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The Millennium Development Goals and poverty reduction¹

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I. WHAT ASPECTS OF POVERTY WILL THE MDGS REDUCE?

Most of the Millennium Development Goals (MDGs) are compatible with poverty reduction, because they demand better performance in outcomes that are important to poor groups. They have also set specific time-bound goals and targets. These include:

- ◆ achieving universal primary education by 2015;
- ◆ reducing infant and child mortality by two-thirds between 1990 and 2015;
- ◆ reducing maternal mortality by three-quarters between 1990 and 2015;
- ◆ halving the number of people without safe drinking water, adequate incomes and food intakes by 2015, as compared to 1990;

1. This develops and expands on points raised in an earlier paper focusing on urban poverty, published in *Environment and Urbanization* Vol 15, No 2, October 2003.



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- ◆ significantly improving the lives of at least 100 million “slum” dwellers by 2020 (this includes increasing the proportion of people with “improved” sanitation and access to secure tenure); and
- ◆ halting and beginning to reverse the spread of Aids, malaria and other major diseases.

The MDGs also include other goals that have particular importance for poverty reduction, including:

- ◆ promoting gender equality and empowering women; and
- ◆ ensuring more work opportunities for youth.

Thus, international agencies (and, in part, national governments) have set themselves up to be judged by whether they can ensure these targets are met. Although comparable international goals and targets have been set in the past, the MDGs are unprecedented in the range of goals and targets chosen, in the recognition that most are interconnected, and in the public commitment from international agencies that they will be judged by whether these goals and targets are achieved.⁽²⁾

The MDGs also have goals and targets related to stronger and more prosperous economies among low- and middle-income nations, including more international support for addressing the special needs of the least developed countries, landlocked countries and small island states, and more attention to addressing debt problems and removing trade barriers.⁽³⁾

Despite their relevance to poverty reduction, these and the other Millennium Development Goals can be seen as:

- ◆ **too narrow**, as a greater focus on achieving these goals reduces support for other important poverty reduction initiatives;
- ◆ **too determined by “external” experts** – those suffering from deprivation have not determined the

2. However, the MDGs are also not new in the sense that they are largely a consolidation of commitments made by national governments at the various global UN conferences held since 1972.

3. See <http://www.developmentgoals.org> for the complete text of the Millennium Development Goals.



priorities; they also had no role in the definitions of “what is poverty” and of what is needed to reduce it;

- ◆ **too concerned with measurable outcomes**, which may mean too much support for top-down, targeted interventions to deliver on the chosen targets (and indicators), and a neglect of developments whose impacts are not easily measured, such as more accountable local governance, protection of poorer groups’ civil and political rights, and more possibilities for community-designed and managed initiatives;⁽⁴⁾
- ◆ **too reliant on indicators that are conceptually flawed** (especially the “US\$ 1 a day” poverty line) **and for which the data are inadequate or inaccurate**; and
- ◆ **too focused on the role of international agencies and national governments** – neglecting the investments and ingenuity that low-income groups and their organizations can bring to poverty reduction, and the extent to which poverty reduction requires local processes that are more responsive and accountable to low-income groups.

As noted in the Introduction, underlying all this is a concern that, while the MDGs may have broadened the set of outcomes by which “development assistance” will be judged, there has been too little reflection on the processes that need to change to ensure these outcomes are achieved. Development assistance in the past has failed to deliver good performance for many of the MDG targets. Many of the MDG concerns had already become a central part of the development discourse during the 1970s, including the recognition by most development assistance agencies that a greater priority to basic needs was required. See, for instance: the commitment made by virtually all governments during the 1970s to provide water and sanitation for all by

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4. The UN Secretary-General noted that insufficient progress was being made in meeting the broader objectives of the Millennium Declaration on such issues as human rights, democracy and good governance, also on conflict resolution and the special needs of Africa; see “Results are mixed so far in implementation of Millennium Development Goals, Secretary-General Tells General Assembly”, Press Release GA/10072, 04/10/02.



1990; the estimates prepared in the early 1970s for the amount of international aid required to achieve an end to hunger and provide education, health care and water and sanitation for all;⁽⁵⁾ the shift in health care towards “primary health care”, with its goal of universal coverage (and health for all); the global discussions about how to achieve a fairer international trade regime;⁽⁶⁾ and the recognition of the particular problems faced by small and/or island states.⁽⁷⁾ The US Government’s Secretary of State for Foreign Affairs had even stated publicly at the UN World Food Summit in 1974 that it was our duty to make sure that no child went to bed hungry by 1985.⁽⁸⁾ Surely, no one working in any development assistance agency in the late 1970s would have predicted that more than 20 years later:

- ◆ under-five mortality rates would still be between 150 and 300 per 1,000 live births for many nations, and more than one-quarter of all children in low- and middle-income nations would be underweight or under height for their age;⁽⁹⁾
- ◆ average life expectancy would still be below 50 years for more than 20 nations, and below 40 in some – and that hunger and child mortality would be increasing in many nations;⁽¹⁰⁾
- ◆ some 2 billion rural dwellers and around 800 million urban dwellers would lack adequate provision for water and sanitation;⁽¹¹⁾
- ◆ more than one million people per year (mainly children) would be dying of malaria with around 2 million per year (mainly adults) dying of tuberculosis;⁽¹²⁾

5. See, for instance, the chapter entitled “The cost of justice” in Ward, Barbara (1976), *The Home of Man*, W W Norton and Co (USA), McLelland and Stewart (Canada) and Penguin (UK), which gives estimates drawn from the World Bank on the “basic investments” needed for food and nutrition, education, rural and urban water supply, and population and health.

6. See, in particular, all the discussions about a New International Economic Order during the 1970s.

7. Selwyn, Percy (1975), *Development Policy in Small Countries*, Croom Helm, London, 208 pages.

8. <http://www.gene.ch/gentech/1997/8.96-5.97/msg00014.html>.

9. UNDP (2001), *Human Development Report 2001; Making New Technologies Work for Human Development*, Oxford University Press, Oxford and New York, 264 pages.

10. UNDP (2003), *Human Development Report 2003; Millennium Development Goals: A Compact among Nations to End Human Poverty*, Oxford University Press, Oxford and New York, 367 pages.

11. WHO and UNICEF (2000), *Global Water Supply and Sanitation Assessment, 2000 Report*, World Health Organization, UNICEF and Water Supply and Sanitation Collaborative Council, 80 pages; also UN-Habitat (2003), *Water and Sanitation in the World’s Cities; Local Action for Global Goals*, Earthscan, London, 274 pages.

12. UNDP (2003), *op. cit.*



- ◆ poverty would be rising in many low- and middle-income nations, despite generally good economic performance in the world economy and rapid economic growth for most high-income nations.

Of course, part of the reason for the poor performance in some of these indicators in many nations was the rapid growth of HIV/Aids, but even here, the limitations of international action to support prevention and ensure good treatment for those who are infected should be noted.

The MDGs are very clear in what they want to achieve, but not clear about the means through which they will be achieved. In a sense, they are a critique of development institutions and development theory, because they are pointing to desired outcomes that more than 40 years of international aid have failed to achieve. But they give little idea of how international development assistance should change, except that more international aid needs to be spent on interventions to support these goals.

II. CONTRASTING METHODS FOR ADDRESSING POVERTY

The extent to which these criticisms of the MDGs are valid will depend on the choices made by national governments and international donors with regard to the approaches taken to achieve these goals, and to the information bases they use to guide their policies and priority-setting and to monitor progress. This can be illustrated by considering two contrasting ways of addressing poverty. The first is through “poverty reduction” programmes, directed by national governments and international agencies, designed by “experts”, which draw on official data (usually woefully inadequate and often inaccurate) and official definitions of poverty (usually narrow and often inaccurate) to identify “target groups” and design policies to meet “basic” needs as defined by experts. There is a search for interventions that are considered to be most effective at delivering improved performance in some of the targets and indicators that the MDGs have chosen. Needs are conceived of in

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physical terms, especially in terms of food intake and access to (a few) basic services. The standards set for what constitutes “basic services” are generally very low, and are often unlikely to produce the desired outcomes for falls in mortality – as discussed in a later section on water and sanitation. Not much attention is paid to the inequalities in power, incomes and asset bases that generally underpin malnutrition and the lack of basic services. Key poverty reduction issues such as safety nets, stronger asset bases, the protection of civil and political rights by the rule of law, and the right of all citizens to get fair responses from politicians and civil servants get little attention – in part because these are not issues in which the official development assistance agencies find it easy to engage successfully.

In contrast to this, poverty can be addressed by making resources available to low-income groups and their organizations in response to their needs and priorities, while also responding to and supporting local democratic processes which recognize the rights of all citizens to basic services, the rule of law and accountable institutions. It is stating the obvious that the deprivations faced by “the poor” are experienced locally: inadequate food intakes; inadequate asset bases; daily challenges to health in poor quality homes; the inadequacies in provision for water, sanitation and drainage; the difficulties in getting proper health care; including emergency treatment for acute injuries or illnesses; the difficulties in getting children into schools or of affording to keep them there; and the long hours worked in often dangerous conditions. Many of the poorest rural and urban households live with the constant threat of violence and of eviction from the land they farm or occupy for housing. Tens of millions of households are particularly vulnerable to extreme weather events. Most of these deprivations will not be addressed by “more external investments”; what is needed is changes in the way external investments are made, in who determines what investments are made and how external resources are used, and to whom those who make these decisions and investments are accountable.



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III. INSTITUTIONAL STRUCTURES AND LOCAL PROCESSES

If successful poverty reduction or “pro-poor change” is to have local manifestations, national governments and international agencies need to demonstrate how the measures they design and implement to “reduce poverty” will bring concrete benefits to (low-income) individuals and households in their daily lives in terms of:

- ◆ what they can consume, save and invest in;
- ◆ the quality and security of their homes and neighbourhoods;
- ◆ the infrastructure and services to which they have access; and
- ◆ their relationships with those who influence their incomes and other aspects of their lives (landowners; employers; local government or private infrastructure and service providers; the rule of law and those who are meant to enforce it; politicians; often landlords, community organizations and NGOs).⁽¹³⁾

To give some examples of the kinds of local processes that can reduce poverty:

- ◆ The Indian NGO, SPARC, and its Alliance with the women’s cooperatives, *Mahila Milan* (formed by “slum” and pavement dwellers) and the National Slum Dwellers Federation, are engaged in many different projects in different locations in India to improve housing and living conditions and basic services, successfully reaching hundreds of thousands of low-income dwellers. This Alliance has shown how work in many different areas such as community-based and community-managed savings and credit groups, house construction, the development of community-designed, built and managed toilet blocks, and community-managed resettlement programmes can contribute to poverty

13. It may seem strange to include here community organizations and NGOs, but these can be as top-down and unaccountable to low-income groups as governments and international agencies.



reduction, as long as these are based on what low-income groups and their organizations can do for themselves, and representative community organizations retain control.⁽¹⁴⁾

- ◆ The Thai Government's Community Organizations Development Institute (CODI) makes loans available to (rural and urban) community organizations for a wide range of activities relating to land acquisition and housing construction, housing improvement and income generation. It stresses the need to provide support for locally determined processes, and was set up because "...conventional development systems and processes are not designed for the conditions of the poor nor are they appropriate to the needs of the poor. There are almost always problems when the poor try to fit into these systems."⁽¹⁵⁾ But to prevent it from being swamped by too many loan applications, this organization provides loans to networks or federations of community organizations (for instance, networks formed within a particular locality or based around particular occupations), which then on-lend to their members. These networks or federations of community organizations also have more capacity to negotiate with local or provincial authorities, or to influence development planning, or to work together on shared problems of housing, livelihoods or access to basic services. These networks also link communities so that they can share their experiences, learn from each other, work together and pool their resources. These networks also proved very important in helping member organizations cope with the effects of the economic crisis that started in Thailand in 1997, and most community networks also developed their own community welfare programmes. CODI demonstrates how far funding can go if organized and managed by community

14. Patel, Sheela and Diana Mitlin (2001), *The Work of SPARC and its Partners Mahila Milan and the National Slum Dwellers Federation in India*, IIED Working Paper 5 in Poverty Reduction in Urban Areas Series, IIED, London.

15. Boonyabancha, Somsook (2003), *A Decade of Change: From the Urban Community Development Office (UCDO) to the Community Organizations Development Institute (CODI) in Thailand*, IIED Working Paper 12 in Poverty Reduction in Urban Areas Series, IIED, London.



organizations or networks, and how many community-managed activities can achieve cost-recovery. CODI also has a major role in the Thai Government's "Cities without slums" programme but, as its director notes, large-scale slum upgrading programmes are only possible if the "infrastructure" of community processes and networks and their savings schemes are in place; representative community organizations have to be involved in decision-making, be able to own the decisions that are taken, and be in control of the activities that follow.⁽¹⁶⁾ CODI is also unusual in that it supports community-directed poverty reduction in both rural and urban areas, and has found that many of the community networks it supports have both rural and urban members.

These are examples of institutions supporting the kinds of local processes that can deliver many of the MDGs: one an alliance of an NGO and two federations of people's organizations, the other a national government agency specifically set up to support community initiatives (in rural and urban areas). Both these institutions recognized that they had to support diverse local processes, each rooted in its particular local context, where low-income groups and their representative structures have influence. Many other development initiatives and institutions have sought to work with low-income groups directly, strengthening and supporting their organizations, building on their resources and capacities – see, for instance, the work of AKRSP in rural areas in Pakistan and the local governance innovations in Laborie (St. Lucia),⁽¹⁷⁾ or the partnerships between local government and the organizations and federations of the urban poor in South Africa, Namibia, Zimbabwe, Kenya, the Philippines and Cambodia.⁽¹⁸⁾

Most of what these initiatives do is based on what poor people themselves design and implement. In many instances, the need for external support is limited or non-

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16. Boonyabancha (2003), *op. cit.*

17. Zehra, Maheen (2004), "Creating space for civil society in an impoverished environment in Pakistan" and Renard, Yves (2004), "The sea is our garden: coastal resource management and local governance in the Caribbean", in Bass, Steve et al., *Politics, Poverty and the Environment*, Earthscan Publications, forthcoming.

18. See case studies of most of these in *Environment and Urbanization* Vol 13, No 2, October 2001; also <http://www.homeless-international.org/> and <http://www.dialogue.org.za/>.

Table 2.1: The most important aid project characteristics from two different viewpoints

CHARACTERISTICS OF MANY SUCCESSFUL COMMUNITY-DRIVEN INITIATIVES	PROJECT CHARACTERISTICS WHICH MAKE IMPLEMENTATION EASY FOR OUTSIDE FUNDING AGENCY
Modest external funding available to support many and diverse initiatives in different locations	Large capital sum provided to one project; managing many “low-cost” projects is too costly in staff time
Multisectoral, addressing multiple needs of low-income groups	Single sector, because managing a multisectoral project implies coordinating different sections in the donor agency and different government agencies or departments within the project, which is time-consuming
Implementation over many years – less of a project and more of a longer-term process to improve conditions and services, and to improve relations between low-income communities and external agencies (including local government)	Rapid implementation (internal evaluations of staff performance in funding agencies are often based on the volume of funding supervised and the speed of implementation)
Substantial involvement of local people (and usually their own community organizations) in defining priorities, developing project design, and implementation	Project largely designed by agency staff (usually in offices in Europe or North America) or by consultants from the funding agency's own nation
Project implemented collaboratively with community-based organizations, often local NGOs, local government and, often, various government agencies or ministries	Project implemented by one construction company or government agency
High ratio of staff costs to total project cost (in part because the initiative sought to keep down costs and to mobilize resources locally) ^(a)	Low ratio of staff costs to total project cost (because this is seen within the agency or its funders as a measure of ‘efficiency’)
Capacity to change in response to changing local circumstances or external factors (or because of a recognition that new approaches are needed to increase effectiveness)	Very limited capacity to change from what was specified in the project documentation
Difficult to evaluate using conventional cost – benefit analysis because of multiple benefits and many qualitative improvements, including many that may not have been anticipated in the original proposal	Easy to evaluate by focusing on the achievement of quantitative outcomes that were identified and specified in the original project document
Little or no direct import of goods or services from abroad	High degree of import of goods or services from funding agency's own nation

(a) This is not always the case, and careful preparation may mean a low proportion of staff costs to total costs, especially if the initiative grows.

SOURCE: Developed from Hardoy, Jorge E, Diana Mitlin and David Satterthwaite (2001), *Environmental Problems in an Urbanizing World: Finding Solutions for Cities in Africa, Asia and Latin America*, Earthscan Publications, London, 448 pages.



existent – but this can change suddenly, as new opportunities open up (especially with regard to greatly increasing the scale of work). But the external funding is needed to support scaling up and to complement, rather than replace, locally generated resources. As the Indian NGO, SPARC, has commented, many donors find it difficult to support community-directed processes because their procedures require outputs to be defined at the outset, and this inhibits local groups from taking advantage of new opportunities. Donors are also unwilling or unable to support processes whose objective is to transform the interactions between the state and the poor. They also cannot see how support for local processes can strengthen poor communities' capacity to secure their own and external resources.⁽¹⁹⁾ Table 2.1 compares the characteristics of many successful community-driven processes for reducing poverty with the project characteristics that make implementation easier for external agencies; the difficulty in reconciling the two is obvious. A shift by external funding agencies away from projects to budgetary support or to more funding decisions made by offices within recipient countries may not increase the scale and suitability of the support for community-driven processes.

It is very difficult for the official development assistance agencies to have an effective and supportive interface with these local processes. The national governments with whom they work often do not want development assistance allocated to these processes, or at least they want to manage the allocation of such resources and influence who gets them (and who does not). Similarly, within each locality, these local processes are working within political contexts in which a range of public agencies and private companies are seeking funding (or to control its allocation). Providing support to community-driven processes often lessens the role of contractors or reduces their profits.⁽²⁰⁾

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19. Patel and Mitlin (2001), *op. cit.*

20. See Patel, Sheela and Diana Mitlin (2003), “Grassroots-driven development: the Alliance of SPARC, the National Slum Dwellers Federation and Mahila Milan” and Baumann, Ted, Joel Bolnick and Diana Mitlin (2003), “The age of cities and organizations of the urban poor; the work of the South African Homeless People’s Federation”, in Mitlin, Diana and David Satterthwaite (editors), *Empowering Squatter Citizen: Local Government, Civil Society and Urban Poverty Reduction*, Earthscan Publications, London.



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Most international agencies and the “experts” on whom they draw have little detailed knowledge of the specifics of each city neighbourhood, village or pastoral area where the interventions they fund are implemented. They may have little or no engagement with the local population; foreign experts often cannot speak the language of those in the settlements where their recommendations will be implemented. Their recommendations are often biased by their experience in other nations, by their reading of other “success stories” (usually implemented in very different local contexts) or by their analysis of datasets that have grave limitations (as discussed in more detail later). What they recommend so often fails to support the kinds of local processes that benefit those with the least income, assets and political power (including those designed and implemented by “the poor” themselves) – in part because they do not see or understand these. Even if the “experts” make the right recommendations, they often undermine the local learning processes that are essential for effective local change.⁽²¹⁾

One major difficulty for any donor agency supporting the MDGs is their distance from “local needs”, and the long and complex process between a decision to allocate more funds to water supply and actually getting work on the ground that delivers “sustainable access to safe drinking water” to those lacking it. And how difficult it is for the international agency to ensure a fit between what is provided by their external support and what is actually needed in each locality. Between the allocation of funds for water and its use on the ground come so many factors that influence what is done – from the forms and procedures internal to the agency to the agreement arrived at with the recipient government, to the procedures used to determine who gets responsibility and funds for implementation, to the quality of agencies or contractors who undertake or are contracted to undertake the work, to the quality of the monitoring, to the provisions made to manage and maintain the new

21. See Patel and Mitlin (2003) and Baumann, Bolnick and Mitlin (2003), *op. cit.*



facilities... None of these processes within the international agencies and few of the processes within the recipient government are influenced by the “poor”, and rarely are the agencies with responsibilities for implementation accountable to the poor. In effect, the use and effectiveness of most donor agency funding has to rely on national and local governance structures within recipient nations as the main channels through which their decisions are implemented. Effective aid is very difficult to achieve if this national and local governance structure is ineffective, centralized and lacking democratic checks and balances at all levels. This explains the emphasis given by donor agencies in recent years to “good governance”. But a recognition of its importance does not imply a capacity to achieve it. “Better local governance”, which implies more competent, transparent and accountable local governments with more resources, may be the single most important underpinning for the achievement of many of the MDGs. But achieving this will reduce the power and the profits of many powerful vested interests. Reforming local government is intensely political and always contested; not something easily achieved by support from (distant) international agencies working through national governments.

In addition, many of the data used by international agencies are profoundly anti-local, because they are based on national sample surveys with limited or no capacity to inform local institutions of the specific problems in their own locality. For instance, the Demographic and Health Surveys may be able to identify some of the most serious health problems and inadequacies in infrastructure and service provision “for national populations”, but they provide no data of use to local institutions about who within their jurisdiction has these problems, and in which villages or urban neighbourhood they live.⁽²²⁾

There are precedents showing how development assistance agencies can support local processes, but these almost

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22. See later section for more details.

Box 2.1: The Community-Led Infrastructure Finance Facility (CLIFF) in India

This financing facility aims to support three local organizations to carry out and scale up community-driven infrastructure, housing and services initiatives in many different locations, in conjunction with local governments and the private sector (including banks and landowners). These three organizations are an Indian NGO (SPARC), women's cooperatives (*Mahila Milan*) formed by pavement and "slum" dwellers, and the National Slum Dwellers Federation (a federation of slum dwellers' organizations and local federations). This financing facility is also seen as a pilot from which to draw lessons for setting up comparable facilities in other nations. It is unusual in that it provides a funding base from which local projects can be developed (there is no specification of which projects can be funded in the initial project document), and does so on a larger scale than is usually available to NGOs and people's organizations. It is also unusual in that the funding is provided in a form that helps the local organizations leverage funds from other (mostly local) groups such as banks and government organizations and, where possible, to recoup the capital provided by the facility to allow its re-use and reinvestment.

The financing facility provides loans, guarantees and technical assistance to support a range of projects including community-led high-rise developments in crowded inner-city areas (so housing can be improved without displacing anyone); a variety of new housing projects (including one designed and managed by women pavement dwellers); community-managed resettlement programmes; and

community-designed, implemented and managed public toilet blocks. UK£ 6.1 million (c. US\$ 9.8 million) is available for bridging loans to kick-start large infrastructure, upgrading and resettlement projects, with the funding recovered from the Indian Government. Many schemes to benefit low-income groups can obtain government funding, but this funding only becomes available when a project has reached a certain stage, and this often leads to such funding not being used, as Indian NGOs cannot afford to start major construction projects before funds become available. CLIFF also provides hard currency guarantees to secure local bank financing of projects, technical assistance grants (to develop projects to the point when they are ready for financing) and knowledge grants (to ensure that learning from the initiatives supported by CLIFF are widely shared by communities, municipal officials, technical staff and policy makers).

A large part of the funding for the projects that CLIFF supports comes from the resources contributed by low-income households and their community organizations within the SPARC–*Mahila Milan*–NSDF Alliance that is implementing it. In effect, CLIFF is only possible because of the strength and capacity of the long-established federations and savings and loan schemes. Sida and DFID have contributed external funding to CLIFF, with this support being channelled through Cities Alliance and the UK charity Homeless International (which helped develop the concept of CLIFF with the Alliance, and which is responsible for management).

SOURCE: Patel, Sheela and Diana Mitlin (2003), "Grassroots-driven development; the Alliance of SPARC, the National Slum Dwellers Federation and *Mahila Milan*" in Mitlin, Diana and David Satterthwaite (editors), *Empowering Squatter Citizen: Local Government, Civil Society and Urban Poverty Reduction*, Earthscan Publications, London.

always involve channelling support through an intermediary institution based in that nation or locality. For instance, Sida has supported a range of initiatives in different Central American nations to improve housing and living conditions and basic services (and often better local governance and employment generation), but Sida's funding has always managed by a local institution, because this can respond



more quickly, manage more, and more diverse, processes, and be more rooted in an understanding of local realities.⁽²³⁾ Some international donors (including the World Bank and the Japanese and Danish Governments' bilateral programmes) have supported local processes by providing funding to the Community Organizations Development Institute (CODI) in Thailand, whose work was outlined earlier (although this agency relies mostly on funds recovered from its loans, underpinned by a capital base provided by the Thai Government).

DFID and Sida are supporting a wide range of "local processes" through their support to the Indian NGO, SPARC, and the two networks of community organizations with whom they work (Box 2.1). This support is unusual in that it provides a funding base on which the local organizations can draw to undertake new initiatives and respond to new opportunities, much more flexibly than within any conventional project funding framework.

Thus:

- ◆ Will donor support for achieving the MDGs be based on strengthening and supporting local institutions (including community-based organizations) and local democratic processes – and the data collection systems that support this? Will international donors find the institutional means to support representative organizations of the poor and landless to negotiate better deals with landowners and local authorities? It is difficult to see how poverty will be reduced unless this happens.⁽²⁴⁾ Or will it be through top-down, "targeted" approaches, where external agencies choose the indicators and the means to address them, and where very simple indicators are used to measure progress on what are often complex and multifaceted local processes?

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23. Stein, Alfredo (2001), *Participation and Sustainability in Social Projects: The Experience of the Local Development Programme (PRODEL) in Nicaragua*, IIED Working Paper 3 in Poverty Reduction in Urban Areas Series, IIED, London; also Sida (1997), "Seeking more effective and sustainable support to improving housing and living conditions for low-income households in urban areas: Sida's initiatives in Costa Rica, Chile and Nicaragua", *Environment and Urbanization* Vol 9, No 2, October, pages 213–231.
24. See the paper on the Programme for Land Tenure Legalization on Public Land in São Paulo, Brazil in *Environment and Urbanization* Vol 15, No 2, October 2003.



- ◆ Will the greater attention to indicators mean a focus on “better data” that are useful for local processes, or will it concentrate on “national surveys” that largely serve national governments and international agencies?
- ◆ Will donor support for the MDGs recognize the importance of more effective local processes over the particular measurable outcomes related to their own funding? For instance, as Chapter 4 on the MDGs and natural resource management describes, an emphasis by donors on supporting an increase in the protected land area (one of the indicators for Millennium Development Goal 7) can support the impoverishment and exclusion of poorer groups rather than help poverty reduction. For urban areas, will donor-funded initiatives to address the Millennium Development Goal of significantly improving the lives of at least 100 million slum dwellers by 2020 be rooted in supporting local processes, which are more citizen-directed and more accountable to slum dwellers and their organizations? Or in (often expensive), one-off, externally directed “upgrading” projects, over which “slum” dwellers have little influence and which can so often be judged to be “putting a shelter over poverty”?(25) The donor support record for upgrading to date suggests that the latter is more likely than the former.(26)

Most international agencies recognize the relevance of local processes, but all face constraints in supporting them. The multilateral and bilateral agencies can hardly open offices in hundreds of urban centres and thousands of villages (yet, in India or Brazil alone, there are thousands of urban centres and hundreds of thousands of villages). International agencies have to rely on the government structures within the nations to which they provide support. And the “local” governments in these “thousands of urban centres and hundreds of thousands of villages” are generally weak and

25. Díaz, Andrés Cabanas, Emma Grant, Paula Irene del Cid Vargas and Verónica Sajbin Velásquez (2000), *El Mezquital – A Community’s Struggle for Development*, IIED Working Paper 1 in Poverty Reduction in Urban Areas Series, IIED, London.

26. Hardoy, Mitlin and Satterthwaite (2001), op. cit.



often ineffective. Many are antithetical to the needs and priorities of the poor. Indeed, many local governments see “the poor” as “the problem”, and one that inhibits their attempts to attract foreign investment.⁽²⁷⁾ These local processes are also a long way from cities such as London, Brussels and Washington DC, where so many decisions about priorities are still made.

The Community Organizations Development Institute in Thailand, whose work was described earlier, is an example of an intermediary institution through which international agencies can support locally determined, community-driven processes – but comparable government institutions do not exist in other nations. International agencies can turn to non-governmental intermediary institutions, even if this is often opposed by the governments with whom they work. But it is difficult for international agencies to manage support for lots of small intermediary institutions, and difficult to ensure that these institutions do not reproduce the top-down, unaccountable, non-transparent processes they were meant to avoid.⁽²⁸⁾

There is another constraint, especially strong for international financial institutions such as the World Bank and the regional development banks. Their very institutional basis depends on the lending of large sums. But support for local processes should try to minimize dependence on external funding in order to increase the potential for “going to scale” and for keeping going when external support is withdrawn. It is not in the interests of such international institutions to mobilize local and national resources and cut costs to the extent that their loans are no longer needed. When a Pakistan NGO, with long experience in supporting community-managed sewer construction and maintenance (the Orangi Pilot Project), demonstrated to Karachi’s government that an Asian Development Bank loan for improving sewers was not actually needed because a locally driven sewer construction and improvement

“Support for local processes should try to minimize dependence on external funding in order to increase the potential for ‘going to scale’ and for keeping going when external support is withdrawn”

27. See Benjamin, Solomon (2000), “Governance, economic settings and poverty in Bangalore”, *Environment and Urbanization* Vol 12, No 1, April, pages 35–56.

28. See, for instance, Jellinek, Lea (2003), “Collapsing under the weight of success: an NGO in Jakarta”, *Environment and Urbanization* Vol 15, No 1, April, pages 171–180.



“Most governments and international agencies still define and measure poverty based only on income levels or consumption levels, with an assumption that the poverty line is primarily determined by the cost of food”

programme to an alternative design could be built using local resources, not surprisingly the Bank objected. It had put staff time into developing the loan proposal, and the Bank depends on making loans to cover its staff costs.⁽²⁹⁾ Bilateral donors face a comparable contradiction between their need to spend their funding allocations and the small, diverse and often slow funding requirements of many local processes. This is not to imply that large capital sums are unnecessary – but many of the high-level debates and discussions on “aid” tend to assume that increased aid flows are fundamental to solutions, without considering whether there are channels and institutions to allow this aid to be used for the benefit of the (urban and rural) poor.⁽³⁰⁾

IV. HOW SHOULD POVERTY BE DEFINED WITHIN A COMMITMENT TO THE MDGS?⁽³¹⁾

The many non-income aspects of poverty

The way in which any government or international agency defines poverty has large implications for how they address it (and measure the extent to which it is reduced). Most governments and international agencies still define and measure poverty based only on income levels or consumption levels, with an assumption that the poverty line (the income above or below which an individual or household is considered poor) is primarily determined by the cost of food.⁽³²⁾ For both rural and urban populations, this obscures the fact that many deprivations have little or no link with income level. In addition, since most nations set a single poverty line for their entire population, determined primarily by the cost of food, this understates the scale and

29. Hasan, Arif (1999), *Understanding Karachi: Planning and Reform for the Future*, City Press, Karachi, 171 pages.

30. Some years ago, one bilateral aid agency with whom IIED works closely suddenly faced a very considerable drop in its capital resources as a result of a change in government. Quite correctly, the staff of the bilateral agency opposed the cut but, privately, some of the staff noted that now, perhaps, they could spend the money better. Discussions with staff from both bilateral and multilateral agencies highlight how little time they have to manage projects, and how much pressure they are under to keep down staff costs.

31. This section draws on a work programme funded by the UK Government’s Department for International Development; the working papers from this will be available on <http://www.iied.org/urban/index.html> from December 2003.

32. Tabatabai, Hamid with Manal Fouad (1993), *The Incidence of Poverty in Developing Countries; an ILO Compendium of Data, A World Employment Programme Study*, International Labour Office, Geneva, 105 pages; also Wratten, Ellen (1995), “Conceptualizing urban poverty”, *Environment and Urbanization* Vol 7, No 1, April, pages 11–36; UNCHS (1996), *An Urbanizing World: Global Report on Human Settlements, 1996*, Oxford University Press, Oxford and New York; and Satterthwaite, David (1997), “Urban poverty: reconsidering its scale and nature”, *IDS Bulletin* Vol 28, No 2, April, pages 9–23.



depth of poverty in places where costs of non-food necessities are high. The fact that large sections of the poor have to pay high prices for (often very inadequate) housing, water, sanitation, transport, health care, keeping children at schools and so on is rarely considered in setting poverty lines. If it is, the calculations as to what “the poor” need for non-food essentials is usually based on “what the poor currently pay” for these, as determined by income and expenditure surveys, not on what income they would need to get adequate provision. A household of six living in a tiny shack, having to go considerable distances to collect water from a contaminated source and having to defecate in the open (because they have no toilet in their own home), may be found to be spending very little on housing, water and sanitation by an expenditure survey, but it hardly means that they need very little income for these. Get the poverty definition wrong and the result can be nonsense statistics – as in a recent paper in *World Development* which claimed that there was virtually no urban poverty in Kenya and Zimbabwe in the mid- or late 1990s (see the final section of this chapter for more discussion of this).

There are two key issues here. The first is “what is left out” by using poverty definitions based only on income levels or consumption levels. The second is whether the income level set as the poverty line actually reflects the income that is needed to avoid deprivation. The rest of this section considers the first of these; the next section considers the second, especially with regard to the “dollar a day” poverty line that is used by the MDGs.

The range of goals contained within the MDGs suggests that there is a shift in definitions of poverty from those that focus only on income or consumption to those that consider a much broader range of deprivations, and their interconnections. Implicit in any commitment to lowering infant, child and maternal mortality is a commitment to better health care and better provision for water and sanitation, as well as ensuring sufficient food intake. The commitments on universal primary education, greater

“The range of goals contained within the MDGs suggests that there is a shift in definitions of poverty from those that focus only on income or consumption to those that consider a much broader range of deprivations, and their interconnections”



“Poverty reduction requires more than an official recognition of the poor’s needs; it has to include a renegotiation of the relationship between city and residents, between state and civil society, between poor and other stakeholders”

gender equality, significantly improving the lives of slum dwellers, and halting and reversing the spread of major diseases all imply a recognition that poverty is more than “inadequate food intake”. Perhaps there is also an implicit recognition that many of the deprivations that the MDGs are trying to address have little or no direct link to income levels, while many relate much more to political systems and bureaucratic structures that are unwilling or unable to act effectively to address these deprivations.

Box 2.2 outlines eight different aspects of poverty. It includes a more complete set of factors than conventional definitions of poverty, including aspects that are rarely considered in official discourses on poverty (and are less easily measured), such as lack of voice and power within political systems and bureaucratic structures, inadequate protection of poorer groups’ rights by the law, and discrimination (for instance, that based on gender, age, religion or caste). As one NGO that works closely with organizations formed by men and women “slum” and pavement dwellers notes: *“Poverty reduction requires more than an official recognition of the poor’s needs; it has to include a renegotiation of the relationship between city and residents, between state and civil society, between poor and other stakeholders.”*⁽³³⁾

Some of the aspects of poverty listed in Box 2.2 are not exclusive to low-income groups. For instance:

- ◆ in many societies, many of those with incomes that could be considered adequate in terms of paying for necessities lack voice within political systems and receive inadequate protection from the law (for instance, in terms of health and safety at work or protection from violence);
- ◆ some of the aspects of poverty noted above can be the result of non-democratic political systems, which restrict civil and political rights and freedoms of most or all “non-poor” individuals and households, as well as for “the poor”; and

33. Patel and Mitlin (2003), *op. cit.*

Box 2.2: Different aspects of poverty

- ◆ Inadequate and often unstable income (and thus inadequate consumption of necessities including food and, often, safe and sufficient water); often problems of indebtedness, with debt repayments significantly reducing the income available for necessities.
 - ◆ Inadequate, unstable or risky asset base (both non-material, including educational attainment, and material, including savings and stores) for individuals, households or communities.
 - ◆ Poor quality and often insecure, hazardous and overcrowded housing.
 - ◆ Inadequate provision of “public” infrastructure (piped water, sanitation, drainage, roads, footpaths, etc.), which increases the health burden and often the work burden.
 - ◆ Inadequate provision of basic services such as day care/schools/vocational training, health care, emergency services, public transport, communications and law enforcement.
 - ◆ Limited or no safety net to ensure basic consumption can be maintained when income falls or crops fail; also to ensure access to housing, health care and other necessities when these can no longer be paid for.
 - ◆ Inadequate protection of poorer groups’ rights through the operation of the law, including laws, regulations and procedures regarding civil and political rights; occupational health and safety; pollution control; environmental health; protection from violence and other crimes; and protection from discrimination and exploitation.
 - ◆ Poorer groups’ voicelessness and powerlessness within political systems and bureaucratic structures, leading to little or no possibility of receiving entitlements to goods and services; of organizing, making demands and getting a fair response; and of receiving support for developing their own initiatives. Also, no means of ensuring accountability from aid agencies, NGOs, public agencies and private utilities, and of being able to participate in the definition and implementation of their poverty reduction programmes.
- Low-income groups may also be particularly seriously affected by high and/or rising prices for necessities (food, water, rent, transport, access to toilets, school fees etc)

SOURCE: Drawn from Mitlin, Diana and David Satterthwaite (2003), “Introduction” in Mitlin, Diana and David Satterthwaite (editors), *Empowering Squatter Citizen: Local Government, Civil Society and Urban Poverty Reduction*, Earthscan Publications, London. This, in turn, draws on many other people’s work, especially Amis, Philip (1995), “Making sense of urban poverty”, *Environment and Urbanization* Vol 7, No 1, April, pages 145–157; Baulch, B (1996), “The new poverty agenda: a disputed consensus”, *IDS Bulletin* Vol 27, No 1, pages 1–10; Chambers, Robert (1995), “Poverty and livelihoods; whose reality counts?”, *Environment and Urbanization* Vol 7, No 1, April, pages 173–204; Moser, Caroline O N (1996), *Confronting Crisis: A Summary of Household Responses to Poverty and Vulnerability in Four Poor urban Communities*, Environmentally Sustainable Development Studies and Monographs Series No 7, The World Bank, Washington DC, 19 pages; Moser, Caroline, O N, Alicia J Herbert and Roza E Makonnen (1993), *Urban Poverty in the Context of Structural Adjustment; Recent Evidence and Policy Responses*, TWU Discussion Paper DP No 4, Urban Development Division, World Bank, Washington DC, 140 pages; and Wratten, Ellen (1995), “Conceptualizing urban poverty”, *Environment and Urbanization* Vol 7, No 1, April, pages 11–36.

- ◆ it is not only those with inadequate incomes who suffer from inadequate provision of “public” infrastructure and services, since large sections of the population with the capacity to pay for good quality infrastructure and services do not receive it; the deprivations they suffer, that arise from, for instance, inadequate provision for water, sanitation and drainage, are related more to the inadequacies within the organizations with responsibility for their provision.



“Understand poverty as involving multiple deprivations, many of them interconnected, and the scope for poverty reduction increases greatly, especially for local processes”

The list in Box 2.2 also has the limitation that many of the deprivations are linked, and that one may cause another (e.g. lack of income preventing an individual or household from being able to afford health care), while addressing one may also mean that others are resolved (or lessened). The deprivations suffered by low-income groups are generally the result of the interrelations between these different aspects. A five-person low-income household with only one income earner (who is illiterate), living in a rented room in an illegal settlement on a flood plain cannot be categorized as having five distinct problems – namely low income, high dependency ratio, lack of education, insecure tenure and unhealthy housing – because they are all related.⁽³⁴⁾ It is often those households that face such multiple deprivations that are the most vulnerable; a small change in one factor can result in increasing hardship and acute poverty.

It might be argued that the factors listed in Box 2.2 are muddling “poverty” with factors that are best seen as governance failures. But this list represents a more realistic characterization of the deprivations faced by large sections of the population in low- and middle-income nations than income-based poverty lines. Perhaps more to the point, especially with regard to local processes, it is also a reminder of the many possible entry points through which deprivations can be reduced. Define and measure poverty only in terms of food consumption or income and “poverty reduction” measures tend to centre only on how to address these. Understand poverty as involving multiple deprivations, many of them interconnected, and the scope for poverty reduction increases greatly, especially for local processes. Local processes will often have a limited capacity to increase incomes for large sections of the poor population (as this depends on many extra-local factors), but will have far more scope to reduce the other deprivations, including those that have the effect of increasing real incomes (by reducing costs or reducing health burdens, or by increasing skills or reducing discrimination).

34. Navarro, Lia (2001), “Exploring the environmental and political dimensions of poverty: the cases of the cities of Mar del Plata and Necochea-Quequén”, *Environment and Urbanization* Vol 13, No 1, pages 185–199.



“Any definition of poverty that is based only on income has grave limitations, especially in nations where the governance structure is particularly weak, ineffective or anti-poor”

The list of deprivations in Box 2.2 may not be contentious – and may, indeed, be considered as the kind of definition of poverty that is most appropriate for MDGs – but most governments and many international agencies still depend on poverty definitions and poverty statistics that are based only on consumption or income. The MDGs also set much store by monitoring how many people are poor or move out of poverty based on the “dollar a day” poverty line, and its limitations are discussed below.

Monitoring poverty with the “dollar a day” poverty line

Any definition of poverty that is based only on income has grave limitations, especially in nations where the governance structure is particularly weak, ineffective or anti-poor. But in a world where access to necessities is increasingly monetized, obviously it has importance. However, any income-based poverty line should reflect the real monetary cost for individuals or households of meeting their needs. In most nations, the income-based poverty lines used by the government do not do this, because they take insufficient account of the real cost of non-food essentials, or do not include the cost of some non-food essentials in their calculations. Most do not allow for differences within national territories in the prices of essential goods and services. For those that do make some allowance, usually this adjustment is crude and limited to a differential between “rural” and “urban” areas, as if prices of essential goods and services were the same in all “rural” and “urban” areas.

Within most low- and middle-income nations, very considerable differences would be expected between locations in the prices of food staples, water, sanitation, fuel and shelter. At one extreme are particular rural locations, where significant sections of the population have little or no monetary costs for food (as the food they grow meets most of their nutritional requirements), for water (because of local open-access sources they can draw



“The same income-based poverty line cannot be used for rural and urban extremes – it will greatly overstate income poverty in the rural area and understate it in the city location”

on), for sanitation (because it is easy to build a latrine or to defecate in the open), for shelter (because they do not have to pay for the land on which they build their shelter and because most/all building materials can be gathered or made locally at no cost) and for fuel (also gathered locally, at no cost). At the other extreme are particular locations in cities, where low-income groups concentrate because of the advantages this provides with regard to livelihoods, but where access to all these goods and services is highly monetized – for instance, rent paid for tiny rooms (or even for the use of a bed or space to sleep in a public place), payments made for the use of toilets, and high prices paid for water, fuel, food and getting to and from work.⁽³⁵⁾ It is obvious that the same income-based poverty line cannot be used for both of these extremes – it will greatly overstate income poverty in the rural area and understate it in the city location.

This is not to claim that such rural locations are devoid of poverty, because poverty levels there can be high for other measures of deprivation – people may, for instance, have little or no provision for infrastructure and services, little or no rule of law (especially for poor groups), and no democratic channels that allow poor people political voice and influence. The water may be free, but it may involve long journeys to and from the source, and the water may be contaminated. Nor is this to imply that all rural locations have lower living costs than all urban locations. Particular rural locations may have high living costs for low-income groups – for instance, migrant labourers who live in temporary camps, or landless agricultural workers who rely on the farmer’s “shops” and who may also have to rent accommodation. At the same time, households in many urban centres (especially the smaller and less prosperous ones) may be able to access many essential goods for free

35. Wratten (1995), op. cit.; also Editors’ Introduction (1995), “The underestimation and misrepresentation of urban poverty”, *Environment and Urbanization* Vol 7, No 1, April, pages 3–10; UNCHS (1996), op. cit.; also Mitlin, Diana and David Satterthwaite (2001), “Urban poverty: some thoughts about its scale and nature and about responses to it”, Chapter 12 in Shahid, Yusuf, Simon Evenett and Weiping Wu (editors), *Facets of Globalization: International and Local Dimensions of Development*, World Bank, Washington DC, pages 193–220; and Montgomery, Mark R, Richard Stren, Barney Cohen and Holly E Reed (editors) (2003), *Cities Transformed; Demographic Change and its Implications in the Developing World*, The National Academy Press, Washington DC, 518 pages.



or cheaply. In addition, hundreds of millions of low-income urban dwellers grow part their food.⁽³⁶⁾

The key point here is that in most nations, the use of a single income-based poverty line greatly understates who is poor in the higher-cost locations. Even using separate “rural” and “urban” income-based poverty lines may produce nonsense statistics because of the diversity in living costs in different rural and different urban locations. These differences in prices for many basics between locations are likely to be larger in most low- and middle-income nations than in high-income nations, where access to virtually all goods and services in most rural areas has become highly monetized. The same income-based poverty line for all locations within a nation, including the “dollar a day” poverty line, should not be used in nations with large differences in the extent to which access to essential goods and services is monetized.

International agencies may not acknowledge this for “poverty lines”, but they do acknowledge very large differences in the cost of living within low- and middle-income nations for their own staff, as the per diems they receive to cover their living costs are adjusted by location. Within most low- and middle-income nations, the daily rate that international agency staff receive to pay for hotels and for “other costs” varies by a factor of 2–4, depending on whether they stay in capital cities or other high-price cities, lower-price urban centres or rural areas; in some nations, the variation is much higher than this (Table 2.2).

Table 2.2 also includes the figures for the daily allowance independent of the hotel bill, and these vary by a factor of 2–3 for most nations and 4–5 for some. Thus, relatively sophisticated measures have been taken to guarantee that international agency staff and international consultants have their “daily cost of living” adjusted to meet the differences in cost between locations within nations – but no such recognition is accorded to “the poor” in poverty lines.

“Within most low- and middle-income nations, the daily rate that international agency staff receive to pay for hotels and for ‘other costs’ varies by a factor of 2–4, depending on whether they stay in capital cities or other high-price cities, lower-price urban centres or rural areas”

36. Smit, Jac, Annu Ratta and Joe Nasr (1996), *Urban Agriculture: Food, Jobs and Sustainable Cities*, Publication Series for Habitat II, Volume One, UNDP, New York, 302 pages.

Table 2.2: Intra-national variations in the per diems paid to international staff to cover their living costs

Nation	Variations between locations in daily subsistence allowance (US\$), including hotel	Variations between locations in daily subsistence allowance not including hotel (US\$)
Angola	103–229	58–99
Argentina	60–158	28–41
Bangladesh	38–187	18–67
Bolivia	45–132	11–42
Brazil	46–150	17–59
Burundi	17–193	13–73
Cambodia	27–177	13–62
Chad	59–215	26–95
Colombia	41–126	13–40
Côte d'Ivoire	42–212	23–85
Ethiopia	39–235	17–92
Ghana	59–199	29–76
Kenya	56–200	24–72
Lesotho	56–110	29–30
Malaysia	30–118	12–57
Mexico	93–252	42–88
Mozambique	68–165	34–74
Namibia	25–90	13–32
Uganda	37–209	16–54
Venezuela	77–213	36–81
Zambia	44–170	22–66
Zimbabwe	51–160	11–66

SOURCE: Drawn from the UN web site, based on April 2003 rates. There are a few exceptions that fall outside these ranges – for instance, where a hotel rate includes all meals.

These differences in the monetary income needed to avoid poverty within nations means that any single poverty line will have limited validity, including the “dollar a day” poverty line. But the validity of the “dollar a day” poverty line for international comparisons is also in doubt. The fact that the “dollar a day” poverty line for each nation is adjusted for purchasing power parity is meant to make it useful for international comparisons. But if this adjusted “dollar a day” poverty line is meant to work for all low- and middle-income nations, from the poorest sub-Saharan African nations to the more prosperous middle-income nations such as Brazil and Mexico, then why shouldn't it



also work in high-income nations? Would a “dollar a day” poverty line have any meaning in high-income nations? According to this measure, there would be virtually no absolute poverty in high-income nations. But it is absurd to think that a “dollar a day” poverty line has any validity for New York, London, Zurich or Tokyo with regard to allowing an individual or a household to rent reasonable quality accommodation and to pay for food, utility bills (water, sanitation, garbage collection, heating, electricity), access to health care and, for families with children, funding the costs of keeping children in school. But then, does it have validity for São Paulo and Mexico City? Or for most major cities in nations with much lower average incomes than Brazil or Mexico – for instance, Delhi and Mumbai in India, Dakar in Senegal and Nairobi in Kenya? Has anyone actually investigated what income is needed for the households living in tenements or informal settlements in cities such as these to avoid poverty – instead of assuming that the “dollar a day” has validity here?

It is ironic that governments and international agencies talk about the proportion of people who “live in poverty” but that no account of living conditions is taken when defining and measuring poverty. Of course, there are links between income poverty and many of the other deprivations listed in Box 2.2, as higher incomes permit more to be spent on housing and basic services. But low-income groups often face prices for basic services that are much higher than they should be because weak, ineffective and unaccountable local governments do not take the measures that help increase supply and reduce prices. Low-income groups in many rural locations simply do not have the services they need. As noted already, some aspects of poverty may have very little direct link to income levels – for instance, discrimination in labour markets, police harassment and absence of the rule of law.

“Has anyone actually investigated what income is needed for the households living in tenements or informal settlements in cities such as Dakar and Delhi to avoid poverty – instead of assuming that the ‘dollar a day’ has validity here?”



“In most low-income nations and many middle-income nations, there is no information on who has ‘safe drinking water’ ”

V. DATA NEEDED TO MONITOR PROGRESS ON THE MDGS

Although the MDGs demand much attention to monitoring and give much attention to defining indicators that will form the basis of this monitoring, there is not much discussion about the validity of the indicators chosen or of the accuracy of many of the current data sources on which the performance of nations in meeting the MDGs will be monitored. But how accurate are most of these statistics? Our research programme has looked in some detail at the statistics on water and sanitation provision and on national governments’ measurement of poverty, and found serious limitations in their quality and detail. At their root is the failure of national (and local) governments to collect appropriate data (although many international agencies have exacerbated the problem by not supporting the kinds of data-gathering systems that support good local development, and by refusing to acknowledge the grave limitations of most of the international statistics they use).

Take the issue of water

There is no global or regional information base for ascertaining how many people have the MDG requirement of “sustainable access to safe drinking water”. In most low-income nations and many middle-income nations, there is no information on who has “safe drinking water” – as the World Health Organization, UNICEF and Water Supply and Sanitation Collaborative Council’s 2000 *Global Water Supply and Sanitation Assessment* makes clear. The only information for which there are data for virtually all nations is estimates as to who has access to “improved” water sources, and these are taken to include not only household connections but also public standpipes, boreholes, protected dug wells, protected springs and rainwater collection, with an acknowledgement that many “improved” sources are not safe.⁽³⁷⁾ “Reasonable access” is taken to mean the availability of at least 20 litres per person per day within one kilometre of the user’s dwelling,⁽³⁸⁾

37. For a discussion of how “improved” water does not imply a major reduction in the health risks, see Priuss, Annette, David Kay, Lorna Fewtrell and Jamie Bartram (2002), “Estimating the burden of disease from water, sanitation and hygiene at a global level”, *Environmental Health Perspectives* Vol 110, No 5, May, pages 537–542.



“The drafting of the water goal missed the key issue that it is not only access to safe water but convenient access to safe, sufficient and affordable water supplies that is important for health”

so it certainly does not mean convenient access; water needs to be much closer and with much larger volumes available to be adequate for washing, laundry, cooking and personal hygiene. Hundred of millions of people classified as having “improved” supplies still have to fetch and carry water from distant sources and/or have to queue for long hours each day to get the water. There is no information on whether their access is “sustainable”, and large sections of both the urban and the rural populations suffer from irregular water supplies. The drafting of this goal missed the key issue that it is not only access to safe water but **convenient** access to safe, **sufficient and affordable** water supplies that is important for health.⁽³⁹⁾ For urban areas, the number of people lacking “adequate” provision for water (i.e. provision to a standard that greatly reduces health risks from contaminated or inadequate supplies) is estimated to be four to five times the number lacking “improved” provision;⁽⁴⁰⁾ a significant proportion of rural dwellers said to have “improved” provision are also likely to lack “adequate” provision. So achieving the MDG goal of halving the proportion of people without sustainable access to safe drinking water by 2015 is a much larger and more difficult task than halving the proportion without “improved” access. Monitoring this goal will need more detailed data than are currently available.

Sanitation

There is no global or regional information base covering low- and middle-income nations on who has adequate sanitation. The questions asked by censuses or household surveys about sanitation are too lacking in detail to allow any judgement as to whether the provision for sanitation is adequate in terms of its most basic function, namely, to dispose of human wastes while minimizing the risk of human contact with excreta and excreta-contaminated wastes. The World Health Organization, UNICEF and Water Supply and Sanitation Collaborative Council’s *Global Water Supply and Sanitation*

38. WHO and UNICEF (2000), *op. cit.*

39. Cairncross, Sandy (1990), “Water supply and the urban poor”, in Hardoy, Jorge E, Sandy Cairncross and David Satterthwaite (editors), *The Poor Die Young: Housing and Health in Third World Cities*, Earthscan Publications, London, pages 109–126.

40. UN Habitat (2003), *op. cit.*



“One point of particular relevance for meeting many of the MDGs is the importance of ‘better’ local governance – both in what local governments do and in what they permit or actively support regarding civil society”

Assessment carefully explains why it cannot report on the proportion of urban and rural dwellers with “adequate” or “safe” sanitation; it can only report on the proportion that have “improved” sanitation, which includes access to a private or shared toilet or pit latrine. Hundreds of millions of people who are reported as having access to “improved” sanitation only have access to pit latrines, and these are often shared with many other households, are poorly maintained and are not cleaned.⁽⁴¹⁾ For instance, by 2000, around 400 million people lacked “improved” provision for sanitation in urban areas, but at least 850 million lacked “adequate” provision.⁽⁴²⁾ The number of rural dwellers lacking “adequate” provision from a health perspective is also likely to be much greater than the number lacking “improved” provision. The MDG indicator for sanitation relates to who has “improved” provision, but either this has to be changed to who has “adequate” provision, or the criteria used to define “improved” provision has to be changed so as to reflect a quality of provision that is more likely to deliver health benefits. Certainly, the ambitious MDGs with regard to reducing infant and child mortality are unlikely to be achieved without more attention to increasing the proportion of urban and rural dwellers who have “adequate” provision for water and sanitation rather than just “improved” provision.

Local data for local needs

Many of the data needed for an accurate monitoring of the MDGs have to come from local data collection – which is then aggregated to provide national coverage. But perhaps more importantly, many of the data needed to get action to meet these goals within countries (and within villages, towns and cities) need to be locally generated. One point of particular relevance for meeting many of the MDGs is the importance of “better” local governance – both in what local governments do and in what they permit or actively support regarding civil society. “Better” local governance needs better local data – for instance, on who within the

41. UN Habitat (2003), *op. cit.*

42. UN Habitat (2003), *op. cit.*



local government area lacks health care (including the special provision that is needed for maternal health, infant and child health, and for the prevention and control of the main killer diseases), safe, convenient and affordable water, and “adequate” sanitation. Household surveys for representative samples of national populations are not much use for local action; they may tell the government the proportion of national (or of urban and rural) people who are malnourished or lacking piped water, but they do not tell them where these people live. The Demographic and Health Surveys and the Living Standards Measurement Surveys may have provided national governments and international agencies with a stronger base for priority setting at a national level but they do not serve local decision-making processes.

Censuses should provide local authorities and their local partners with basic information on housing conditions and basic service provision in each home and neighbourhood – but most local authorities never get the census data returned to them or, if they do, they are in a form that is too aggregated to allow them to be used for local planning. If there is a growing recognition that more effective local action, local institutions and local partnerships are critical for meeting many of the MDG goals (including poverty reduction), then national statistical services need to be reoriented to serve this. New forms of “bottom-up” data collection are also needed – as illustrated by the remarkable large-scale “slum censuses” that some national federations of the urban poor have organized, which provide the database for local action to improve housing conditions and basic services.⁽⁴³⁾

VI. GOING BEYOND THE POLARIZATION BETWEEN RURAL AND URBAN INTERESTS

The MDGs and the marginalization of urban poverty

There is a danger that the attention given by international agencies to the Millennium Development Goals will ignore

“If there is a growing recognition that more effective local action, local institutions and local partnerships are critical for meeting many of the MDG goals, then national statistical services need to be reoriented to serve this”

43. See Mitlin and Patel (2003) *op. cit.* and Baumann, Bolnick and Mitlin (2003), *op. cit.*



“There is a danger that the attention given by international agencies to the Millennium Development Goals will ignore urban areas and will perpetuate the marginalization of urban issues within most development assistance”

urban areas and will perpetuate the marginalization of urban issues within most development assistance. At first sight, this seems unlikely because the goals include explicit mention of urban issues, especially by including the goal of significantly improving the lives of at least 100 million slum dwellers.⁽⁴⁴⁾ One of the task forces set up to advise the United Nations on the MDGs is focused specifically on this topic. The MDGs also include a commitment to increasing the proportion of the population with secure tenure, which has particular importance for hundreds of millions of urban dwellers whose homes occupy land that is illegally occupied or illegally sub-divided.⁽⁴⁵⁾

But there are two worries with regard to urban poverty reduction. The first is what the MDGs leave out – as discussed earlier. For example, safety nets, stronger asset bases and the protection of civil and political rights by the rule of law have particular importance for most urban poor groups. The second is the capacity of those discussing the implementation of the MDGs to ignore the “urban” bits. For instance, there are articles or papers discussing the MDGs that completely ignore the goal related to improving the lives of slum dwellers, and which suggest that urban poverty is so much less serious than rural poverty that it has little or no relevance to the achievement of the MDGs.⁽⁴⁶⁾

There is no lack of nonsense statistics on levels of urban poverty. Anyone with knowledge of Nairobi or any other urban centre in Kenya would be astonished to see that only 1.2 per cent of Kenya’s urban population was considered “poor” in 1998 (Table 2.3), or that only 4 per cent of its urban population lacked sanitation in 2000 (Table 2.4). These are statistics that can only be produced (or believed) by people with no knowledge of Kenya. Kenya’s capital, Nairobi, has over one-fifth of the nation’s urban population. Half of Nairobi’s population live in informal settlements that are so overcrowded

44. However, it is worth noting that most targets are much more ambitious, such as halving the proportion of people who suffer from hunger; a significant improvement in the lives of 100 million slum dwellers means that only around 15 per cent of the “slum” population in 2000 would have been reached (and given long-term urbanization trends, a smaller proportion than this for the urban population in 2020).

45. UNCHS (1996), *op. cit.*

46. See Sahn, David E and David C Stifel (2002), “Progress towards the Millennium Development Goals in Africa”, *World Development* Vol 31, No 1, pages 23–52.



that they occupy less than 5 per cent of the land area,⁽⁴⁷⁾ under conditions so challenging that 150 of every 1,000 children die before they are five years old.⁽⁴⁸⁾ How is it possible to reconcile this with only 1.2 per cent of the urban population being poor? Only a small proportion of the households in these informal settlements have their own toilets, and it is common for 200 people to share each pit latrine.⁽⁴⁹⁾ How can 96 per cent of Kenya's urban population be considered to have adequate sanitation? Perhaps levels of poverty in Nairobi are particularly high and provision for sanitation particularly poor in comparison to other urban centres in Kenya – but there is no evidence that this is so.⁽⁵⁰⁾ There must also be some profound differences in the ways in which poverty is defined if the Kenyan Bureau of Statistics can suggest that 49 per cent of Kenya's urban population were in absolute poverty in 1997,⁽⁵¹⁾ while the source from which Table 2.3 draws can suggest that 1.2 per cent were poor in 1998.

The statistics in Table 2.3 for Senegal and Zimbabwe are no more credible for anyone with any knowledge of conditions in Dakar and Harare (especially in the informal settlements around Harare) or other urban centres in Senegal and Zimbabwe. There is documentation on poverty in these urban areas (although usually more on poor living conditions, health outcomes and access to basic services than on income levels, for which there are little data).⁽⁵²⁾

47. Alder, Graham (1995), "Tackling poverty in Nairobi's informal settlements: developing an institutional strategy", *Environment and Urbanization* Vol 7, No 2, October, pages 85–107.

48. APHRC (2002), *Population and Health Dynamics in Nairobi's Informal Settlements*, African Population and Health Research Centre, Nairobi, 256 pages.

49. See Alder (1995), op. cit. and APHRC (2002), op. cit.; also Lamba, Davinder (1994), "The forgotten half: environmental health in Nairobi's poverty areas", *Environment and Urbanization* Vol 6, No 1, April, pages 164–173; and Wegelin-Schuringa, Madeleen and Teresia Kodo (1997), "Tenancy and sanitation provision in informal settlements in Nairobi: revisiting the public latrine option", *Environment and Urbanization* Vol 9, No 2, October, pages 181–190.

50. See, for instance, statistics for poverty in Mombasa, Kenya's second largest urban centre, in Rakodi, Carole, Rose Gatabaki-Kamau and Nick Devas (2000), "Poverty and political conflict in Mombasa", *Environment and Urbanization* Vol 12, No 1, April, pages 153–170. In addition, in sub-Saharan Africa, provision for water and sanitation is generally much worse in smaller urban centres than in the larger cities; see UN-Habitat (2003), op. cit.

51. APHRC (2002), op. cit.

52. For Senegal, see Ngom, Thiecouta (1989), "Appropriate standards for infrastructure in Dakar", in Stren, Richard E and Rodney R White (editors), *African Cities in Crisis*, Westview Press, Boulder, Colorado, USA, pages 176–202; also Gaye, Malick and Fodé Diallo (1997), "Community participation in the management of the urban environment in Rufisque (Senegal)", *Environment and Urbanization* Vol 9, No 1, April, pages 9–29; and Champetier, Séverine, Daouda Sakho and Malal Touré (2000), *Independent Water and Sanitation Providers in Africa: Dakar, Senegal*, Case Study 9, Water and Sanitation Programme – East and Southern Africa, Nairobi, 8 pages. For Zimbabwe, see Kanji, Nazneen (1995), "Gender, poverty and structural adjustment in Harare, Zimbabwe", *Environment and Urbanization* Vol 7, No 1, April, pages 37–55; also Potts, Deborah and Chris Mutambirwa (1998), "Basics are now a luxury: perceptions of the impact of structural adjustment on rural and urban areas in Zimbabwe", *Environment and Urbanization* Vol 10, No 1, April, pages 55–75; Chitekwe, Beth and Diana Mitlin (2001), "The urban poor under threat and in struggle: options for urban development in Zimbabwe, 1995–2000", *Environment and Urbanization* Vol 13, No 2, October, pages 85–101; and COHRE (2001), *Land, Housing and Property Rights in Zimbabwe*, COHRE Africa Programme Mission Report, Centre on Housing Rights and Evictions, 88 pages.

Table 2.3: Examples of nonsense statistics on levels of urban poverty

Nation	% of urban population that is poor (and date, first survey)	% of urban population that is poor (and date, last survey)
Burkina Faso	6.3 (1992)	5.4 (1999)
Ghana	15.6 (1988)	6.8 (1998)
Kenya	1.5 (1988)	1.2 (1998)
Senegal	7.5 (1988)	0.9 (1997)
Zimbabwe	0.3 (1988)	2.1 (1994)

SOURCE: Sahn, David E and David C Stifel (2002), "Progress towards the Millennium Development Goals in Africa", *World Development* Vol 31, No 1, pages 23–52.

Similarly, anyone with any knowledge of urban centres in Bangladesh, India, Tanzania and Zimbabwe will know that the statistics in Table 2.4 are misleading. Those who live in Dhaka and Chittagong (or in Bangladesh's many smaller urban centres) would be astonished to hear that 99 per cent have "improved" provision for water and 82 per cent have "improved" provision for sanitation. A high proportion of Tanzania's urban population rely on very poor quality pit latrines (often shared), which often overflow because of flooding.⁽⁵³⁾ How can Tanzania have 98 per cent coverage for urban sanitation? In India, many city studies show that inadequacies in provision for water affect 30–60 per cent of the population.⁽⁵⁴⁾ How can 92 per cent of India's urban population have "improved" water? The reason for these differences is the gap between what constitutes "adequate" and "improved" provision, as discussed above.

There are many other dubious statistics for particular nations or particular cities. One of the most memorable is the claim that 100 per cent of Mumbai's population had access to piped water supplies by 1995⁽⁵⁵⁾ – this is difficult to reconcile with many local studies, especially with a series of interviews recently undertaken in different parts of Mumbai

53. See UN-Habitat (2003), *op. cit.*; also Kulaba, Saitiel (1989), "Local government and the management of urban services in Tanzania", in Stren, Richard E and Rodney R White (editors), *African Cities in Crisis*, Westview Press, Boulder, Colorado, USA, pages 203–245; and CARE Tanzania (1998), "Dar-es-Salaam urban livelihood security assessment", Summary Report, June, Dar-es-Salaam.

54. See UN-Habitat (2003), *op. cit.*, which includes details of the inadequacies in many Indian cities and smaller urban centres.

55. Official statistics quoted in McIntosh, Arthur C and Cesar E Yñiguez (1997), *Second Water Utilities Data Book*, Asian Development Bank, Manila, 210 pages.

Table 2.4: Examples of dubious statistics on levels of provision for water and sanitation in urban areas, 2000

Nation	% of urban water supply coverage	% of urban sanitation coverage
Bangladesh	99	82
India	92	73
Kenya	87	96
Tanzania	80	98
Zimbabwe	100	99

N.B. The source of these statistics (WHO and UNICEF (2000), *Global Water Supply and Sanitation Assessment, 2000 Report*, World Health Organization, UNICEF and Water Supply and Sanitation Collaborative Council, 80 pages) is not at fault, since it is explicit about the limitations in available data and makes clear that these figures are not giving the proportion of the population with “adequate” water and sanitation. It also explains why official data are not able to do so. The problem arises from the many international agencies that use these statistics and assume that they represent the proportions with “adequate” provision.

in which “slum” dwellers were asked about the difficulties they faced in getting water.⁽⁵⁶⁾

At their root, most dubious statistics like this are based on dubious definitions or assumptions. An urban dweller who answers “yes” to the question “Do you have access to a latrine?” is often classified as having access to sanitation. There are no enquiries into the quality of the latrine, the ease of access, the cost (many urban dwellers only have access to public pay-to-use toilets with charges they cannot afford) or the provisions made for anal cleaning and hand washing. The utility of this statistic is clearly in doubt, especially if it is meant to help achieve reductions in infant and child mortality (infants and young children rarely use poor-quality latrines).⁽⁵⁷⁾ The same is true if access to water is judged only on the basis of distance to a well or standpipe, with no attention to water quality, ease of access, regularity of supply or cost. There is not much point in having a water standpipe within 100 metres of your home if there is no water in the pipe most of the time, or if the queues are so long that households are unable to collect the water they need.⁽⁵⁸⁾ If the criteria by which to judge who

56. Bapat, Meera and Indu Agarwal (2003), “Our needs, our priorities; women and men from the ‘slums’ in Mumbai and Pune talk about their needs for water and sanitation”, *Environment and Urbanization* Vol 15, No 2, October, pages 71–86.

57. Bartlett, Sheridan (2003), “Water, sanitation and urban children: the need to go beyond ‘improved’ provision”, *Environment and Urbanization* Vol 15, No 2, October, pages 57–70.

58. See Hewett, Paul C and Mark R Montgomery (2002), *Poverty and Public Services in Developing Country Cities*, Population Council, New York, 62 pages, for further discussion on this.



“Many urban dwellers are close to water mains, sewer lines, hospitals and institutions of higher education, but it does not mean that they are able to use them. Proximity does not mean access”

has provision for water and sanitation are set too low, the problem disappears. In a sense, 100 per cent of all rural and urban populations have “access to water” as, without that access, they would die.

There is a growing body of literature on the underestimation of the scale and depth of urban poverty in statistics used by international agencies.⁽⁵⁹⁾ This applies both to statistics on “income poverty” and statistics on other aspects of deprivation. But this literature is ignored by most development specialists. There are other ways in which urban and rural comparisons give a false picture of urban realities. Large sections of the rural population use urban centres for access to services. A statistic that apparently shows “too high a proportion of health workers or teachers” in urban centres may reflect the fact that most secondary schools and many health care facilities used by rural dwellers are in nearby small urban centres. Statistics that show urban populations as being closer to facilities than rural populations have little meaning if no attention is paid to whether these populations actually have access to these facilities. Many urban dwellers *are* close to water mains, sewer lines, hospitals and institutions of higher education, but it does not mean that they are able to use them. Proximity does not mean access.

If those who make decisions about the allocation of resources for the achievement of the MDGs ignore urban areas, they not only miss large sections of the population with unmet needs but also the potential advantages that urban areas provide for meeting most of the MDGs, by providing economies of scale and proximity for most forms of infrastructure and services, greater possibilities for community action, and greater possibilities for cost-recovery.⁽⁶⁰⁾ There are many examples of how housing conditions and much improved provision for water and sanitation can be achieved for large sections of the urban

59. Wratten (1995), *op. cit.*; also Editors' Introduction (1995), “The underestimation and misrepresentation of urban poverty”, *Environment and Urbanization* Vol 7, No 1, April, pages 3–10; UNCHS (1996), *op. cit.*, Mitlin and Satterthwaite (2001), *op. cit.* and Montgomery, Stren, Cohen and Reed (2003), *op. cit.*

60. Hardoy, Mitlin and Satterthwaite (2001), *op. cit.*



poor population, with very modest external funding. Also, how appropriate financial services can help “significantly improve the lives of slum dwellers”, without requiring massive external funding (as illustrated by examples given earlier from India and Thailand).

The fact that the scale and depth of urban poverty has been underestimated does not mean that resources should be taken from rural poverty reduction – but it does mean that international agencies need to look at how they can support local processes that can deliver on the MDGs in urban areas too. It is also important not to overstate the scale of urban populations and urban poverty; urban populations in many low-income nations have probably grown more slowly than current UN estimates suggest, but this is disguised by the lack of recent census data.⁽⁶¹⁾ Even if many international agencies still fail to grasp the scale of the urban population in many low-income nations (Africa now has a larger urban population than North America and twice as many urban children), most of the poorest nations remain predominantly rural. Existing statistics may also understate many aspects of deprivation for rural populations too.

Understanding rural–urban linkages and transformations

Some international agencies now recognize the inaccuracies inherent in seeing “rural” and “urban” development as separate, and assuming that they are in opposition to each other. It is still important to recognize that urban poverty and rural poverty have different characteristics underpinned by different contexts – although the lines between the two are often blurred, with some rural areas having urban characteristics and many urban or peri-urban areas having rural characteristics.⁽⁶²⁾ However, both rural and urban

“Some international agencies now recognize the inaccuracies inherent in seeing ‘rural’ and ‘urban’ development as separate, and assuming that they are in opposition to each other.”

61. Satterthwaite, David (2002), *Coping with Rapid Urban Growth*, RICS International Paper Series, Royal Institution of Chartered Surveyors, London, 35 pages; also Potts, Deborah (2001), *Urban Growth and Urban Economies in Eastern and Southern Africa: an Overview*, Paper presented at a workshop on “African Urban Economies: Viability, Vitality or Vitiolation of Major Cities in East and Southern Africa”, Netherlands, 9–11 November, 19 pages plus annex.

62. Tacoli, Cecilia and David Satterthwaite (2003), *The Urban Part of Rural Development: the Role of Small and Intermediate Urban Centres in Rural and Regional Development and Poverty Reduction*, IIED Working Paper 9 in Rural–Urban Interactions and Livelihood Strategies Series, IIED, London, 63 pages.



“Both rural and urban specialists need to recognize the multiple connections between rural and urban areas”

specialists need to recognize the multiple connections between (most) rural and urban areas.⁽⁶³⁾

- ◆ many (poor and non-poor) urban households have rural components to their livelihoods as they farm or own farmland or livestock;
- ◆ for thousands of urban centres, the main basis for their prosperity and employment base is a combination of demand from rural producers and consumers for goods and services and the value-added that is derived from local crops;
- ◆ the urban labour market may include a significant number of rural commuters or rural dwellers who work seasonally in urban centres. Non-farm employment is often an important part of rural livelihoods and a large part of this is in urban areas, as rural dwellers commute or work there seasonally; much of what is termed “rural industrialization” is actually located in small urban centres.⁽⁶⁴⁾ Many rural households’ incomes include remittances from urban-based family members (including those who work abroad). Income from urban areas is important for reducing rural poverty and often important for increasing farm investment;
- ◆ urban boundaries may be drawn in such a way that they include large areas of agricultural land and significant proportions of the “urban” labour force working in agriculture that is not “urban agriculture”;
- ◆ most farming households depend on urban demand (from consumers or industries) for part of their livelihood. Higher rural incomes often come from urban demand for higher-value crops or other foodstuffs that give better returns per hectare and/or per unit labour, and for goods produced in rural areas. Most rural

63. This list is drawn from more than 20 years of IIED research on rural–urban linkages and on small and intermediate size urban centres in Africa, Asia and Latin America, and from the work of other specialists who have been published in IIED’s journal, *Environment and Urbanization*. See, in particular, the special issue of the journal on rural–urban transformations (Vol 15, No 1, April 2003); also Tacoli and Satterthwaite (2003), *op. cit.*; and Tacoli, Cecilia (1998), *Bridging the Divide: Rural–Urban Interactions and Livelihood Strategies*, Gatekeeper Series No 77, IIED Sustainable Agriculture and Rural Livelihoods Programme, London, 17 pages.

64. Tacoli and Satterthwaite (2003), *op. cit.*



producers rely on urban centres for access to markets, agricultural services, credit, and farm equipment and supplies; and

- ◆ much of the rural population rely on local urban centres for most of their retail purchases, access to private and public sector services (for instance, secondary schools and hospitals – with primary schools and primary health care centres more commonly located in rural areas), post, telephones and access to government services.

Thus, there are multiple connections between most rural areas and urban areas, including many (poor and non-poor) households that have livelihoods that draw on both rural and urban areas, and many urban enterprises that depend on rural resources and rural markets, while many rural enterprises depend on urban demand or urban services. Multiple rural–urban connections are often particularly important for poverty reduction.

VII. CONCLUSIONS

This Chapter is recommending that a lot more attention be given to supporting local processes that deliver for the poor and that are accountable to the poor (including many that the poor themselves define and implement). But it is not suggesting that local processes alone can deliver on the MDGs. Within all low- and middle-income nations, these kinds of local processes can benefit greatly from the economic changes that debt relief and more trade opportunities can bring. Indeed, these local processes have an important role in making sure that such economic changes are pro-poor, as rapid economic growth without the kinds of local processes discussed above can bring rapid impoverishment for large sections of the (rural and urban) population. There is also the worry that international agencies will focus on meeting the MDG targets within low- and middle-income nations, but will be unable to influence the necessary policy changes in high-income nations towards fairer international trade regimes and debt relief (as discussed in Chapter 8). The MDGs include no time-bound

“Within all low- and middle-income nations, accountable local processes can benefit greatly from the economic changes that debt relief and more trade opportunities can bring”



“A large part of the challenge for international agencies with regard to meeting the MDGs is determining what role they can have in encouraging, supporting, catalyzing and legitimating the diverse local processes through which the needs and priorities of the poor are identified and addressed, and through which poverty is reduced”

targets for the removal of the trade barriers around the economies of most high-income nations, or for debt relief.

Many of the Millennium Development Goals are important for the poor; monitoring progress towards their achievement is also important. But if this monitoring is based on inappropriate indicators or indicators based on inappropriate assumptions, it will not serve to monitor poverty reduction with regard to who gets adequate income levels or service provision levels. The “dollar a day” poverty line is not an appropriate indicator for monitoring who suffers from extreme poverty, in part because the costs of avoiding extreme poverty are higher than this in many locations, and in part because so much deprivation is not the result of inadequate income. The current information base on provision for water and sanitation cannot monitor progress on who obtains safe, sufficient water, or who has adequate provision for sanitation.

A large part of the challenge for international agencies with regard to meeting the MDGs is determining what role they can have in encouraging, supporting, catalyzing and legitimating the diverse local processes through which the needs and priorities of the poor are identified and addressed, and through which poverty is reduced. This includes supporting solutions that the poor develop themselves, together with the processes through which they negotiate with government and other external agencies. This means supporting change on many fronts and recognizing the multiple interconnections between them. The challenge for international agencies here is as much in developing ways to support bottom-up processes accountable to low-income groups (and often initiated and managed by low-income groups) as it is to do with total financial flows.