contracts are widely used in regulating these relationships between the local state and the community (see Model).

**CRITICAL ANALYSIS OF POLITICAL ENABLEMENT POLICIES**

Political enablement clearly involves major transformations in the role of the state and its relationship with the community and the market. A number of issues are currently under debate. Neo-liberal discourse claims that political enablement does not imply a reduction in but rather a reallocation of government responsibilities with local government as the principal centre of empowerment. However, concern has been expressed that in practice though responsibilities have been transferred, the resources required to exercise them have not. This has raised the suspicion that the enthusiasm for decentralization derives more from adjustment requirements to relieve national public deficits and manage the debt crisis than it does from broader democratic goals. Certainly the World Bank has argued that a major element of enablement strategies is 'to leverage public resources to the greatest extent possible'. Experience from some developed countries has also shown that the 'downloading' of responsibilities for the effects of national austerity policies onto local governments also has a political pay-off when the central/local government cleavage corresponds to a political party division. It is also the case that the stimulation of local government revenues is a complex and lengthy process that despite current managerial reforms, will not generate significant revenue streams for some time. Without major central government transfers in the intervening period current trends for urban deterioration can be expected to continue for some time. The question therefore has to be asked:

**Are the goals of political decentralization related more to adjustment requirements than to internal socio-economic and political requirements?**

Debate also focussed on the significance of political enablement for the role of the central state. Some observers stressing the relationship between decentralization and structural adjustment policies involving 'political conditionality' arrangements with international agencies, see a two-fold weakening of the central state in Less Developed Countries as power flows upwards to these global agencies and downwards to sub-national units.

The wisdom of making municipal and local government the centre of political and administrative gravity has also been challenged on a number of grounds. In most developing countries local government is weak, inefficient, unrepresentative and lacks administrative, institutional and technical competence. An approach based on immediate empowerment without effective enablement could have serious consequences especially in those numerous countries which lack a local government tradition. Some have speculated that the transfer of powers of regulatory competence to local authorities with weak enforcement capacity within a general climate of strengthened private sector interests can lead only to a lack of regulation. Local governments vary greatly in size, population and
their actual and potential revenue bases. In the absence of fiscal equalization measures significant socio-economic, spatial and environmental inequalities could open up between them. The effects of 'municipally-centred' two-speed development could be particularly deleterious in urban areas. In many (and perhaps most) Developing Countries urban growth has spread over several municipal areas. The resulting 'municipal fragmentation' has led to different rates and types of urban development; different regulatory regimes, and irrationalities in the land market and the location and delivery of technical infrastructure and services. Given these characteristics many planners see municipal fragmentation as a major problem and view with some trepidation the effect of the encouragement of 'Tiebout forces' on integrated and effective planning. In this context two questions need to be asked:

**Will political decentralization further intensify the problems associated with the municipal fragmentation of urban areas?** and **Should decentralization measures be introduced before, after or as part of a broader package of reforms that harmonize political-administrative divisions with urban, spatial and environmental realities?**

Political enablement also requires fundamental changes in the nature of urban planning policies and offers new opportunities for changes in professional practice. In general there has been a shift from centralized regulatory planning that attempts to use master plans, prescriptive regulations and specified standards to guide urban development towards a desired end-state. In its place the more modest goal of orientating and modifying urban development through 'development planning' is suggested based on consensus on an outlined urban strategy embodying regional and environmental objectives. Development planning involves the use of incentives rather than control, relaxed and prescriptive regulations and performance standards. Some professionals doubt whether these powers are sufficient to guarantee an active planning posture given the urban demands and problems that will be generated by liberalized markets and enabled communities.

Concern has also been expressed that the dominant model of political decentralization is based on an excessively functionalist rationale with the different levels (central state, local state, community) being characterized by the different functions they realize in the planning cycle. Some have argued, however, that the various planning levels must be organized to correspond with spatial and environmental realities whose complex totality at each scale requires integrated territorial planning. In its absence they argue that there will be the separate and uncoordinated provision of goods and services leading to waste and inefficiency. Professional practice here involves the integration of cognitive tools with participatory techniques (geographical information systems, decision support systems, sensorial and aereophotos, participatory planning education).

It has also been argued that in its rigorous application of economic techniques and categories to understanding all aspects of human behaviour, neo-liberal
theory has misunderstood or conceptually downgraded the significance of the different political, social and cultural contexts in which markets operate and the impact of their policies on these contexts. This occurs despite the fact that enablement, democratization and decentralization effectively mean the intensified politicization of the urban development process. Indeed some critics have doubted the democratic credentials of the neoliberal theory of the state. In some Developed Countries the general ethos of a small, efficient state involved in a supplier-customer relationship with the users of its services has clashed with the traditional representative/citizen relationship embodied in the concept of democratic rights. Despite the emphasis placed on accountability, privatization and contracting-out have distanced the local population from access to local officials and elected representatives.

It can be argued that the political hazards associated with political enablement have been underestimated, downplayed or ignored by neo-liberal policymakers, but numerous examples can be given of these hazards. Local government empowerment can lead to an exacerbation of ethnic, religious and regional conflicts and the fragmentation of carefully nurtured national consciousness. It is widely recognized by ruling parties that political decentralization to the local government level often effectively empowers the political opposition and it is resisted on this count alone. The privatization or contracting out of public assets and services to foreign corporations can generate a lot of political heat. At the neighborhood level the recognition and empowerment of NGOs and CBOs is often resisted because it can undermine traditional party structures and allegiances.

The political issues involved in attempts to democratize urban management are also not clearly understood. The resistance of technical administrators on the basis of technical criteria to political attempts to assert control over service delivery has been noted. Others have argued that patron/clientage and traditional power structures can be strengthened by democratization and decentralization. Regional and local political bosses can exercise greater control over state resources and use them to consolidate electoral support, or new client sectors can be favoured by these policies. Some observers have noted that in some countries where National Solidarity Funds have been channelled through local governments, their allocation has frequently been guided more by political than welfare criteria. Attention has also centred on the political significance of the shift from projects to programmes. It is clear that an advantage perceived in the project mode of urban goods and services delivery in the past was the opportunities it offered for party political patronage (‘project patronage’), a phenomenon which resulted in the atomization of urban political struggles. However, it could well be the case that city-wide and programme level operations might offer greater scope for the effective horizontal organization of urban social movements.

Political enablement also demands fundamental changes in the role of the professional. A professional reorientation is required as traditional practices, principles and tools are discarded and new responsibilities assumed (eg.
institution and capacity building, upgrading, contract management, program-
ing, regulation, training and technical assistance). The democratization of
urban planning and management involves negotiation over goods and service
delivery and the institutional, administrative and technical practices to generate
and administer them. Technical staff will be prone to resist these measures on
the grounds that they might strengthen efficacy at the expense of efficiency.
Conflicts can be generated over urban and housing standards, regulations,
densities, built area and environmental indicators, access of the poor and policy
priorities. The transfer of authority from planners to the planned and the
general politicization of what were previously regarded as 'realms of technical
expertise' will demand fundamental changes in professional attitudes and
practice involving flexibility, persistence, communication and political 'nous'.

The ability of professional staff to make adjustments will depend greatly on
training and motivation, in which job security, adequate monetary rewards, a
clear structure of career promotion and the enhancement of professional status
will be decisive. It is by no means clear given low wage rates in the local
public sector, the large scale retrenchment of civil servants in the central state,
and the trend towards contract and performance-related work whether these
conditions are being met. In general little is known about the changes in the
employment structure and the opportunities for urban professionals that have
accompanied decentralization. Major questions that need clarification include:

Are more jobs for professionals created in local government than are lost
at the central level? and Has the expansion in the job market in NGOs and
private consultancies generated shortages of skilled personnel in the local
public sector?
Sub-theme C.
COMMUNITY PARTICIPATION AND THE ROLE OF URBAN PROFESSIONALS

The third mode of enablement identified in the Model is community enablement which can be defined as a strategy adopted by central and local government to coordinate and facilitate the efforts of community and neighborhood-based organizations to initiate, plan and implement their own projects according to the principles of self-determination, self-organization and self-management.

The Model shows that there are several elements that make up the community enablement strategy but undoubtedly the most important is the increased significance attached to the principle of community participation.

Neo-liberal policy-makers have reassessed the role of community participation in line with an ideology that stresses the primacy of community and family responsibilities over institutional interventions, and the need for the mobilization of the resources of a revitalized civil society to fill the resource gaps between need, and the market and state capabilities.

This position contrasts sharply with previous attitudes and policies towards community participation. In the Fifties in the modernization period policy-makers generally refused to promote community and neighbourhood-based organizations because their involvement contradicted the logic of centralized planning methods and accepted forms of delivery of conventional goods and services. Often the failure to accept participation was attributed to the egoistic and anomic values and attitudes of the poor which were identified as the social psychological traits of a condition of 'culture of poverty' or 'marginality'.

In the Sixties, however, the growing crisis in conventional methods and systems of urban goods and services delivery, and the search for political mechanisms for consolidating national identities and containing civil unrest led to the acceptance of a 'sweat-equity' concept of community participation. In numerous countries there was a rapid proliferation and expansion of national community development systems which organized neighborhood committees in a vertical hierarchy administered by a central state dependency (usually the Ministry of Government). Material, financial and technical assistance for local projects was often made conditional on a matching contribution of communal self-help labour and financial contributions.

In the Seventies the 'sweat-equity' model of community participation was encouraged in sites and services and squatter settlements and slum upgrading projects. Here central and local government agencies undertook the main planning initiatives, decisions, supervision, implementation and maintenance of projects and community participation was limited to self-help labour inputs to housing construction, infrastructure installation and some services (eg. drain-cleaning). In the Eighties community participation in projects was expanded to include consultation on designs and plans and a greater role in implementation and maintenance though in general individual subcontracting to informal
builders was accepted as preferable to a self-help contribution in housing construction. NGOs were increasingly used as go-betweens, project initiators and implementation bodies in these types of project.

However, by the end of the decade, the limitations of this mode of community participation became apparent. In economic terms the reduction in labour costs attributable to self-help labour inputs was more than neutralized by administrative costs that were often higher than in conventional projects. Projects were put beyond the economic access of the poor who either sold up or rented within them. Within upgrading projects benefits tended to flow towards the owners with the costs being borne by tenants. Attempts at integrated planning were characterized by long delays, wasted resources, inter-agency conflicts, overlapping responsibilities, lack of coordination and disputes between agencies and communities. The project mode of goods and service delivery and the restricted ambit of participation resulted in the use of subjective particularistic or political criteria in the selection and development of projects. Inner city slums were often avoided because of political difficulties, and communities and neighborhoods were commonly selected on the basis of political allegiances and patronage networks. Political criteria often determined which leaders in the community were recognized within the project. Planners operating with 'technical criteria' ended up avoiding the poorest communities because of cost-recovery difficulties or because of the proposed project's incompatibility with the master plan. Often overtly subjective criteria were deployed such as previous knowledge of a community or an opinion about its 'dynamism'. Within projects, participation commenced only after the participants had been chosen, the goals determined and the location selected, whilst pressure by project officials commonly led to an acceptance of an agenda geared to the rationale of the project cycle. The use of particularistic criteria in project selection and implementation, and the constraints on community participation resulted in irrational planning, increases in inequalities amongst the poor, an increase in communal conflicts and the atomization and non-replicability of project experiences.

By the early Nineties, these difficulties led to a fundamental reassessment of the role of community participation in the context of the theory of enablement. It was argued that communities should be the subjects rather than objects of planning and that the centre of organizational power and decision-making should rest with community and neighborhood-based organizations enabled by the actions of central and local government. Community enablement differed from earlier versions of community participation in that it shifted the organizational focus in the planning system to communities, it involved the exercise of vital decision-making powers by these organizations, it involved some measure of independent control of material and financial resources, and it legitimized the community organizations within a web of legal and institutional relations. It also involved major restructuring of the relations between the central and local state and the community. Here the central and local state initiated a range of enabling measures and reforms that coordinated and facilitated greatly-empowered communities to build up their own competence in initiating, planning, installing, operating, administrating and maintaining the delivery of urban
goods and services according to decisions and priorities established by themselves.

Opinion differs on the degree of decision-making autonomy that should be invested in community and neighbourhood-based organizations in enabling strategies. Some propose that self-determined, self-organized and self-managed communities can only be achieved by making them the principal organizations governing future urban management. Others believe that community powers should be maximized only in those activities where there is a clear connection between input effort and output benefit, and in other activities they should share in decisions on the allocation of public resources. Other stress that maximum participation is not necessarily optimal and that the appropriate level of participation depends on 'policy dialogue' with the community. In all cases it is emphasized that the organization of the community and its leadership must represent the interests of all the community and must be accountable to them.

In the framework of community enablement the relationship between the local state and community organizations is governed by 'participatory planning' defined as community participation in decision-making on goals and priorities whose legitimacy is accepted by local authorities and which are used as guides for planning. These choices are harmonized with long term strategic goals and the final decision on the range of options presented is made by the community. The community mobilizes local human and financial resources and these efforts are then enabled through a variety of measures applied in a flexible planning practice where professionals adopt an advisory role. These measures include: granting of security of land tenure; the provision of services at reasonable cost; the extension of cheap, flexible and non-discriminatory credit; the allocation of a 'freely-disposable' component of the project budget to the community organization; the provision of tools, equipment and training, the relaxation of building codes and regulations; the promotion of local, low cost, appropriate technologies, building materials and components; the targeting of direct subsidies to the poor in the form of services or direct cash transfers, and the coordination of different responsibilities through project support communications and local information offices. In some models of community enablement the relationships between the community organizations and the local authorities are regulated by contracts that define rights and duties, the flow of funds and the arrangements for the construction and maintenance of the proposed facilities. Community contracts can be negotiated between the local state and the communities for the construction of minor works (lateral drains, streets, pavements, on-site sanitation, primary collection and treatment of solid waste, construction of communal buildings etc). Communities are expected to make a collective labour input, but they are also legally empowered to subcontract parts of projects to neighborhood cooperatives or small scale enterprises. Local authorities can also negotiate large scale contracts for major works (trunk infrastructure, new housing projects etc) with formal sector firms (market enablement). Large scale contractors can in turn subcontract parts of projects to communities but no self-help labour contribution is required. In all cases the local authority organizes the tendering and supervises quality and technical
Community enablement also gives a significant role to NGOs as mediators between the local state and the community (see Model). In general they provide technical, administrative, legal or economic advice and back-up facilities to the community-based organizations and adopt an advocacy role for the community in relation to the local state. NGO advocacy of a community organization is often regarded as a prerequisite for project support. In some cases NGOs are contracted by local authorities to administer projects or parts of projects under their financial and technical supervision. The advantages of using NGOs in this way are identified as: their image of non-partisan objectivity; their flexibility and commitment; their knowledge of local conditions, and their ability to generate local ties.

Some enablement models also empowered (again often through contractual relations) an 'External Support Agency' or 'Focal Institute' to coordinate and monitor institutional support and provide back-up services including dissemination of research into appropriate standards, technologies, local materials, products and components, advice on equipment and tools, and training in skills and project management (see Model).

The role of central government in promoting community enablement occurs in line with the enhanced role of the state in policy formulation and the decentralization of implementation functions to the local state. The role of the central state is to provide the general conditions that permit enablement to occur at the local and community levels through legal, organizational, regulatory and political reforms and the delivery of material and financial resources. Fundamental legal reforms are generally required that grant legal status to these organizations, given the widespread use of contractual relations, the allocation of more loosely-regulated public resources, the transfer of ownership of projects to community-based organizations, and the desire to establish public/community 'partnerships' on the basis of formal equality. International pressure has been placed on recalcitrant central governments to introduce human rights guarantees for women, the young, the old and the disabled into national legal codes. Some governments also consider it necessary to reformulate national legislation on the political and administrative structures of community organizations and NGOs in order to guarantee the propriety and the representativeness of these bodies, their leaders and committees. Reforms of national regulations relating to land ownership and transfer, service provision and urban development are often revised to foster community enablement strategies. These strategies in general are best served and applied when major political reforms towards democratization are pursued. In some countries direct central government enablement of communities occurs when credit and project funding are advanced to selected communities or NGOs through National Solidarity Funds.

The goals of community enablement vary depending on the degree of enablement pursued. Economic objectives are widely sought including: efficiency
gains derived from a stronger psychological commitment to the project by the community: more efficient resource use and mobilization, and better designed projects. Enablement is also seen as essential for introducing or increasing local property taxes, securing cost recovery on user charges and for efficient and effective maintenance of goods and services. Increased accountability and representation, it is argued, will also cut down on corruption and particularism in the allocation of goods and services. Some architects and planners argue that in the framework of community enablement their profession can be used to help strengthen local and popular identities. On the left some argued that community enablement and participatory planning in the context of democratization can open the way for alliances of community and neighbourhood-based organizations that will strengthen the position of the urban poor.

**CRITICAL ANALYSIS OF COMMUNITY ENABLEMENT POLICIES**

The debate on community enablement has centred around the question of the nature and role of the state and the community, the politics of community enablement and the changing role of the professional. In general critics have focussed on the overly functionalist, "economistic" and consensual view of the state and community projected by policymakers, and the general lack of appreciation of the conflicts of interests between and within the state, the market and the community which are manifested in the process of urban growth and development. Moreover it is argued that community enablement policies can exacerbate as much as diminish these conflicts as well as generate new ones. Others argue that some of these conflicts of interest are so deeply rooted as to make the ultimate ideal of self-determined, self-organized and self-managed communities unworkable. A general question prompting analysis then is:

**Do community enablement policies reflect or transcend the conflicts of interest involved in urban growth and development?**

If community enablement policies are examined in the context of the relationships between social, economic and political interests and the state, the market and the community a number of issues can be identified.

Links between government and special interests in urban development have long been recognized (eg. landowners, constructors, financiers, building materials producers etc). In many areas market enablement is welcomed by these interests because it strengthens their economic and political clout, and has positive economic rewards. In other areas where policies threaten these interests, conflicts with government will persist. As evidence, observers have pointed to the opposition of landowners and industrial construction interests to the emphasis on upgrading activities rather than the creation of new housing stock, and the lack of serious effort in commercializing low cost, local building materials and technologies.

More research is certainly required on the winners and losers in the formal and informal sectors realizing enablement policies for urban development,
and their political positions.

The support of these interest for community enablement can also be based on their recognition of its economic imperatives: the inability to raise local taxes; to achieve full cost recovery and to foot maintenance bills without participation and representation. However full community enablement is often feared by these groups because of the development of economic and political conflicts of interest. Indeed a commonly-heard argument has been that the reluctance of government to enable communities derives from the belief that the expansion of participation leads to the intensification of these conflicts of interest along the path of social transformation.

Support of these policies can be expected from particular groups and communities insofar as they represent an improvement on earlier arrangements. In this context the significance of pre-existing traditions and a culture of community organization affects the feasibility of community enablement policies. At the same time sustained support by the communities for these strategies must depend on a flow of benefits at least commensurate with their efforts and obligations. Effective and efficient participatory planning depends on a "social agreement". However, it is a moot point whether community enablement strategies can sustain popular support and develop long-standing structures when they are being articulated by a state which is urged to abandon equity and welfare goals in the pursuit of economic growth; which imposes austerity policies with an unjust distribution of social costs, and which increases the burden of taxes and user charges on low income groups. Whatever the outcome it is clear that two question are seriously in need of research:

Under what circumstances do the goals of market and community enablement conflict? and 'What coalition of economic and political interests in the state is required in order to advance community enablement policies?

Perhaps the contradictions between enablement policies and conflicts of interests are best revealed in the inner city. Given the continuation of policies to secure urban renewal and redevelopment, the general absence of a policy for rental housing, the continued neglect of inner city areas, and policies that will increase property taxes, user charges, abolish rent controls and reduce the coverage of subsidies, it is difficult to see why the poor would support enablement measures. Indeed governments have been reluctant to empower grass roots organizations in inner city areas because they create obstacles to the exercise of politically and economically sensitive planning powers (eg. compulsory purchase) required to facilitate not the poor but the commercial property interest linked to urban renewal, gentrification and the conversion of residential to commercial and public land uses. Some have argued that the state itself has an inherent interest in increasing rents and tax revenues in inner city areas. The concept of community enablement as being 'non-conflictual' in inner city areas is hard to accept. Currently the problems associated with involuntary displacement, eviction and compulsory resettlement are being discussed, and it is widely accepted that the numbers involved will increase substantially in the
future. However, the question:

**Is there a contradiction between the enablement of local community organizations and the ability of the state to restructure inner city areas in pursuit of a perceived economic necessity?** has scarcely been asked.

The opposition of interests within the local and central state to community enablement should not be underestimated and is the source of much resistance to new policies in several countries. These interests are not explicitly dealt with in current theories and research is needed into identifying their nature. In its absence the question:

**Why should the 'rent-seekers' in the state transfer power to those who would terminate these transfers?** remains to be satisfactorily answered.

Community enablement can also unlock conflicts of interest between the local and central state. Most of the political problems here revolve around the question of the effects of community enablement on local traditional party and power structures and their relationship with national power structures. On the left support for these policies has been based on their potential for increasing political mobilization and raising consciousness. Certainly a question of utmost political concern is:

**Does community enablement create a new alignment of social and political forces within the community organizations or does it strengthen traditional patron/clientage structures and political allegiances?**

An interesting issue that has received little attention has been the relationship between community enablement policies and the centralized community development structures created in the past. A number of questions present themselves:

**Are community enablement policies to be implemented within existing community development structures or alongside them? Should community development structures be decentralized and democratized to allow local federations of recognized communities? and Does the development of a bottom-up community-focused system require the abolition of existing centralized community development structures?**

Given that these systems were often created in the past to assert national development priorities in local urban and rural planning, it is not difficult to predict strong central/local political conflicts over these issues.

Concern has also been expressed about the concept of 'community'embodied in current enablement policies. The concept of communities as human groups with a high level of social interaction and with common goals, it is argued, has led to a tendency to overestimate their homogeneity and communality of interest.
The significance of internal differentiation, heterogeneity and conflicting interests within communities for community enablement policies has not been fully appreciated.

The sources of this heterogeneity are well-known: ethnicity, culture, political allegiance, migratory status, occupational skills, tenure status, family size, employment status, levels of education, income differences etc. Issues of concern include the tendency of certain groups to dominate community organizations and resources and run them in their own interests; difficulties in mobilizing transient populations into sustainable community organizations; the problems of 'communities within communities'; the articulation of traditional structures and allegiances with 'modern' political/administrative structures; the equitable allocation of obligations and benefits between tenants and owners; and the politicization of community affairs under the dynamic of competing political leaderships. It has been argued that the 'homogenization' of the community has made policy makers blind to the impact of these differences on enablement policies, and the effect of enablement policies on these differences. It is generally accepted that the smaller and less heterogeneous the community the better the opportunities for community enablement. However realizing large programmes through small projects involves high administrative costs and discounts economies of scale, whilst the screening of project participants is politically highly controversial and unworkable. The criteria for defining and empowering communities therefore need to be made clear:

What criteria are to be used for the definition and legal recognition of community and neighborhood-based organizations? and What measures are necessary to ensure the accountability and representative nature of these organizations?

The problems of politicization associated with enablement policies also affect the role of NGOs. In recent years the increasing dependence of NGOs on local and central state contracts and international aid agencies has led to doubts at the grass roots level of their political impartiality; and some governments have identified international links with local NGOs as a way of by-passing central government control over the direction of urban and rural development. Where the costs of NGOs have been borne by local public administration, doubts have been cast by some on whether the total administrative costs involved merit the perceived efficiency gains and whether they are sustainable on a large scale.

A major problem is that despite some important clarifications and extensions of the concept of community participation into the realm of decision-making, doubt remains about precisely how much power, authority and responsibilities these policies are going to transfer to communities. On the Right the emphasis has been on integration of communities into power structures, partnerships and power-sharing; whilst on the Left enablement has been seen as a shift towards a decentralized coalition of autonomous and empowered communities. Though it is argued that the shift of decision-making powers must be guided by efficiency criteria for service delivery, project implementation and maintenance it is far
from certain at what level decision-making powers will reside.

Current ideas on community enablement are of great interest to architects and planners, because they relate to debates in the Seventies and Eighties on the differences between 'autonomous' and 'heteronomous' systems built and managed under 'dweller control'. The question:

**What is the relationship between the allocation of decision-making powers in current community enablement policies and the concept of dweller control?** is certainly of great professional interest.

It is also hardly surprising that community enablement has also brought up another of the major preoccupations of professional discourse in the recent past - the role of the professional, the planner and architectural practice. It is in the context of community enablement that the most significant changes in this role will occur. It is clear that enablement will involve an unprecedented politicization of professional practice, and professionals will have to develop special skills in this area. A reliance on direct personal contact; an understanding of the consequences of the rapid modernization of urban dwellers, and the complexity of interests involved in urban servicing, sanitation and environmental issues is required. Amongst the issues that need careful professional consideration are the significance of the economic informalization and the need for flexibility of land uses at the different planning levels. People's rising expectations and reliance on material status, and the widespread commodification of the building process must also be taken into account. In general a professional acceptance of lower standards, and flexible administration and budgetting also seem to be necessary qualities. A service rather than supervisory function is seen as essential as is an increased emphasis on training and technical assistance.

Many of the current problems in the professional discourse on enablement centre on the failure to differentiate its three forms - market, political and community - and the tendency to equate enablement with one of these forms. However countries vary widely in the relative importance they give to these forms. In general market enablement has been the most common, and political enablement has been less common, whilst successful examples of community enablement have been the least common. However, it can be fairly concluded that the shift from self-help to enablement is undoubtedly one of the principal themes in the evolution of Third World urban policies over the last twenty years.
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Introduction

The purpose of this position paper is to structure the activities associated with the proposed International Exhibition and Seminar to be organized in Rotterdam in the Netherlands Architecture Institute from the 5th to the 7th of October this year around the theme Urban Strategies and Urban Design: The Hidden Assignment, At Home in the City. The paper will proceed in the following way:

First, the Basic Objectives of the Exhibition and Seminar will be stated.

Second, the General Background of the proposed subject will be examined, and a case will be made for support for the activities in this context.

Third the Organizational Structure of the events will be presented that shows the conceptual and organizational relationship between the activities that are proposed.

Fourth, there will be a discussion of the Selection of the Projects in the context of the goals of the Exhibition and Seminar.

Fifth, the main Organizing Themes will be identified around which the Exhibition and Seminar will be structured.

I. Basic Objectives

- To discuss the way in which contemporary urban policies and practice have changed the role and professional practice of architects and planners.

- To compare and contrast different policy and planning approaches to the urban development and shelter problem through the presentation and discussion of a range of urban projects and programmes from Latin America, Africa and Asia.

- To encourage an analysis and evaluation of recent and contemporary urban shelter policies in the context of changing macroeconomic strategies.

- To contribute to an improved understanding of the "current state of play" of urban theory, policy and architectural and planning practice in Third World cities.

- To help inform the Dutch general public opinion of the shift in the development debate towards the urban dimension.
II. General Background

A general justification for supporting the proposed events must be grounded in an emphasis on the continued increase in the significance of the urbanization process for Third World and global development. From a global viewpoint it is a somewhat sobering thought to remember that at the start of the century only 13% of the world's population lived in cities, and that according to current UN estimates over 51% of the world's population will be urbanized by the year 2010.

Over the last 40 years or so the greater part of global urban growth has been occurring in Developing Countries. In Developed Countries stabilization at high levels of urbanization and low rates of urban growth has generally been achieved.

However, despite variations in different world regions (which will be brought out in the Projects and Seminar), the tempo of urbanization in Developing Countries has increased rapidly. According to the World Bank between 1950 and 1990 the urban population of Developing Countries increased fourfold from 300 millions to 1.3 billions. In the 1990s between 12 and 15 million households will be added to cities in developing Countries each year so that there will be over 2 billion urban dwellers by the year 2000.

The consequences of this dramatic and rapid shift of population and resources from primary and rural, to secondary and tertiary urban sectors not only constitute the essence of the contemporary urban planning challenge but are also increasingly recognized as being a central issue in the general development process.

In the late Eighties aid donors and global institutions in a series of conferences and policy initiatives recognized the central significance of urban trends and policies for development. Thus the urban focus on the development question was recognized in the OECD (DAC) recommendations for the reconstruction of urban lending (1988); in the Global Strategy For Shelter in the Year 2000 of the UNCHS (1988); in the Urban Development Policy paper of the UNDP (1991), and in the recent Urban Sector (1991) and Housing Sector (1993) Policy Papers of the World Bank. The activities associated with the proposed International Seminar and Exhibition are intrinsically related to these developments and reflect current trends in developing thinking.

Whilst the "urban focus" of development has now become the dominant trend in professional, academic and development circles it is also probably true to say that public opinion in Developed Countries has tended to lag behind this trend and that a rural and agricultural perspective of development has remained dominant. A major objective of the proposed activities especially those associated with the Exhibition will be to help inform public opinion of the general shift in the development debate towards the urban dimension.
A more specific justification for sponsoring an International Seminar and Exhibition around the proposed theme at the current moment can also be put forward. The past twenty years have seen dramatic developments in the nature and scale of urban problems and in the urban development and shelter-related policies that have been implemented to deal with them.

Current policies and practice of urban professionals towards squatter settlements, slums and low income settlements evolved out of the "revolution" in housing policy that occurred in the Seventies. A general rejection of the earlier policy formula of tackling the housing shortage through top-down central planning based on slum and squatter settlement eradication, and the provision of state-sponsored housing units built to minimum standards, occurred at this time. In its place a new policy consensus emerged based on acceptance of the Self-Help, Appropriate Technology and Urban Informal sector Schools.

The new policies that emerged out of this consensus included sites and services and self-help housing projects, "core housing"; slum and squatter settlement upgrading, tenure regulation programmes; improved access to financial, managerial and technical assistance, the stimulation of small scale enterprises and informal sector activities in project areas and an attempt to expand the provision of public services.

This revolution affected the professional practice of urban planners, architects and builders. A new process was developed involving learning from the articulations of the various levels (regional, metropolitan, urban, local and neighborhood) and from people's experiences in modelling their own built environment according their own needs and expectations. The rejection of the old policy formula and the triumph of the new emerged and was consolidated at the first Habitat Conference held in Vancouver in 1976.

The recommendations of the Conference were in a large measure taken up by national governments, and bilateral and multilateral agencies and were incorporated into urban shelter and servicing policies. There was a proliferation of Focal Institutions and External Agencies for supporting and upgrading knowledge on the built environment and a rapid growth of non profit organizations working at the community level. These constituted a new field of practices for architects, planners, and builders and involved a greater integration with the other disciplines concerned in community upgrading and institution building.

In the Eighties the changes in the world economy obliged many countries to implement adjustment programmes to improve their international position, and a new consensus arose on the significance of national economic growth for meeting complex urban needs, and on the relationships between national development and urban development. Macroeconomic policy imperatives meant that urban policies evolved in new and often unexpected directions. The role of the urban professional have also changed significantly with the shift from project to programme lending and with the vise of the theory and practice of enablement.
With the approach of the second Habitat Conference in 1996 public and professional interest is becoming increasingly focussed on an evaluation of these policies both in terms of their achievements and in terms of their ability to satisfy burgeoning needs under conditions that have changed significantly since the Seventies.

A central objective of the International Exhibition and the Seminar will be to encourage an analysis and evaluation of contemporary human settlements policies and urban strategies and changes in professional practice through the presentation and discussion of a range of urban projects and programmes from Latin America, Africa and Asia. The Organizing Themes will provide the framework in which this evaluation and dialogue will be undertaken.

III. Organizational Structure

Organizing Themes

Three principal themes have been selected which will structure the proposed activities and which will facilitate the objectives outlined above. These themes, which are based on current preoccupations in planning, architectural and development circles are:

a. the macroeconomic context - how changes in the global economy demand a new role for urban development and how urban productivity can be increased according to social objectives.
b. the environmental and spatial strategies emerging from this new macroeconomic context and
c. how this new macroeconomic context influences urban design practice, the role of the professionals, community participation and partnership.

In each theme two or three principal policy approaches will be identified and a number of questions will be presented for discussion and analysis in the workshop. These selected themes will be cross-cutted with five best selected cases having ultimately in mind the preoccupations of Habitat II Conference (i.e poverty, environment, governance, shelter, disaster preparedness)

The Five Case Studies

Five best case studies have been selected to highlight the question of historical linkages between settlement development and city restructuring. These five cases provide the opportunity to analyse the impact of structural changes and the impact of policy making in different national contexts. The idea is to review urbanization and shelter strategies, institutional frameworks and legislation. Important issues will be the analysis of gender oriented strategies, sustainability and partnership criteria.

The case of Peru analyzes of the possibilities and constraints of the participatory planning practices embodied in the Metropolitan Plan of Lima which have been considered as an unique Urban Planning experience in Latin America. It
also puts questions the future of community participation, self-management and building practices in the 'barriadas', which have been taking place since the early 70s, in face of the major economic and institutional reorganization that is currently taking place in Peru.

The case of Brazil, a highly indebted New Industrializing Country, reveals the dilemmas confronting architectural practice in conditions of rapid urban growth and economic change. The rapid cultural modernization, pauperization, and growing market relations within the self-built areas in Sao Paulo constitutes the context for the discussion of the re-urbanization of low-cost residential areas. The re-location of dwellings to provide room for roads, the organization of the construction work, the participation of the population, and the building firms involved in the building of infrastructure, will be examined. The urban management experience of the former administration will also be discussed, along with issues such as operational details on legal, political and project strategies to incorporate 'favelas' into the urban tissue; an analysis of the connection of the area to the main infrastructure works; forms of building production and employment, and the choice of building techniques and materials.

An Asian NIC, Thailand, provides an analysis of the impact of rapid economic growth in a highly rural society and the formation of slum and squatter settlements in the capital city, Bangkok. The case will analyse the strategies for solving the most crucial problem affecting human settlement development in Bangkok: the private ownership of land. Land-sharing and other experiences in community development and institution building will also be discussed, through the presentation of three projects in different urban locations.

Indonesia, a fast growing country, with very little state control on the economy, provides the analysis of the impact of the National Urban Development Strategy on the urban form and the environment. This country is characterized by its rapid change in the settlement pattern, which has put pressure on the available resources. Spontaneous urban growths have shown that infrastructure developments are lagging behind the urban spatial growth. The problem lead the country to apply Integrated Urban Infrastructure Development Program especially in the large the cities. The case of Indonesia examines this program and also the challenges of these issues for architectural practice and community participation.

Finally the case of Johannesburg, a city in rapid transition provides evidence on the various influences which determine the current urban form, demographic profile and urban needs. The case presents the issue of urban renewal of the downgraded inner city and the way in which NGOs can work with popular organizations in the provision of secure and affordable housing. The project case will provide information on the role of the various actors involved (community, business sector, urban planners and designers) as well as policy and legal constraints which face the development of social housing. The case study will outline the policy reform measures which will need to be put in place by the current democratically-elected government.
IV. Organizing Themes

Theme I.
THE CHANGING MACRO-ECONOMIC CONTEXT

The Macro-Economic Strategies: Urban Productivity and Poverty Alleviation

During the Seventies and early Eighties in many countries the new urban development and shelter policies were introduced in the context of favorable, or at least sympathetic macro-economic development strategies such as Redistribution with Growth and Basic Needs. These strategies aspired to alleviate poverty, unemployment and inequality through balancing growth with redistributive measures, the stimulation of small scale enterprises and labour intensive technologies, the deregulation of the urban informal sector and the introduction of transfer strategies in public services expenditures.

However in the Eighties there was a dramatic slow-down in rates of economic growth in large parts of the Third World (including negative GDP per capita growth rates in Latin America and Sub-Saharan Africa). This condition was associated with reduced demand in Developed Countries; falling commodity prices, high interest rates on ever-increasing debts; growing balance of payments deficits, a dramatic decline in foreign capital inflows and declining investment rates. It was hardly surprising that these conditions produced a decline in popular standards of living and worsening rates and levels of unemployment, poverty and inequality, particularly in cities.

These developments accompanied an acceleration in the structural transformation of the global economy which has been variously described and explained by a variety of theories as the "transnationalization" or "globalization" of manufacturing and service activities, or as the development of a "New International Division of Labour". One of the most significant aspects of this process has been an almost universal shift from "import-substitution" industrialization strategies based on the protected development of internal markets to "export-oriented" industrialization strategies geared to the production of goods and services for the Developed Country markets. This process has been undertaken by Transnational Corporations which have internalized a new global division of labour inside their corporate structure and operations to take advantage of the comparative advantages offered by different countries (and regions and cities within countries) with respect to resources; wage and non-wage labour costs; flexibility of labour markets; capital subsidies; trade incentives; availability and costs of infrastructure provision, and the development of a critical mass of consumer demand. As a result the share of developing countries in world manufacturing exports jumped from 10% in 1980 to 22% in 1993. However the greater part of this industrial capacity has been concentrated in a group of about twenty countries variously described as "Newly-Industrializing Countries", the "Semiperiphery", or "Emerging Market Economies".
These developments (particularly after the Mexican Debt Crisis of 1982) led to the rise of a new macro-economic development strategy: Structural Adjustment Strategies based on neo-liberal supply-side theories of development that stressed the market determination of wages and prices to allocate production inputs and finance became dominant. The basic goals of adjustments strategies were to restore the country's balance of payments situation, to increase its debt-service capacity, to attract foreign investments and to achieve economic growth by restructuring trade and financial flows. The emphasis now fell on measures to increase the share of exports, and particularly non-traditional and manufactured exports. Measures to promote free trade and export expansion included: removing protective tariffs on domestic industry and import quotas; the liberalization of prices and interest rates; the devaluation of currencies; improved export incentives and the deregulation of legal constraints on foreign investment. Stabilization measures included: privatization of state assets; the retrenchment of civil servants; the withdrawal of a wide range of subsidies on food, energy, transport and shelter; the introduction of cost-recoverable prices for public services, the introduction of new taxes and the compression of government social expenditures. Privatization, deregulation and decentralization became the key goals of Structural Adjustment derived from an economic philosophy that identified state interventions as largely producing "supply-side constraints".

It is clear that these new macroeconomic conditions and strategies have had a profound impact on the living conditions of urban dwellers (especially the poor). They have also entailed and demanded fundamental transformations and adjustments to the spatial structure of Developing Countries at the national, regional, urban and rural levels. In the late Eighties significant changes occurred in urban planning and shelter policies generally derived from neo-liberal free market and labour market analysis, public choice theory and the concept of a small, efficient and "enabling" state. The new policy environment has moved the Habitat I policies in new and often unexpected directions.

Currently a remarkable unanimity exists amongst bilateral and multilateral agencies and national governments on the significance of macroeconomic linkages and policies for the urban economy and on the repercussions of urban policies for national development. Consensus has emerged on the need to harmonize urban policy with national development policy, and on two principal strategies that can be used to achieve this harmonization - the enhancement of urban productivity, and the alleviation of urban poverty.
In earlier periods cities were often seen as centres of unproductive consumption and there was much talk of the problems associated with urban bias and overurbanization. Currently urban growth is seen as a vital for economic growth and social development. Cities are seen as "engines of growth" adding value to rural products, providing services to regional markets and attracting manufacturing and services investments. Higher levels of urbanization are associated with higher GNP per capita levels, higher female participation rates and higher levels of education and skill. As urbanization proceeds at pace too does the urban contribution to the national economy. The World Bank has estimated that cities produce over 50% of the national GDP in developing countries and that this will rise to 65-80% by 2000. Their contribution to national manufacturing value added can be even higher.

The shift to planning policies based on the enhancement of urban productivity has to be understood in the context of this reappraisal, and in terms of the macroeconomic policies associated with Structural Adjustment and Export Oriented Industrialization Strategies. Constraints on urban productivity were identified as vital constraints on growth and included the following. Inadequate and inefficient coverage, maintenance and operation of infrastructure increased the production costs of urban firms, lessened their competitive advantage and diminished labour productivity. Excessive government regulation of land and housing markets (particularly in relation to inefficient and inappropriate land use, infrastructure, zoning and building standards) produced demand or supply side constraints that decreased the quantity of investment available to expand coverage, decreased affordability, and led to subsidies. Inefficient and inadequate shelter, infrastructure, health, educational and training facilities constrained labour productivity, whilst excessive regulation of businesses and the informal sector diminished employment and income generation opportunities. A wide range of financial and institutional constraints on productivity was also identified associated with inadequate urban management capacity and skills; inappropriate distribution of powers between central and local government; weak local taxation capacity; inappropriate subsidies and inadequate financial services for urban development.

Neoliberal planning policies to improve urban productivity and efficiency include the development or "enablement" of markets and privatization; deregulation or reform of regulatory regimes; decentralization and increased popular participation; and institution and management capacity building on a city-wide, programme and sectoral rather than project basis.

Major improvements to urban productivity it is argued require large scale trunk infrastructure, services and upgrading investments to expand coverage and tackle maintenance problems. As only market pricing mechanism can provide the right incentives the government should withdraw from direct provision, eliminate market bottlenecks, and adopt market-oriented strategies that encoura-
ge the private sector provision of a wide range of urban goods and services including: land, shelter, electricity, water supply, public transport, telecommunications and garbage collection.

Deregulation and reform of regulatory regimes in land, housing, finance, infrastructure, services and employment markets are seen as essential for increasing overall levels of urban productivity and efficiency.

The decentralization of urban management powers from the central to local governments level and the participation of popular and community-based groups in project design, implementation and financial recovery are seen as vital for increasing efficiency and ensuring full cost recovery, replicability and affordability. City-wide programmes rather than projects run by decentralized and financially-strengthened local governments in partnership with NGOs, CBOs and the private sector are being widely proposed. Financial and institutional constraints on urban productivity and efficiency are to be tackled by city wide and sectoral financial, policy and institutional reforms. Emphasis is being given to institutional-building and the development of urban management skills by support for training and technical assistance.

Shelter policies reflect these trends and currently stress the removal of demand and supply side constraints by developing property rights; the rationalization of subsidies; the development of mortgage finance systems; regulatory reforms; the provision of residential infrastructure; the upgrading and rehabilitation of slums and squatter settlements; the development of the building industry, and the development of housing institutions.

**CRITICAL ANALYSIS OF URBAN PRODUCTIVITY POLICIES**

**National System of Cities and the Urban Productivity**

Despite the "keystone" significance of the concept of urban productivity for these policies, it is far from clear what is meant by it. Taking a broad definition of productivity as the relationship between the product and the resources used to obtain it, total factor productivity would seem to be the central issue, but most measures are concerned with improving labour productivity. This may well be justified but the detailed analysis of the relative significance of different kinds of productivity improvements for urban productivity has certainly not been widely discussed. This is surprising given that there are probably substantial variations in their relative significance in different cities and world regions.

It is also the case that the "urban" side of the urban productivity concept is not clearly defined. When there is talk in the same breath of the need to improve the productivity of individuals, households, communities and cities there has been a subtle shift from social categories to a spatial one. It is doubtful if the concept of productivity can be spatialized in this way. More correctly the concern has been on improving the productivity of the urban economy, but cities are more than just economies, and planning policies also have to reconci-
le their often conflicting functions and uses.

More important still, in all the recent major policy documents on urban development policies the concept of the urban that underpins the discussion of urban productivity has been a "single city oriented view" that tends to identify cities as self-contained economies. This tends to ignore the fact that much of the rationality of the city derives from its insertion in an urban system in which it performs specialized functions associated with a spatial division of labour. A basic question then to be asked is:

When we talk of the need to improve urban productivity are we talking of increasing the productivity and efficiency of cities in themselves or of increasing the productivity and efficiency of urban systems?

Some might answer "both", but it is far from demonstrated that specific improvements in the productivity of individual cities lead inevitably to overall improvements in the productivity of national urban systems or that equal productivity improvements to all cities in the urban system will occur under conditions of adjustment and liberalised markets. The issue is significant because the pattern of investment derived from maximizing the productivity of the urban system could be very different from that derived from maximizing the productivity of individual cities.

These issues become clear if current urban productivity policies are discussed in the context of Structural Adjustment and Export-Oriented Industrialization strategies. The expressed goal of Structural Adjustment policies is to achieve growth through adjustment, but it is worthwhile considering the reality which national economies are supposed to adjust to. This reality is of course that of a rapidly changing and complex global economy increasingly integrated by production, trade, finance, aid, technology and labour circuits. Measures such as the restoration of the balance of payments situation, the stimulation of non-traditional and manufactured exports, the encouragement of foreign direct investments and the improvement of the debt-servicing capacity are designed to restructure the role of national economies to the new realities of the globalization process. In many cases these measures involve the break-down of the structures built up by the previous model of national development, that of Import-Substitution Industrialization. In a sense this model led to the compartmentalization of the global economy based on the development of protected internal markets. These economies now have to adjust to new structures of transnationalized production, involving the production of manufactured exports for Developed Country markets within a global division of labour.

Deregulation, Growth and Regional Development

In this scenario what is of interest to the national governments, transnational corporations and banks, and global trade and aid agencies which dominate and regulate this process is the comparative advantages offered by different countries, regions and cities in a climate of increasing international competitiveness
and high level of mobility of capital.

Policies to improve urban productivity must be seen in this context. If growth is achieved and sufficient benefits either trickle down or are directed towards lower income groups then progress has been achieved. But if growth remains low and its benefits are increasingly appropriated by upper income groups or by unregulated foreign corporations, then the question has to be asked:

**Who captures the benefits of urban productivity improvements and how are they distributed?** Moreover as the process is undertaken in a context of liberalized market forces and a reduced role of the state: **What guarantees are there that the market will organize the distribution of productivity investments in ways that harmonize the goals of efficiency and equity?**

These observations are relevant for the spatial implications of the new macroeconomic trends and policies. The policies are aimed at stimulating urban productivity and efficiency through the free operation of market forces, deregulation, political and administrative decentralization, privatization and the limitation of state interventions to an enabling role. Given that the comparative advantages to which the market most effectively responds are unequally distributed within the urban system and between different cities and regions in the national space economy, it has to be asked:

"**What will be the effect of these policies in generating or diminishing inter-urban, regional and spatial inequalities?**"

This question is particularly relevant for those countries which through spatial planning had attempted to create a balanced system of regions and cities and an integrated national space economy geared to the requirements of the development of an internal market. Although the achievement of these policy goals was generally limited, it is clear that current urban development policies will result in major spatial adjustments as an unrestrained market facilitated by a non-interventionist state allocates resources according to perceived comparative advantages. One possible consequence is a possible tendency to fragmentation of already weakly-integrated national space economies as successful cities or agro-export regions increasingly prioritize and orient infrastructure investments according to the dynamics of the external markets.

There are also fears that these policies could strengthen already powerful tendencies towards urban primacy within Developing Countries because it is precisely in these cities that many of the comparative advantages and productivity gains can be most quickly realized. Sao Paulo for example already contributes 40% of Brazil's GDP and 60% of national manufactured value-added. Outside of equity considerations (including the public character of services and infrastructure) policies which could stimulate the further growth of mega-cities at the expense of other urban centres must be carefully scrutinized. In the long term the scale of the investments necessary to counteract growing externalities could well make them inefficient. However it is true to say that
some observers have identified global export-oriented manufacturing trends as encouraging the integration of small and intermediate urban centres with markets, through again this has been in countries with the sort of strong interventionist powers currently out of favour in neo-liberal planning orthodoxy.

**Urban Productivity Policies and Local Government**

It is also the case that the relationship between urban productivity policies and spatial decentralization processes and policies is far from clear. Policies in favour of concentrating investments in secondary and tertiary centres were widely favoured in the second half of the Eighties and seen as encouraging both an efficient and equitable distribution of urban resources and agricultural development.

Decentralization of political and administrative power to local authorities does not automatically imply spatial decentralization - indeed given the differential capacity to raise revenues it could well lead to growing disparities between authorities and to "two-speed" development.

Current urban productivity policies place a great deal of emphasis on expanding investments in the urban sector and in trunk infrastructure. But given the scale of the commitments required for these type of investments and the constraints on public expenditures imposed by adjustment considerations it is important to ask where the money will be coming from. Despite planned increases in urban lending by bilateral and multilateral agencies the principal source of revenues will be from enhanced local property taxes and user charges, and from enhanced central governments revenues derived from growth, savings made on subsidies, privatization proceeds, increased government efficiency etc. But given the time required to put in place the management capacity and institutional networks to secure these revenues and the tardiness of many economies in achieving the growth anticipated by adjustment measures, the ability to realize these investments quickly and on the scale required must remain in doubt. Certainly there has been some disquiet that these urban policies - which do after all emphasize "software" policy rather than "hardware" projects - have as yet produced so little on the ground.

Deregulation and institutional development are given an important role in removing the constraints on urban productivity and in solving the problem of replicability. In the Eighties the question of replicability was considered in the context of the "affordability-cost recovery-replicability" formula which did at least focus attention on the crucial variables. In current policies the problem of replicability has been located in the context of the shift from projects to policies and programmes and in the need for urban management and institutional reform. But is the failure to achieve replicability really an urban management or institutional problem? No doubt the failures is in part due to institutional factors, and institutional reforms seem to be a prerequisite for replicability, but it is a large step to suggest that institutional reforms by themselves will bring
about replicability. The question can then be asked:

"Does the replicability problem derive from institutional factors or from the inability to realize the "affordability-cost recovery-replicability" formula under conditions of escalating costs and increased austerity"?
Sub-theme B.

**URBAN POVERTY ALLEVIATION**

Currently there is also a growing recognition of the relationship between macro-economic strategies and the growth of poverty. The scale of the setbacks of the Eighties is indicated by the fact that the World Bank's 1969 prediction of 1 billion absolute poor in Developing Countries in the year 2000 was actually realized in 1990.

The dominant trend has been for a relative increase in urban poverty combined with a decrease in rural areas. Current estimates indicate that about a quarter of urban households in LDCs live in poverty (330 million people) and that by the year 2000 the majority of the poor in these countries will be living in cities. The World Bank believes that this proportion will not decrease over the next twenty years and that urban poverty will became "the most significant and politically explosive problem in the next century". The recognition of the growing problem of the urbanization of poverty has led to the formulation of specific policies for urban poverty alleviation.

Poverty policies have generally been derived from the dominant macroeconomic strategy, and have changed with these strategies.

In the modernization decades that ended in the late Sixties there was little direct concern for poverty as it was believed that it would automatically disappear under the impact of the trickle down effects of increased incomes, and with the growth of modern sector employment opportunities. Yet poverty and income inequalities continued to increase, often in those countries with the highest GNP growth. In the Redistribution with Growth and Basic Needs strategies that were dominant in the Seventies and explicit policy concern for poverty emerged based on the belief that the objectives of growth and equity were not in conflict. Growth could be achieved by policies that directly attacked poverty, inequality and unemployment.

Under the Structural Adjustment strategies of the Eighties policies that directly addressed poverty again took a back seat. It was argued that liberalized market forces would give low income groups higher incomes as a result of higher productivity, savings, investments and exports. Although it is true to say that there have been some winners amongst the poor (eg. small farm owners) the evidence indicates that Structural Adjustments policies have led to a serious deterioration of the living conditions of the poor associated with increased unemployment, declines in the real minimum wage, decreased public expenditures and the removal of consumer subsidies. There is a consensus that despite targeted transfer strategies the most vulnerable group has been the urban poor who have been particularly hard hit by unemployment, currency devaluation, agricultural price liberalization, cuts in basic subsidies for water, energy, fuel transport and shelter, and by cuts in public social expenditures.
In the early Nineties there was a resurgence of interest in poverty alleviation policies derived from increased criticism of the effects of adjustment strategies on the urban poor and the politicization of development issues that has accompanied democratization and decentralization trends. There has not, however, been a change in the dominant macro-economic strategy of Structural Adjustment, and poverty analysis remains firmly embedded in the discourse on urban productivity.

The World Bank whilst admitting that adjustment makes urban poverty "particularly problematic" insists that the trade-off of strategies to promote economic growth and to reduce poverty is not required. Rather the growth in urban poverty is derived from demographic growth and productivity constraints on the poor that limit employment generation, access to productive inputs, assets, credit and income growth. The key to poverty alleviation lies in improving this productivity by improving human capital resources, access to employment opportunities and the intensity of productive investment. Measures currently favoured to achieve these goals include: removing regulatory constraints on the productivity of the informal sector and micro-enterprises; increasing the labour force participation of women; improving the access of households, communities and firms to land, infrastructure, building materials and finance, increasing the access of the poor to basic education, health, nutrition, family planning and vocational training, and the construction of safety nets and compensatory measures for the most vulnerable.

Some countries have emphasized national anti-poverty programmes, creating National Solidarity Funds that act as welfare institutions and/or banks for the poor. They provide direct short term transfers of essential goods and services to the most vulnerable or credit, training and technical assistance to informal, small scale and micro-enterprises and community-based organizations. Assistance has generally been for employment and income generation schemes, infrastructure, health and education projects. National level organization of this type have generally been concerned with policy formulation (with varying degrees of grass roots participation) whilst implementation has increasingly been through decentralized public and private institutions, NGOs and community based organizations. Others have tended to favour neighborhood development based on the integrated development of endogenous resources through partnership between the community, NGOs, local governments and the private sector.

**CRITICAL ANALYSIS OF URBAN POVERTY ALLEVIATION POLICIES**

In the analysis of the relationship between macroeconomic strategies and urban poverty alleviation policies perhaps the most important question that can be asked is: Are adjustment policies compatible with basic needs goals?

In answering this question attention must focus on the known effects of adjustment policies on the urban poor, and on the ability of adjustment policies to achieve growth.
There is currently a consensus amongst observers, including pro-adjustment policy makers that these policies have had serious effect on the urban poor through reduced living standards, increased unemployment, the lowering of the real minimum wage, decreased public social expenditures and the removal of consumer subsidies. However the pro-adjustment lobby argues that these consequences are necessary but transitional and that liberalized market forces will eventually provide sufficient growth, savings, investments and exports to give the poor higher incomes as a result of greater employment, higher productivity and higher wages. It is therefore important to ask whether the declared aims of Structural Adjustment Policies to improve levels of growth, exports, investments and to cut balance of payments deficits have been achieved. The World Bank has recently claimed that adjusters are getting higher growth rates than non-adjusters, but the IMF has argued the opposite and a recent independent study 'Aid and Power' (Moseley et al 1991) has argued that Structural Adjustment lending has had a small negative effect on growth. Certainly the two major world regions most affected by adjustment policies, Sub-Saharan Africa and Latin America had negative GDP per capita growth rates in the Eighties. Average real income per head in Latin America in 1993 was still 5% below its 1980 level whilst average GDP per capita in Sub-Saharan Africa shrank by 1.2% per annum in the early Nineties. Although there has been an improvement in the balance of payment situation this was largely been achieved by reducing net investment and capacity utilization, and most studies show a marked decline in investment as a proportion of GDP which augurs badly for future growth. There have, however, been substantial increases in export growth rates, combined with an even stronger compression of import growth. Given small and declining rates of per capita private and government consumption, and high negative per capita domestic investment rates, it seems likely that the extra export revenues rather than being deployed to increase local economic activity went rather to service the debt. The ratio of external debt payments to total export of Developing Countries increased dramatically in the Eighties.

Of course it is difficult to isolate specific policy effects from other causes when explaining the persistence and growth of urban poverty. These other causes include structural factors such as the inability of existing technologies to create a sufficient number of jobs to meet the growth in labour supply, growing inequalities in the distribution of wealth and income, and the effects of recession. Nonetheless it is important to reiterate that urban poverty alleviation policies must remain just that - policies that aim to lessen the numbers of the poor or to lighten the burden of poverty no matter what the underlying trends are. They are not to be confused with policies of poverty eradication.

Current policies also emphasize that the key to urban poverty alleviation lies in measures to improve the productivity levels of the poor. The question therefore arises: are the goals of urban poverty improvement compatible with the goals of poverty alleviation?

Market-oriented and deregulatory policies tend to reinforce existing income and
wealth inequalities. Whilst labour market deregulation, for example, can increase opportunities for the generation of income and employment, it can also leave the poor unprotected against the worst forms of exploitation. Again it is highly doubtful that market-oriented strategies for the provision of infrastructure and services which operate on profit-making criteria under conditions of technical monopoly can deliver services at prices that are affordable by the poor in the absence of substantial subsidies.

How could be possible to enhance productive activities in those area where it do not arrive spontaneously and how to focalize those backwards areas and social groups (i.e ethnical, women, older) which are kept outside the benefit of growth.

Given the general pessimism about the persistence of a large mass of the poor in the cities it is clearly important to defend and expand the coverage of safety net provisions. It is therefore important to know specially in the presence of budgetary constraints derived from adjustment policies:

What proportion of GNP can or is being spent on poverty alleviation, and where do or should the funds for poverty alleviation come from? In many countries it is already known where are the poors and how many are they, the problem is how to prioritize social investments (both public and private) on projects able to favour small productive activities; that can help productive reconversion of backwards region; that are able to prioritize secondary roads and infrastructure that help vulnerable groups to integrate to the general modernity process.

Some policy makers and academics are skeptical of the degree of macroeconomic determination of the life chances of the urban poor and have suggested the possibility of bottom-up development as an alternative. These avenues need to be explored and the question:

To what extent can neighborhood development be used to alleviate poverty? needs to be discussed. What are the most important constraints on small enterprises to increase their technological level and be able to articulate with formal firms; to participate in export programs and to compete in the global market?

Important debates also exist about the appropriate form of implementation of poverty alleviation policies. These relate to the discussion of the relative merits of projects and programs and of the most appropriate allocation of powers and functions between the various levels of the state, community and NGOs. Important questions also exist about the political dimensions of poverty alleviation programs and projects. These will be discussed in the third Organizing Theme.
Conceptualizing the Environmental Issue

As the rates and levels of urbanization in Developing Countries have accelerated so too have urban environmental problems.

Recently the significance of urban environmental issues has been recognized and urban environmental policies are now seen as vital for any effective urban development strategy.

Attention has focused on the specific characteristics and effects of Third World urbanization on the deterioration of local environments and its contribution to global environmental change; on the socio-economic impacts of urban environmental degradation; on the significance of environmental issues for the efficient and effective provision of urban goods, infrastructure and services; on the environmental impacts of different architectural and planning practices and policies; and on the significance of environmental issues for the sustainability of cities and development models.

It has been long recognized that cities are the areas of greatest environmental transformation, where virtually all the effects of ecological modification derived from development come together. In Third World cities these transformations have been particularly dramatic given the rapid rates of physical and demographic growth and the large number and continuing expansion of already huge megacities. 18 out of the 21 megacities with more than 10 million population in the Nineties will be in Developing Countries. Environmental problems have been exacerbated by lack of resources and insufficient investment in urban infrastructure and services and the generally uncontrolled and poorly-regulated pattern of urban development and expansion.

Atmospheric changes associated with Third World urbanization include changes in radiation and rainfall levels; increased cloud cover; and the creation of 'urban heat islands' that produce dust domes and convective wind systems that circulate pollutants over the city. However by far the most significant transformation is the generation of high levels of air pollution. Five out of the six cities in the world with maximum levels of air pollution are to be found in Developing Countries.

The principal sources of air pollution are the domestic burning of firewood and coal for heating and cooking; motor vehicle emissions; power station combustions; industrial emissions and emissions from toxic and hazardous materials and wastes. The major pollutants of urban air are oxides of sulphur and nitrogen,
carbon monoxide, hydrocarbons, photochemical oxidants (ozone, organic aldehydes and peroxycal nitrites), chlorides, ammonias and a range of particulates including lead, cadmium, asbestos, arsenic, benzene and vinyl chloride. In addition cities also produce large quantities of greenhouse gases including carbon dioxide, methane and CFCs that contribute to global warming or ozone depletion. In absolute terms energy consumption in Developing Countries is expanding rapidly and energy use per unit of output is high. The situation in cities is worsening rapidly because of continued growth, increased industrialization, increased power generation, wider car ownership and street congestion, the close proximity of workers to the sources of pollution and the lack of regulation and enforcement of environmental standards.

Major modifications to the hydrological cycle also occur with urbanization. Urban growth initially involves the removal of vegetation and soil erosion, and the release of a large volume of sediments that fills drainage channels. The imperviousness of urban surfaces increases with further construction, leading to increased run-off and incidence of flooding. A general model of increased storm peaks and inter-storm low flows has been established, a pattern which is highly accentuated in tropical areas. Consequently flooding has become a serious problem in many Third World cities.

In many countries the failure to develop adequate systems of water provision and the irregular collection and treatment of solid waste and waste water has endangered the water cycle. Water consumption is often greater than the replacement capacity of primary sources.

The total volume of water required by a city depends on population size, living standards, the climate and the demand from industries. The demand for high quality water is increasing rapidly in Third World cities straining existing sources (rivers, lakes, and groundwater) and requiring massive investments in treatment plants and distribution networks. Excessive withdrawals from existing sources can cause further environmental problems. Subsidence derived from lowered water tables is a serious problem in many cities, exacerbating urban flooding problems and causing damage to buildings and infrastructure that is costly to rectify. Subsidence rates of up to 14 cms p.a. have been measured in S.E. Bangkok. In some coastal cities (eg. Manila and Djakarta) the water table has been lowered to the point where salinization of water supplies has occurred because of seawater seepage.

The critical significance of safe drinking water for the improvement of health and productivity led to intensified efforts in the Eighties to improve supplies. However, at the end of the International Drinking Water and Supply Decade, it was estimated by WHO that 25% of all urban dwellers in Developing Countries lacked access to safe water supplies and over 50% lacked access to an adequate sanitation system. It has been estimated that by 2000 more than 600 million urban residents will lack adequate sanitation and 450 millions safe drinking water. The lack of maintenance of water production and distribution systems result in the loss of vast quantities of water before its arrives for consumption.
Inadequate coverage combined with the longer term effects of short term solutions (eg. soil infiltration from pit latrines), and poorly designed and inadequately maintained water supply and sewerage systems can lead to further environmental problems, particularly water contamination. Shallow groundwater sources in urban areas with inadequate sanitation and high levels of infiltration are often polluted.

Cities in Developing Countries also have other serious and growing problems of water pollution, particularly where there has been a rapid expansion of industrial activities. A wide spectrum of pollutants is being discharged into groundwater, rivers, lakes and coastal waters from untreated human sewage and animal wastes and from industrial, transport, mining and chemical sources. These include oxygen-demanding wastes, agents of infections diseases; plant nutrients; synthetic organic compounds, inorganic chemicals and minerals, oil and sediments.

Third World cities are often built in naturally hazardous areas: in areas of high relief, or the floodplains of major rivers; in seismically active zones or in the pathways of tropical cyclones. These cities are prone to landslides, floods and the destruction of people, infrastructure and buildings. Often the pattern of Third World urban development leads to an exacerbation of these hazards. The deforestation of catchment basins, the destruction of vegetation through air pollution and the rapid and uncontrolled expansion of settlement especially by the poor into fragile environments (steep hillsides, floodplains, wetlands and coastal zones) leads to regular disasters sometimes on a very large scale. Swamp infills for settlement in Lagos and Manila have blocked river outflows and led to flooding. In addition serious health risks are also derived from the release of toxic and hazardous materials into the urban environment as a result of inadequate systems of solid waste storage, disposal and management.

Although the impact of environmental degradation on socio-economic development has been increasingly recognized in recent years, it is still far from clearly understood. In urban contexts attention has focused on environmental impacts on the health of urban residents; on urban productivity and efficiency; and on the costs of providing and maintaining efficient and effective infrastructure, shelter and services. Some observers believe that current practices threaten the sustainability of cities and ecosystems.

Environmental Degradation and Socio-Economic Development

A consensus has emerged in recent years that environmentally-related health risks and the incidence of infectious diseases have increased rapidly in Third World cities.

Within the cities it is the poor living in slums and shantytowns who are most at risk, and whose health is suffering the most. Infantile mortality rates amongst the urban poor are often two to three times higher than those for middle and
upper income groups in the same city, and often higher than the rates for the rural poor. These settlements not only have the lowest environmental quality but health problems are also compounded by widespread malnutrition, inadequate hygiene and health care and a low economic capacity to spend on health. The urban poor suffer from the full spectrum of infectious, chronic and social diseases.

The high incidence of infectious diseases amongst the urban poor is related to environmental factors such as: poor shelter conditions that involve overcrowding, poor ventilation, exposure to heat, noise, dust, rain, insects and rodents; to water scarcity and the contamination of drinking water; and to the accumulation of human wastes and the presence of stagnant waters which act as vector breeding grounds. These conditions expose the poor to high risks of infection from diarrhoea, cholera, gastro enteritis, hepatitis, tuberculosis, trachoma, tropical cluster diseases and intestinal worms. In Mexico City hepatitis was listed as an airborne disease after dried excreta became pulverized and contaminated the air. One of the most serious problems in poor neighbourhoods is indoor air pollution derived from the use of wood or coal-burning cooking fires under conditions of poor ventilation. This can result in respiratory infections (especially in the young), chronic lung diseases and cancers in adults, and adverse pregnancy outcomes. Those suffering form cardio-vascular and chronic respiratory diseases (chronic bronchitis and asthma) are particularly at risk. In the Eighties unpaved human settlements caused 60% of air pollution in the Santiago Metropolitan area and induced grave respiratory disorders amongst slum dwellers.

The urban poor are also exposed to the health risks associated with the occupational and ambient environments. Fatalities and injuries from mud and land slides, earthquakes, fires, floods and cyclones tend to be heavily concentrated amongst the poor because they live in areas and built environments that are most at risk. For economic reasons low income settlements are generally located in close proximity to the major sources of air and water pollution, and many residents are employed in these installations. Solid waste collectors present high levels of respiratory problems and other diseases. High levels of birth defects and respiratory disorders have been recorded around steelmills, chemical and fertilizer plants and oil refineries. Injuries and deaths associated with exposure the heavy metal particulates and toxic chemicals are set to increase as industrialization expands and as the chemical composition of output increases. Lead poisoning derived from industrial and transport emissions is common and produces neurological, blood and reproduction disorders in adults, and lowered IQ levels and behavioural disorders in children. The poor are also widely employed in small firms which are likely to have worse sanitary conditions and lower environmental and safety controls than large firms. Journalistic reports (El Pais, May 1994) on 'social dumping' have highlighted the environmental conditions of confections firms in Philippines and Indonesia based on children labour and similar.

There is also a heavy concentration of social diseases amongst the poor derived
from instability, poverty and insecurity to which environmental conditions make a significant contribution. These include alcoholism, drug abuse, and venereal disease.

**Environmental Degradation and Urban Productivity**

It is also increasingly recognized that environmental degradation has a significant negative effect on urban productivity and efficiency. Although research in this area is increasing rapidly much remains unknown about the nature and scale of these effects. Clearly environmentally-related disease and poor health has a significant impact on the labour productivity of individuals, households and communities, though the scale of the costs involved is unknown.

Female labour productivity is particularly constrained by irregularities in the water cycle. Deficiencies in the delivery, use and elimination of water oblige women to expand the time spent on domestic and family reproductive work.

The waste of productive time involved in long journeys to work, traffic congestion, queuing for water and collecting firewood must be prodigious. Some economist believe that pollution represents a squandering of scarce resources (energy, raw materials), free goods (air, water, soil) and labour time.

Environmental degradation (such as soil erosion, landslides, flooding, subsidence and acid rain) clearly has a significant effect on urban efficiency and the productivity of existing investments in the built environment. Clogged drainage channels, ruptured water and sewerage lines, corroded buildings and materials, structural damage to buildings and infrastructure have an effect on productive activities. Preventative measures are cheaper than rehabilitation in the long term, and the extra costs involved in taking account of or rectifying environmental degradation are immense. It has been estimated that the total amount needed just to clean up Mexico City's air is $2.5 - $3.0 bills. Environmental degradation can also undermine important economic activities such as horticulture, fishing and tourism. The environmental sustainability of many Third World Cities particularly in relation to energy, food and water supplies is under question.

The formulation of explicit environmental policies for urban development is a relatively recent development, and the implementation of these policies largely remains a future task - albeit an urgent one.

**Development Strategies and Environmental Approaches**

**The Fifties and Sixties**

During the modernization decades of the Fifties and Sixties economic growth was emphasized and little was done to protect the quality of land, vegetation, water or air. As in the modernization analysis of poverty and inequality it was believed that environmental problems would automatically be resolved with
growth. Once growth was achieved the protection and reinstatement of the environment could be realized. In the meantime no explicit policies were required. This approach saw nature as a 'bottomless pit', environmental components to growth as free goods, and predicted no major difficulties in the environmental and economic sustainability of the development model.

The Seventies
In the Seventies under the impact of rapid urban development it became increasingly recognized that the urban form and its development had to be rationalized in relation to its environmental support capacity. Urban planning practice sought to do this through regulatory planning using building, land use, zoning and development controls. Investments in various infrastructure systems were decided and realized at central government level according to priorities established by local comprehensive master plans. There was also a recognition in the concept of the 'public character' of infrastructure and services that these investments had to respond to welfare and need as well as to demand, and subsidies were widely employed to extend infrastructure and services to poor neighbourhoods. It fell to local government to coordinate and harmonize the rationalities of the different systems and to cover operating and maintenance costs. An important example at this time was the is Curitiba urban planning and urban management strategy.

The Eighties
As the Eighties proceeded a marked and escalating deterioration of urban environments occurred. In many countries emphasis was placed on spatial decentralization policies which attempted to address the economic and environmental problems of primate and mega-cities by redistributing urban growth to secondary and tertiary centres in the urban system. Within the cities some isolated environmental measures and managerial, tariff and subsidy reforms were introduced but explicit environmental policies were still absent despite growing alarm about the environmental sustainability of Third World cities.

The Nineties
By the early Nineties concern for the urban environment led to a recognition that explicit urban environmental policies were required and that fundamental reform of existing policies was essential. The justification for these reforms was based on neo-liberal theories that emphasized supply-side constraints largely related to the excessive intervention of the state in the market, and to institutional, financial and policy obstacles. In this analysis the goals of environmental sustainability, urban productivity enhancement and poverty alleviation were intrinsically related. The marked deterioration of the urban environment led to a general increase in environmentally-based health and safety hazards, constraints on the efficiency of productive activities and regressive inequalities in the availability and costs of basic services to the poor. The underlying causes of environmental degradation according to neo-liberal analysis could be traced to massive demographic growth; misguided economic policies; inadequate investment in infrastructure and services and pollution control; deficient regulatory and institutional frameworks; weak management
capacity and skills; misguided and inefficient subsidy and taxation policies; inappropriate distribution of powers between central and local government and the community, and lack of political will.

Although a number of new policy measures and instruments were proposed the overall policy framework was based on the neo-liberal pantheon: the withdrawal of the state, privatization and the enablement of the market; regulatory reforms and liberalization; price, subsidy and financial reforms; urban management and institutional capacity-building, political/administrative decentralization and increased community participation.

The State, the Market and the Urban Environmental Policy

The neo-liberal analysis places great emphasis on institutional and policy factors for explaining (and solving) environmental degradation. Chronic underinvestment in the delivery and maintenance of infrastructure and services is identified as a major factor. Environmental degradation derived from water and sanitation problems is largely seen as being caused by inefficient and ineffective public sector monopolies providing subsidized services at well below economic cost. These agencies it is argued are overmanned; provide a ripe environment for 'rent-seeking'; are unaccountable to users, provide few incentives for efficiency improvements, and tend to make subsidized services available to the middle classes at the expense of the poor. The solution is for the government to refrain from the direct provision of services, to break up existing monopolies and to involve the private sector in service delivery. This can be achieved through a range of policy alternatives including contracting out services from public to private agencies, joint ventures with private capital and franchising.

It is admitted that some activities are more amenable to these alternatives than others (eg. water distribution, public transport, solid waste management, shelter-related services). Direct government action is justifiable for trunk infrastructure particularly trunk drainage, sewers, excreta and waste water treatment plants and for area-wide pollution control. However the allocation of investments must be based on demand and the principle of full cost recovery.

Although it is recognized that environmental improvements depend both on the extension of coverage and on quality improvements through infrastructure upgrading in slums and squatter settlements, it is not clear how these investments will be prioritized.

The Urban Management Programme currently stresses the improvement in the quality and reliability of services rather than the extension of coverage. Some suggest that performance indicators for investments should be based on the amount of service land generated and the amount of value-added created through land and property valuation rather than the length of the networks laid down. This again suggests an emphasis on upgrading rather than coverage.

Current policies also attach a great deal of significance to legal and regula-
tory reforms to achieve the twin goals of environmental protection and improvement in urban productivity. A systematic elaboration and codification of environmental legislation is recommended along with strict enforcement, effective inspection and civil and criminal penalties for violators.

A systematic review of the environmental implication of regulation governing land use (including zoning and density controls), land subdivision, infrastructure standards, rural/urban land conversion and building standards should be undertaken and reforms enacted to improve access to open and green spaces, to minimize air pollution, to increase the use of energy intensive materials, increase access to serviced land and to provide incentives for upgrading. New environmental standards should be determined and should be realistic, appropriate, affordable and enforceable. Strict controls may well be necessary for some activities (eg. lead levels, toxic emissions, land use controls for disaster management), but incentives and liberalized and flexible standards are generally encouraged (eg. tradeable emission permits for air pollution and flexible construction standards).

These reforms should be enacted in the context of dynamic proactive Structure Plans that guide the general process of urban development in line with an Urban Strategy based on regional and sustainable environmental support capacity considerations rather than through Master Plans based on rigid and detailed land use planning. Reactive Action Plans are also recommended to target investments that tackle specific bottlenecks.

Environmental issues should be fully integrated into urban planning systems and policies and the environmental impacts of all projects should be analyzed in the planning stage.

Financial reforms and changes in pricing and subsidy policies are also seen as vital for countering those aspects of environmental degradation that are derived from the waste of resources.

It has been estimated that Developing Countries use 20% more electricity than they would if consumers paid the true costs of supply. If infrastructure and services are incorrectly priced, it is argued, then waste automatically follows and coverage is restricted. Full cost recovery is seen as essential for replicability and must be integrated into infrastructure projects (through valorization charges, rates, property taxes, user charges). Tariffs should be increased and the revenue base broadened. Indiscriminate and widespread subsidies should be eliminated because they go to the rich rather than the poor. They substitute for improvements that would have been made by users anyway, and they often encourage consumption that is detrimental to the environment and health. Usually the way to achieve correct pricing is through market prices of inputs regarded by polluting industries as free goods (air, water) but which in reality have a scarcity value. Calculations of this type (based on the cost to the environment of a proposed project) are also necessary in the determination of "environmental impact fees" payable into Environmental Impact Funds at the
time of development approval.

In general it is argued that the best policy for water and sanitation provision is the 'demand-driven' approach to provide those services that people want and are willing to pay for.

Urban service provision to become less wasteful, more efficient and more accountable has to become more responsive to consumer demand rather than subsidized need. However, subsidies are justified in those cases where there are broader environmental benefits and where households are less willing to pay (eg. trunk sewers and waste water treatment). Safety net provisions can also be targeted on the poor.

However the reality of private supplies of drinking water undermines the regulation and privatization discourse. Many secondary cities rely for a great proportion of their water from water tank transport, as do many peripheral areas in metropolitan regions. In Barranquilla, Colombia about 30% of the population is supplied by water tanks, and the monthly consumption of a marginal family is 6.5 M3 in comparison to 40M3 of a high income family. The marginal family pay the equivalent of $US 2 per M3 against $US c 30 cents per M3 for a high income consumer.

From 'Hardware' Projects to 'Software' Programmes

Neo-liberal policies also directly link environmental problems to failures in urban management and institutional weaknesses. The enhancement of environmental management capacity and institution building are seen as fundamental prerequisites for addressing urban environmental issues, and for creating city-specific environmental strategies. These reforms involve a fundamental shift from 'hardware' or project level approaches to city and market wide programme approaches. It is only through city wide management and urban level institutions, that effective coordination of the agencies in charge of different infrastructures can be achieved in areas such as planning, joint financing and joint cost recovery. They are also a prerequisite for the evolution of institutional and physical strategies to deal with disasters, and for comprehensive and coordinated approaches to the collection, removal, treatment and disposal of solid, liquid and toxic wastes. Accordingly a large part of environmental resources in recent years has been directed at establishing 'software' facilities to improve institutional and managerial capacities, including training networks, technical assistance programmes for planning, management, accountancy, effective cadastration and tax collection and assessment.

Community Participation, NGO's and Environmental Protection

Political and administrative decentralization from central and regional government to local authorities is also seen as a policy reform that is essential for efficient curative and preventative action on the urban environment. In the past central government generally planned, financed and built environmentally-
related infrastructure and services whilst local authorities were responsible for operations and maintenance. The transfer of decision-making and capital investment to local authorities power with funds on-lent from central government or derived from greatly enhanced local tax revenues is seen as an essential measure. Democratization and empowerment of local government are seen as vital for breaking out of the culture of public inertia and for increasing the political will to act on environmental issues.

The new environmental policies also recognized a significant role for community participation and NGOs in addressing environmental issues and achieving environmental improvements. Experience has shown that community involvement in planning and production produces cheaper, better and more adequately maintained projects.

UNCED's "Local Agenda 21" initiative encourages local authorities to develop their own environmental action plans through consultation and consensus-building between citizens, civic, community and business organizations.

Some argue that environmental sustainability can best be achieve through community labour and management inputs and through their adoption of maintenance responsibilities. Numerous examples exist where community action in collaboration with NGOs has produced significant environmental improvement through low cost water and sanitation projects. Some agencies such as the ILO and UNDP are willing through loans and technical assistance to promote community-based initiatives such as sidewalk paving, recreational improvements, clearing and extension of drains and water systems, recycling, the construction of health posts, and the planting of trees. Their support derives as much from their ability to generate employment and incomes as for their environmental effects.

Major environmental improvements are also identified with effective hygiene and educational programmes aimed at women and children; the provision of school medical services and diet programmes; the shift from curative to preventative health care, and emphasis on primary health care and vaccination programmes.
CRITICAL ANALYSIS OF URBAN ENVIRONMENTAL STRATEGIES

Environmental Problems and Changing Macro-Economic Conditions

The policies described above bring up a number of issues and questions that are worthy of consideration in the International Seminar.

The question of the relationship between macro-economic development strategies and environmental problems and policies remains controversial. This is hardly surprising as the relationship between growth, development and the environment is far from clear and lies at the heart of current debates on ‘sustainable development’ and ‘eco-development’.

A central problem is that both growth and the lack of it can generate environmental degradation. A macro-economic strategy that does not generate growth and which lets poverty increase can be expected to generate massive environmental degradation, which environmental policy measures can do little to counteract. On the other hand a development strategy that generates high levels of growth but which does not tackle the poverty issue can similarly maximize environmental degradation. A development strategy that achieves high growth and steady eradication of poverty can result in a decrease in environmental degradation, though much depends on the role of effective environmental policies.

For most Developing Countries the dominant macro-economic strategy has been that of Structural Adjustment.

Which of these scenarios best fits the relationship between this development strategy and environmental issues?

The answer is far from clear not just because of the perpetual difficulty of separating policy from non-policy effects, or because of disputes about the performance of adjustment policies in relation to their goals. Part of the problem, particularly from the urban side, is the serious lack of research into this question. Whilst there has been some generally critical research into the environmental effects of adjustment policies in rural areas the question:

What have been the effects of adjustment policies on the urban environment in developing countries? and What has been the impact of urban environmental policies on these effects? have scarcely been addressed.

A number of issues relating to these questions can be brought up.

First, a central plank of neo-liberal urban environmental policy is the need to increase urban infrastructure and service investments in order to deal with environmental degradation. Yet there is a great deal of evidence to indicate that in many countries structural adjustment policies have cut rather than increased these investments. A number of reasons have been suggested for this:
Some have argued that the central policy goal to increase the share of tradeable goods and services has led to priorities being given to investments that generate foreign exchange over those that do not. Governments that subscribe to the ‘foreign exchange theory of value’ have mistakenly identified urban public investments as unproductive because they do not directly generate foreign exchange.

Others point to the central goal of adjustment policies to restore the balance of payment situation. This has been achieved by reducing net investments and capacity utilization. In Latin America between 1980-1988 per capita domestic investment decreased by 5.4% p.a. Moreover, it has been suggested that the decline of public investment as a proportion of GNP has come about as a result of the compression of the development rather than the recurrent budget for political reasons.

A third reason suggested for public disinvestment under adjustment regimes has been fiscal reforms that aim to cut the public budget deficit. Budgetary allocations to local authorities for basic urban infrastructure, services, shelter etc. have consequently been squeezed.

Whatever the disagreements over the nature of these trends, and whether they are long term or short term, most observers agree that they have accentuated the problem of urban poverty. Many observers believe that ‘poverty is the greatest polluter’, it is the poor who suffer from the consequences of environmental degradation and poverty is often its greatest cause. A deterioration in the conditions of the urban poor, such as that which has occurred under Structural Adjustment, consequently would worsen the environmental degradation of Third World cities. The question therefore has to be asked:

Are the goals of neo-liberal urban environmental policies realizable under adjustment regimes?

Perhaps the most significant of the macro-economic determinants of the success or viability of current urban environmental policies is the size of the ‘resource pool’, the financial resources available to make the necessary investments in urban environmental improvements. Where will these resources come from? A range of sources is indicated. Central government revenues and transfers to local authorities are given prime importance. The size of these revenues depends largely on the growth which must take place, as the World Bank cautions ‘without jeopardizing financial stability’. This constraint (largely related to the Debt Problem) clearly indicates that the ability to raise revenues from debt-financing is limited. A third source -aid- is unlikely to provide capital on the scale required. UNCED estimates that only about 6% of development assistance is devoted to areas, and resources devoted exclusively to urban environmental problems were overlooked in the Rio environmental financial commitments. Neo-liberal policymakers therefore place a great deal of reliance on local authority revenue enhancement and the private sector to find the necessary investments. The problems associated with these sources will be
discussed shortly. But even under the most optimistic scenario and allowing for a dramatic reduction in the standards of provision of environment improvements the resources available will only be a fraction of the required investment funds.

Annual investment requirements for urban environmental improvement are probably more in the magnitude of the annual capital flows occurring between Developing Countries and Developed Countries in the form of debt repayments.

The City Size and the Environmental Problems

Another basic issue that is critical for success in dealing with urban environmental degradation is its relationship with the primacy that characterizes so many Third World urban systems.

In the Fifties little attention was paid to explicit decentralization policies as it was believed that regional divergence would be corrected automatically with further development -regional convergence would come about as a result of the trickle- down effects of unbalanced growth. In the Sixties and Seventies it was argued that regional convergence required a more active set of government policies and doubt was cast on the wisdom of allowing 'excessive' growth to occur in primate cities. Policies were introduced based on tax incentives, infrastructure-led development, and capital inputs to decentralize industrial and urban development in 'regional growth poles', 'resource growth poles' and 'regional growth centres'. In the early Eighties the focus on regional systems of cities and national urban systems continued. The theory of 'polarization reversal' identified regional convergence as being achievable by promoting the growth of secondary cities. Some countries undertook national urbanization strategies where the principal goal was to target national urban infrastructure investments on those cities with a strong development potential. In others equity concerns were predominant -to equalize regional incomes and to guarantee minimum service levels throughout the national territory. In some countries regional or metropolitan level decentralization was promoted. During the Eighties doubts grew about the wisdom of a 'relaxed' attitude towards urban primacy as it became realized that very high environmental costs accompanied the benefits of an 'excessive' concentration of economic activity in primate cities. It was argued that these costs were not borne by those who produced them, and that they could be reduced if urban growth was more evenly distributed throughout the urban system.

In the late Eighties and early Nineties with the consolidation of adjustment measures and neo-liberal supply -side theory there has been a dramatic shift in focus in spatial planning: now it is the 'city in itself' rather than regional or national urban systems that is identified as the locus of productive activities. This shift has led to the demise of regional planning and explicit spatial decentralization policies and the rise of 'urban policy' narrowly-defined on the single-city model. In a climate of increased intensification of international competition associated with export-oriented industrialization neo-liberal policy-
makers argued that it was unwise to disturb the market determination of the relationship between location and economic activity by government regulation. Indeed attempts to do so could slow the rate of national growth and exacerbate regional inequalities. Planning should facilitate national economic growth and gains in inter-personal equity rather than being concerned with misguided attempts to achieve convergence of regional incomes and service provision in the name of equity.

In this context it is argued that development priorities should be based on maximizing comparative advantages, and that investments should go to those cities with the greatest existing and potential comparative advantages for the production of tradeable goods and services.

These cities are the large conurbations and primate cities which are seen as essential for maximizing growth.

The neo-liberal approach

The neoliberal approach tends to downplay the contribution of urban primacy to urban problems. It argues that no causal relationship has been established between the incidence of urban problems and city-size: size itself is not a problem, and if anything has net benefits. The key policy issue for solving urban problems -including environmental degradation- is rather the enhancement of urban efficiency and productivity.

There is a need to correct environmental externalities in order to raise returns for capital, and environmental problems are themselves correctable by policy measures to increase urban efficiency. The best environmental policy therefore is to improve urban infrastructure, urban efficiency and urban environmental management in all cities; to adjust tax rates and infrastructure pricing so that they more adequately reflect social costs; to issue tradeable permits for polluting industries; to reform regulatory regimes and restrict only the location of certain types of heavy industries.

The neo-liberal interpretation of the relationship between urban environmental policies and regional and spatial decentralization policies raises a number of important questions. It is clear that this interpretation proposes that there is no conflict between attempts to stimulate urban productivity and efficiency and attempts to deal with environmental degradation.

Improvements in urban productivity and efficiency will both attract further growth and help reverse urban environmental degradation. It is assumed, but not explained, that the beneficial policy effects on the urban environment will be greater than the costs of the additional environmental externalities generated by growth. It is difficult to see how this can be achieved without serious attempts to transfer the social costs of environmental degradation onto the firms and individuals responsible for producing them through high administered prices. It is reasonable to expect that the payment of high externality costs) if
they are absorbed by the producers) would diminish their capital returns. In a weakly regulated national and global market this would diminish the comparative advantage of the city in question and would lead firms to locate in those countries and cities where these costs were less.

In this context the wisdom of 'single-city' approaches to current realities can be questioned: Are effective urban environmental policies realizable on the basis of a 'single-city' model?

**The Sustainable Development Approach**

In recent years many of those subscribing to sustainable development and 'sustainable cities' have challenged - from an explicitly environmental viewpoint - the wisdom of facilitating the further growth of megacities and primate cities under a 'development style' of market liberalization and with exclusively 'efficiency-oriented' investment criteria. From this viewpoint the complexity of the relationship between the built and natural environment in Third World Cities cannot be fully comprehended by traditional economic parameters that fail to correctly price free goods; that fail to recognize critical environmental thresholds; that fail to internalize negative environmental externalities, and which fail to explicitly address the health and safety aspects of environmental degradation.

Although it is agreed that 'city-wide' policy measures to eliminate the waste and inefficiency that underpins much environmental degradation are necessary, they are not seen as sufficient to achieve environmental sustainability.

It is argued that even with existing population size, consumption levels and inequalities many megacities are already exhausting their environmental support capacity with water consumption exceeding the replacement capacity of primary sources, the destabilization of ecosystems, and air pollution levels that are highly injurious to human health and safety.

Given these trends it is argued that it is highly unrealistic to believe that further market-led urban growth can continue up to the point where negative environmental externalities make it no longer profitable for producers to locate in the city.

Sustainability arguments thus challenge the current wisdom that city size can be taken out of the equation for dealing with urban environmental issues, and assert that spatial decentralization and regional policies are important policy instruments for dealing with urban environmental problems.

According to sustainable development theory there is a specific environmental rationale (that is not adequately comprehended by neo-liberal economic reductionism) that has to be considered in the choice and construction of urban, regional and national urban systems policy framework and analysis.
This environmental rationale demands the reassertion of a territorial basis for planning based on a close and detailed integration of socio-economic and environmental parameters at various spatial scales.

The environment operates as an integrated system, and modification even if they are local in nature may precipitate a chain reaction of multifarious effects that are regional, national or even international in scale. Urban environmental sustainability cannot be achieved by discrete and poorly-integrated policies that confine themselves to the household, neighborhood, municipal or city-wide levels. Rather the metropolitan, regional and urban systems levels of planning have to be reinstated and a territorial planning structure instituted that is geared to securing the sustainability of ecosystems at different scales. Thus the question can be asked:

Can current neo-liberal urban environmental policies realise environmental sustainability in the absence of regional/metropolitan and spatial decentralization policies?

Environment, Infrastructure Supply and Market Laws

A number of issues and questions can also be raised about the environmental impact of policies to privatize and deregulate the provision of urban services, infrastructure and land development.

Neo-liberal policymakers argue that these measures are necessary because the previous welfare state model which recognized the "public character" of services and infrastructure provision was neither efficient nor equitable, leading to the development of significant environmental externalities.

Privatization, regulatory reforms and the marginal cost pricing of goods and services that involve charging the real cost of maintenance and repair, and the costs of extension of central production and distribution system would eliminate these inefficiencies, allow extension of coverage, improvements in quality and in combination with safety-net subsidies they would prove to be more equitable. However, questions can be raised in terms of both efficiency and equity, about the ability of these policies to achieve these effects.

The efficiency improvements claimed for urban infrastructure and services privatization in Third World cities remain an assertion rather than a verified result. There are a number of reasons for this.

First, privatization attempts in these cities although a dominant trend are relatively recent, in many cases far from complete, and comparative and systematic analysis with a global coverage have yet to be undertaken.

Second evidence from Developed Country cities where the models for Third World privatization were first developed, has a longer time span and is more widely available. However, controversy surrounds the relevance of these
findings given the fundamental differences that exist between infrastructure and service provision in cities in Developing and Developed Countries.

Third, the range of policies described by the term 'privatization' is considerable, and it is clear that only in certain sectors and activities (which vary from country to country and city to city) has there been a full linear progression or conversion from the public sector to the private sector. More commonly there has been a profound restructuring of the articulation of public and private capital, and much remains unknown about the nature and implications of this new relationship even amongst those who are its strongest protagonists.

Certainly there are those who claim that the combination of privatization and deregulation measures which has been implemented in many Developed Countries will not achieve the sought after efficiency and environmental goals in Developing Country cities.

A primary target for neoliberal theory and policy in search of efficiency improvements through privatization has been the publicly-owned, centralized and hierarchical monopolies that dominate the provision of technical infrastructure (water, electricity, sewerage, roads, drainage, transport and communications).

Here the quest for profit and competition has involved the transformation of profitable monopolies or segments of public monopolies into private ones; the residualization of the less profitable segments; the privatization of fragments of networks according to local or regional capabilities, and the division of public and private responsibilities according to functional operations within the system. Many policymakers believe that the advantages of private ownership can be neutralized by government regulation and therefore the process must be accompanied by deregulation.

Others have argued that the concept of a self-regulated market for urban infrastructure is not appropriate for Third World cities. It is argued that the hierarchical and monopoly characteristics of public infrastructure are not optional or statutory but are a function of the technological rationality of systems delivering socialized consumption goods and services. Access to these goods and services depends on an integrated hierarchy of production and distribution networks - in water and sanitation for example on central processing plant, trunk distribution and capillary distribution systems. These networks are natural or technical monopolies in which market laws often do not apply and where regulation is essential to achieve efficiency at the level of the whole system. Privatized segmentation of these systems can jeopardize their larger rationale: localized productivity gains in one subsystem do not necessarily feed through the whole system; the fission of networks into distinct local capabilities can generate significant quality and quantity differences between regions, and network viability is often underpinned by the need for large scale equalization of costs throughout the network, arrangements that can be foregone with privatization.
Again expansion of central processing capacity without coordinated increases in distribution networks can lead to inefficiencies and high costs associated with underutilization of capital and equipment, whilst rapid expansion of distribution systems without increases in central processing capacity can lead to system failures.

In current policies the ability of public agencies or mixed companies responsible for trunk infrastructure and central processing plant to effectively match and coordinate their investments with volatile demand for capillary systems associated with market liberalization of land and housing development can be questioned.

Given their technical rationality and according experiences from Developed Countries seems to indicate that monopolies persist despite the shift in ownership from the public to the private sector. In some countries where fiscal pressures are severe, the guarantee of future monopoly profits and a weak regulatory regime has been used to render infrastructure systems more attractive to capital (including foreign capital), prompting political concern over the lack of public control of strategic resources.

**Transfer of Managerial Experiences from Developed Countries**

Differences between urban realities in Developed and Developing Countries are also another reason why doubt has been cast on the appropriateness of the privatization/deregulation formula. In Developed Countries urban population growth rates are low and sometimes negative; there are high levels of consolidation of investments in the basic system; virtually complete coverage and high levels of technological homogeneity. As the costs of the basic system have been paid off, privatization is largely concerned with adjusting and rehabilitating elements of the system and with upgrading quality standards. In Developing Countries, on the other hand, privatization occurs under circumstances of rapid urban growth, a low level of consolidation of investments in the basic system, and high levels of technological heterogeneity.

Here the main issue for privatization has to be the expansion of the basic system in ways that bring positive health and productivity benefits and which are environmentally sustainable. The ability of the private sector to realize what are massive investments with slow rates of return has been questioned. This is not to deny that these cities are also characterized by high levels of waste, and low quality associated with underinvestment in the maintenance and repair of the existing systems.

The decision to prioritize investments between extension of coverage and improvements to the existing system is technically environmentally and politically complex and needs to be undertaken within an integrated, regulated and coordinated framework. Doubt has been thrown on whether current policies with their emphasis on weak regulation, demand determination, and market allocation can provide this framework.
Privatization and Social Objectives

Certainly a commonly-heard objection to the "demand-driven" approach to water and sanitation provision is that given household choice water provision will precede sanitation provision, and water use will exceed waste disposal capacity with few environmental or health benefits. It has also been argued that the weak or "flexible" regulation can have deleterious effects which will ultimately require reregulation. In the mid-Eighties inner city air pollution in Santiago, Chile exceeded permitted levels by 300% after the privatization of collective transport, which was found to be responsible for 70% of the increment. Some have also argued that tradeable emission permits merely give firms a licence to pollute rather than compelling them to cut back.

Questions have also been raised about the ability of neoliberal policy to generate a more equitable distribution of infrastructure and services. These doubts derive from the perceived discrepancy between the exclusive pursuit of general productivity indicators, marginal cost recovery, and demand-driven investment in the supply and allocation of outputs, and the neglect of the social and environmental objectives embodied in the concept of the "public character of services". The conflict between theses objectives ("social efficacy") and economic efficiency is particularly acute when a large part of the population is beyond effective demand, and in these circumstances it is argued that state regulation is essential. It is difficult to avoid the conclusion that rigid adherence to marginal cost recovery and the widespread withdrawal of subsidies would lead to the exclusion of a large part of the population from access to these basic goods and services, which would then assume the status of a privileged commodity rather than a right. Given the social and political implications the state would have to fulfill this need without access to the cross subsidies possible in the pre-privatized system. In this context it is interesting to note that after the privatization of Santiago's water and sanitation systems in the early Eighties 30% of households were unable to pay the new tariff.

In the prospect of privatization one would also expect to see a rapid increase in non-invoiced consumption of water and electricity (pilferage), and measures to control this would be rendered less effective given the erosion of social and political legitimacy associated with an ideology of commodification.

Similarly the privatized segmentation of networks and the extension of coverage solely on the basis of the ability to pay could generate a serious polarization of social and environmental living conditions in the city, and will contribute to the formation of sub-systems through the high costs of transportation, and the high cost of non-conventional supply of drinking water. The ability to service squatter and low income settlements would be seriously set back precisely because it is in these settlements that the technical complexity and costs of service provision are highest because of fragile environments, geo-morphological vulnerabilities, disorganized layouts, environmental hazards etc. Safety net provisions could prove to be inadequate in the absence of equitable tariff
structures with subsidies to the poor and recovery rates adjusted to cadastral values, income levels and consumption levels.

Environmental Problems and Decentralisation

A number of important issues and questions also needs to be considered about the relationship between environmental problems and policies and the decentralization of political and administrative power to local authorities.

Neo-liberal theorists argued that in large measure the failure of earlier policies and the growth of environmental problems could be traced to weak, inefficient, inflexible, ineffective and unaccountable local government. Serious misuse, underuse or overuse of resources was associated with excessive concentration of decision-making in central government. In this context neo-liberal theory proposed the transfer of power and resources to the local government level.

Numerous models were proposed for this decentralization process and significant differences exist between them. In Developing Countries the most commonly applied version was one where executive responsibilities were transferred to municipalities but regulatory powers and fiscal resources remained at the central level. Here the central state retained management control and flows of finance to local authorities and monitored the planning and execution of projects. However, local authorities has greatly enhanced powers to choose, plan, prioritize and implement these projects, and were empowered to raise revenues from services and local taxes. These measures in combination with privatization; access to international loans; training in urban management; technical assistance and institution-building would result in a greatly enhanced environmental capacity derived from debureaucratization, a buoyant fiscal base, greater accountability, improved contract management and improved service standards. In some versions of political/administrative decentralization (often supported by a wider political spectrum) empowerment was associated with the extension and consolidation of democratic rights. Here the local authorities increased their role in coordinating and organizing community organizations, citizens groups, cooperatives, NGOs, enterprises and households. Some argued that increased participation and accountability to the citizen was a prerequisite for "bottom-up" environmental improvements based on local knowledge and priorities, and were essential for achieving increased cost recovery and local taxation on the principle of "no taxation without representation".

Much of the commentary on the viability of neo-liberal decentralization measures centres on fiscal issues. Although the flow of central transfers is clearly critical for local environmental improvements, emphasis is placed by neo-liberal theory on the ability to increase the contribution from local taxes and user charges. This ability depends on a range of technical, administrative and political issues and yet has to be demonstrated.
Concern has been expressed that the generation of local revenues for environmental and urban improvements is inspired more by the need to fill the resources gap created by cut-backs in central government transfers to local authorities as a result of adjustment policies.

Under these circumstances decentralization measures can be seen as a means of transferring responsibilities for the effects of national austerity policies into local government without providing the resources to deal with them.

Some argue that the effects of municipal decentralization on the equitable distribution of environmental improvements will be negative. Those municipalities with an existing or potentially healthy tax base will make improvements whilst in the absence of compensatory payments, poorer municipalities will experience further environmental deterioration. If these differences were allowed to grow, the net environmental effect at the macro-level could again be negative. A "local government" focus for urban development could also exacerbate, rather than resolve environmental policies in those many cities or metropolitan areas which come under the jurisdiction of more than one authority. Decentralization of power and resources could here lead to an intensification of inter-municipal competition to generate tax bases through the relaxation or lowering of environmental standards. Some municipalities are just too small and cannot afford either the equipment or professional skills required for the provision and regulation of services. The political and administrative complexities involved in overcoming this difficulty (mergers, umbrella organizations, joint service boards etc) can make these arrangements expensive and ineffective. The effects could be an intensification of many of those irrationalities in the urban form that threaten its environmental support capacity - the uneven distribution of infrastructure and services, green and open areas, differential land use and zoning standards etc.

Critics of the universal applicability of political and administrative decentralization measures have pointed to the absence of strong local government traditions in many countries, and have doubted the ability of current policies to make much of an impact for a long period of time. In those cases where regulatory competence has been transferred to the local level, many doubt that local authorities will have sufficient power to confront greatly strengthened private sector interests. The question can therefore be asked:

What is the most effective distribution of regulatory powers over the urban environment amongst the various levels of the state?
Some observers argue that major transformation in the urban systems of Developing Countries are occurring. These transformations bring forward new questions regarding sustainability and state competence in the management of the built form. A new spatial model is evolving as the transformations of the Nineties shape a new social urban structure in which the growth of poverty is not necessarily in line with the growth of informality.

The Sixties
In the Sixties the dominant spatial models that underpinned urban policies in Developing Countries were derived from modernization theory with its strong Western bias. It was argued that the urban structure of cities in Developing and Developed Countries was different because they were at different stages of a similar urbanization process whose dynamic revealed the growing approximation of the former to the latter as modernization and development proceeded. Third World cities were at transitional stages in the framework of "universal" typologies derived from the historical pattern of Western urban development. Although phenomena such as rapid urban growth, squatter settlements, overurbanization and urban primacy were seen as remediable only through further growth and development, differences existed about the extent to which planners could and should intervene. In general and again in imitation of planning theories and practices that were dominant in the Developed Countries, it was believed that strong regulatory intervention (based on Western minimum standards and solutions) was necessary in order to control, direct and rationalize urban growth. The principal planning tool used to achieve this was the Master Plan which attempted to regulate and "direct" land uses, location of activities, and infrastructure, services and transport networks. In some countries often sophisticated planning tools such as spatial interaction models were integrated with master planning.

Dualistic theories and models of the city were also highly popular (e.g. marginality, culture of poverty and dual labor market theory), and were used to explain and formulate spatial, employment, social and cultural issues and policies. In their spatial form they expressed the notion of two polarized forms of spatial organization defined according to physical criteria (e.g. native/western, modern/traditional, marginal/conventional settlements). It was argued that the rapid proliferation of shanty towns on the urban periphery and on 'non-urbanizable' land was a result of the direct migration of rural peasants to the city who reproduced in these settlements the social economic, cultural and physical living conditions associated with the "traditional" or "marginal" cultures which were seen as obstacles in the progression towards modernization. Urban policies were thus based on a refusal by the state to extend services and infrastructure to these settlements, where possible to eradicate them, and to construct conventional core-units with "minimum" standards in their place. The failure of these policies was clear by the late Sixties: slums and shanty towns proliferated beyond state control, the supply of new conventional units was
miniscule in relation to need, and despite being heavily subsidised they were unaffordable by up to 75% of the population.

The Seventies
In the Seventies a new policy consensus emerged that was consolidated at the HABITAT I Conference (1976). This approach adopted a far more positive attitude to the growth and servicing of peripheral squatter settlements, and was underpinned by a new spatial model of the city. The new model discarded the polarized spatial dualism of the earlier model and functionally related rented inner city slums and peripheral squatter settlements through the mechanism of the economic and residential mobility associated with the migrant's life cycle in the city. In this model inner city slums were identified as deteriorating reception areas for new migrants and peripheral squatter settlements were seen as the constantly-developing last point of residence for established migrants. The model was based on the assumption of continued socio-economic mobility of urban residents; the transition of residents from renting to owner-occupation, and a clear differentiation of those settlements based on rental tenure from those based on legal or quasi-legal owner-occupation. Research in the peripheral settlements revealed that households and communities, in contrast to the public sector, were building affordable housing through an evolutionary process of self-help and self-management. It was argued that the incorporation of these principles and process into public housing policies and the extension of public investments, infrastructure and services to these settlements would allow the expansion of state output and increase the propensity to invest savings, labour and management skills in shelter and urban development. They included a recognition: of the significance of home-ownership and security of tenure for housing improvement and finance; of the need to incorporate progressive development procedures for built areas, materials, structures and services; of the need to reduce housing and infrastructure standards to affordable levels; of the need to develop and provide access to appropriate technologies and materials; of the need for self-help contributions and community participation in project implementation, and of the need to encourage informal sector and labour intensive activities in housing provision and settlement development.

The new policies that emerged out of this consensus included sites and services and self-help housing projects; core-housing; slum and squatter settlements upgrading; tenure regularization programmes; improved access to financial, managerial and technical assistance; the stimulation of small scale enterprises and informal sector activities in project areas, and an attempt to expand the provision of public services. In line with the logic of the general spatial model, policies generally encouraged owner-occupation, the exacerbation of low density sprawl and the linear extension of arterial systems on the urban periphery and there was a general neglect of inner city slums and the needs of the rental market.

During the Seventies and early Eighties it was recognized that projects had to satisfy affordability, cost recovery (ie minimal subsidies and defaults) and replicability criteria if they were to provide the quantities and quality of
housing and services required for low income groups. The pursuit of the "affordability - cost recovery - replicability" formula became more rigorous under growing economic, fiscal and political pressures, and led to significant changes in policy over the decade. In the early Seventies attention focussed almost exclusively on sites and services projects but in the face of high infrastructure, services and land costs and large scale middle class encroachment it rapidly became clear that these solutions were not affordable by the poor, and they could not meet cost recovery or replicability criteria.

The Eighties
Consequently in the second half of the Seventies the emphasis shifted towards slum and squatter settlement upgrading in the form of "Integrated Development Projects", sometimes combined with sites and services to permit de-densification. Some slum and squatter settlement upgrading projects were more replicable and by incorporating middle class groups in project areas were capable of generating cross subsidies for larger numbers of the poor. Some countries (eg India, Indonesia) did manage to achieve urban improvement on a large scale using these projects, generally under the supervision of unified "metropolitan authorities". However, problems of affordability and cost recovery often emerged in newly upgraded projects as exposure to taxation, increased rents and the costs of the improvements led to expulsion of lower income groups. Attempts in the early Eighties to further reduce standards, increase densities and to stimulate labour intensive employment and community participation could do little to counteract these trends.

By the mid-Eighties with the emergence of the Debt Crisis, Structural Adjustment, austerity measures and escalating land and production costs the possibilities for using these policies to satisfy the "affordability -cost recovery - replicability" formula dramatically receded. Under the impact of economic recession, shrinking public expenditures, and reduced subsidies, sites and services projects were almost entirely phased out, slum upgrading projects were reduced in number and almost exclusive attention was paid to squatter settlement upgrading. In general, emphasis was placed on the provision of public and private housing finance, on the reduction and targetting of subsidies, on financial regulatory reform and on an increased emphasis on private sector provision, but again the poor were largely denied access to resources. In some countries, however, housing was used as a macroeconomic tool for reactivating the economy and significant increases in output were achieved (eg, Colombia, Turkey). However, by the end of the Eighties it was generally recognized that these policies were incapable of making significant inroads into the urban shelter and services problem.

The Nineties
By the beginning of the Nineties a new urban policy framework was elaborated based on the neo-liberal analysis of the reasons behind the failure to achieve the "affordability-cost recovery- replicability" formula. Although it was recognized that some progress had been made in realising affordability it argued for drastic new measures to achieve the cost recovery and replicability of urban goods and
services. Fundamental significance was attached to policy, institutional and managerial reforms rather than "bricks and mortar" and technical approaches for achieving these goals. Policy measures reflected the general goals of neoliber al analysis: elimination of supply and demand side constraints; withdrawal of the state and encouragement of privatization; elimination and targetting of subsidies; deregulation and regulatory reform; institutional capacity building; increased participation and political/administrative decentralization.

**Market Laws and the New Spatial Model**

Neoliberals turned to the concept of 'enablement' to provide the theoretical underpinning of the new policy framework. As the principal supply and demand side constraints on 'free markets' were derived from state intervention, the state should withdraw from the direct production of goods and services, and repeal measures that 'distorted' demand. Instead it should facilitate or 'enable' the private sector, formal and informal producers and popular groups and organizations to provide land, housing and services, and restrict itself to regulation and coordination of the sector. Enablement of efficient markets was thus proposed as the principal mechanism to produce the levels of output commensurate with demand (if not need) and to resolve the replicability problem. A range of 'enabling' policy and lending instruments were proposed that would help to create a well functioning housing sector and which would 'serve the interests of all participants in the sector'. They included measures to stimulate demand such as the development of property rights (expanded regularization and registration of land, privatization of public housing stock); the development of mortgage finance and the targetting/rationalization of subsidies. Measures to facilitate supply included the provision of residential infrastructure; reform of urban regulations and standards, and the stimulation of competition in the building industry. The privatization of appropriate services, contracting out of work to small scale enterprises, informal workers, private firms, NGOs and the community organizations were all encouraged. In the framework of enablement state housing policies were not directly concerned with the creation of new housing stock, but confined to the provision of trunk infrastructure for marketized land development and the upgrading of settlements.

**From Projects to Programmes**

In seeking to explain the failure to realize the 'affordibility-cost recovery-replicability' formula, neo-liberal analysis also pointed to the inadequacies of the 'project oriented approach' and recommended a shift to programme, sector and policy level planning.

It was argued that projects were more likely to fail from macro-economic policy rather than project design defects: "a good project in a bad economy was likely to be a bad project"; that the project cycle rationale imposed constraints on innovation and change; 'getting prices right' and the adequate rates of return in project contexts was difficult; project approaches were
generally too small to make an impact and were non-reliable; and project organization and finance made no consideration for future maintenance costs and responsibilities. Aid agencies were also concerned that project lending did not easily permit the large scale ‘money-moving’ required by the global financial system, and pointed to the ‘fungibility’ problem associated with project-based lending.

**The Spatial Model and Urban Management**

It was argued that there should be a shift from ‘housing’ or ‘project sites’ to ‘city wide’ or ‘market wide’ programmes such as land and housing finance. If the shift from projects to sector and policy level approaches was to achieve replicability a strong emphasis on improved urban management and institution-building was also required.

Consequently urban resources should be deployed in reinforced institutional, managerial, training and technical capacity in areas such as management, accountancy, planning, effective cadastration, tax collection and administration etc.

Domestic resource mobilization and cost recovery were essential and could be achieved by tax reforms; cost recovery prices for public services; the reduced coverage or termination of a wide range of subsidies; and the reform of urban regulations and standards on the basis of findings from cost-benefit analysis (‘regulatory audits’). Decentralization of power and resource to local authorities and improvement of their managerial, financial and planning capacity were also required and increased popular participation was deemed necessary for implementation and accountability; full cost recovery on user charges; effective tax collection and improved maintenance. On the left support for these measures was based on a redefinition of the concept of enablement to accommodate the democratization and empowerment of popular organizations in a ‘bottom-up’ planning system: settlements would be ‘self-determined, self-organized and self-managed’ and NGOs and CBOs would be the principal organizations of urban management.
CRITICAL ANALYSIS OF SPATIAL STRATEGIES

These policies bring up a number of issues and questions that are worthy of consideration in the International Seminar.

The Relationship between Urban Policies and the Urban Strategy

The first concerns the relationship between current urban policies and the overall urban strategy. In the Seventies and the Eighties the spatial strategy governing urban policies was to reinforce the dynamic of the residential mobility model. By the end of the decade as a result of the impact of these policies and macro-economic trends and policies doubt was expressed about the wisdom of further pursuing this strategy, and the relevance of the spatial model underpinning it.

In the Eighties the principal thrust was for peripheral development, squatter settlement upgrading and an increase in the supply of informal housing through extending owner-occupation, tenure security, and the availability of services.

The concentration of investments and improvements on the periphery was accompanied by a neglect and "downgrading" of the inner city residential areas. On the periphery a process of low density urban sprawl was unleashed leading to a rapid expansion of the urbanized area. For example between 1969-85 Lima's population grew by two and a half times, but its built area by almost three and a half times. In private, state-sponsored and informal settlements the search for affordability, "autonomous residential systems" and immediate survival strategies often led to the use of low densities, low rise construction, inappropriate locations and layouts, excessive public service standards, non-hierarchized roads, inadequate network layouts etc. The deleterious effects of these policies on urban productivity and the urban environment have already been discussed. It is also clear that the concentration of public investments on the periphery maximized lineal meterage of infrastructure and services and involved massive "hidden" urbanization costs that increasingly excluded the poor from access to them, and which made it increasingly more difficult for the state to service distant locations at rational cost. Attempts in the Eighties to increase densities and rationalize layouts in order to increase cost recovery through the expansion of capillary systems could do little to offset the costs of extending trunk infrastructure in this way.

The Downgrading of the Inner City and City Informal Growth

The reverse side of these policies has been the general neglect of the inner city; the phasing out of attempts at slum upgrading; the absence of any consistent policy for rental units; the failure to use and explore alternative forms of tenure - including communal, co-operative, and leasing arrangements, and the relaxation of controls over market-led development.

A general downgrading of the built environment and infrastructure has occurred.
leading to underutilization of technical infrastructure and inner city space, increased maintenance costs and an increase in health, safety and environmental hazards.

Redevelopment policies to promote commercial and high density developments, decongestion and land use rationalization have often led to the expulsion of the poor, the destruction of informal sector jobs and an increase in inner city rents.

Thus by the end of the Eighties a policy-assisted pattern of urban development was created that was characterized by high levels of spatial segregation; uneven distribution of population densities, infrastructure and services; large areas of underutilized space and facilities, and a marked and escalating deterioration in environmental and social living conditions that threatened the long-term sustainability of the model.

The Changing Spatial Pattern

The adequacy of this spatial strategy and the spatial model underpinning it were also undermined by the effects of macro-economic trends and policies on urban areas in the Eighties. Recession, macroeconomic policies and structural adjustment measures have affected the supply of urban goods and services by increasing the real costs of land, materials, finance and construction. Hyperinflation and currency devaluation have probably increased the attractiveness of land speculation and hoarding. The real costs of building materials and fuel inputs have been affected by import compression, currency devaluation and foreign exchange rationing. Public expenditures on housing and services in many countries have been cut back as part of adjustment packages. Mortgage finance has been squeezed by declining revenues associated with rising unemployment and falling wages; by reduced external commercial bank loans, and by government attempts to reserve credit for the tradeable goods and productive sectors. Macroeconomic polices have also had a serious effect on the demand for urban goods and services through reduced real wages, increased unemployment, increased taxes and user charges and the withdrawal or reduction of a wide range of subsidies. This has affected both low and middle income groups who have found that access to land, housing and services has become more difficult.

There is little doubt that these conditions have changed the spatial relations of the social classes in Third World cities. The exposure of the poor in peripheral settlements and upgrading projects to rapidly escalating land and property prices and increased user charges and taxes has led to their expulsion from the settlements and a shift back to rental accommodation either in the inner city slums or in the rapidly developing peripheral rental markets. On the other hand the dwindling supply of conventional housing for middle income groups with reduced incomes and access to mortgage financing has forced them increasingly to enter informal housing markets where they compete with low income groups for access to scarce resources. In many cases this takes the form of middle class encroachment into recently upgraded settlements, or the development of
"upmarket" middle class housing markets by informal suppliers within low-income settlements. It has been suggested that this may have led to a narrowing of formal and informal land price differentials in some cities.

It is now increasingly recognized that the long term shift in tenure patterns from renting in inner city slums to owner occupation in peripheral settlements slowed down in the Eighties, and in some countries may have been reversed, despite state policies to encourage ownership. Reasons suggested include: declining real incomes; rising housing costs; cuts in subsidies; the disappearance of non-commercial access to land and an increase in government controls; increasing petty-commodification of self-help housing. There has been a widespread recognition of the growth of rental and sub-rental markets (often kin-related); the break-down of the spatial differentiation of rental and other housing markets; the rapid densification (rooming) of inner-city areas, and of the difficulties now confronting the young and new migrants for repeating the pattern of residential mobility achieved by earlier generations.

The blockage of the transition from renting to ownership is a phenomenon with acute social, economic, cultural and political significance.

It is widely recognized that Third World cities are currently experiencing a dramatic increase in renting with up to 70% of households now renting in some North African and Asian cities. There is evidence from several cities that rents have begun to rise rapidly in relation to prices and incomes.

In this context the basic questions which present themselves are:

What is the spatial strategy of current neo-liberal urban policies? and Do these policies recognize the new realities of Third World cities in the Nineties?

In one sense it can be admitted that these policies and the analysis that underpins them emit a profound 'a-spatiality'. The changes that are proposed in policy imply a shift in focus from material structures involving investment in human and physical capital to policy reforms which are not so much structures as government actions designed to influence resource allocation. This shift is regarded as fundamental for policy success, and in its assertion the impression is left that spatial issues are considered to be a secondary concern and that the spatial implications of the policies have not been considered: 'the best spatial policy is a set of efficient sectoral policies'.

A second view argues that the new urban policy framework has not so much challenged but reasserted the spatial strategy of the Eighties, at a time when its relevance has been superseded. It is certainly the case that the main emphasis of current policies remains focussed on peripheral development - both in terms of the extension of trunk infrastructure, the upgrading of low income settlements, the stimulation of informal peripheral land and housing development and in terms of policies to encourage owner-occupation. Similarly despite being the
main location of the urban poor it seems that inner city slum upgrading and rehabilitation is to remain a secondary concern. Certainly the question has to be asked:

**In the context of changing spatial processes what priorities should be attached to the rehabilitation of slums or the upgrading of peripheral squatter settlements?**

Moreover given the serious conflicts of interest involved in the control and use of inner city land, space, buildings and services the question can be asked:

**Does the policy emphasis on urban efficiency and productivity and market-led development increase the incidence of inner city eviction and involuntary displacement?**

It is also surprising given the rapid increase in renting that current policies pay so little attention to promoting rental housing, and other forms of tenure. An ideological pre-disposition towards owner-occupation is characteristic of neo-liberal analysis. The attention of neo-liberal policy-makers has focussed on the deleterious effects of rent controls which are seen to subsidize businesses and relatively affluent tenants, discourage maintenance and improvements by landlords, and decrease the supply of low income rental accommodation. Others have argued that rent control and regulation is necessary to stabilize and protect the inner city poor, and that comparative research has indicated that the effects attributed to rent controls persist in contexts without them. Rent decontrol has been urged by major aid agencies in recipient countries but given its political sensitivity it has as yet not been given particular priority. The questions therefore have to be asked:

**To what extent do current policies facilitate the transition of low income groups from renting rooms to owner-occupation? and To what extent do current policies increase the supply of rental housing?**

Some observers argue that current policies and planning styles in the context of changing spatial dynamics will do little to counteract and may even intensify, the problems associated with peripheral sprawl and inner city downgrading. They argue that this model is inefficient, unjust and ultimately unsustainable.

Planning should consist of establishing goals and standards for urban development, and elaborating their implications for existing land uses, housing, infrastructure, economic development and resource use. These goals and standards must aim at rationalizing the character and development of the urban form in line with its environmental support capacity, efficiency, cost-minimization criteria and social goals.

It is argued that sustainability can only be achieved through the concept of the compact city and a general spatial strategy of densification of the built area.
This would require a return to regulatory and development planning in the context of urban structure plans that differentiate zones with different level of consolidation. Differentiated land use, subdivision, building and service standards would be established for specified zones in order to rationalize densities, settlement design and urbanization costs, and to harmonize urban development in a more integrated and efficient fashion.

It would also incorporate the social goals embodied in encouraging the mixed use of space in inner city areas; the sale of development rights to prevent urban sprawl and to generate funds for low income urban development; the creation of differentiated equitable and efficient tax and tariff structures; legal protection and access to rental housing for inner city tenants, and the use of cash and direct subsidies to poor 'end users' rather than owners.

It is clear that an interventionist, integrated and regulatory framework of this type is far removed from current enablement policies which forego a desirable end state and which emphasize the creation of conditions rather than the imposition of restrictions. It is clear therefore that a central question for debate must be:

Should there be a concerted policy to consolidate, renew and densify the existing built area rather than the continued promotion of the expansion of the periphery?

It also can be asked whether a fundamental problem exist with current shelter policies. As we have seen their principal thrust is for upgrading and increasing the supply of informal and private housing through extending security and land tenure, access to finance, infrastructure and services. This is occurring under conditions where there has been a small or declining supply of conventional housing and tighter controls over illegal settlements and prohibitive access costs to low income groups for solutions on the periphery.

However the essence of the urban housing problem in Developing Countries is the relationship between the rate of creation of new housing stock and the rate of new household formation. The World Bank has estimated that each year 12-15 million new households are added to Third World cities through natural increase and migration. The question must therefore be asked:

Do current shelter policies really address themselves to the need to intensify the rate of creation of new housing stock?.

Upgrading, land tenure regularization and the extension of services are largely concerned with the existing housing stock, and additions to the stock are limited to the creation of new rental units in these settlements. Given the low rate of supply and the rapid rate of household formation these policies must result in increased subdivision, overcrowding, sharing and renting and the built up of pent-up demand. The rapid overcrowding of both inner city and periphery demand should be a major priority for housing research. Poverty now has
broadened to middle income sectors, and overcrowding is a major social phenomenon of the 90s affecting different social sectors with different shelter needs. In many cases extreme poverty is not solved through a housing solution.

The only way existing policies could be used to significantly increase the housing stock would be by closely coordinating them with a land policy that rapidly provided new households with land and services. It is doubtful if land readjustment measures could provide the quantities of land required at a sufficiently low cost. Two other policies are possible.

First the state could relax most controls over squatting and illegal subdivision and quickly move in to provide tenure and services. It is doubtful if this could happen over a prolonged period given its effect on budgetary demands and the rate of migration.

Secondly access to land could be achieved by prior land banking with the state purchasing large quantities of land in advance and releasing them at cost to new householders. Again there would be great difficulties in achieving this because of budgetary restrictions and a tendency for the policy to increase speculation.

Any serious attempt to expand the provision of infrastructure and services to create new housing stock will require a coherent land policy. However, despite the fact that the expanded provision of infrastructure for residential development has been made a major goal of neo-liberal policy there is no clear idea, outside of market stimulation, of how this land will be supplied and regulated. The question has to be asked therefore:

What land policy should be pursued in order to facilitate the expansion of infrastructure and services?

A number of other questions also emerge about the significance attached to policy regulatory, institutional and managerial reforms in current policies. The problem of replicability for example has been located in terms of the shift from projects to programmes, and the need for urban managerial and institutional reform.

But is the failure to achieve replicability really an institutional or management problem?

Rather institutional reforms would be seem to be necessary but not sufficient to achieve replicability under conditions of escalating costs and increased austerity. Again concern has been expressed that the shift from projects to programmes could diminish the coverage of the poor because the link with poverty groups is less clearly defined in less site-specific project. Although projects are in a sense material structures, policy and institutional reforms are more concerned with rules, regulations and procedures to guide resource allocation. Although this may offer some insulation from the commonly heard criticism that 'so little has been achieved on the ground' it is also the case that the
reform of institutions, legislation and regulatory instruments is an intricate, costly and lengthy business, and that speedy action is required to deal with many urban problems. The question that emerges:

What is the time-frame within which the results on the ground of these policies are expected to be realised?

If urban planning has been 'deterritorialized' and 'despatialized' by neoliberal theory it is also the case that in a significant sense housing has also been 'dematerialized'. The concept of housing as an artefact has been subordinated to a concept of housing as an economic activity governed by productivity values. In effect housing has became a bundle of goods and services rather than a physical structure that provides the material support for these services. Housing policy consists of indirect measures to enable the private and informal sectors to fulfil the 'materialization' process. Some architects, planners and professionals are increasingly concerned that policymakers in this way have became 'shelter-blind' and that this step could mark the demise of housing studies.

Whatever the case it is clearly important given the 'distanced' relationship of policy-making to the 'real' circuit of goods and services that effective means be found for measuring and evaluating the results of these policies.

Research on the urban form is particular important given the growing evidence of the relationship between the deterioration of living standards and physical downgrading. Personal security scores high as a principal problem in almost all Third World megacities. The relations between man and nature, family and dwelling, community and neighborhood cannot be understood merely in terms of payment capacity, but rather in terms of their wider dialectical interactions. Consequently the built environment - and its architectural discipline - can become a powerful instrument to accelerate and facilitate the development of human and communal values, or it can become a source of social pathology that obstruct the possibilities for further collective upgrading. It seems that there is an educational and capacity building function for and through the dwelling.
Diagram 2: A MODEL OF ENABLEMENT

**CENTRAL STATE**

**MARKET ENABLEMENT**
- Macroeconomic Policy Reform
- Deregulation, Regulatory Reform
- Sectoral Policy Reform
- Privatization
- Material/Financial Inputs
- Skills/Management Training

**POLITICAL ENABLEMENT**
- Decentralization
- Urban Institution Building
- Managerial+Institutional Reforms
- Democratization
- Fiscal Input
- Solidarity Funds

**COMMUNITY ENABLEMENT**
- Participation
- Legalization
- Regulatory Reform
- Democratization
- Solidarity Funds

**LOCAL STATE**

**MARKET ENABLEMENT**
- Contracting Out
- Privatization
- Material+Financial Inputs
- Deregulation

**POLITICAL ENABLEMENT**
- Contract
- Participatory Planning
- Material+Financial Inputs
- Deregulation

**COMMUNITY ENABLEMENT**
- Advice
- Research
- Marketing
- Credit
- Training
- Quality Control

**FOCAL INSTITUTE**
- Building Research Institute
- Planning Department
- Standards Institute
- Local Branch Min. of Employment/Housing
- Public Service Agency
Theme III

ENABLEMENT, PARTICIPATION AND THE ROLE OF THE PROFESIONAL

In the previous sections we have described and analysed the characteristics, goals and outcomes of neo-liberal development theory and urban planning policies in the areas of poverty alleviation and macroeconomic, environmental and spatial strategies. In this section we shall be concerned with the social, political and administrative aspects of these policies and the way in which they change the interactions between the state, the community and the professional. The three key planning concepts and principles underpinning the transformations introduced by these policies in the Nineties are specific applications of Theory of Enablement: Market Enablement, Political Enablement, and Community Enablement. The revolution of the Seventies which changed the professional practice of urban workers is now challenged by these three policy transformations. A new role for professionals and a new form of professional practice for urban workers appears to be emerging from these overall changes.

The discussion of these themes will be undertaken with reference to the Model (see Model 2, page 52). The Model shows that the central state has established enablement strategies for three areas - the market, the local state and the community. The local state also carries out enablement strategies in relation to local markets and local communities. In some context a Focal Institution (e.g. Standards Institute, Housing and Building Research Institute, Local and Urban Management Programme) is empowered to carry out enabling measures for the market, the local state and the community. Relations between the local state, the market and community are often mediated by the enabling actions of NGOs. These transformations have profound social, political and administrative consequences and involve fundamental changes in the concept and activity of professional practice.

Two points have to be made before proceeding. First, the model is based on a composite picture - differences exist between countries and policy makers over the relative significance that should be attached to enablement of the market, the local state or the community. In some formulations emphasis is placed on market enablement and little significance is attached to community enablement (participation), in others political/administrative decentralization is stressed with or without participation and so on.

Second, the neoliberal assertion that enablement serves the interests of all participants - consumers, producers, financiers, central and local governments - can be challenged. Rather it will be argued that urban development involves conflicts of interest between different activities and social, economic and political groups and is manifested in phenomena such as expulsion, gentrification, involuntary displacement, landlord/tenant conflicts, unequal provision of services and infrastructure etc. Moreover, conflicts of interest also exist between and within the central state, the local state, the market and the community, and enablement policies can intensify or diminish these conflicts as well as generate new ones.
Market enablement lies at the heart of most neo-liberal policy frameworks. This is hardly surprising given the supply-side constraints model that underpins neoliberal theory. It argued that the earlier 'excessive' state intervention characteristic of the Keynesian welfare state/mixed economy model was in large measure responsible for inadequate rates of growth. This model pursued active and direct state intervention in the allocation and production of selected goods and services, the use of trade, interest rate, exchange rate and price controls to generate employment, output and incomes, and the use of taxes and subsidies to deliver comprehensive coverage and equal access to public services. Interventionist planning through the use of regulations and planning controls was deemed necessary to secure longer term urban and development goals, to protect national interests and to protect consumers from market failures.

Neoliberal theory argued that these policies by interfering with the free market determination of resource allocation, pricing and incentive systems led to major supply-side constraints. It was argued that state bureaucracies stifled initiative, were inefficient, uncompetitive, inflexible and unresponsive to demand signals. Excessive regulation protected enterprises from competition, increased costs and held back growth. High social spending, income and wage taxes acted as disincentives to growth, savings, investment and enterprise; budgets deficits were inflationary and welfare payments discouraged work.

Given the significance of state intervention in generating market constraints, neoliberal theory proposed a restructuring of the relationship between central and local government and the market. The state's role in production, ownership, finance, marketing and regulation should be "rolled back", and its activities restricted to those of "market enablement". Government was to be a coordinating and facilitating rather than an interventionist force. Enablement meant facilitating and promoting the formal and informal business sectors and entrepreneurs to provide market solutions for the production, distribution and exchange of urban goods and services. Where possible the state should withdraw from their direct provision and in all cases expose them to market disciplines. By removing market obstacles, mobilizing resources, encouraging entrepreneurship, skills, and innovation it was argued that market enablement would increase the supply of good and services; it would produce sustainable long term growth and employment gains and it would reduce the prices of urban goods and services to more affordable levels.

A number of instruments were available for implementing the market enablement strategy. Macroeconomic and sector-level policy reforms were seen as vital for facilitating market forces, and for creating the legal, institutional and financial framework for enablement. Measures aimed at the elimination of price distortions in factor, product and financial markets and included the liberalization of government controls over prices, exchange rates, interest rate ceiling and credit restrictions, and the opening up of the market to foreign capital,
products and competition through the removal of protective tariffs and import quotas.

Deregulation and regulatory reforms were seen as essential for stimulating growth and competition and for increasing the access of small scale enterprises and the informal sector to land, credit, services and building materials. The privatization of urban housing, infrastructure and service provision was encouraged either through direct sale to the private sector or through the contracting out of work in central or local government housing, service and infrastructure agencies or projects through competitive bidding. Here the role of government was limited to organizing tendering, monitoring the performance of contractors, technical control and contractor training. Contracting policies could be used to favour small or large, formal and informal firms wherever appropriate. Central and local governments could also use their own resources to advance the goals of market enablement. Measures commonly used included: the provision of trunk infrastructure; land development; regulation of construction; promotion of housing finance; and access of informal and small scale enterprises to credit, improved services, technical assistance and training in skills and business management. In allocating resources and contracts governments could disseminate locally-based building materials, processes and technologies.

Market enablement is carried out through a variety of national and local government agencies. NGOs are also widely used (often under contract) to mediate between the market and local government and to provide technical, legal, administrative and economic consultation and resources. Focal Institutions can be empowered to enable the market and the local state in areas such as the dissemination of research and advice on standards and specifications; training and technical assistance; marketing and project screening.

**Critical Analysis of Market Enablement Policies**

It is clear that enablement strategies involve a major restructuring of the relations between the public and private sectors. Although the general ideological drive is towards the elimination of the state from the market, in reality what has occurred is a new form of articulation of public and private capital established through a framework of asset transfer, partnership, mixed equity relations, franchises and concessions. The resulting reallocation of regulatory and productive functions and human, physical and financial resources is justified in terms of higher levels of growth, efficiency and productivity. The political and social consequences of this new alignment of the state and capital however are currently not well understood.

One concern that has emerged is that the concept of the state embodied in market enablement has diminished the equity, welfare and social goals embodied in state interventions and that the market does not generate socially-acceptable patterns of welfare distribution. State withdrawal through deregulation, privatization and marketization has thrown into question the basic equity
objectives embodied in such planning principles and instruments as the social function of land; the public character of services; differentiated tariffs; progressive taxation and subsidies, and social and spatial planning regulations and standards. This has occurred precisely at a time when the social and economic situation of those groups whose interests should have been protected by these measures has deteriorated dramatically.

Concern has also been expressed that some aspects of market enablement have been motivated more by the desire to relieve budgetary pressures derived from adjustment goals, than a concern to maximize efficiency gains. There is a fear that from this view enablement is seen more as a vehicle to deny traditional responsibilities than one to create new ones. Recently the relationship between enablement strategies and export-oriented adjustment priorities has been questioned—particularly the detrimental effects of reserving state finance for the tradeable goods sector, and the limitations of orienting informal sector output towards export markets.

A case can also be made that the generally pejorative view of the state held by neo-liberal theory - as the source of market 'constraints', 'supply-side obstacles' and 'price distortions' - has led to a 'passive' rather than 'active' role for the state in market enablement: most public resources have been used to remove state constraints rather than to actively stimulate resource mobilization.

It is also the case that the political aspects of market enablement are far from clearly understood. It would certainly be naive if not foolish to assume the political impartiality of these measures, or to ignore their political effects. It has been suggested that privatization and enablement measures have seriously disadvantaged the poor and sections of the middle class, and have benefitted owners rather than tenants, and the periphery rather than the inner city. The political consequences of these policies are far from clear and the question:

What has been the effect of market enablement on the nature and dynamics of urban politics? needs further research.

Some have suggested that the privatization of public goods and services delivery and the increased use of contractual relations may have contributed to a weakening of the influence of patron-clientage and traditional power structures in their allocation. Others have suggested that these structures either persist in the new arrangements or that they have been used to consolidate new constellations of political power. Certainly the question:

Do market enablement measures destroy or consolidate traditional power structures or create new ones?

needs further research. It is the case that enablement policies have politically strengthened certain groups and classes (small and large formal and informal sector entrepreneurs, merchants, foreign capital, real estate monopolies etc) and weakened others (private and public sector unions, the urban poor, civil
servants) and this has generated new political alignments and conflicts.

It is also difficult to see how market enablement policies can transcend the well documented conflicts of interest between and amongst producers and consumers and regulators over the allocation of urban public resources, and this question also needs further research. Questions have also been raised about the ability of NGOs to maintain their political neutrality as they are increasingly enmeshed in a web of contractual and financial dependence on national and local government and international agencies.

It is also clear that the methods of enablement and the restructuring of market and state relations in the provision of urban goods and services has had a profound effect on the position and role of the professional. It is true to say that the stress on economic efficiency has led to a more positive recognition of the economic significance of good architectural, structural design and planning practice. However, many professionals still have difficulty in accepting the subordination of long held technical and social parameters to more narrowly defined market imperatives. It is also clear that many aspects of enablement demand a new concept of professional practice based on a 'service-orientation' which requires the learning of new and broad skills, but the consolidation and codification of this practice is far from complete. The disorientation of urban professionals has been further compounded by the dramatic changes in the employment structures brought on by market enablement and adjustment measures. The shift from the public to the private sector has seen widespread retrenchment of full-time professionals especially at the central state level, and the expansion of short and part time contractual and consultancy work for contractor firms, NGOs, public and private agencies, and focal institutions. In some countries shortages of skilled personnel have been reported in local government departments given the low levels of remuneration offered. It is also the case that the increased emphasis on training and technical assistance, and need for skilled personnel in the redrafting of regulations and standards has created employment opportunities for some professionals in a new role. However little research has been carried out into the question:

What has been the effect of market enablement on the employment structure and opportunities of urban professionals?
Sub-theme B.

**POLITICAL ENABLEMENT, REORGANIZATION OF THE STATE**

The second of the three modes of enablement outlined in the Model is political enablement defined as a transformation in the structure and function of central and local government, the relations between them, and their relations with the market and the community. Political enablement is achieved through political/administrative decentralization, democratization, managerial and institutional reform the widespread use of NGOs and community based organizations and through adopting enabling strategies towards the market and community in the allocation of material and financial public goods and services.

The justification for these policies is based on a coherent theory of the state and central/local government relations that uses economic techniques and concepts to analyse political processes. Given that the optimal allocation of goods and services can only be achieved through the market, excessive government centralization and bureaucratization were amongst the main reasons why past development strategies had failed. Central government bureaucracies, particularly those associated with the welfare state model were inherently inefficient and inequitable (tending to benefit the middle classes) because in the absence of market disciplines and electoral accountability bureaucrats have a personal interest in budget-maximization and oversupplying goods and services through deficit financing. Centralized governments are prone to 'log-rolling' and 'rent-seeking' activities by corporate interest groups leading to the misappropriation or misallocation of government resources. The scale diseconomies associated with excessive centralization of power and administration included: the stifling of initiative and innovation, the proliferation of agencies with overlapping jurisdictions; professional compartmentalization; diminishing accountability, and growing problems with inter-agency coordination especially at the local level.

Similarly it was also argued that the failure of earlier policies (and in some versions project-based approaches) was due to weak, inefficient, inflexible and unaccountable local government which led to budget maximization, short-termism; inadequate planning and technical policies and practices; poor maintenance; inadequate local revenue-generation and inadequate cost recovery on user charges.

Neoliberal policy reforms were directed at 'rolling back' the state in line with a market-oriented ideal of a small and efficient service or customer-oriented state, which would increase initiative and redirect welfare expenditures. There would be cutbacks in the size of the central civil service, privatization of public agencies, ceilings on public expenditures and the introduction of competition and market disciplines in public bodies. Central/local governments relations would be restructured by diminishing or stabilizing the contribution of central government transfers, using fiscal incentives or penalties to encourage local efficiency improvements, and by encouraging competition between local authorities ("Tiebout forces"). There would be a fundamental decentralization of powers and resources to the local government level. Numerous models were
proposed involving a range of different financial, organizational and institutional alternatives. In some countries decentralization measures amounted to little more than a strengthening of central government local representatives and the delegation of powers to national decentralized parastatals. More commonly the central state retained control over fiscal transfers to local authorities and regulated the planning and execution of projects; whilst local authorities were given greatly increased power to choose, prioritize, plan and implement projects, and to raise revenues from services, local taxes and international loans. Decentralization of this type it was argued would give greater accountability; a more buoyant fiscal base, improved local coordination of state projects; improved cost recovery; better maintenance; improved contract management; better and cheaper services delivery and a more equitable distribution of public expenditures. However, it was also recognized that these goals could not be realized without policies to strengthen the managerial, institutional and planning capacity of local authorities. This was to be achieved through institution-building, training and technical management development; an increased emphasis on planning through incentives rather than controls; the abandonment of the project-unit approach, and the shift to city-wide or sectoral - level programmes such as land development and housing finance rather than projects.

In an increasing number of countries local government decentralization and empowerment have been associated with the extension and consolidation of democratic rights and a restructuring of the relationship between the state and civil society. Here decentralization takes the form of representation of local communities through a council or assembly, with strong powers over the local executive. Democratization is identified as a key element in political enablement for several reasons: making local elites accountable to the local electorate would decrease the incidence of rent-seeking; representation would better expose local needs and priorities; political freedom is inherently productive and innovative, the democratization of urban management and the political legitimation of local authority were necessary to obtain the reconciliation between technical efficiency and social effectiveness essential for efficient service delivery; and political representation was a necessary prerequisite for increasing local taxes and rates of cost recovery and for improving maintenance.

Political decentralization and democratization provide the context in which an empowered local government can advance enabling strategies with the local market and community. Here local government activities become a set of social and political practices through which popular demands and technical administrative responses can be negotiated, implemented and maintained. Local governments are expected to act as a force for enablement in a development style based on consultation, community participation and accountability. Local authorities increase their role in coordinating and facilitating households, community organizations, citizens' groups, self-help groups, cooperatives, NGOs and the various market enterprises to provide goods and services. Measures most commonly used include: the provision of trunk infrastructure and services; access to secure land tenure, credit, building materials, appropriate regulations and standards and skills training, and the propagation inexpensive
local technologies, materials and designs. NGOs, Focal Institutions and closely supervised contracts are widely used in regulating these relationships between the local state and the community (see Model).

**CRITICAL ANALYSIS OF POLITICAL ENABLEMENT POLICIES**

Political enablement clearly involves major transformations in the role of the state and its relationship with the community and the market. A number of issues are currently under debate. Neo-liberal discourse claims that political enablement does not imply a reduction in but rather a reallocation of government responsibilities with local government as the principal centre of empowerment. However, concern has been expressed that in practice though responsibilities have been transferred, the resources required to exercise them have not. This has raised the suspicion that the enthusiasm for decentralization derives more from adjustment requirements to relieve national public deficits and manage the debt crisis than it does from broader democratic goals. Certainly the World Bank has argued that a major element of enablement strategies is 'to leverage public resources to the greatest extent possible'. Experience from some developed countries has also shown that the 'downloading' of responsibilities for the effects of national austerity policies onto local governments also has a political pay-off when the central/local government cleavage corresponds to a political party division. It is also the case that the stimulation of local government revenues is a complex and lengthy process that despite current managerial reforms, will not generate significant revenue streams for some time. Without major central government transfers in the intervening period current trends for urban deterioration can be expected to continue for some time. The question therefore has to be asked:

**Are the goals of political decentralization related more to adjustment requirements than to internal socio-economic and political requirements?**

Debate also focussed on the significance of political enablement for the role of the central state. Some observers stressing the relationship between decentralization and structural adjustment policies involving 'political conditionality' arrangements with international agencies, see a two-fold weakening of the central state in Less Developed Countries as power flows upwards to these global agencies and downwards to sub-national units.

The wisdom of making municipal and local government the centre of political and administrative gravity has also been challenged on a number of grounds. In most developing countries local government is weak, inefficient, unrepresentative and lacks administrative, institutional and technical competence. An approach based on immediate empowerment without effective enablement could have serious consequences especially in those numerous countries which lack a local government tradition. Some have speculated that the transfer of powers of regulatory competence to local authorities with weak enforcement capacity within a general climate of strengthened private sector interests can lead only to a lack of regulation. Local governments vary greatly in size, population and
their actual and potential revenue bases. In the absence of fiscal equalization measures significant socio-economic, spatial and environmental inequalities could open up between them. The effects of 'municipally-centred' two-speed development could be particularly deleterious in urban areas. In many (and perhaps most) Developing Countries urban growth has spread over several municipal areas. The resulting 'municipal fragmentation' has led to different rates and types of urban development; different regulatory regimes, and irrationalities in the land market and the location and delivery of technical infrastructure and services. Given these characteristics many planners see municipal fragmentation as a major problem and view with some trepidation the effect of the encouragement of 'Tiebout forces' on integrated and effective planning. In this context two questions need to be asked:

**Will political decentralization further intensify the problems associated with the municipal fragmentation of urban areas? and Should decentralization measures be introduced before, after or as part of a broader package of reforms that harmonize political-administrative divisions with urban, spatial and environmental realities?**

Political enablement also requires fundamental changes in the nature of urban planning policies and offers new opportunities for changes in professional practice. In general there has been a shift from centralized regulatory planning that attempts to use master plans, prescriptive regulations and specified standards to guide urban development towards a desired end-state. In its place the more modest goal of orientating and modifying urban development through 'development planning' is suggested based on consensus on an outlined urban strategy embodying regional and environmental objectives. Development planning involves the use of incentives rather than control, relaxed and prescriptive regulations and performance standards. Some professionals doubt whether these powers are sufficient to guarantee an active planning posture given the urban demands and problems that will be generated by liberalized markets and enabled communities.

Concern has also been expressed that the dominant model of political decentralization is based on an excessively functionalist rationale with the different levels (central state, local state, community) being characterized by the different functions they realize in the planning cycle. Some have argued, however, that the various planning levels must be organized to correspond with spatial and environmental realities whose complex totality at each scale requires integrated territorial planning. In its absence they argue that there will be the separate and uncoordinated provision of goods and services leading to waste and inefficiency. Professional practice here involves the integration of cognitive tools with participatory techniques (geographical information systems, decision support systems, sensorial and aerophotos, participatory planning education).

It has also been argued that in its rigorous application of economic techniques and categories to understanding all aspects of human behaviour, neo-liberal
theory has misunderstood or conceptually downgraded the significance of the different political, social and cultural contexts in which markets operate and the impact of their policies on these contexts. This occurs despite the fact that enablement, democratization and decentralization effectively mean the intensified politicization of the urban development process. Indeed some critics have doubted the democratic credentials of the neoliberal theory of the state. In some Developed Countries the general ethos of a small, efficient state involved in a supplier-customer relationship with the users of its services has clashed with the traditional representative/citizen relationship embodied in the concept of democratic rights. Despite the emphasis placed on accountability, privatization and contracting-out have distanced the local population from access to local officials and elected representatives.

It can be argued that the political hazards associated with political enablement have been underestimated, downplayed or ignored by neo-liberal policymakers, but numerous examples can be given of these hazards. Local government empowerment can lead to an exacerbation of ethnic, religious and regional conflicts and the fragmentation of carefully nurtured national consciousness. It is widely recognized by ruling parties that political decentralization to the local government level often effectively empowers the political opposition and it is resisted on this count alone. The privatization or contracting out of public assets and services to foreign corporations can generate a lot of political heat. At the neighborhood level the recognition and empowerment of NGOs and CBOs is often resisted because it can undermine traditional party structures and allegiances.

The political issues involved in attempts to democratize urban management are also not clearly understood. The resistance of technical administrators on the basis of technical criteria to political attempts to assert control over service delivery has been noted. Others have argued that patron/clientage and traditional power structures can be strengthened by democratization and decentralization. Regional and local political bosses can exercise greater control over state resources and use them to consolidate electoral support, or new client sectors can be favoured by these policies. Some observers have noted that in some countries where National Solidarity Funds have been channelled through local governments, their allocation has frequently been guided more by political than welfare criteria. Attention has also centred on the political significance of the shift from projects to programmes. It is clear that an advantage perceived in the project mode of urban goods and services delivery in the past was the opportunities it offered for party political patronage ('project patronage'), a phenomenon which resulted in the atomization of urban political struggles. However, it could well be the case that city-wide and programme level operations might offer greater scope for the effective horizontal organization of urban social movements.

Political enablement also demands fundamental changes in the role of the professional. A professional reorientation is required as traditional practices, principles and tools are discarded and new responsibilities assumed (eg.
institution and capacity building, upgrading, contract management, programming, regulation, training and technical assistance). The democratization of urban planning and management involves negotiation over goods and service delivery and the institutional, administrative and technical practices to generate and administer them. Technical staff will be prone to resist these measures on the grounds that they might strengthen efficacy at the expense of efficiency. Conflicts can be generated over urban and housing standards, regulations, densities, built area and environmental indicators, access of the poor and policy priorities. The transfer of authority from planners to the planned and the general politicization of what were previously regarded as 'realms of technical expertise' will demand fundamental changes in professional attitudes and practice involving flexibility, persistence, communication and political 'nous'.

The ability of professional staff to make adjustments will depend greatly on training and motivation, in which job security, adequate monetary rewards, a clear structure of career promotion and the enhancement of professional status will be decisive. It is by no means clear given low wage rates in the local public sector, the large scale retrenchment of civil servants in the central state, and the trend towards contract and performance-related work whether these conditions are being met. In general little is known about the changes in the employment structure and the opportunities for urban professionals that have accompanied decentralization. Major questions that need clarification include:

Are more jobs for professionals created in local government than are lost at the central level? and Has the expansion in the job market in NGOs and private consultancies generated shortages of skilled personnel in the local public sector?
The third mode of enablement identified in the Model is community enablement which can be defined as a strategy adopted by central and local government to coordinate and facilitate the efforts of community and neighborhood-based organizations to initiate, plan and implement their own projects according to the principles of self-determination, self-organization and self-management.

The Model shows that there are several elements that make up the community enablement strategy but undoubtedly the most important is the increased significance attached to the principle of community participation.

Neo-liberal policy-makers have reassessed the role of community participation in line with an ideology that stresses the primacy of community and family responsibilities over institutional interventions, and the need for the mobilization of the resources of a revitalized civil society to fill the resource gaps between need, and the market and state capabilities.

This position contrasts sharply with previous attitudes and policies towards community participation. In the Fifties in the modernization period policymakers generally refused to promote community and neighbourhood-based organizations because their involvement contradicted the logic of centralized planning methods and accepted forms of delivery of conventional goods and services. Often the failure to accept participation was attributed to the egoistic and anomic values and attitudes of the poor which were identified as the social psychological traits of a condition of 'culture of poverty' or 'marginality'.

In the Sixties, however, the growing crisis in conventional methods and systems of urban goods and services delivery, and the search for political mechanisms for consolidating national identities and containing civil unrest led to the acceptance of a 'sweat-equity' concept of community participation. In numerous countries there was a rapid proliferation and expansion of national community development systems which organized neighborhood committees in a vertical hierarchy administered by a central state dependency (usually the Ministry of Government). Material, financial and technical assistance for local projects was often made conditional on a matching contribution of communal self-help labour and financial contributions.

In the Seventies the 'sweat-equity' model of community participation was encouraged in sites and services and squatter settlements and slum upgrading projects. Here central and local government agencies undertook the main planning initiatives, decisions, supervision, implementation and maintenance of projects and community participation was limited to self-help labour inputs to housing construction, infrastructure installation and some services (e.g. drain-cleaning). In the Eighties community participation in projects was expanded to include consultation on designs and plans and a greater role in implementation and maintenance though in general individual subcontracting to informal
builders was accepted as preferable to a self-help contribution in housing construction. NGOs were increasingly used as go-betweens, project initiators and implementation bodies in these types of project.

However, by the end of the decade, the limitations of this mode of community participation became apparent. In economic terms the reduction in labour costs attributable to self-help labour inputs was more than neutralized by administrative costs that were often higher than in conventional projects. Projects were put beyond the economic access of the poor who either sold up or rented within them. Within upgrading projects benefits tended to flow towards the owners with the costs being borne by tenants. Attempts at integrated planning were characterized by long delays, wasted resources, inter-agency conflicts, overlapping responsibilities, lack of coordination and disputes between agencies and communities. The project mode of goods and service delivery and the restricted ambit of participation resulted in the use of subjective particularistic or political criteria in the selection and development of projects. Inner city slums were often avoided because of political difficulties, and communities and neighborhoods were commonly selected on the basis of political allegiances and patronage networks. Political criteria often determined which leaders in the community were recognized within the project. Planners operating with 'technical criteria' ended up avoiding the poorest communities because of cost-recovery difficulties or because of the proposed project’s incompatibility with the master plan. Often overtly subjective criteria were deployed such as previous knowledge of a community or an opinion about its 'dynamism'. Within projects, participation commenced only after the participants had been chosen, the goals determined and the location selected, whilst pressure by project officials commonly led to an acceptance of an agenda geared to the rationale of the project cycle. The use of particularistic criteria in project selection and implementation, and the constraints on community participation resulted in irrational planning, increases in inequalities amongst the poor, an increase in communal conflicts and the atomization and non-replicability of project experiences.

By the early Nineties, these difficulties led to a fundamental reassessment of the role of community participation in the context of the theory of enablement. It was argued that communities should be the subjects rather than objects of planning and that the centre of organizational power and decision-making should rest with community and neighborhood-based organizations enabled by the actions of central and local government. Community enablement differed from earlier versions of community participation in that it shifted the organizational focus in the planning system to communities, it involved the exercise of vital decision-making powers by these organizations, it involved some measure of independent control of material and financial resources, and it legitimized the community organizations within a web of legal and institutional relations. It also involved major restructuring of the relations between the central and local state and the community. Here the central and local state initiated a range of enabling measures and reforms that coordinated and facilitated greatly-empowered communities to build up their own competence in initiating, planning, installing, operating, administrating and maintaining the delivery of urban
goods and services according to decisions and priorities established by themselfes.

Opinion differ on the degree of decision-making autonomy that should be invested in community and neighbourhood-based organizations in enabling strategies. Some propose that self-determined, self-organized and self-managed communities can only be achieved by making them the principal organizations governing future urban management. Others believe that community powers should be maximized only in those activities where there is a clear connection between input effort and output benefit, and in other activities they should share in decisions on the allocation of public resources. Other stress that maximum participation is not necessarily optimal and that the appropriate level of participation depends on 'policy dialogue' with the community. In all cases it is emphasized that the organization of the community and its leadership must represent the interests of all the community and must be accountable to them.

In the framework of community enablement the relationship between the local state and community organizations is governed by 'participatory planning' defined as community participation in decision-making on goals and priorities whose legitimacy is accepted by local authorities and which are used as guides for planning. These choices are harmonized with long term strategic goals and the final decision on the range of options presented is made by the community. The community mobilizes local human and financial resources and these efforts are then enabled through a variety of measures applied in a flexible planning practice where professionals adopt an advisory role. These measures include: granting of security of land tenure; the provision of services at reasonable cost; the extension of cheap, flexible and non-discriminatory credit; the allocation of a 'freely-disposable' component of the project budget to the community organization; the provision of tools, equipment and training, the relaxation of building codes and regulations; the promotion of local, low cost, appropriate technologies, building materials and components; the targeting of direct subsidies to the poor in the form of services or direct cash transfers, and the coordination of different responsibilities through project support communications and local information offices. In some models of community enablement the relationships between the community organizations and the local authorities are regulated by contracts that define rights and duties, the flow of funds and the arrangements for the construction and maintenance of the proposed facilities. Community contracts can be negotiated between the local state and the communities for the construction of minor works (lateral drains, streets, pavements, on-site sanitation, primary collection and treatment of solid waste, construction of communal buildings etc). Communities are expected to make a collective labour input, but they are also legally empowered to subcontract parts of projects to neighborhood cooperatives or small scale enterprises. Local authorities can also negotiate large scale contracts for major works (trunk infrastructure, new housing projects etc) with formal sector firms (market enablement). Large scale contractors can in turn subcontract parts of projects to communities but no self-help labour contribution is required. In all cases the local authority organizes the tendering and supervises quality and technical
Community enablement also gives a significant role to NGOs as mediators between the local state and the community (see Model). In general they provide technical, administrative, legal or economic advice and back-up facilities to the community-based organizations and adopt an advocacy role for the community in relation to the local state. NGO advocacy of a community organization is often regarded as a prerequisite for project support. In some cases NGOs are contracted by local authorities to administer projects or parts of projects under their financial and technical supervision. The advantages of using NGOs in this way are identified as: their image of non-partisan objectivity; their flexibility and commitment; their knowledge of local conditions, and their ability to generate local ties.

Some enablement models also empowered (again often through contractual relations) an 'External Support Agency' or 'Focal Institute' to coordinate and monitor institutional support and provide back-up services including dissemination of research into appropriate standards, technologies, local materials, products and components, advice on equipment and tools, and training in skills and project management (see Model).

The role of central government in promoting community enablement occurs in line with the enhanced role of the state in policy formulation and the decentralization of implementation functions to the local state. The role of the central state is to provide the general conditions that permit enablement to occur at the local and community levels through legal, organizational, regulatory and political reforms and the delivery of material and financial resources. Fundamental legal reforms are generally required that grant legal status to these organizations, given the widespread use of contractual relations, the allocation of more loosely-regulated public resources, the transfer of ownership of projects to community-based organizations, and the desire to establish public/community 'partnerships' on the basis of formal equality. International pressure has been placed on recalcitrant central governments to introduce human rights guarantees for women, the young, the old and the disabled into national legal codes. Some governments also consider it necessary to reformulate national legislation on the political and administrative structures of community organizations and NGOs in order to guarantee the propriety and the representativeness of these bodies, their leaders and committees. Reforms of national regulations relating to land ownership and transfer, service provision and urban development are often revised to foster community enablement strategies. These strategies in general are best served and applied when major political reforms towards democratization are pursued. In some countries direct central government enablement of communities occurs when credit and project funding are advanced to selected communities or NGOs through National Solidarity Funds.

The goals of community enablement vary depending on the degree of enablement pursued. Economic objectives are widely sought including: efficiency
gains derived from a stronger psychological commitment to the project by the
community: more efficient resource use and mobilization, and better designed
projects. Enablement is also seen as essential for introducing or increasing local
property taxes, securing cost recovery on user charges and for efficient and
effective maintenance of goods and services. Increased accountability and
representation, it is argued, will also cut down on corruption and particularism
in the allocation of goods and services. Some architects and planners argue that
in the framework of community enablement their profession can be used to
help strengthen local and popular identities. On the left some argued that
community enablement and participatory planning in the context of democrati­
zation can open the way for alliances of community and neighbourhood-based
organizations that will strengthen the position of the urban poor.

CRITICAL ANALYSIS OF COMMUNITY ENABLEMENT POLICIES

The debate on community enablement has centred around the question of the
nature and role of the state and the community, the politics of community
enablement and the changing role of the professional. In general critics have
focused on the overly functionalist, "economistic" and consensual view of the
state and community projected by policymakers, and the general lack of ap­
preciation of the conflicts of interests between and within the state, the market
and the community which are manifested in the process of urban growth and
development. Moreover it is argued that community enablement policies can
exacerbate as much as diminish these conflicts as well as generate new ones.
Others argue that some of these conflicts of interest are so deeply rooted as to
make the ultimate ideal of self-determined, self-organized and self .... managed
communities unworkable. A general question prompting analysis then is:

Do community enablement policies reflect or transcend the conflicts of
interest involved in urban growth and development?

If community enablement policies are examined in the context of the relati­
onships between social, economic and political interests and the state, the
market and the community a number of issues can be identified.

Links between government and special interests in urban development have
long been recognized (eg.landowners, constructors, financiers, building materi­
als producers etc). In many areas market enablement is welcomed by these
interests because it strengthens their economic and political clout, and has
positive economic rewards. In other areas where policies threaten these
interests, conflicts with government will persist. As evidence, observers have
pointed to the opposition of landowners and industrial construction interests to
the emphasis on upgrading activities rather than the creation of new housing
stock, and the lack of serious effort in commercializing low cost, local building
materials and technologies.

More research is certainly required on the winners and losers in the formal
and informal sectors realizing enablement policies for urban development,
and their political positions.

The support of these interest for community enablement can also be based on their recognition of its economic imperatives: the inability to raise local taxes; to achieve full cost recovery and to foot maintenance bills without participation and representation. However full community enablement is often feared by these groups because of the development of economic and political conflicts of interest. Indeed a commonly-heard argument has been that the reluctance of government to enable communities derives from the belief that the expansion of participation leads to the intensification of these conflicts of interest along the path of social transformation.

Support of these policies can be expected from particular groups and communities insofar as they represent an improvement on earlier arrangements. In this context the significance of pre-existing traditions and a culture of community organization affects the feasibility of community enablement policies. At the same time sustained support by the communities for these strategies must depend on a flow of benefits at least commensurate with their efforts and obligations. Effective and efficient participatory planning depends on a "social agreement". However, it is a moot point whether community enablement strategies can sustain popular support and develop long-standing structures when they are being articulated by a state which is urged to abandon equity and welfare goals in the pursuit of economic growth; which imposes austerity policies with an unjust distribution of social costs, and which increases the burden of taxes and user charges on low income groups. Whatever the outcome it is clear that two question are seriously in need of research:

Under what circumstances do the goals of market and community enablement conflict? and 'What coalition of economic and political interests in the state is required in order to advance community enablement policies?"

Perhaps the contradictions between enablement policies and conflicts of interests are best revealed in the inner city. Given the continuation of policies to secure urban renewal and redevelopment, the general absence of a policy for rental housing, the continued neglect of inner city areas, and policies that will increase property taxes, user charges, abolish rent controls and reduce the coverage of subsidies, it is difficult to see why the poor would support enablement measures. Indeed governments have been reluctant to empower grass roots organizations in inner city areas because they create obstacles to the exercise of politically and economically sensitive planning powers (eg. compulsory purchase) required to facilitate not the poor but the commercial property interest linked to urban renewal, gentrification and the conversion of residential to commercial and public land uses. Some have argued that the state itself has an inherent interest in increasing rents and tax revenues in inner city areas. The concept of community enablement as being 'non-conflictual' in inner city areas is hard to accept. Currently the problems associated with involuntary displacement, eviction and compulsory resettlement are being discussed, and it is widely accepted that the numbers involved will increase substantially in the
future. However, the question:

Is there a contradiction between the enablement of local community organizations and the ability of the state to restructure inner city areas in pursuit of a perceived economic necessity? has scarcely been asked.

The opposition of interests within the local and central state to community enablement should not be underestimated and is the source of much resistance to new policies in several countries. These interests are not explicitely dealt with in current theories and research is needed into identifying their nature. In its absence the question:

Why should the 'rent-seekers' in the state transfer power to those who would terminate these transfers? remains to be satisfactorily answered.

Community enablement can also unlock conflicts of interest between the local and central state. Most of the political problems here revolve around the question of the effects of community enablement on local traditional party and power structures and their relationship with national power structures. On the left support for these policies has been based on their potential for increasing political mobilization and raising consciousness. Certainly a question of utmost political concern is:

Does community enablement create a new alignment of social and political forces within the community organizations or does it strengthen traditional patron/clientage structures and political allegiances?

An interesting issue that has received little attention has been the relationship between community enablement policies and the centralized community development structures created in the past. A number of questions present themselves:

Are community enablement policies to be implemented within existing community development structures or alongside them? Should community development structures be decentralized and democratized to allow local federations of recognized communities? and Does the development of a bottom-up community-focused system require the abolition of existing centralized community development structures?

Given that these systems were often created in the past to assert national development priorities in local urban and rural planning, it is not difficult to predict strong central/local political conflicts over these issues.

Concern has also been expressed about the concept of 'community'embodied in current enablement policies. The concept of communities as human groups with a high level of social interaction and with common goals, it is argued, has led to a tendency to overestimate their homogeneity and communality of interest.
The significance of internal differentiation, heterogeneity and conflicting interests within communities for community enablement policies has not been fully appreciated.

The sources of this heterogeneity are well-known: ethnicity, culture, political allegiance, migratory status, occupational skills, tenure status, family size, employment status, levels of education, income differences etc. Issues of concern include the tendency of certain groups to dominate community organizations and resources and run them in their own interests; difficulties in mobilizing transient populations into sustainable community organizations; the problems of 'communities within communities'; the articulation of traditional structures and allegiances with 'modern' political/administrative structures; the equitable allocation of obligations and benefits between tenants and owners; and the politicization of community affairs under the dynamic of competing political leaderships. It has been argued that the 'homogenization' of the community has made policy makers blind to the impact of these differences on enablement policies, and the effect of enablement policies on these differences. It is generally accepted that the smaller and less heterogeneous the community the better the opportunities for community enablement. However realizing large programmes through small projects involves high administrative costs and discounts economies of scale, whilst the screening of project participants is politically highly controversial and unworkable. The criteria for defining and empowering communities therefore need to be made clear:

What criteria are to be used for the definition and legal recognition of community and neighborhood-based organizations? and What measures are necessary to ensure the accountability and representative nature of these organizations?

The problems of politicization associated with enablement policies also affect the role of NGOs. In recent years the increasing dependence of NGOs on local and central state contracts and international aid agencies has led to doubts at the grass roots level of their political impartiality; and some governments have identified international links with local NGOs as a way of by-passing central government control over the direction of urban and rural development. Where the costs of NGOs have been borne by local public administration, doubts have been cast by some on whether the total administrative costs involved merit the perceived efficiency gains and whether they are sustainable on a large scale.

A major problem is that despite some important clarifications and extensions of the concept of community participation into the realm of decision-making, doubt remains about precisely how much power, authority and responsibilities these policies are going to transfer to communities. On the Right the emphasis has been on integration of communities into power structures, partnerships and power-sharing; whilst on the Left enablement has been seen as a shift towards a decentralized coalition of autonomous and empowered communities. Though it is argued that the shift of decision-making powers must be guided by efficiency criteria for service delivery, project implementation and maintenance it is far
from certain at what level decision-making powers will reside.

Current ideas on community enablement are of great interest to architects and planners, because they relate to debates in the Seventies and Eighties on the differences between 'autonomous' and 'heteronomous' systems built and managed under 'dweller control'. The question:

**What is the relationship between the allocation of decision-making powers in current community enablement policies and the concept of dweller control?** is certainly of great professional interest.

It is also hardly surprising that community enablement has also brought up another of the major preoccupations of professional discourse in the recent past - the role of the professional, the planner and architectural practice. It is in the context of community enablement that the most significant changes in this role will occur. It is clear that enablement will involve an unprecedented politicization of professional practice, and professionals will have to develop special skills in this area. A reliance on direct personal contact; an understanding of the consequences of the rapid modernization of urban dwellers, and the complexity of interests involved in urban servicing, sanitation and environmental issues is required. Amongst the issues that need careful professional consideration are the significance of the economic informalization and the need for flexibility of land uses at the different planning levels. Peoples rising expectations and reliance on material status, and the widespread commodification of the building process must also be taken into account. In general a professional acceptance of lower standards, and flexible administration and budgeting also seem to be necessary qualities. A service rather than supervisory function is seen as essential as is an increased emphasis on training and technical assistance.

Many of the current problems in the professional discourse on enablement centre on the failure to differentiate its three forms- market, political and community - and the tendency to equate enablement with one of these forms. However countries vary widely in the relative importance they give to these forms. In general market enablement has been the most common, and political enablement has been less common, whilst successful examples of community enablement have been the least common. However, it can be fairly concluded that the shift from self-help to enablement is undoubtedly one of the principal themes in the evolution of Third World urban policies over the last twenty years.
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