

## Policy pointers

**Governments and international agencies** need to return to their commitment to universal provision of basic services and must support the local governmental and civil society institutions that are key to realising this commitment.

**Local governments in urban areas** have a key role to fulfil in meeting the MDGs and most of the goals suggested for the post-2015 development frameworks, therefore they should be involved in setting and committing to goals and monitoring progress.

**In many nations, urban poverty and inequality** are being addressed by partnerships between local governments and federations or networks of slum/shack/homeless people. A new financial architecture is needed, which supports this and is accountable to urban poor groups as well as to external funders.

## A future urban poor groups want: addressing inequalities and governance post-2015

Successful urban centres provide advantages for private enterprises, but economic success does not, of itself, reduce poverty or address unmet needs. Many prosperous cities in low and middle-income nations have one third or more of their population living in informal settlements on inadequate incomes, with very high infant, child and maternal mortality rates and high levels of under-nutrition. Yet most international agencies have ignored urban poverty. How can urbanisation be associated with greater equality of opportunity, less poverty, good health, local participatory governance, resilience to climate change and ecologically sustainable models of production and consumption? Achieving this will require more effective and accountable city and municipal governments that support post-2015 goals. This also implies new funding structures that support local government and local civil society to play their part in the process.

### Poverty and urban living

Urban areas house more than half the world's population, and urban enterprises generate most of its GDP. Urban areas also concentrate most new investments — and have done so for decades. Urbanisation is associated with prosperity; all wealthy nations are predominantly urbanised and nations with the greatest economic success are generally those that have urbanised most in the last few decades.

Yet one in four people in urban areas lives in poor quality and usually overcrowded housing without access to safe, sufficient water, good-quality sanitation and drainage. Their neighbourhoods lack health care, schools, emergency services and the rule of law. Most of these people live in informal settlements and are at risk from eviction. Moreover, most thriving cities concentrate unsustainable production systems and consumption patterns, taking us closer to dangerous climate change.

### Stronger urban governments can make a difference

The quality and capacity of urban governments and their relations with low-income groups is central to reducing poverty. Most of the responsibility for ensuring basic service provision, access to housing and more accountable participatory governance falls within their jurisdiction.

We have much to learn from cities where these responsibilities are acted on and where mayors and city governments are accountable to urban poor groups.

### Absolute poverty is underestimated

There are no reliable statistics on the scale of urban poverty globally, as our analysis in Table 1 shows. The metric chosen to monitor monetary poverty within the Millennium Development Goals (MDGs) — the dollar-a-day poverty line — greatly underestimates the scale of urban poverty. It does

## *The quality and capacity of urban governments is central to reducing poverty*

so because in many urban contexts the costs of food and non-food needs are particularly high, for instance: the costs of renting even poor-quality housing, the costs of transport, energy, water (often purchased from vendors), toilet use (often with access only through pay-per-use public toilets), keeping children at school and the cost of healthcare services.

### Understanding the scale and nature of inequality

Studies of inequality, like studies of poverty, focus on income. They show the very large and often growing differentials between high and low-income groups. They also show how those in unskilled and/or informal employment do not share equally in the benefits of economic growth. But a focus only on income inequality misses some of the other profound inequalities in urban contexts: in health, quality of housing, access to basic services, provision for voice and exposure to disaster risk. If we compare the best and the worst performing urban settlements, infant, child and maternal mortality rates differ by a factor of 30 or more. Exposure to disaster risk is likely to vary by a factor of 50 or more as so many informal settlements are on land that floods or on unstable steep slopes, and they lack risk-reducing infrastructure. Although income inequality is very high in most high-income nations, at least inequalities in much of the above have been reduced or removed so even low-income groups get access to piped water, toilets in the home, schools, health care and safety nets.

The first major challenge is getting an understanding of these inequalities. This is problematic: few data are available because national governments and international agencies rely on household surveys with sample sizes that are too small to show inequalities within cities.

The second challenge is to commit to universal provision of basic services. Universal provision for water, sanitation and healthcare services was agreed by the UN in the 1970s but the MDGs have gone back to targets that only aim to halve the proportion of people who suffer from hunger, monetary poverty and inadequate provision for water and sanitation by 2015. For 'slum dwellers' the target was a significant improvement in the lives of one tenth of the slum population, and for reasons that remain unclear, this very unambitious goal was to be by 2020, not 2015.

### Learning from experience

Three promising developments deserve highlighting. They all counter the assumption

made in the MDGs that national governments will address the goals, when in so many contexts it is local government and grassroots organisations that are the key actors.

### Accountable city and municipal governments.

Change can take place where there are city and municipal governments that have the capacity to act within political systems that make them accountable to citizens and open to demands by low-income or otherwise disadvantaged populations. In much of Latin America and some middle-income nations in Africa and Asia, both poverty and many aspects of inequality have been reduced by supporting upgrading of informal settlements. Elected mayors and city governments, safety nets that reach low-income households, and new governance processes that encourage inclusion, such as participatory budgeting, have helped to underpin this.

### Pioneering approaches by federations and networks of slum/shack/homeless people.

These federations or networks are active in many African and Asian and some Latin American nations. At their base are savings groups, which undertake many initiatives, including building or improving homes and addressing poor quality sanitation. They work together to map all informal settlements in their city and count all their residents so that they have the data needed to understand and act on inequality. These federations also offer to work in partnership with local government to address urban poverty at the city scale. Many local governments have responded positively to this offer and where these two critical groups work together, the scale and scope of what can be achieved in reducing absolute poverty and many aspects of inequality, multiplies.

This collaboration also addresses two other inequalities: in low-income group's voice and influence within local government and in the support available to such groups to address deprivation directly, especially where local governments fail to do so.

There are examples of new funding architectures that provide direct support to community organisations within informal settlements and catalyse local partnerships and funds. These include the Urban Poor Fund International run by Shack/Slum Dwellers International, which supports all the federations, and the Asian Coalition for Community Action, which since 2009 has supported close to 1,000 community initiatives in 165 cities in 19 nations.

**Breaking the link between high living standards and high greenhouse gas emissions.** Well-governed cities can help delink

**Table 1. Estimates for the scale of urban poverty in low- and middle-income countries.**

Type of poverty	Number of urban dwellers affected	Notes
Inadequate income to cover the cost of food and non-food basic needs	800–1,200 million	No accurate figures are available on this.
Inadequate or no provision for safe, sufficient water and sanitation	In 2010, over 700 million urban dwellers were without water piped to their premises and without 'improved' sanitation	There are no accurate figures for the proportion of urban dwellers with 'safe' water or 'sufficient' water. The figures for 'improved sanitation' are known to greatly understate the number of urban dwellers lacking access to good quality toilets.
Hunger	500 million+?	In many Asian and sub-Saharan African nations, 25–40 per cent of urban children are underweight and/or under height. In India, Pakistan, Bangladesh and many other nations, more than half the urban population suffers from food-energy deficiency.
Living in poverty (that is, in housing that is overcrowded, insecure and/or of poor quality and often at risk of forced eviction)	1 billion+?	Many cities in Asia and Africa have 30–60 per cent of their population in informal settlements; some have more than 60 per cent.
Homelessness (that is, living on the street or sleeping in open or public places)	Approximately 100 million?	There are also large numbers living on temporary sites (for example, workers and often their families living on construction sites) that are close to homeless.
Lack of access to health care services, education and social protection; also to emergency services	Hundreds of millions?	No global estimates but many case studies of informal settlements show the lack of provision for these. Access to these may require a legal address, which informal settlement dwellers lack
Absence of the rule of law	Hundreds of millions?	No global estimates but in most informal settlements, there is little or no policing. The absence of the rule of law may show up in high levels of violence and murder rates
Lack of voice	Hundreds of millions?	No global estimates but getting on the voter's register often requires a legal address or documents that most urban poor groups do not have

high living standards from high levels of greenhouse gas emissions. Among the world's cities with very high living standards, per capita greenhouse gas emissions vary by a factor of 10. Those cities with low per capita emissions are where most people choose to walk, cycle or use public transport and where there is a strong commitment among households and businesses to energy and materials conservation.

### The importance of the local

In all the discussions about the post-2015 development framework, little attention is given to the local: to local contexts, local government, local organisations of urban poor groups and other local civil society groups; to local finance, local resources, local data needed to inform action, and to the accountability of national governments and international agencies to the residents of each locality.

Almost all development interventions are local, in that they provide some good or service to particular persons in a specific location. Almost all depend on a local institution to provide this — a water company, solid waste collection service, daycare centre, healthcare service, public

transport, police station or bank branch. Thus, almost all development interventions are only as effective as the local institution. One of the greatest weaknesses of development assistance is the failure to produce a funding architecture capable of supporting local (government and non-governmental) institutions, especially the urban poor and their organisations.

Within this, local government has great significance either as the provider of the goods and services or as the initiator, regulator and manager. This is even more the case if local government is taken to include all sub-national government levels, including state or provincial governments.

Furthermore, where national government ministries or agencies provide goods or services, the institutional arrangements for their provision on the ground often involves local government. Local government also has considerable importance for economic success — in attracting and retaining new investment, for example.

The locations where the MDGs are most likely to be met are where local governments have the competence and capacity to fulfil their responsibilities, where they are accountable to

their residents and where decisions about funding allocations are transparent.

## Future action and the sustainable development goals

How do we ensure that 'the future we want' is a future that low income urban dwellers want and can secure?

**Don't just set targets, be clear about how they can be met and by whom.** There is no point in setting targets if no attention is given to who is responsible and capable of meeting them and who needs support to increase their capacity to act. Most of the goals and targets will not be met unless grassroots organisations, their federations and networks, and local governments and the agendas they develop together, are supported.

**Go back to universal targets.** Targets should include universal provision for safe, sufficient water, which in urban areas is measured by the proportion of households with regular supplies of treated water piped to their premises. It should also include sanitation provision, measured in urban areas by the proportion of households with good-quality toilets in their home or immediate neighbourhood, primary health care, schools and emergency services accessible to all, and more attention paid to ensuring provision of all these is of good quality.

**When providing finance to support the achievement of goals, consider where finance is needed, to whom it should be made available and to whom the providers should be accountable.** There is a danger that post-MDG discussions just generate a new list of goals without considering the financial and other mechanisms that are needed by local government and civil society to support their realisation. There is a need for local financial institutions in every urban centre that work with, and are accountable to, urban poor groups. There are already many of these functioning from which we can learn.

**Devise indicators that actually match goals and targets.** Measurements are needed to assess whether targets are met. But some of the indicators being used to measure progress on MDG achievements are flawed for urban areas — the dollar-a-day poverty line (and its adjustment to \$1.25 a day at 2005 prices) and the statistics on provision for water and sanitation and on slum populations, for example. If poverty lines were set in

each nation at levels that match the costs of food and non-food essentials and adjusted for where such costs are particularly high (for instance in larger and more prosperous cities), it is very unlikely that the poverty reduction target has been met — or will be met by 2015. This would also produce a very different picture of global trends in poverty.

**Support local processes to generate the data needed for setting priorities and benchmarks and for monitoring progress.** This means changing the very basis for generating data; no longer relying on national sample surveys that provide so little useful data for local actors about where needs are concentrated. There is also a need to consider how to provide data on some key qualitative issues. These include the quality of the relationship between urban poor groups and local governments, what factors constrain the development of representative organisations of the urban poor, and the availability of funds to support their initiatives.

**Encourage and support local governments and civil society organisations to develop their own goals and targets and to recognise their roles and responsibilities within the post-2015 development process.** Agenda 21, one of the outcomes of the UN Earth Summit in 1992, had a short section on local Agenda 21s. This is one of the few times that the key role of local governments in meeting environment and development goals has been recognised. Another is the agenda for change coming out of Rio+20; these global discussions on development and environment actually take the role of local governments seriously.

**Build urban resilience to climate change.** Somehow the issue of climate change got left out of the MDGs and their targets. Building resilience to the impacts of climate change in urban areas is dependent on the points raised above. In other words, local competence and capacity, partnerships between those most at risk and local governments, and basic infrastructure and services reaching everyone. It also requires finance systems that support on-the-ground knowledge and the capacity to act.

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## Knowledge Products

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This paper is one in a series on 'Post-2015: Framing a new approach to sustainable development' examining how new goals and strategies can address priority development issues in a way that integrates their environmental, economic and social dimensions. The series is based on a framework developed by the Independent Research Forum on a Post-2015 Sustainable Development Agenda. The framing paper can be downloaded at <http://pubs.iied.org/G03559>. Further titles in the series can be found at [www.iied.org/millennium-development-goals-what-comes-next](http://www.iied.org/millennium-development-goals-what-comes-next)

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### Further reading

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