

Local Agenda 21 and Poverty

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Table of contents

Abstract 4

Résumé 5

Introduction 7

1. Local Agenda 21 and poverty 10

- 1.1. Poverty: Who and Why? 10
 - 1.1.1. Who? 10
 - a. Definition of poverty 10
 - b. How to measure poverty? 11
 - c. Who are the poor? (hidden poverty, culture and poverty, poverty and social exclusion) 11
 - 1.1.2. Why? 14
- 1.2. Poverty reduction: How and who? 15
 - 1.2.1. How? 15
 - Instruments: 15
 - a. Economic growth 15
 - b. Poverty reduction strategies according to the DAC Guidelines 16
 - c. Poverty targeting: social funds 19
 - 1.2.2. Who? 21
 - a. State 21
 - b. National actors (civil society organisations, community organisations, private sector) 21
 - c. International donors 23
 - d. The poor themselves (informal sector, survival strategies) 23
- 1.3. Specifics of urban poverty 25
- 1.4. Local Agenda 21 versus poverty reduction? 27
- 1.5. Environment and poverty: a difficult marriage? 30

2. The limited scope of poverty reduction and Local Agenda 21 activities in crisis ridden countries: the case of the Democratic Republic of Congo - Kinshasa. 38

- 2.1. Poverty in Kinshasa: Who and Why? 38
 - 2.2.1. Who are the poor in Kinshasa? 38
 - 2.2.2. Why? 40
- 2.2. Specifics of urban poverty: the case of Kinshasa 41
- 2.3. Poverty reduction: a Belgian contribution (DGIS/BTC) in times of crisis 42
 - 2.3.1. Why a Social Urban Fund in Kinshasa? 43
 - 2.3.2. Some critical observations 44
- 2.4. The Belgian contribution and Local Agenda 21 45

Bibliography 47

Abstract

Poverty, the increasing urbanisation of poverty and the environmental degradation are major problems facing the actual world. This is reflected in international conferences and agendas, such as Local Agenda 21. This agenda is responding to the current problems by promoting sustainable development through local action and by using participatory methods. Our major concern is to reflect on the impact of the Local Agenda 21 on the reduction of poverty in a Third World context.

In a first approach, we will reflect on poverty and concentrate in particular on the growing dimension of urban poverty. Because of this evolution, the international institutions are more and more concerned about urban poverty. For instance, the United Nations decided to give priority to a sustainable urbanisation, which is reflected in the UN Agendas: Local Agenda 21 and the Habitat Agenda.

In a second approach, we consider the Local Agenda 21 as an interesting framework to come to sustainable development and poverty reduction. Even so, we have some restrictions concerning the possibility to apply all its principles in a developing world context. As observations demonstrate, Local Agenda 21 activities are less presented in the developing world than elsewhere, due to the fact that Local Agenda 21 is often perceived as an “environmental” agenda and rather one for the developed countries. This is reinforced by a lack of financial means, information and expertise.

By looking at the wide range of obstacles facing the development of a Local Agenda 21 in Third World countries, one can say that in many cases the international agendas are excellent theoretical instruments, but by trying to use them in Third World contexts there is often a huge gap between what is ideally prescribed and what is possible in practice. In this paper, we will give the example of the Democratic Republic of Congo, where in a situation of economic regression and an almost absence of the State, a Local Agenda 21 is a very difficult and hard to reach objective. However, interventions are possible, even the ones somehow inspired by the principles of Local Agenda 21, such as the Social Urban Fund in Kinshasa.

It has to be said that if there are some LA 21 activities in the developing countries, the main preoccupation will be economic development as a means to realise poverty alleviation, whereas LA 21 prescribes sustainable development with environmental concerns at the front page. However, by reflecting on these apparently opposite priorities, we came to the conclusion that poverty concerns and environmental protection are complementary with the former not excluding the latter and both contributing to sustainable development.

Résumé

Actuellement, le monde est confronté aux problèmes de pauvreté, de la croissance de celle-ci dans les villes et de la détérioration de l'environnement. Ceci se reflète dans des conférences et des agendas internationaux, comme l'Agenda 21 Local. Cet agenda répond aux problèmes actuels en promouvant le développement durable et en utilisant des méthodes participatives. Dans cet article, notre préoccupation principale est de réfléchir sur l'impact de l'Agenda 21 Local sur la réduction de la pauvreté dans le Tiers Monde.

En premier lieu, nous analyserons le phénomène de la pauvreté en se focalisant surtout sur l'augmentation de la pauvreté urbaine. Cette évolution fait que les institutions internationales sont de plus en plus préoccupées par la pauvreté urbaine. Par exemple, les Nations unies ont décidé de donner la priorité à l'urbanisation durable, ce qui se reflète dans leurs agendas comme Agenda 21 Local et le Programme pour l'Habitat.

En deuxième lieu, nous considérons l'Agenda 21 Local comme un instrument intéressant pour réaliser le développement durable et la réduction de la pauvreté. Toutefois, nous avons des réserves concernant la possibilité d'appliquer tous ces objectifs dans le contexte des pays en développement. Des observations démontrent que les activités dans le cadre de l'Agenda 21 Local sont les moins présentes dans les pays en développement, ce qui est dû au fait que souvent ces pays perçoivent cet agenda comme un agenda "environnemental" et donc plutôt destiné aux pays développés. En plus, dans la plupart des cas, les moyens financiers, l'information et l'expertise manquent.

En regardant aux nombreux obstacles qui s'opposent au développement d'un Agenda 21 Local dans le Tiers Monde, nous pouvons dire que les agendas internationaux sont souvent des instruments théoriques excellents, cependant si on essaie de les utiliser dans le contexte du Tiers Monde, on est confronté à un fossé énorme entre ce qui est décrit idéalement et ce qui est réalisable. Dans ce papier, nous donnerons l'exemple de la République démocratique du Congo, où dans une situation de régression économique et d'instabilité politique, les objectifs de l'Agenda 21 Local sont très difficiles à atteindre. Cependant, des interventions sont possibles, même celles qui sont plus ou moins inspirées par les principes de l'Agenda 21 Local, ce qui est illustré par le Fonds social urbain à Kinshasa.

Il faut ajouter que s'il existe des activités dans le cadre de l'Agenda 21 Local dans les pays en développement, l'objectif principal sera le développement économique comme moyen d'arriver à la réduction de la pauvreté, tandis que dans l'Agenda 21 Local l'accent principal se trouve sur la protection de l'environnement afin d'obtenir un développement durable. Toutefois, il ressort de cet article que ces priorités apparemment contradictoires, c'est-à-dire, d'une part la préoccupation pour l'environnement et d'une autre part la préoccupation pour la lutte contre la pauvreté ne s'excluent pas mais se complètent pour arriver au développement durable.

Introduction

There are many reasons to be optimistic about the future. More people are better fed and housed than ever before, global literacy rates are increasing and more people have access to better health care. Despite these significant gains, however, the need to stop the increase in poverty while at the same time reducing the current trends of environmental degradation remains one of the world's greatest challenges. It is essential to tackle these two challenges simultaneously, since it is abundantly clear that the poor suffer disproportionately from the ill effects of environmental decline. The major conferences convened by the United Nations in the 1990s shared a common vision on sustainable development, which went beyond the economic realm to incorporate the social and environmental dimensions of human well-being. Poverty and environment were central themes of these conferences. As will be presented, Local Agenda 21, for instance, devoted a chapter to the relationship between poverty and environmental problems, which will be an important issue of this paper.

Some numbers may be necessary to illustrate the economic and social evolution in the developing world. According to the DAC guidelines on poverty reduction¹, life expectancy has increased by more than 20 years (from 41 to 62) over this period. Infant mortality rates have been halved and primary school enrolment rates have doubled. The share of rural families with access to safe water has risen from 10% to more than 70%. Average incomes, health and literacy improved more in developing countries in these 30 years than they did in OECD countries in the past century. But income poverty remains a challenge. The number of poor people increased in most regions. More than 1, 3 milliard of people survive with less than US\$1 per day, in other words they are living in absolute poverty. Moreover, almost half of the world's population of six billion still lives below the two-dollars-a-day-poverty line. And extremely poor people continue to be heavily concentrated in South Asia, which has the largest number of the world's poor (43% of the total), and in Africa, which has the highest proportion of its population living in poverty (48%). Today extreme poverty ravages the lives of one in every four people (or 1.2 billion) in the developing world. In the last 10 years alone, the number of poor people in Sub-Saharan Africa rose by more than a third. One in every three children in developing countries is unable to complete five years of education - the minimum required for basic literacy. One in every 12 children born this year will die of disease or malnutrition before her or his fifth birthday. And HIV/AIDS continues its spread, erasing decades of development progress and exacting immense and tragic costs from children, families, communities and societies across the developing world. Strong and decisive action is needed to improve this situation, particularly in view of the additional challenges posed by the 2 billion people projected to be born in developing countries over the next 25 years. Robust, broad-based growth and improved access to social services will be the key factors in reducing poverty. But progress will also depend on success in reducing inequalities. While the

¹ The DAC Guidelines on poverty reduction. OECD, 2001, p. 31.

developing world as a whole experienced reasonable economic growth during the 1990s, the total number of poor remained the same. Why? Because overall inequalities increased, particularly between countries, but also within countries, where gender is an important dimension explaining widening disparities. The UN estimates that women account for close to 70 % of the world poorest people. Progress in reducing poverty involves tackling inequality, since poverty is falling much more rapidly with economic growth where inequality is lower. The progress made over previous decades gives one confidence that poverty can be overcome and development achieved. Eradicating poverty will call for sustained, adequately resourced and co-ordinated actions across the full spectrum of government policies and development co-operation activities. Although, poverty remains a rural phenomenon, its urban dimension is defined as one of the most serious problems of our planet, especially in Sub-Saharan Africa that has an urban growth of 4 % or the double of the rest of the world.²

The general Assembly of the United Nations made the eradication of poverty one of its main objectives for the 1990's. It declared the period of 1997-2006 as the first decade of the United Nations for the eradication of poverty. The reduction of poverty and global inequalities is not only a moral concern; it is essential to the global common interest as well, given the potential impact on regional and global security, international co-operation, sustainable development and prosperity. Developing countries must assume leadership and formulate effective national strategies for reducing poverty.

As poverty is a global problem, the different international authorities in development issues formulate their visions and strategies on the eradication of this destabilising factor. In this paper we will give an overview of the definitions of poverty, its victims, its causes and consequences and concentrate in particular on the growing dimension of urban poverty. At this moment, a rapid change of the world's image can be observed because of two tendencies: rapid population growth and growing rural exodus. For the first time in history more than half of the world's population is living in urban areas. This evolution of growing urbanisation makes that municipal authorities have a primordial role in combating poverty. However they lack often financial and technical resources to realise necessary action to alleviate poverty. Because of this evolution, the international institutions are more and more concerned about urban poverty. For instance, the United Nations decided to give priority to a sustainable urbanisation, which is reflected in the UN Agendas: Local Agenda 21 and the Habitat Agenda. The 21st century can be defined as the one of the cities, which leads to a need to come to sustainable urban settlements. In this paper, we consider the Local Agenda 21 as an interesting framework to come to sustainable development and poverty reduction. Even so, we have some restrictions concerning the possibility to apply all its principles in a developing world context. One of the explanations has been mentioned above: a lack of financial and technical resources to implement the objectives prescribed in the international agendas. In many cases the international agendas are excellent theoretical instruments, but by trying to use them in Third

² Luzolele Lola Nkala L., S. Marysse and T. De Herdt, *La pauvreté urbaine en Afrique Subsaharienne, le cas de Kinshasa*. 1999, p. Avant propos.

World contexts there is often a huge gap between what is ideally prescribed and what is possible in practice. In this paper, we will give the example of the Democratic Republic of Congo and more in particular of Kinshasa, where in a situation of economic regression and an almost absence of the State, a Local Agenda 21 is a very difficult and hard to reach objective. In the context of Kinshasa, there are interventions inspired by the principles of Local Agenda 21, but they are proposed and financed from outside and more particularly in the case of the Social Urban Fund in Kinshasa by the Belgian international co-operation. By comparing the intervention in Kinshasa under the form of a Social Urban Fund with the LA 21 objectives, some problems linked to a poverty-ridden society can be clarified. As has been demonstrated, most of the Local Agenda 21 activities are concentrated in the North with a main focus on environmental issues, whereas, if Local Agenda 21 activities exist in the South, they are in the first place concerned with economic development and poverty reduction. At first sight, these two approaches can be interpreted as contradictory, but if we analyse them more in detail, we will see that poverty reduction and economic development as a means to it are not in contradiction with sustainable development, but can even be seen as an integrated part of sustainable development. Therefore, poverty reduction should be a priority on the LA 21 in order to reach the objective of sustainable development. That is why our attention will go especially to the analysis of the extent of poverty alleviation concerns in this agenda. An important issue that will appear out of this presentation will be exactly the links between poverty and environmental degradation. The paper will be divided into two parts. The first part will be a more general one, focussing on poverty, the urbanisation of poverty and poverty reduction strategies, such as the social funds. An important chapter will be devoted to the analysis of poverty reduction concerns in the Local Agenda 21 and the links between poverty and the environment in the Local Agenda 21 and more in general. The second part will give a concrete example of a poverty-ridden society, such as we can find in Kinshasa. We will focus on a specific poverty reduction strategy, financed by the Belgian Co-operation (DGIS/BTC): the Social Urban Fund. To conclude a comparison will be made between this intervention and the Local Agenda principles. The contents of this paper that has been prepared for the conference on the Local Agenda 21 (Brussels, 4-5 October 2002) draws on previous work of the authors and on the tradition of poverty and development studies at the University of Antwerp.

1. Local Agenda 21 and poverty

1.1. Poverty: Who and Why?

1.1.1. Who?

In order to know who the poor are, it is useful to give a short definition of what poverty is and how it can be measured.

a. Definition of poverty

It is important to understand clearly what poverty is about. Different ways of understanding poverty lead to different ways of dealing with it. There is however no general agreement on the definition, standard and depth of poverty. In terms of how the government views it, the poor are usually defined as those falling below some standard and, therefore, forming a target group for particular policies. Traditional measures of poverty consider whether individuals or households have adequate food or sufficient income to purchase it. Income is a useful indicator or synthetic aggregate for poverty measurement but definitions of poverty based on income levels do not reflect the many forms of deprivation poverty contains, including the lack of assets, rights, access to the services essential for health and literacy.

The World Development Report 2000/2001 defines poverty as “pronounced deprivation in well-being.”³ What is precisely deprivation? It is not only to be hungry, to lack shelter and clothing, to be sick and not cared for, to be illiterate and not schooled but also to be vulnerable, voiceless and powerless. All these forms of deprivation severely restrict what Amartya Sen calls the “capabilities that a person has, that is, the substantive freedoms he or she enjoys to lead the kind of life he or she values.”⁴

It was the Nobel Prize in Economic Science Winner (1998) Amartya Sen who brought the innovation in the conceptualisation of poverty by describing poverty not only in instrumental terms of income, which led to the multidimensional concept of poverty. In his book *Development as Freedom* he stated: “... poverty must be seen as the deprivation of basic capabilities rather than merely as lowness of incomes, which is the standard criterion of identification of poverty.”⁵ However, Sen insisted on the fact that “capability-poverty does not involve any denial of the sensible view that low income is clearly one of the major causes of poverty, since lack of income can be a principal reason for a person’s capability deprivation.”⁶

The approach of Amartya Sen to poverty is centred on two key concepts: entitlements and capabilities. As already has been mentioned, capabilities refer to what a person can actually do and be. They imply both a material aspect (e.g. access to goods for consumption, abilities to be economically active) as well as an intangible aspect (e.g. feeling sufficiently self-confident, or the ability to appear in public without shame). The second key contribution of Sen’s work is the concept of entitlements, which refer to the claims people can make on resources around them to build secure, satisfying and sustain-

³ World Development Report 2000/2001, p.15.

⁴ World Development Report 2000/2001, p.15.

⁵ Sen A. *Development as freedom*. 1999, p. 87.

⁶ Sen A. *Development as freedom*. 1999, p. 87.

able livelihoods. The claims over resources are determined both by a person's position in society and by the rules of entitlement. By defining the complexity of poverty, the question emerges how to measure this multidimensional concept.

b. How to measure poverty?

As poverty is a multidimensional concept, there are different measures to indicate the level of poverty. Firstly, there is the **absolute poverty line**, which is set at a minimum standard of nutrition and consumption. This permits the identification and statistical analysis of those households falling under this minimum standard and it allows monitoring the numbers as well as the proportion of poor people over time and among countries, and the depth and severity of poverty.⁷ The most common poverty lines for international comparisons are the US\$1 a day per person or US\$370 per person a year for low-income countries and the poverty line of 50% of the expenditures spent on food, both adapted to the purchasing power of each country. The last one is defined as the income needed to feed a person in order to keep its physical capacities. Since people have also other expenditures than food, this poverty line is also an indicator of malnutrition. Further, there has been made a distinction between the absolute poverty line and the **absolute poverty line of extreme poverty** fixed at US\$275 per person a year. The **relative poverty line** is fixed according to an average level of income. The poor are defined as the ones that do not reach this medium level. This line makes it possible to localise the poorest people in a society but because of its relative character it is less useful for international comparison.⁸

⁷ The DAC Guidelines on poverty reduction. OECD, 2001, p. 42.

⁸ Luzolele Lola Nkala L., S. Marysse and T. De Herdt, *La pauvreté urbaine en Afrique Subsaharienne, le cas de Kinshasa*. 1999, p. 20.

Box 1: Poverty lines

- **Absolute poverty line:** < US\$ 1 per person a day or US\$ 370 per person a year
>50% of the expenditures spent on food
- **Absolute poverty line of extreme poverty:** US\$ 275 per person a year
- **Relative poverty line:** fixed according to an average level of income

Although income poverty lines have their value, they do not inform us about the inequality of income between the poor families or within a family, what is called hidden poverty, or about the impact of culture on poverty and poverty as social exclusion. This brings us to the important question who the real poor are. In order to answer this question we will mainly refer to the work of Amartya Sen Development as freedom and to the findings of a study on urban poverty in Kinshasa "*La pauvreté urbaine en Afrique Subsaharienne, le cas de Kinshasa*".

c. Who are the poor?

This question is relevant for different levels of society: individual, household, community, district, regional, and so on. National demographic and household surveys provide useful data on average levels of income or consumption and their distribution, but without more specific information

the poor cannot be identified through national statistics. Pro-poor planning should define social categories using such attributes as gender, ethnicity, religion and culture, location and livelihood status as well as the type of household: that is, the number of members, their age distribution and the gender of its head. Despite the difficulty of precise measurement, knowledge from different sources can often be used to identify the poor. Social categories known for severe poverty in several dimensions are indigenous, minority and socially excluded groups, refugees or displaced persons, the mentally or physically disabled and HIV/AIDS victims. Women and children are especially vulnerable, for example elderly widows and unsupported female- and child-headed households, and street children. In many societies, these groups are the poorest of the poor and require special attention in policy action for poverty reduction.⁹

As has been demonstrated, poverty lines exist to determine who the poor people are. However, these poverty lines give only an approximate answer and do not take into consideration inequalities among the poor families and within the families and, by consequence, cannot reveal hidden poverty.

Hidden poverty

This is why Amartya Sen focuses on the fact that **“distribution within the family raises further complications with the income approach to poverty.** If the family income is used disproportionately in the interest of some family members and not others (for example, if there is a systematic “boy preference” in the family allocation of resources), then the extent of the deprivation of the neglected members (girls in the example considered) may not be adequately reflected in terms of family income. This is a substantial issue in many contexts; **sex bias does appear to be a major factor in family allocation in many countries.** The deprivation of girls is more readily checked by looking at capability deprivation (in terms of greater mortality, medical neglect, and so on) than can be found on the basis of income analysis.”¹⁰ For instance in India, mortality rates for females are higher than for males. “The main culprit would seem to be the comparative neglect of female health and nutrition, especially - but not exclusively - during childhood. There is indeed considerable direct evidence that female children are neglected in terms of health care, hospitalization and even feeding.”¹¹

In Kinshasa, the same observation can be made as in India: women are the poorest among the poor, especially the widows, divorced women and mother-girls. These women are themselves responsible for the survival of their children and cannot sufficiently rely upon family ties of solidarity. By consequence, concerning the malnourished children, the worst off are those children whose father is not living with them. Unsupported women are found in large numbers in the cities of Third World countries and often suffering extreme poverty¹². It is estimated that 30% of households world wide are women-headed.¹³ **The poor themselves define the “poor” as the ones that are deprived of all kind of support** (familial or other), they do not have anyone or anything to rely on and these are not necessarily the ones defined as “poor”

⁹ The DAC Guidelines on poverty reduction. OECD, 2001, p. 41.

¹⁰ Sen A. Development as freedom. 1999, p. 89

¹¹ Sen A. Development as freedom. 1999, p. 106.

¹² Hurley D., Income generation schemes for the urban poor. 1990, pp. 19-20.

¹³ Hurley D., Income generation schemes for the urban poor. 1990, p. 20.

according to the poverty lines. In general, it can be observed that in urban settings, the poor group themselves in the socio-economic grouping called the household. The concept of a household is rather different from the concept of the nuclear family. Households are essential social structures, which can range in size from one individual to a large extended family. As this structure can be seen as a survival strategy we will come back on this issue by tackling the survival strategies. But interesting to mention here is that these households are often composed of the poorest or most vulnerable members of society. For instance, women with dependants without substantial male or other family support, children without sufficient parental support, social outcasts such as some disabled and mentally ill people, single unsupported migrants, single sex groups of migrants from the same area or clan, etc.¹⁴

Culture and poverty

A second element that is not reflected by the poverty lines is the impact of culture on poverty and vice versa. As already mentioned, **important disparities of poverty exist within the household and this is often due to deeply ingrained cultural and social factors.** Many cultures encourage a low level¹⁵ of male responsibility, especially at the household level. In this case, women are obliged to look for their own income and for that of their children. “Despite the crucial dependence of many households on women’s income, women are far less likely than men to have been given the skills or education necessary for successful income generation and the position of women in most societies is such as to greatly restrict their opportunities to earn cash income. The almost universal primary responsibility of women for childcare reduces their work options and often forces them into homework, while they suffer far greater cultural restraints than men on what they are permitted to do.”¹⁶ In some cultures it is even unacceptable for women to leave the home at all, let alone to work outside. This prohibition is a serious violation of women’s liberty and gender equity. According to Amartya Sen: “The absence of this freedom militates against the economic empowerment of women, and also has many other consequences. Aside from the direct effects of market employment in adding to the economic independence of women, outside work is also causally important in making women have a better “deal” in intrahousehold distributions.”¹⁷

Poverty and social exclusion

A third important issue that cannot be demonstrated by using the poverty lines to measure poverty is the social exclusion as a consequence of poverty. This exclusion appears when the individual is not any longer able to take part in the life of the community. The economic and social drop out is extending to the cultural sphere by destroying the different social ties. Social exclusion may lead to “losses of self-reliance, self-confidence and psychological and physical health.”¹⁸

In the same way that culture can have an impact on the widening and deepening of poverty, poverty also can have an impact on the cultural values and on the social texture. It can be said that **from the cultural point of view,**

¹⁴ Hurley D., Income generation schemes for the urban poor. 1990, p. 8

¹⁵ Hurley D., Income generation schemes for the urban poor. 1990, pp. 17-18.

¹⁶ Hurley D., Income generation schemes for the urban poor. 1990, p. 21.

¹⁷ Sen A. Development as freedom. 1999, p. 115.

¹⁸ Sen A. Development as freedom. 1999, p. 21.

poverty destroys the family links and sharpens individualism. More and more people are unable to keep relying upon interpersonal solidarity ties. In this perspective, one of the statements of Drèze and Sen is that in periods of crisis, traditional solidarity as well as institutions are likely to decline: “in times of famine, the ordinary rules of patronage, credit, charity, reciprocity, and even family support tend to undergo severe strain and can hardly be relied upon to ensure the survival of vulnerable groups.”¹⁹ This destruction of “safety nets” leads to social exclusion and thus even deeper poverty.

¹⁹ Drèze J. And A. Sen, *Hunger and Public Action*. 1989, p.74.

1.1.2. Why?

In order to formulate poverty strategies, it is necessary to identify and rank the causes of each dimension of poverty in a given area or country. “There are many things which prevent poor people from attaining a better standard of living. It is not simply the general low productivity level of the economy which creates and sustains severe poverty; there are also powerful processes making certain people weaker than others in the struggle for a livelihood, both within and beyond the limits of the household”.²⁰

²⁰ Hurley D., *Income generation schemes for the urban poor*. 1990, pp. 12-13.

The Dac guidelines for the reduction of poverty²¹ bring out that among the root causes of poverty some are linked to immutable factors like climate, geography and history, but others are linked to changeable factors, including bad governance, restrictive legislation, inefficient economies, etc. Corruption and rentseeking elites, lack of respect for human rights, weak institutions and inefficient bureaucracies, lack of social cohesion and political will to undertake reforms are all common features of bad governance and inimical to sustainable development and poverty reduction. In extreme but alas not rare cases, failures of governance lead to violent conflict and the collapse of states. Inequality by gender or other social and economic categories is another major factor perpetuating poverty, as well as environmental degradation and rapid population growth. An emerging and absolutely critical poverty issue is HIV/AIDS.

²¹ The DAC Guidelines on poverty reduction. OECD, 2001, p. 43.

These factors can all lead to inadequate economic growth, which is a major cause of poverty. Others include equity defects, economic policy and market failures, capital flight, low savings and investments, and distorted incentives, all of which lower productivity and income. Debt overhang, both domestic and international, is another key catalyst. The globalisation and liberalisation of economies, the pillage of the multinationals that repatriate their benefits to the rich countries are also causes of poverty.

Those materially deprived feel acutely their lack of voice, power, and independence. This helplessness subjects them to rudeness, humiliation, shame, inhumane treatment, and exploitation at the hands of institutions of state and society. Absence of the rule of law, lack of protection against violence, extortion and intimidation, and lack of civility and predictability in interactions with public officials, all these place a large burden on poor people and make it almost impossible for the poor to take advantage of new economic opportunities.

Social norms and barriers can also contribute to voicelessness and powerlessness. While local cultures have intrinsic value, they can sometimes be inimical to reducing human deprivation. Pervasive in almost all societies is inequality between men and women.²² Vulnerability is a constant companion of material and human deprivation, given the circumstances of the poor and the near poor. They live and farm on marginal lands with uncertain rainfall. They live in crowded urban settlements where heavy rainfalls can wipe out their homes. They have precarious employment, in the formal or informal sector. They are at a higher risk of diseases and arbitrary arrest and ill treatment at the hands of local authorities. Civil conflict and wars, economic crises, and natural disasters affect not only their current living standards but also the ability to escape poverty.

²² World Development Report 2000/2001, pp. 35-36.

1.2. Poverty reduction: How and who?

1.2.1. How?

Combating poverty can be seen at the same time as a slogan and a real priority of the international institutions and the national development actors. Poverty alleviation is most commonly mentioned as the principal goal of development strategies adopted by multilateral and bilateral aid agencies over the last 50 years. Each of the intervention strategies, which were developed during the last decades, has its specificity and slogan, which is now **“the fight against poverty”**.

An important evolution of poverty reduction strategies, hopefully bridging slogan and real policy, are the reforms in 1999 of the strategies of the Bretton Woods institutions and thus the evolution from the Structural Adjustment Programs to the **Poverty Reduction Strategy Papers**.²³ The basic idea is that governments seeking concessional lending from the World Bank and the IMF must prepare their own Poverty Reduction Strategy Papers. These PRSPs must be prepared through a participatory process involving both domestic stakeholders and external development partners. And the Bank and the Fund would align their support behind these country-owned strategies. The essence of the PRSP approach is to change the processes underlying development assistance by emphasising country ownership and participation. It is hoped that PRSPs will present homegrown strategies that are grounded in a long-term vision of societal transformation. Good strategies will necessarily include measures to promote sustainable economic growth from which the poor will benefit as well as public investments targeted to assist the poor. What are the instruments to come to a reduction of poverty?

²³ World Development Report 2000/2001, p. 37.

Instruments

a. Economic growth

An effective attack on poverty depends on the rate of economic growth in poor countries. Without growth, the additional jobs and better availability of services needed to lift poor people out of poverty will not

materialise. This view is widely shared; all the Poverty Reduction Strategy Papers, for example, have emphasised the centrality of measures to enhance growth in national poverty reduction efforts. However, the impact of growth on poverty reduction is reduced if income inequality is high. Therefore, increased attention is being placed on how the benefits of growth are distributed and on identifying and supporting actions that generate pro-poor growth.²⁴

For example, if people lack the good health and skills required to find gainful employment, or if the areas in which they live are cut off because of poor infrastructure they cannot gain from economic growth. Thus, investments in health, education and infrastructure are necessary to ensure that the benefits of growth are broadly shared and that inequalities in income, assets, and access do not increase.²⁵

b. Poverty reduction strategies according to the DAC Guidelines

Before we come to the instruments of external support to poverty reduction and development, two important conditions have to be mentioned: partnership and coherence among the development actors.

The importance of partnership

The DAC Guidelines present development co-operation as based on partnership around development strategies owned and led by developing country governments and civil societies. This vision has far-reaching implications for the way development agencies conduct business. Development co-operation agencies now need to work in a much closer, more co-ordinated way with a wider range of development partners. They are now accountable to partners and to their own publics for actions and commitments. They need to work as facilitators rather than as prime movers of development.

It is of prior importance to develop a poverty alleviation strategy through a dialogue between the different actors. The dialogue should be holistic combining different policies and programmes at national, sector and local levels as a way of addressing the different dimensions of poverty and its causes. In every developing country there is a host of existing and potential partners whose diverse talents, capacities and energies could strengthen the fight against poverty. All these groups should participate in designing, funding and implementing poverty reduction strategies. All these actors have their specific strengths that should be developed. For example, community organisations are close to the poor, which make them able to represent the poor and give “voice” to the poor. It is clear that working with local partners and stakeholders is time-consuming, labour-intensive and risky. Participation may be very difficult to facilitate and to manage given rigid programming and budget pressures that continue to prevail in development co-operation programmes and projects, but at the same time, it is essential for ensuring ownership, sustainability and effectiveness.²⁶

²⁴ Poverty reduction and the World Bank: progress in operationalizing the WDR 2000/2001, 2002, p. 33.

²⁵ Poverty reduction and the World Bank: progress in operationalizing the WDR 2000/2001, 2002, p. 20.

²⁶ The DAC Guidelines on poverty reduction. OECD, 2001, p. 66.

The importance of coherence of the development policies

A second important precondition for development co-operation is the need of coherence among the different actors and policies. Greater coherence between development agencies and their fellow government ministries represented on the boards of multilateral institutions is essential with a view to reducing the risk of conflicting approaches. Greater harmonisation of development agency practices at bilateral, regional and international levels is required.²⁷

Policy coherence for poverty reduction is a major challenge because the specific issues commonly involve domestic interest groups and government agencies with primary interests and responsibilities other than that of reducing global poverty.

²⁷ The DAC Guidelines on poverty reduction. OECD, 2001, p. 67.

Key instruments of financial and technical co-operation

Development agencies rely on different instruments of co-operation to help partner countries reduce poverty. These include national, regional or sector programmes and projects, which are generally combined with policy dialogue at each level and backed up with technical co-operation. In difficult situations or special circumstances, debt relief, humanitarian assistance or support for regional co-operation may also be provided. Given the diversity of contexts in partner countries, it is not possible to say that one form of development co-operation will, in all cases, have a greater impact on poverty reduction than another. Programme aid may be effective to reduce poverty on a large scale if there is a right political, economic and institutional environment and if supported by substantial aid volumes. Projects which affect a limited number can be useful if they are financially sustainable and compatible with the macro-framework. Because of the relative merits of both strategies, there is now a growing emphasis on supporting sector programs and a shift towards maximising the effectiveness of local projects recognising the key role of country ownership.²⁸

²⁸ The DAC Guidelines on poverty reduction. OECD, 2001, p. 76.

- **Programme aid** consists of financial contributions extended to a partner country for general development purposes such as balance of payment support or budget support, not linked to specific projects activities. The role of programme aid in reducing poverty is to provide financial resources, in the most efficient way possible, to a country that is committed and operationally able to using them effectively to implement a sound strategy for reducing poverty. It is a form of development co-operation that signals the readiness of the development agency to respond to improved policies by recognising the partner country's responsibility for financial decisions and management. This assumes good framework conditions in partner countries.²⁹

²⁹ The DAC Guidelines on poverty reduction. OECD, 2001, p. 76.

- In pursuit of effective development co-operation, many donors view **sector support**, in the form of **Sector-Wide Approaches** (SWAPs), as a potential strong instrument for enhancing local ownership, strengthening partnership, co-ordinating external and domestic resources, and establishing a conducive institutional environment for development and poverty reduction. SWAPs are relatively recent and still wrestling with the complexity of institutional reform and stakeholder involvement. They may become a prom-

ising way to implement partnership strategies for reducing poverty. Sector programmes imply a different approach to aid management from what development agencies are used to and organised for. It requires development agencies to fully take into account locally owned sector strategies. And it calls for greater modesty and an acceptance of what may be a slow process of change, relying on partnership ñ building rather than on the implementation of a blueprint. This needs an ability of the partner country to fulfil the responsibilities of adequate financial governance.³⁰

- **Project support.** Projects have a long history of development cooperation. They have the advantage of being able to select a manageable set of problems from a complex and confusing reality and prescribe the inputs needed to foster local development. But experience shows that freestanding projects have serious limitations. If they are not included in the national planning frameworks, they can distort the pattern of national spending by using separate funding channels. These isolated projects are often characterised by top-down donor management with resulting problems of sustainability after withdrawal of external funding. Another problem is their selection: why is one village or sector in a village or town selected and why are others excluded. For these reasons, development agencies are moving to project modalities that have the potential for more sustained outcomes and greater effects on poverty. The emphasis now is on designing activities within a broader development framework as a part of national-level support or sector-wide approaches. Empowerment projects are emerging that stress ownership, participation and sustainability. They aim to increase local capacities and empower communities to organise and mobilise themselves. Fundamental in the success of a project, are the compatibility of the project with the surrounding institutional and cultural framework and its acceptance by local and central public authorities and by civil society.³¹

- **Poverty-focused support and targeted interventions.** Targeting poor people is a way of ensuring that projects focus on the actions and strategies of the poor. Development agencies provide targeted support through such instruments as integrated food security programmes and food-for-work programmes³², social funds and micro-finance. These micro-level interventions aim at helping poor communities to reduce their vulnerability to risk. They generally put a premium on grassroots mobilisation, participation, self-help and empowerment.³³ We will return to this kind of intervention.

Concerning these instruments of external support, an important remark has to be made. Although these instruments are all important, by intending to apply them some major difficulties have to be dealt with. What should be done if a country does not fulfil all the conditions that allow for the application of one of these instruments? For instance, if a country such as the Democratic Republic of Congo, where the State has almost withered away and economic performances are negative, is not able to receive support through one of these instruments? Till now the answer was negative, because the country was excluded from any form of programme aid and was benefiting only from some humanitarian interventions. But this cannot be the solution. Even if the insti-

³⁰ The DAC Guidelines on poverty reduction. OECD, 2001, p. 77.

³¹ The DAC Guidelines on poverty reduction. OECD, 2001, p. 81.

³² This kind of intervention can already be found in the book: Hunger and Public Action of Drèze J. and A. Sen (1989). In this book, India is presented as the "inventor" of food for work programmes. At the moment a famine threatened in the state of Maharashtra (1970-73) 5 million labourers were employed on public works throughout the state.

³³ The DAC Guidelines on poverty reduction. OECD, 2001, p. 82.

tutional conditions are not in place there should be some kind of intervention that protects the country from entering in a downward spiral of regression and exclusion. How this should be realised remains an unanswered question. One of the possible interventions is the social fund, but, as we will see, this is also a very limited intervention.

c. Poverty targeting: social funds

A Social Urban Fund aims at reducing poverty by means of the production of collective goods by using as much as possible low skilled labour force. The reason why we insist on the explanation of the SUF is because in the second part we will present an intervention of the Belgian development co-operation in Kinshasa under the form of a social urban fund. The following overview will help to understand clearly the different objectives and actions of this kind of intervention.

General objective:

⇒ Reducing poverty

Specific Objectives:

⇒ Increasing participation and empowerment of local communities and especially the poor

⇒ Concentrate financial means in most vulnerable areas

⇒ Enhancing local governance

Instruments /Actions

⇒ Local development initiatives, coming out of local neighbourhoods

⇒ Producing collective goods

⇒ “High intensity of low skilled labour programs”/
“Money for work programs”

Some additional information on these objectives and actions is needed and in order to better assess the impact of a social fund, we will present some elements of the World Bank document: *Social funds, assessing effectiveness*.³⁴

The findings of an evaluation of social funds demonstrate that social fund projects have been highly effective in delivering small-scale infrastructure, with slightly more than proportional benefits to the poor and the poorest. This will be certainly the case for the intervention in Kinshasa because the neighbourhood where the Social Fund will be installed is one of the poorest of the city. This will be commented more in detail in the second part. As a result of the additional infrastructure, facility access and utilisation have improved. Moreover, social fund projects have experimented with increased local decision-making, mobilised non-government and private sector capacity and community resources, and have had some positive institutional development impacts, mostly at the local level.

Although there are several benefits, some of the limitations of this kind of intervention should be mentioned. One of the main problems is the sustainability of the impact of a SUF. Often, there is a lack of clarity of responsibilities with respect to maintenance. This is partially due to the fact that

³⁴ Social Funds, Assessing Effectiveness, World Bank, 2002.

the social and economic infrastructure constructed are public goods, which means that they are accessible to everyone, even to them who did not contribute to its construction. It is necessary to develop a “social control” in order to ensure the sustainability of these public goods. In a context of deep poverty in which people are only concerned about how to survive every day, it is difficult to create this preoccupation for the public good.

A second restriction is that the financing of the SUF is only for a limited period. By consequence, the overall employment impact of social fund projects has been limited and temporary. The income of the people involved in the public work will increase for a determined time but after the intervention they are probably again unemployed. Another possible limitation consists in the fact that the community demand mechanism allows community participation but can make it difficult to reach the poorest communities, which are often the least competitive in preparing proposals. Moreover, conflicting interests between the members of one community may result in realising the wishes of the more powerful by bypassing the needs of the less powerful.

Other limits of the SUF consist in the fact that the social fund cannot do everything; it cannot replace the State. The effective struggle against poverty can only be realised in a society that is functioning better and where the institutions are respected. Because of the high number of poor people, the reduction of poverty can only be effective if a real State is put in place and if the markets will function without depending on the political leaders.

But it has to be said that although these restrictions are real, an effort is done to obtain a certain sustainability. By increasing the skills of self-management of the city hall and of basic organisations, a sustainable contribution is added to the functioning through the support by means and technical management skills. This will also guarantee the sustainability of the activities after the intervention.

Concerning the limited period of salary distribution, there is a continuing effect because the beneficiaries will buy investment goods (bikes, barrows, construction materials, etc.) and will have the possibility to save money, which will lead to a more sustainable impact.

One can ask what effect this infrastructure development has on welfare. Outcomes are very different. One reason for the varied social fund impacts on outcome and welfare may be that social funds respond to discrete subproject proposals for infrastructure rather than being driven by the objective of achieving a specific development impact. Yet social fund projects are moving toward these latter, longer-term objectives, and some newer projects give explicit priority to community development objectives. To this end more attention would be needed to the complementary inputs, and to ensuring the institutional arrangements necessary to achieve long-term impact from investments. In fact, the development impact of social funds and the sustainability of subprojects depend on the progress of broader institutional and public sector reform.

1.2.2. Who?

Who are the actors of poverty reduction? In order to answer this question we should look at different levels of possible action. Firstly, at the country level, the State can be designed as the prime actor of bringing development. In a country where the State is corrupt, unaccountable and irresponsible, development, and poverty reduction as a part of it, will be an almost impossible goal. That is why an important effort has to be made to improve the functioning of the developing States. There are other national actors that should collaborate to the reduction of poverty in a given country. We can mention, for instance, civil society organisations, grassroots organisations and the private sector. Secondly, at the international level, there are the donor organisations, such as the financial institutions World Bank and IMF, the development co-operation agencies, including the multilateral institutions and bilateral development assistance community, and the different United Nations organisations. Finally, we have to make a distinction between actors such as all these institutions at the national and international level and the poor themselves. The poor themselves are often omitted as actors of poverty reduction strategies. We will insist briefly on some of their activities to face situations of poverty.

a. State

The State, because of its power to raise revenues and use them as an instrument of redistribution, has a central role in for instance providing basic social services and infrastructure, but also empowerment of the capacities of the poor to participate in political decision-making, distribution of wealth and enhancing security for poor people by reducing their vulnerability to risks. The tools necessary to reduce the vulnerability to risks include health insurance, old age assistance and pensions, unemployment insurance, workfare programs, social funds, microfinance programs, and cash transfers.³⁵

³⁵ World Development Report 2000/2001.

Developing States have been only partially successful in bringing about development. Government policies may have focused on elite interest. But the failure of developing States to realise development not only results from a lack of political will, there are also external factors that influence these failures, such as the lack of full sovereignty over their economic resources.

State institutions are also often accused of being too remote from the daily realities of poor people's lives, and decentralisation is often recommended as a solution. Decentralisation can be powerful for achieving development goals in ways that respond to the needs of local communities and at the same time it can bolster the power of elites in settings with highly unequal power structures. For many services the State's role can be complemented by market mechanisms, civil society, and the private sector.

b. National actors

Civil society organisations

Civil society is usually defined as the intermediate level between the State and the individual. It thus comprises various types of organisations, such as NGOs, the media, churches, trade unions and employers' organisations.

In principle, developing States and NGOs could act as complementary actors in the development process. There is a need for the State to intervene at the national level in order to address development needs. However, the State may well need to depend on NGO-action and resources for implementation of development policies at the grassroots level.³⁶ Ideally, State and civil society institutions should co-operate to realise development and poverty reduction. But in some cases the State is not fulfilling its development mission either because of lack of political will, or because of lack of capacity. Often, the NGOs will take over partially the role of the State by providing services normally rendered by the State. This is of course a situation that cannot sustain. If the State is mainly lacking the capacity, NGOs can intervene until the capacity of the State is restored. But if the State is mainly lacking political will to fulfil its role, then NGOs should play an advocacy role rather than providing the State services, because otherwise the State will not be stimulated to fulfil its role. In reality, it seems to be difficult to analyse to what extent State failure results from lack of capacity or from lack of political will, which makes the determination of the NGO strategy difficult.³⁷

³⁶ De Feyter K., *World Development Law*. 2001, p. 221.

³⁷ De Feyter K., *World Development Law*. 2001, pp. 222-223.

Grassroots/ community organisations

Many countries have seen an explosion of community-based, participatory grassroots organisations. The major difficulties faced by these organisations by poor people are lack of resources, information, and access to outside sources of help. Added to that are physical constraints on collaboration, such as geographic dispersion and poor transport and communications infrastructure, sometimes reinforced by ethnic and social divisions.³⁸

³⁸ *World Development Report 2000/2001*. p. 110.

“Such grassroots organisations require many forms of support from the State and civil society. They often need technical assistance and skill building to become sustainable and effective. They also need help in scaling up their membership, range of functions, and political engagement. Many grassroots initiatives are limited in scope and depth and never reach the national political arena.”³⁹ Despite these serious limitations, some organisations are effective in addressing some of the immediate concerns of poor people.

³⁹ *World Development Report 2000/2001*. p. 110.

Private sector

According to the *World Development Report 2000/2001*, markets are central to the lives of poor people, because poor people rely on formal and informal markets to sell their labour and products, to finance investments, and to insure against risks. Well-functioning markets are important in generating growth and expanding opportunities for poor people. That is why market-friendly reforms, a vibrant and dynamic private sector, have been promoted.

However, even where this kind of reforms have been realised, there is much that countries can do to improve the benefits that markets offer to the poor. To reach poor people, many reforms need to be accompanied by institutional support, investment in infrastructure and complementary reforms at the micro level, including lighter regulatory burdens, information sharing and microfinance. Unfortunately the incentives for policymakers to undertake such reforms are small because the markets involving poor people are typi-

cally small. This may be due to the fact that the poor often lack human capital, access to land or credit, and infrastructure, which makes physical access to markets difficult. Another reason can be found in the fact that the poor are often engaged in small transactions, which traditional market participants find unprofitable or insignificant. So the reforms get little attention, even though they can be powerful forces for poverty reduction.⁴⁰ Our comments on the informal sector will pursue this issue. In short, as has been clearly explained in the work of Hernando De Soto⁴¹, poor people have a significant amount of assets and thus a potential to participate in the market. But their assets constitute dead capital because they have no access to the formal property and market system.

⁴⁰ World Development Report 2000/2001. p. 72.

⁴¹ De Soto, *The mystery of capital*. 2000.

c. International donors

The international actors aiming at reducing poverty in developing countries include different types of organisations. It is not our purpose to give an overview of all possible actors but merely to make some remarks concerning these agencies.

It is important to insist on the fact that the selection of countries and the extent of aid depend largely on the Bretton Woods institutions. Their intervention is the starting point for the intervention of other development co-operation agencies. In most of the developing countries the support of external donors is indispensable and by consequence a substantial reduction in financial support as a response to a country's bad governance may have serious consequences. This was, for instance, the case for the Democratic Republic of Congo that in 1993, due to its high degree of corruption, lost its support from the World Bank and by consequence of most other international donors. As a consequence, the country went even more in a downward spiral of regression. Is such a stop of financial support the right remedy to sanction a country for its bad governance?

Another remark concerns especially the United Nations Agencies and their agendas, such as the Local Agenda 21 and the Habitat Agenda. In the perspective of poverty reduction, these agendas provide interesting objectives and strategies but a conspicuous lack is the financial support that these agencies offer to the developing countries to implement these strategies. What will then be the concrete impact of these agendas on poverty reduction?

d. The poor themselves

The actions of the poor themselves to cope with poverty are sometimes neglected. Among these activities that give evidence of adaptive qualities, which permit to survive in times of crisis, we can mention the enrolment of the poor in the informal sector and the expansion of this sector and the adoption of survival strategies.

The informal sector

In order to understand the specifics of the Third World realities, we refer to the work of Hernando De Soto: *The mystery of capital*.⁴² In this book it is shown that in the West, there exists a representational process, which

⁴² De Soto, *The mystery of capital*. 2000.

means that every parcel of land, every building, every piece of equipment, or store of inventories is represented in a property document that is the visible sign of a vast hidden process connecting all these assets to the rest of the economy. By this process the West injects life into assets and makes them generate capital. Third World countries do not have this representational process and as a result of that, most of them are undercapitalised. In other words, the poor inhabitants of these nations do have things, but they lack the process to represent their property and create capital, by consequence their assets are dead capital. As it is very difficult for the poor to become legal, the only alternative is to live and work outside the official law, using their own informally binding arrangements to protect and mobilise their assets.

It is this undercapitalised sector that is filling the gaps in the legal economy and has even begun to assume the role of government. In many cases, the extralegal organisations have become responsible for the provision of such basic infrastructure as roads, water supply, sewage systems, electricity, the construction of markets, the provision of transport services, and even the administration of justice and the maintenance of order. Due to a lack of employment in the formal sector, the informal sector in almost all cities of the developing world has expanded to become also the major provider of jobs to low income groups. Yet, this sector is characterised by very low wages, no job security, lack of access to credit, technical support and training and the exploitation of women and children.

Because of the omnipresence of the informal sector, contrary to the Western countries, it is legality that is marginal and extralegality has become the norm. According to most estimates, the extralegal sectors in the developing world account for 50 percent to 75 percent of all working people and are responsible for one-fifth to more than two-thirds of the total economic output of the Third World.

In fact, the entrepreneurial ingenuity of the poor has created wealth on a vast scale ñ wealth that also constitutes by far the largest source of potential capital for development. These assets not only far exceed the holdings of the government, the local stock exchanges, and foreign direct investment; they are many times greater than all the aid from advanced nations and all the loans extended by the World Bank. We can say that the poor are not the problem but the solution, because what the poor lack is not entrepreneurship but an easy access to the property mechanisms that could legally fix the economic potential of their assets so that they could be used to produce, secure, or guarantee greater value in the expanded market. In other words, in order to generate capital you need to have access to the legal property mechanisms, which is impossible for the poor. At least 80 percent of the population of the Third World countries cannot inject life into their assets and make them generate capital because the law keeps them out of the formal property system. They have trillions of dollars in dead capital, stuck in the extralegal sector.

A step towards a powerful poverty reduction strategy could be the capitalisation of the poor by giving them access to the formal property system. A way to capitalise the poor has to integrate two apparently contradictory property systems within the same body of law. Formal property must be

universally accessible: to bring everyone into one social contract where they can co-operate to raise society's productivity. It is only this access that can transform the dead capital in real capital, needed to improve the situation of the poor.

Survival strategies

Poor people not finding an employment in the formal or informal sector are obliged to generate survival strategies in order to cope with their situation. One of these strategies is what earlier has been mentioned: the organisation of the people in households. These are support structures characterised by the intensity of social and economic interrelationships. The members of a household depend on each other and organise together to provide the necessities for personal survival. The inability of most households to survive on one person's income means that most households have various sources of income and members tend not to work in the same activity. Many people not employed by others look for self-employment or survival strategies. This can include ownership of small business and co-ownership of co-operatives in the service sector (petty trading, rubbish collection and recycling, personal services like hair cutting, shoe shining and prostitution), and in small-scale manufacturing of repair work. Many of these people often, despite vigorous efforts, operate extremely close to the margins of viability, just managing to scrape enough weekly profit to survive.

1.3. Specifics of urban poverty

For the first time in history, the greater part of humankind is expected to be urban. Almost 50%, some three billion people now live in towns and cities and the world's urban population is set to continue to grow at a prodigious rate, particularly in the less developed countries of the South. Towns and cities are growing by 65 million people a year, or more than 180,000 per day. If urban growth will continue at this rate, urban population will be double in 38 years. Of course, in different continents, this global figure varies. In Asia and Africa, which are currently less than 40% urban, the population is likely to grow to 50 % in the next two decades, creating an increase of more than 1 billion urban citizens in Asia and some 440 million in Africa. The process of urbanisation over the last half century has seen the advent and proliferation of large cities with populations of more than a million and the emergence of mega-cities of more than 10 million people. Projections anticipate that by 2015, there are likely to be 360 cities with populations greater than a million, 150 of them in Asia and some 30 mega-cities, of which half are likely to be also in Asia.⁴³

The combination of the pace and the scale of urban population growth in the South have as a consequence that administrations, social institutions and enterprises are not able to absorb the new urban populations. As a result, the environment of many towns and cities has deteriorated to the extent that large proportions of the urban population of the world live and work in conditions that pose a serious threat to their safety. They are marginalized from the

⁴³ Implementing the Habitat Agenda: in search of urban sustainability. 2001, p. 2.

mainstream of the urban economy and society and have tenuous, if any, access to the political decision-making structures that could improve their lives and livelihoods. They are the urban poor.

It is estimated that some 650 million urban dwellers live in life-threatening conditions of poverty and environmental degradation and that this number is expected to more than double by 2025.⁴⁴ By consequence, it can be said that the numbers of urban people in poverty are likely to be growing at a faster rate than the numbers of rural poor. The urban population that would live under the poverty line is estimated at 28% for the whole of the developing countries, at 28 % for Sub-Saharan Africa, at 23 % for Asia without China, at 27% for Latin America, at 34% for Europe, Middle East, and North Africa.⁴⁵

Among the characteristics of urban areas and possible causes of urban poverty are the following:

- Large numbers of people are living in close proximity and under conditions where they are more visible than in isolated villages.
- Income/consumption disparities tend to be higher in urban than rural areas, which can lead to social unrest.
- Support systems of kinship groups and extended families that can be relied on in rural areas may not exist in urban areas, where nuclear and one parent family structures are more prevalent. Moreover, there is a growing individualisation of life.
- It is also more difficult in cities than in villages to live in a subsistence economy outside the rigorous rules of the market.

The costs of avoiding poverty may also be significantly higher in urban than in rural areas, because urban society is a consumer society, where goods and services are monetarised.

The urban poor are confronted to several types of vulnerability, including vulnerability due to commercialisation and the need of money to meet basic needs, vulnerability due to the erosion of community structures and an individualisation of poverty, vulnerability as a result of crime, health and environmental risks. The latter is due to the juxtaposition of industrial and residential functions, inadequate water disposal systems and sanitation. Vulnerability can also arise from the intervention of the state and the police that oppress the activities of the urban poor in the name of regulating without understanding their needs.⁴⁶ In addition, a multiplicity of laws, rules, and regulations often make illegal most of the ways urban poor find and build their homes and earn income. In other words, agencies that are supposed to be instrumental in implementing poverty alleviation programmes of the State in fact hinder and detract them. So there are important links between the extent of deprivation faced by low-income households and the quality of their government.

The growing numbers of poor people living in urban settlements and by consequence the urbanisation of poverty calls for an increased attention

⁴⁴ Implementing the Habitat Agenda: in search of urban sustainability. 2001, p. 3.

⁴⁵ Luzolele Lola Nkakala L. and S. Marysse, *Combattre la pauvreté dans le Congo en situation de post-conflit*. 2001, p. 23.

⁴⁶ Verschure H., A Sadiq and M. Arch, *Urban Poverty Alleviation – Policy orientation*. 2001, pp. 13-14.

to urban poverty alleviation. In the following chapter we will focus on the United Nations Agendas (Local Agenda 21 and Habitat Agenda) concerned with sustainable development in urban settlements. Does this preoccupation include the reduction of poverty or to what extent and in which way does the focus on sustainable development have an impact on poverty reduction?

1.4. Local Agenda 21 versus poverty reduction?

Several global conferences and agendas have been organised and developed with the objective to formulate urban poverty alleviation strategies, with among them the **Local Agenda 21 and the Habitat Agenda**. An important observation has to be made concerning the large number of these conferences and agendas set up by several UN agencies. Does there not exist a serious overlapping between these agencies and their agendas? May this not be an obstacle referring to the need and often lack of financial means to implement the theoretical statements? In the case of Local Agenda 21 and the Habitat Agenda it is mentioned that: “the financing for the implementation of Agenda 21 will come from a country’s own public and private sectors. For developing countries, particularly the least developed countries, ODA is a main source of external funding, and substantial new and additional funding for sustainable development and implementation of Agenda 21 will be required.” (Local Agenda chapter 33, section 33.13). In other words, both programs do not provide themselves for the necessary financial means to realise the objectives set up in the Agendas. Except for the Localising Agenda 21 programme, whose core funding is partially provided by the Belgian Administration for Development Co-operation (BADC) in co-operation with a multilateral fund.⁴⁷ Of course, in view of the needs to materialise the Local Agenda 21 aims, this is marginal. Moreover, perhaps a lot of funds are to be spent on the organisation of conferences and setting up of agendas. What is then the real impact of these Agendas on the reduction of poverty mentioned among their objectives? At best then it is a moral authority that can inspire local governments. To what extent and what kind of actions can these Agendas inspire local governments? In order to answer this question, we should give a brief presentation of these Agendas with a major focus on the Local Agenda 21.

⁴⁷ This programme is operational in three cities: Nakuru (Kenya), Essaouira (Morocco) and Vinh City (Vietnam).

Habitat II is the most recent in the series of international plans of action in mobilising global commitment to the reduction and eradication of urban poverty. The eradication of poverty figures prominently in the Habitat Agenda, being the second of its goals and principles, after the goal of achieving adequate shelter for all.⁴⁸

Agenda 21 in its objectives proposes to realise a sustainable development of the city and to provide all persons urgently with the opportunity to earn a sustainable livelihood, through three action areas: the empowerment of communities, management-related activities, which means that much attention goes to the process of implementing the LA 21 activities and finally international co-operation.⁴⁹ In Chapter 28, the Agenda 21 called upon local authorities to work out, together with local communities, a “**Local Agenda 21**”

⁴⁸ Verschure H., A Sadiq and M. Arch, Urban Poverty Alleviation – Policy orientation. 2001, p. 15.

⁴⁹ Verschure H., A Sadiq and M. Arch, Urban Poverty Alleviation – Policy orientation. 2001, p. 15.

Since then, many recommendations have been developed and an increasing number of Local Agenda 21 actions have been undertaken in towns and cities worldwide. Before we come to some critical reflections concerning the link between Local Agenda 21 and poverty reduction, it is useful to mention some reflections on the Local Agenda 21.

At the regional workshop on the Local Agenda 21, held in Cape Town (2002), Dr Gordon McGranahan stated that **one could look at LA 21 from two perspectives, the idealistic and the cynical**. From an idealistic perspective, LA 21 is one of the most promising innovations in governance in the last decade. It provides new forms of strategic planning and partnerships. It seeks to overcome conflict between environment and development, focusing on the need to balance social, economic and environmental interests. It overcomes “global talk shops” and is about action. Alternatively, from a cynical perspective, it is “naive” to expect local initiatives, such as LA 21, to address global environmental problems. Moreover, consultations cannot be expected to change power dynamics within the city. Empowerment as an action area may then easily result in the empowerment of the already powerful. The cynical perspective emphasises that sustainable development agendas have not been as significant as structural adjustment programmes in bringing about change at the local level.⁵⁰

Developing countries within the low GNP category have indeed the fewest municipalities involved in Local Agenda 21⁵¹, due to the fact that cities in these countries experienced fairly low levels of national government support. Since political will is essential for the realisation of LA 21 processes, the presence of national campaigns promoting Local Agenda 21 processes are very important to gain political support in order to increase the number of processes.⁵² Insufficient financial support is the main obstacle and also lack of community consensus to set priorities can be designated as a possible obstacle. In developing countries, additional key obstacles include insufficient expertise and insufficient information.⁵³ Moreover, the implementation of Local Agenda 21 action plans will require the establishment of a supportive nation-level policy; this means the presence of a well-functioning government and economy, which is surely not always the case in developing countries. Although the Global Survey indicates that Local Agenda 21 activities focus primarily on issues related to the environment and sustainable development, in practice it is clear that activities and priorities of developed countries are different from those in developing countries. **The developed countries focus mostly on environmental interests, whereas in developing countries the focus is on economic development.** This is supported by the emphasis these countries place on issues such as poverty alleviation and community development, at least in official discourse. In Africa, the actual top three priorities are: poverty alleviation, economic development and health. As sustainable development is one of the main themes of the LA 21, attention should be put on the interpretation of this term. It can be used to legitimise everything related to environment or development in urban areas. It is unclear

⁵⁰ Report on the Local Agenda 21 regional workshop held at the breakwater lodge in Cape Town. 2002, pp. 2-3.

⁵¹ By the end of 2001, 6,416 local governments in 113 countries worldwide have committed to the LA 21 processes from which 5,400 are situated in high GNP countries, 833 in the mid-range GNP category and 183 in the Low GNP countries. Despite low totals, the LA 21 processes have nearly tripled the last five years in the developing countries. (Local Agenda 21 Survey Report).

⁵² National campaigns promoting LA 21 processes can be found in 18 countries, that together account for 41% of the global total (2,640 of 6,416). (Local Agenda 21 Survey Report).

⁵³ Second Local Agenda 21 Survey. 2002.

how those who live in poor quality or overcrowded housing with lack of basic infrastructure fit into this term. Often the **link between environment and poverty** is discussed, with poverty as a significant cause of environmental degradation. However, research has proven that consumption patterns of middle and high-income groups and the production systems that serve their demands are the main causes. The Agenda 21 states that *poverty and environmental degradation are closely interrelated. While poverty results in certain kinds of environmental stress, the major cause of the continued deterioration of the global environment is the unsustainable pattern of consumption and production, particularly in industrialized countries, which is a matter of grave concern, aggravating poverty and imbalances.* (Local Agenda 21 chapter 4, section 4.3) This issue will be tackled in more detail by presenting the links between poverty and environment. Further, Agenda 21 recognises that too often, economic, social and environmental factors are considered separately when decisions are made and that this has a direct impact on the actions of all groups in society, including governments, business and individuals. In setting out proposed actions, Agenda 21 therefore emphasises the need to integrate economic, social and environmental considerations in addressing the challenges we face today and responding to the needs of future generations. As our main preoccupation is to know how LA 21 tackles the issue of poverty alleviation, we will analyse more precisely the content of the LA 21 concerning this issue.

Chapter 3 of the Agenda 21 is focused on **poverty alleviation**. As a way to come to poverty reduction, LA 21 proposes a sustainable environmental policy that ensures the conservation of resources: *While managing resources sustainably, an environmental policy that focuses mainly on the conservation and protection of resources must take due account of those who depend on the resources for their livelihoods. Otherwise it could have an adverse impact both on poverty and on chances for long-term success in resource and environmental conservation. Equally, a development policy that focuses mainly on increasing the production of goods without addressing the sustainability of the resources on which production is based will sooner or later run into declining productivity, which could also have adverse impact on poverty. A specific anti-poverty strategy is therefore one of the basic conditions for ensuring sustainable development. An effective strategy for tackling the problems of poverty, development and environment simultaneously should begin by focusing on resources, production and people and should cover demographic issues, enhanced health care and education, the rights of women, the role of youth and of indigenous people and local communities and a democratic participation process in association with improved governance.* (Local Agenda 21, Chapter 3, section 3.2) Sustainability of environmental resources seems to be one of the major conditions to come to poverty reduction. The strategies that should be adopted remain rather vague.

1.5. Environment and poverty: a difficult marriage?

In this chapter, we come to the interesting but complicated topic of the relationship between the Local Agenda 21 and poverty reduction. As Local Agenda 21 is promoting in the first place sustainable development with an important focus on the environment, the question will be what kind of links does there exist between environment and poverty or to what extent is poverty reduction included in the objective of sustainable development? We already mentioned what has been said about this link in the LA 21 and as could be observed this was rather concise, as it was also the case for what has been said about poverty reduction. That is why we further analyse this issue, intending to come to some statements. It will be immediately clear that different opinions can be adopted, all of them having an element of truth in them. To begin with, what is exactly meant by “**sustainable development**”? The term sustainable development has its origins in the IUCN 1980 World Conservation Strategy report, but it was with the World Commission on Environment and Development, entitled *Our Common future* (1987) that the term gained broad currency. The Commission defined **sustainable development** as “development that meets the needs for the present generation without compromising the ability of future generations to meet their own needs”. (Brundtland Report)⁵⁴ This suggests careful management and use of all resources. It is important to mention that resources should be taken in a broad sense and are not confined to environmental or natural resources, but also to human, technological and institutional resources. It is useful to know what the literature on sustainable development says about poverty, in order to assess the links between both. According to Markandya,⁵⁵ it says little directly, but in the Brundtland definition of sustainable development, there is an implicit recognition of the issues of equity within and across generations. Intragenerational equity arises because we want to “meet the needs of the present”. Any reasonable definition of such needs must include the elimination of “pronounced deprivation in well-being”, which is the World Bank’s definition of poverty in its 2000 Development Report. Intergenerational equity refers to the needs of future generations and again no one would disagree with the view that this requires the elimination of poverty. As the link between equity and poverty alleviation is evident, it can be said that the definition of sustainable development is concerned with poverty. One can ask why we should focus on poverty alleviation rather than on equity in a wider sense. Although there exists no clear answer to this question, one can say that politically it is much more appealing to talk about alleviating poverty rather than reducing inequality in a more general sense, even if the latter is a better guide to social welfare.

Since our main preoccupation is concentrated on poverty alleviation, the question arises whether the objective of sustainable development and of poverty alleviation are opposite in their goal, as some pretend, or if poverty alleviation is a necessary condition to come to sustainable development. We distinguish two main points of view, which are more or less opposite one to each other and both of which have some valid arguments.

There are two reasons why a more precise understanding of the links

⁵⁴ Markandya A., Poverty alleviation and Sustainable Development: Implications for the management of natural capital. 2001, p. 1.

⁵⁵ Markandya A., Poverty alleviation and Sustainable Development: Implications for the management of natural capital. 2001.

between urban poverty and environment are needed. Firstly, this can provide the basis for combining improved environmental management with poverty reduction. Secondly, faulty diagnoses of the links between poverty and environmental degradation have led to inappropriate, ineffective and often anti-poor policies.

A first statement is that **poverty leads to the destruction of the environment** and by consequence poverty has a negative influence on the realisation of sustainable development. It is indeed popular among policy makers in the development field to claim that poverty leads to environmental degradation. But one can ask if it is increasing poverty that results in the degradation, or if it is degradation that results in increased poverty? Several opinions exist concerning this issue. One thesis says that an environment inhabited by the poor will be more degraded than one inhabited by the rich.

It is true that poor families often lack the resources to avoid degrading their environment. Poor families often have to meet urgent short-term needs, prompting them to “mine” natural capital, through, for example, excessive cutting of trees for firewood and failure to replace soil nutrients. The very poor, struggling at the edge of subsistence, are preoccupied with day-to-day survival. It can be said that in their daily struggle to survive, they are not in the first place concerned about environmental issues. However, it is not that the poor have inherently short horizons; poor communities often have a strong ethic of stewardship in managing their traditional lands. But their fragile and limited resources, their often poorly defined property rights, and their limited access to credit and insurance markets prevent them from investing in environmental protection.

The myth that, **“poverty necessarily leads to environmental degradation”** is reinforced by the statement that **“poor people lack the technical knowledge for resource management”**. Technical experts and bureaucrats often assume that a lack of technical knowledge is a key constraint to the poor’s management of natural resources. When poor people move into new ecological regimes, or when something happens to change the balance under which their old technology developed, then indeed there is a period of learning and adaptation. However, evidence is increasingly showing that poor people have an enormous store of what is sometimes termed indigenous technical knowledge, and this can be knowledge on how to manage natural resources. More research needs to be done to assess this knowledge and to stimulate it in the national policies and international agendas. What can be concluded about this statement is that the governments of poor countries have often other priorities than an explicit environmental policy. As mentioned above, developing countries are more concerned about economic development and poverty alleviation than about environmental issues and thus sustainable development. This is also confirmed by the first Interim Poverty Reduction Strategy Papers. The Bank’s environment department reviewed the extent to which the first set of 17 Interim PRSPs and 2 full PRSPs dealt with environmental and natural resource management that is NRM, issues. It considered how well the documents described environmental and NRM issues, assessed the causal links

between environmental degradation and poverty, and described the policy responses to identified problems. In general, the results of this review were disappointing. Few Interim PRSPs gave much attention to environmental or natural resource management issues, which suggests that, in thinking about poverty issues, these governments have apparently not yet given high priority to environment and natural resource management.⁵⁶ This reflects the intrinsic complexity of the issues and the lack of policy advice in this area.

This results in the thesis that poverty is an obstacle to sustainable development. Therefore, poverty alleviation policies have to be seen as an integrated part of sustainable development. By consequence the fact that developing countries are more concerned with economic development and poverty alleviation is not in contradiction with what is happening in developed countries, which are more concerned with the maintenance of a healthy environment. Both are strategies to come to sustainable development. Poverty alleviation, and as an enabling condition economic development, can be seen as a first and necessary step towards sustainable development. Because without an adequate living-standard people cannot be concerned about long-term objectives as the maintenance of nature, they cannot think further than to survive every day with all means they can find even if this leads to the pollution or destruction of the environment. By consequence, Local Agenda 21 should perhaps focus more on poverty reduction in developing countries as a necessary condition to come to sustainable development.

Secondly, although poverty often leads to the destruction of the environment and is therefore mostly presented as an obstacle to sustainable development, **some survival strategies of the poor have a positive effect on the environment** and thus on sustainable development. A typical example is the recycling of all kinds of materials, such as plastic, metal, aluminium, in other words, materials that if dumped, pollute the environment. Thus, **poverty does not necessarily lead to environmental degradation**. In many areas, the non-poor, commercial companies, and state agencies actually cause the majority of environmental damage.

If we consider the very poor or destitute in urban environments, then it can be said that they may have a relatively benign impact on the environment. They are usually the most efficient recyclers of others' waste, the least consumptive users of energy, and the least waste producing. Their per capita impact on the environment is very small. In per capita terms, it is the non-poor who have the most negative interaction with the environment.⁵⁷

Firstly, most urban dwellers have very low consumption levels for non-renewable resources. Most houses in which they live make widespread use of recycled or reclaimed materials and little use of cement and other materials with a high-energy input. Moreover, most low-income groups in urban areas rely on public transport,⁵⁸ which ensures low averages for oil consumption per person,⁵⁹ and most of the poor have low levels of electricity consumption.

Secondly, poor urban dwellers have also much lower levels of consumption for renewable resources than middle and upper income groups. For instance, their consumption of fresh water is much lower. Examples include

⁵⁶ Morrow, D., Poverty Reduction Strategy Papers and Sustainable Development, World Bank, 2001.

⁵⁷ Attacking Poverty While Improving the Environment: Towards Win-Win Policy Options. (PEI) UNDP-SEED, p. 27.

⁵⁸ The amount of motor vehicles per 1.000 people was in 1999 for the low-income countries 10 and for the high-income countries 582 and the amount of passenger's cars 9 for the low-income countries and 415 for the high-income countries. (World Development Indicators 2001, World Bank).

⁵⁹ The commercial energy use per capita expressed in kg of oil equivalent was in 1998 for the low-income countries 550 and for the high-income countries 5.366 (World Development Indicators 2001, World Bank).

studies in Santiago, Mexico City and Accra, which show how per capita water consumption is 3 to 10 times greater among higher income groups when compared to low-income groups. The same can be said for the use of land. For instance, in Nairobi, the informal and illegal settlements that house more than half the city's population occupy less than 6 percent of the land area used for residential purposes. In other words "urban sprawl", which so often paves over very high quality agricultural land, is far more the result of the residential preferences of middle and upper income groups, of new commercial and industrial developments and city-transport programmes dominated by highway construction, than of land occupation by low income groups.⁶⁰

Thirdly, in regard to waste generation, low-income groups usually generate much lower levels per person than middle and upper income groups and thus contribute less to the environmental degradation caused by dumping of untreated wastes into water bodies and poorly managed waste dumps.

Fourthly, in general low income groups contribute very little to the generation of non-biodegradable wastes either directly (through the fuels they use and goods they consume or throw away) or indirectly (through the environmental implications of the goods they use).

For instance, in regard to greenhouse gas emissions, low-income groups usually generate much lower levels per person than middle and upper income groups, as their total use of fossil fuels or of goods or services with high fossil-fuel inputs in their fabrication and use are so much lower. The only exception may be the use of biomass fuels or coal in inefficient stoves or fires. This results in carbon dioxide emissions (and also urban air pollution) but this is an exceptional case and still the air pollution is less than in developed countries.⁶¹

In conclusion, the second observation leads to a more differentiated vision on the effects of poverty on sustainable development. On the one hand, as poverty is often an obstacle to sustainable development, poverty reduction strategies should be seen as an essential part of sustainable development. On the other hand, poverty seems sometimes leading to activities, which are in favour of a sustainable development. More attention should be given to this kind of activities in order to stimulate them and integrate them in poverty reduction policies. The international agendas should encourage these activities.

Policies concerning poverty reduction and the environment

Sometimes there is clearly a tension between both objectives: environmental protection and poverty reduction, which may lead to policies that either reduce poverty at the expense of the environment, or protect the environment at the expense of the poor. On the one hand, for example, environmental regulations that increase the costs of producing certain goods can result in increased unemployment and higher prices for the goods and thus have a negative impact on the poor. On the other hand, some policies state that the environment must be sacrificed for the sake of stimulating the economy, as well as the presumed benefits that economic growth will hold for poor people.

In general, although the poor suffer disproportionately more than the

⁶⁰ Satterthwaite D., The links between poverty and the environment in urban areas of Africa, Asia and Latin America. p. 17.

⁶¹ The carbon dioxide emissions per capita metric tons were in 1997 for the low-income countries 1,1 and for the high-income countries 12,8 (World Development Indicators 2001, World Bank).

rich from a loss of natural capital, we cannot say that preservation of natural capital, or an improvement of the environment is a “pro-poor” policy. It depends on how the costs are distributed. Some work has been carried out to identify the kinds of measures that are pro-poor and those that are not, but more can and should be done in this regard. On the other hand, alleviating poverty will not necessarily help reduce environmental pressures, and indeed may increase them. In fact, some of the most extreme damage takes place during economic boom periods. This does not imply that economic growth is the problem; it is the way in which development takes place that is important.

It may be misleading to refer to many of the most pressing urban environmental problems as “environmental” since they arise not from some particular shortage but from economic or political factors. A failure of governance underlies most environmental problems – government failures to control industrial pollution, to promote environmental health, to ensure that city-dwellers have the basic infrastructure and services essential for health and a decent living environment, to plan in advance to ensure sufficient land is available for housing developments for low income groups and to implement preventive measures to avoid urban sprawl. For many countries, this can be partly explained by the national economy’s weakness; effective governance in ensuring a healthy environment for citizens is particularly difficult without a stable and reasonable prosperous economy. It is remedying this failure of governance within cities and city-districts and addressing the underlying causes which should be central to any new urban environmental agenda. This is the case in the Local Agenda 21. Still the problem remains how and with what financial means one could come to an improvement of the countries’ political and economic context?

Concerning urban poverty alleviation and the environment it is difficult to make very specific policy recommendations because every city has its own particular range of environmental problems. For all cities a recommendation may be that each urban centre has to have locally determined environmental policies and priorities within which low income groups have a major influence. It can be said that the environmental problems associated with urban poverty cannot be adequately tackled without competent and accountable urban authorities. This is not simply a question of the resources available to urban authorities. Of course, it is easier for city authorities to invest in infrastructure and services if the city’s average per capita income is high and if they can raise sufficient funds from local taxes or other sources to help fund their investment programmes. But even in urban areas with low average incomes and with urban authorities lacking investment capital, environmental improvements can be linked to poverty reduction through supporting household, community, NGO and private sector investments and through careful regulation of polluting activities.⁶²

⁶² Satterthwaite D., The links between poverty and the environment in urban areas of Africa, Asia and Latin America. p. 2.

Box 2: Examples of how environmental actions can help reduce poverty.⁶³

⁶³ Satterthwaite D., The links between poverty and the environment in urban areas of Africa, Asia and Latin America. p. 18.

Environmental actions	Direct effects	Other effects
Improved provision for solid waste management.	Removes garbage from open sites and ditches in and around settlements.	Considerable employment opportunities in well managed solid waste collection system.
Support for community action to improve local environment.	If well managed, many low-cost ways to reduce environmental hazards and improve environmental quality in informal sector.	Employment creation; minimum incomes help households avoid poverty. Can reduce sense of social exclusion.
Support for more participatory plans.	Low income groups with more possibilities of influencing city authorities' priorities on environmental policy and investment.	Precedents set in participatory local agenda 21s and other action plans can lead to low-income groups getting greater influence in other sectors.
Improved public transport	Cheap, good quality public transport keeps down time and money costs for income earners of low income groups getting to and from work; also enhances access to services.	May reduce air pollution and its health impacts. May reduce the disadvantages of living in peripheral locations and help keep down house prices.

It has been stated that many of the deprivations urban poor face were very much reduced without increasing incomes but through increasing assets or improving basic services or through political changes which allowed low income groups to negotiate more support. Many recent poverty reduction initiatives have striven to ensure that urban poor groups themselves have more influence on what is done and how it is done, end up addressing different aspects of deprivation at the same time.

In this regard, amidst what is in general a widespread failure of national, provincial/state and city governments to give sufficient attention to the environmental health needs of lower income groups; there are also many examples of innovation. The first is the innovation shown by particular city authorities - especially in developing and implementing their own Local Agenda 21s or "healthy city" programmes. The second is the innovation shown by local NGOs working with community-based organisations, sometimes working in the absence of government.

Within the first category, there is the innovation shown in cities such as Ilo in Peru, Manizales in Colombia and Chennai in India in developing local agenda 21s or environmental action plans which have brought major benefits for low-income groups (Velasquez 1998, Diaz Follegati and Hordijk 1996, Follegati 1999).⁶⁴

⁶⁴ Satterthwaite D., The links between poverty and the environment in urban areas of Africa, Asia and Latin America. p. 19-20

Box 3: Sustainable Chennai project

Chennai, with a city population of 3, 8 million and a metropolitan population of 6, 2 million, has been developed quickly and faces serious environmental problems, many of which relate to its rapid population growth and lack of infrastructure.

In 1995, with technical and financial support from UN Agencies the city of Chennai initiated the Sustainable Chennai Project (SCP). This project has taken a Local Agenda 21 planning approach, starting with an environmental profile and developing responses to problems identified through environmental planning based on city consultations and specific action plans developed by multi-stakeholder working groups.

The main problems identified were related to water resources, air pollution and solid waste disposal. Chennai has a strong and established civil society, with many NGOs, and also has many informal settlements and activities, which means that local people tend to have a strong role in providing environmental services for themselves rather than relying on government. So the projects were implemented in co-operation between NGOs and community members.

This project shows how Local Agenda 21 planning approaches can help to achieve urban environmental management at the same time as boosting co-operation between city government and civil society.⁶⁵

Among many possible examples within the second category, there is the sewer construction and health and other programmes of Orangi Pilot Project in Karachi and other cities in Pakistan (Orangi 1995, Hasan 1997).⁶⁶

Box 4: Orangi pilot project

“Orangi pilot project has been working in Orangi, a low income settlement of one million populations in Karachi, since 1980. OPP considers itself a research and training institution whose objective is to analyse outstanding problems of the poor living in Orangi and through action research and extension provide solutions. OPP believes in the development of existing managerial and financial potential of an area. It promotes community organisation and management by providing social and technical guidance to collective action.”⁶⁷ Different kinds of programmes have been developed, such as the low cost sanitation programme, the health programme, the housing programme, etc.

Concerning the low cost sanitation programme, in Orangi, people have invested Rupees 73.15 million on internal development in 5,823 lanes consisting of 87,734 houses. The state would have spent over six times this amount to do this quantum of work. The programme is being replicated in 7 cities of Pakistan by NGOs and CBOs and in 49 settlements in Karachi. As a result of the programme, infant mortality in those parts of Orangi that built their sanitation systems in 1982 has fallen from 130 per thousand to 37 in 1991.

There are thus precedents, which show the potential for far more effective links between poverty reduction and environmental management. What is needed above all is democratic, accountable, effective and innovative urban authorities – and the national frameworks these need to allow them to develop. This in turn needs international agencies that are able and willing to support this. It is worth noting the need to go beyond the “project” approach; what is

⁶⁵ Implementing Habitat Agenda, In search of Urban Sustainability. 2001, p.125.

⁶⁶ Verschure H., A Sadiq and M. Arch, Urban Poverty Alleviation – Policy orientation. 2001, pp. 53-54.

⁶⁷ Verschure H., A Sadiq and M. Arch, Urban Poverty Alleviation – Policy orientation. 2001, p. 53.

needed is partnership that strengthens the capacity of urban authorities to develop appropriate responses. But there are also many countries where political circumstances, as in the case of Congo, make it impossible for international agencies to support more effective urban authorities. Here, international agencies need to develop new channels of direct support to community initiatives. The recent trend of some bilateral agencies of withdrawing support from countries with undemocratic or ineffective governments is understandable – but this also penalises the low-income groups within these countries. This is where innovation is most needed in channelling support directly to low-income groups – for instance through local funds for community initiatives. This kind of support needs not to undermine the long-term goal of good governance. Indeed, many community-level initiatives that began independent of government later came to influence government actions in ways that brought many benefits for low-income groups.

A critical determinant of the success of urban poverty reduction initiatives is the quality of the relationship between “the poor” and the organisations or agencies which have resources or powers that can help address one or more aspects of the deprivations they suffer. Obviously, success also depends on the extent to which such agencies have resources or decision-making powers that can support urban poor groups. It also depends on the space given by such agencies to urban poor groups in defining priorities and developing responses and their transparency and accountability to urban poor groups.

From the previous chapter we can deduce some **lessons learned and recommendations concerning Local Agenda 21 processes**, which can partially be found in the report on the workshop held in Cape Town.⁶⁸

In several countries, and especially in developing countries, LA 21 is still perceived as being too theoretical, which causes a lack of political support. This is reinforced by the fact that many governments in the developing world perceive the LA 21 as an “environmental” agenda and by consequence as an agenda for the developed countries. Moreover, many of the LA 21 projects in the Third World have been initiated through external support and when the funding is exhausted the LA 21 initiatives cannot sustain; mechanisms for creating sustainability do not seem to be in place. That is why LA 21 projects should be integrated strategically within the local authority structures. However, there are limits to what can be achieved due to bureaucratic difficulties (inertia), capacity constraints and global economic pressures. These lessons learned and the previous assumptions can lead to the formulation of some recommendations:

- There is clearly a need to clarify concepts, principles, processes and characteristics of LA 21 and show links with other related concepts such as sustainable development, good governance and environmental management (which we have tried to do in this paper.)
- It would also be useful to package and market LA 21 in a way that will fire the imagination of politicians and sound convincing to local government.

⁶⁸ Report on the Local Agenda 21 regional workshop held at the breakwater lodge in Cape Town. 2002, pp. 8-9.

- Possibilities should be explored of setting up a specific fund to support LA 21 efforts in the least developed countries, and concurrently there is also a need of developing a kind of “handbook” that provides guidance on translating the LA 21 concepts and principles into practice at the local level.
- The implementation of the LA 21 projects asks also for an ongoing awareness raising, training and capacity building of all groupings including government officials, politicians, civil society and NGOs.
- Emphasis needs to be given to highlighting the benefits of adopting LA 21 principles and approaches; LA 21 should have direct impact on poverty.

2. The limited scope of poverty reduction and Local Agenda 21 activities in crisis-ridden countries: the case of the Democratic Republic of Congo – Kinshasa.

In this part, we will apply what has been explained in the first part in a concrete context. The general objective will be to show that in a society of political and economic regression and widespread poverty, universal agendas such as Local Agenda 21 are difficult to implement. The question is then what kind of intervention can be applied? We will present the project of a Social Urban Fund, financed by the Belgian development co-operation. In how far does this intervention share objectives with the ones stipulated in Local Agenda 21 and what are the limitations? Before dealing with these questions, we will give a brief description of the context. For this, we can to a large extent refer to the first part, but some specific data should be mentioned.

2.1. Poverty in Kinshasa: Who and Why?

2.1.1. Who are the poor in Kinshasa?

The crisis and the marginalisation of the Sub-Saharan continent have been largely documented. The Democratic Republic of Congo is an extreme example of that economic and social regress. In one of the latest documents of the World Bank on the Democratic Republic of Congo we read: “All the economic and social indicators situate Congo between the poorest countries of the world. The income per capita decreased from US\$380 in 1985 to US\$85 in 2000. The number of malnourished people almost doubled during the last years from 15 millions in 1992 to 32 millions in 1999 ... the performance of Congo in this area is the worst of all countries...”⁶⁹

However, after two decades of regress and four years of war, fragile signs of hope are cropping up. At the political and military front, peace agreements between the belligerent parties (Suncity, April 2002 and Pretoria, July 2002) under the guard of President Mbeki and Secretary General Kofi Annan could end, if implemented, the war. Meanwhile, the international community,

⁶⁹ Marysse S., Besoins de financements de la reconstruction de l'économie congolaise : ampleur et conditions préalables. p.25.

willing to avoid a long lasting and expanding conflict in the region, is opening up a perspective on reconstruction of a devastated country.

To know who the poor in Kinshasa are, which is crucial when implementing a project focusing on the poor, we can refer to the first part where some characteristics of the poor are described. This can be applied to the context of Kinshasa, but some additional observations will be made.

Firstly, as has also been done in the first part, we will present poverty in terms of income by using the poverty lines. Based upon the study on Matete and Kisenso, two of the poorest neighbourhoods of Kinshasa, it becomes clear that poverty in terms of expenditure of income is situated between 50% and 57% of the population if we take the criteria of less than US\$1 a day per person, and between 85% and 89 % with the criteria of more than 50 % of the income spent on food. It has been observed that the poorest category of people has an annual income from more or less US\$260 a year or US\$0, 70 a day per person.

Secondly, as has been suggested in the first part, by referring to the work of Amartya Sen, poverty lines do not reflect all the dimensions of poverty, such as hidden poverty within families and the impact of culture on poverty and poverty as social exclusion. That is why other measures and observations have to be adopted. In the case of the Democratic Republic of Congo and more in particular of Kinshasa, poverty has been measured in terms of malnutrition and interviews have been done among the poor themselves. The results of observations made by UNICEF and CEPLANUT and ourselves in 1996-7 can be summarised as follows: 22, 6 % of the children suffer from insufficient weight, 28 % lag behind in growth and 4, 9 % suffer from severe malnutrition. The last study organized by the Ministry of Health in 1998 gives a number of 6, 5 % of people suffering from severe malnutrition. This way of measuring poverty reveals an aspect of the hidden poverty: the worst cases of malnourished children can be found in families where the mother is absent or even more where the head of the family is not the father of the child. These children are the last being fed because they have no one who feels directly responsible for them. This explains also that the poor themselves define the “real” poor, called “mobola”, as the people that are privied from any kind of support, such as women without husband, mother-girls and children, called “shégués”, pushed at living in the streets because accused of sorcery.

As has been mentioned in the first part, poverty lines cannot reveal the cultural and social impact of poverty. In these terms, poverty decreased in Congolese society, to use the words of Sen, “the ordinary rules of patronage, credit, charity, reciprocity and even family support”⁷⁰ In other words, cultural and social ties are destroyed in a way that solidarity is not longer providing a social safety net, which leads to growing individualisation of poverty and social exclusion.

Finally, from the geographic point of view, urban poverty is concentrated in the peripheral areas of Kinshasa, where 75% of the population can be categorised as “poor”. In these areas, there is a serious lack of public infrastructure. These collective goods, which by definition, cannot be produced by the market, should be provided by the State but the State is lacking the means

⁷⁰ Drèze J. And A. Sen, *Hunger and Public Action*. 1989, p.74.

to play its role and has other priorities. This pushed the Belgian intervention under the form of a Social Urban Fund to intervene in this kind of peripheral neighbourhoods in order to be sure to reach the poorest of the poor.

2.1.2. Why?

The main cause that led the country to the catastrophic situation of today has been defined as **the absence of good governance**. This was caused by the impunity of the leaders who had in the framework of the Cold War rivalry large access to the rents of aid and mineral wealth. The ensuing corruption is the major factor that disturbed Congo's development during the last 30 years. It has been the principal obstacle in the struggle against the other factors of under-development, including poverty, ignorance and disease. Corruption has been a drag on economic progress and on democracy. Moreover, corruption has declined the values of society. Ethnicity plays a major role in the maintenance of corruption and can be seen as a negative and unproductive social capital at the level of the general interest of the country. The deepening of the economic and societal crisis led ultimately to the destruction of social ties. This destruction created an anomic society without rules and in which trust disappeared on the one hand between the population and the State, due to the fact that the State does not provide for social services and collective protection, and on the other hand between the individuals themselves. The latter leads to an increase of individualism and suspicion within the families.

The weakness of social capital and deterioration of social tissue leads to several forms of exclusion: economic exclusion, social exclusion, etc. As a consequence, a loss of fundamental values and references can be observed, which makes it impossible to organise society in a positive way.

In other words, we find a situation where the state and the family institutions are disturbed or do not function properly. The formal economy has declined and regular income has become rare, because salaries are not been paid in time or are not paid at all.

In addition, traditional solidarity does not provide anymore a social safety net for the members of society who do not have the capabilities to function properly in society. In other words, the poverty of the Congolese people is a process characterised by a succession of causes and consequences, which lead to inequalities and exclusions that makes a human and sustainable development impossible. These inequalities concern the access to resources, to control, power and to the expression of the right to obtain a better life. This leads to conflicting situations on the one hand between the Congolese population and on the other hand between the Congolese elite, all looking for a piece of the cake that has become small. The inequalities are also at the basis of geographic disparities and specifics of poverty between the urban and rural environment and the different regions.⁷¹

⁷¹ Luzolele Lola Nkakala L. and S. Marysse, *Combattre la pauvreté dans le Congo en situation de post-conflit*. 2001, pp. 20-23.

2.2. Specifics of urban poverty: the case of Kinshasa

In general, the specificity of urban poverty in Sub-Saharan Africa is a consequence of the annual population growth of 4 %, due to the pressure of the rural exodus and the natural growth of the population, which is two times the average of the world urban growth. In Congo, the population growth, estimated at 4, 4% between 1993-2000, means that the population of the Congolese cities will double within sixteen years.

In the case of Kinshasa, the fertility rate is of 7 children per woman and every family counts 8 or 9 members. At the period of the study on urban poverty, produced in 1997, Kinshasa counted more or less 5 million inhabitants. In 2015, Kinshasa will have about 10 million inhabitants and will be the second biggest city in SSA, after Lagos with 24 million.

The flow of rural population to the cities produces a deficit in terms of infrastructure, jobs, social services, etc. This explains the growth of urban poverty characterised as a privation of capabilities: schools, housing, access to water, drainage and the collection of refuse, basic sanitation services, the organisation of economic and effective public transport reducing the cost for the poor living in peripheral areas. In other words, there is a lack of provision and of access to the urban services.

Kinshasa is surviving thanks to the informal sector but even in the informal sector income has become hypothetical. As a consequence, within the family all members have to contribute to collect the money necessary to eat. This leads to a decrease of control and authority of the elder on the children and in many cases the girls become prostitutes in order to obtain an income. In its turn, this creates the problem of young girls becoming mother without any male- or family-support. Often these girls are not able to feed their children properly, by consequence these children are malnourished and often damned to survive in the streets.

The following table will show disparities concerning the access to some basic public services between the rural and urban areas as well as between countries of the region. We will see that Congo is one of the worst performers in all areas. Much should be done to improve the provision of basic services because it is now widely accepted that access to the urban services and the activities in the informal sector are playing an important role in the alleviation of poverty.

Box 5: Disparities between rural and urban areas concerning the access to public services (in % of the urban and rural population).⁷²

⁷² Source: UNDP, Human Development Report, 1996

Country	Health rural	urban	Drinking water, rural	urban	Sanitation rural	urban
R.D.Congo.	17	40	23	37	11	46
C. Afr Rep.			18	18		
Congo	70	97	2	92		
Sudan	40	90	41	84	4	79
Uganda	42	99	32	47	52	94
Rwanda			62	75	56	77
Burundi	79	100	69	100	51	60
Tanzania	73	94	46	67	62	74
Zambia	50	100	11	91	12	75
Angola			15	69	8	34

2.3. Poverty reduction: a Belgian contribution (DGIS/BTC) in times of crisis.

Taking our cue from Amartya Sen, attacking the poverty of the Congolese population means for the public policies: to struggle against the denial of liberties and to eliminate the privations from which the Congolese people suffer and so to enlarge their capabilities to function in society. Attacking poverty in the Democratic Republic of Congo will need a well-functioning, efficient market, democratic mechanisms, areas of free expression and access to social services. The State should fulfil its role of regulator of the social and macro-economic context. It should create mechanisms that provide access to income, education, health and transport for all the people. However, at this moment the State is weak and unable to finance public services. This calls for external intervention to support the reconstruction of the country.

In addition, the Congolese population and their leaders should be aware of the fact that the solutions for a sustainable development of their country should come in the first place from themselves and not from outside. They have to attack their own community individualism, which leads to the destruction of the general interest.

As has been explained in the first part, a concrete example of a poverty reduction strategy is the social funds. In the case of Kinshasa, the Belgian cooperation (DGIS/BTC) is engaged in the financing of a social urban fund in the neighbourhood of Kisenso. In this part, we will not repeat the objectives, possible impacts and limitations of this kind of interventions, which can be found in the first part. This part aims at giving a concrete example of a social urban fund, at justifying the intervention in Kinshasa and at mentioning some critical observations concerning this intervention.

2.3.1. Why a social urban fund in Kinshasa?

Box 6: Social Urban Fund in Kinshasa

Funding agency:	DGIS
Execution agency:	Belgian Technical Co-operation
Agency of processing:	The municipality of Kinshasa
Date of presumed start:	January, 2001
Date of presumed end:	December 2003
Belgian contribution:	3.000.000 Euro
Sector:	Consolidation of society
Sub-sector:	Poverty reduction

A first general objective of the Social Urban Fund in Kinshasa is to contribute to the reduction of poverty by offering a job to the poor and so to improve their livelihoods as well as their environment. A second general objective is to increase the self-government of the local actors, which should lead to a sustainable impact of the project.

The more specific objective is to transfer means to the poorest. By using the methods of “money for work” and “food for work”, an increase of their purchasing power and an increased access to social services will be reached. The “demand-driven” approach will give the local actors capacities to think and act together to improve the social and economic infrastructures of their environment. The sustainable impact should be reinforced by the fact that the beneficiaries of the salary of the labour-intensive work are buying goods of investment and have access to savings.

It is clear that the project cannot improve the living conditions of the whole population of Kinshasa, is due to the very limited financial means: 3 million Euro, spread over three years and over a population of 250.000 inhabitants. However, it is important to organise effective measures and actions of small dimensions that contribute to the reduction of the deep poverty and that give confidence to the people. Concerning the justifications of the intervention, a first justification of the project can be found in the fact that the town government of Kinshasa has developed a three year plan (1998-2000) to reconstruct the city of Kinshasa. This was done because of the chaotic situation dominating the majority of the sectors and activities. The plan designates the principal problems facing Kinshasa, including transport and communication, the environment and public hygiene, the collective services and economic activities. In each of these areas the plan proposes several objectives. It is concluded in the plan that the realisation is based on an internal and external effort for the mobilisation of resources; that is where the Belgian Co-operation came in. In this perspective, it is of prime importance to inform and consult the local authorities in the case of intervention, with a view to avoiding a boycott by the offended local authorities. That is why in the case of Kinshasa **the project of a SUF is linked to the plans of the local authorities.** In other words, the participation of town authorities in the identification, planning and execution was crucial from the first phases of the project on both levels: the

central level of the city and the local level of the commune of Kisenso.

Secondly, the justification concerning the geographical area of intervention should be explained. In function of the visibility of the activities of rehabilitation of basic infrastructure, and given the restrained financial means, a limited area of intervention has been chosen: the community of Kisenso. This choice has been justified by the fact that this **peripheral community is among the poorest and most isolated and deprived communities of Kinshasa with less external intervention than in other poor communities**. It is a non-planned community situated between the city and the rural areas. By consequence, the agricultural activities are important and there is a lack of public infrastructure, such as roads, schools, health centre, markets, ...

A third justification concerns the fact that the pressure of poverty is destroying the social ties and pushes the young people into marginality and crime. This evolution calls for the need to reconstruct social ties, conviviality, social and cultural capital, through activities that could bring people together in projects of general interest that bring real changes in their environment.

Fourthly, concerning the justification of the Belgian support, it can be said that the co-operation policy of Belgium has as an objective to contribute to the promotion of a sustainable development in the assisted countries. That is why the intervention strategies of Belgium propose the implication of the population in the different phases of identification, formulation and execution of the project so that they are the actors of their development. Moreover, the Belgian co-operation wants to reinforce the socio-economic foundations by developing basic social infrastructure and by the distribution of income among the poorest people (through public work of high intensive-labour). These priorities correspond to the ones of the SUF. Moreover, if people will be sensible enough to maintain the infrastructures, the project will have a sustainable impact on the reconstruction of Kinshasa.

In other words, **the creation of this fund is corresponding to the prior strategic choices of the Belgian co-operation**, namely to the sector concentration (basic infrastructure) and to the cross sector themes of social economy (distribution of income), to the maintenance of the environment and to the equality between men and women.

2.3.2. Some critical observations

Firstly, something has to be said concerning **the time of implementing the project of a SUF** in Kinshasa. The project proposal was submitted as early as 1997, but it is only now that the first steps have been taken to implement the project. The consequence of this long delay may be that people get discouraged.

Secondly, concerning the demand-driven approach and local participation, a problem may be **the conflicting interests within one community**. In the case of Kisenso, the local governor asked for the reconstruction of his office and the road towards the building. One can ask if this is a real priority in the eyes of the population. Do the poorest have a voice to express their needs? In other words, although it is essential to involve the local authorities, this

may not lead to the denial of listening to the needs of the less powerful.

Finally, the **localisation of the poorest** is difficult. The selection of Kisenso as one of the poorest communities will contribute to realise the objective of reaching the poorest. But this targeting has a drawback: why this and not another poor community in Kinshasa or in other parts of the country has been selected? Therefore, it is important to insist on the **need of coherence** between the donors, as been spelled out in the DAC Guidelines, in a way that as many people as possible are reached. It is equally important to avoid a concentration of efforts in one area. Moreover, this intervention is very limited and a massive external support will be needed to reconstruct the country. Luckily, at this moment, because of the political re-orientation of Congo after the death of L. Kabila, the international financial community (IMF, World Bank) has adopted a more positive attitude towards Congo, which means that the country comes out its international isolation.⁷³ This external confidence and the internal legitimacy, which means an increase of the internal and international social capital, will hopefully bring very fast a flow of private investments to the country, which with the support of the population can lead to the destruction of the viscous circle of distrust, lack of investment, economic regression and the poverty that characterised the period of pre-conflict.⁷⁴

2.4. The Belgian contribution and Local Agenda 21

The objective of this comparison will be to come to a reflection on the immediate relevance of the LA 21 objectives in the context of a developing country context, such as the Democratic Republic of Congo. Is it possible to realise the main objectives of the LA 21 at once? We will see that even the objectives of the LA 21 corresponding with the ones stipulated in the project of the SUF present obstacles, especially the one of sustainability.

In order to have a clear comparison, we will take the four characteristics of the LA 21 as they are presented in the opening paper (ICLEI 2001, VODO 2001, Lafferty 2001), which are mentioned as follows:

- **An integrated approach to policy, transgressing different areas of intervention.** This means that the concept of sustainable development is interpreted broadly, namely as the integration of social, economic and ecological aspects. In all areas of intervention, sustainable development has to be the starting point. This is called the “mainstreaming” of sustainable development.
- **A special attention to the process.** Much attention is paid to dialogue, consultation and participation. All groups of society are invited to participate in the process. This means that the government plays a moderating role rather than a leading or controlling one, in order to give more space to the local actors and individual citizens.
- **A long-term perspective.** Sustainable development means to take into account the future generations.
- **A global dimension.** The LA 21 is the translation of global problems to the local level.

⁷³ Marysse S., Besoins de financements de la reconstruction de l'économie congolaise : ampleur et conditions préalables. p.1

⁷⁴ Marysse S., Besoins de financements de la reconstruction de l'économie congolaise : ampleur et conditions préalables. pp. 24-25.

Despite the absence of an application of the LA 21 in the Democratic Republic of Congo, some of the projects and interventions present some characteristics of the LA 21, including the SUF. In spite of the fact that this is an external intervention, it is a project based on the priorities set by the local authorities and the population itself. Moreover, the SUF is not executing the project but is a financial and technical supporting mechanism. The local organisations are the real actors of the realisation of the project.

By considering the objectives of the LA 21, we can observe several similarities with the objectives of the SUF. The first one, the integrated approach, addressing several areas of intervention, is an important characteristic of the SUF. Whereas, the social and economic aspects are priorities of the SUF, the ecological dimension is addressed in a less explicit way. As the priorities are set by the population, the environmental concerns will be of secondary importance, but by reconstructing the city and improving infrastructure and basic services, environmental aspects are indirectly included.

Concerning the importance of participation of the local actors and the population, the SUF, as has been demonstrated, is a real example of this approach.

The long-term perspective objective is the one that presents most problems. Although, the SUF is very much concerned about the sustainability of its impact, much will depend on the social, economic and political context. Will people develop the sense of being concerned with the common public goods and do a real effort to maintain them? Will the economic and political situation develop in a way that it can sustain the process of reconstruction? More questions than answers because the project is in its initial period and time is needed to judge the real impact of the SUF in Kinshasa.

The global dimension translated to the local level, seems to be a challenge open to a broad interpretation. In the context of the SUF, with the main objective to combat poverty in Kinshasa, we can say that it corresponds to the objective of resolving problems locally of a global dimension, given the fact that poverty is a problem with a global dimension.

It has to be said that the long-term perspective and the global dimension are also major obstacles facing the implementation of LA 21 activities. As mentioned in the opening paper (Local Agenda 21 in a development perspective: an analysis framework.), many local authorities reason from election to election and take local problems as the starting point of their policies

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