

R8257 Understanding Urban Livelihoods;  
Dr S. Coupe, Project Manager - Practical Action

## **DFID KAR Project R8257: Final Research Report.**

**Understanding Urban Livelihoods: Project Experiences Phase II**  
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Short Title: Understanding Urban Livelihoods.

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## Executive Summary

This study looks at a range of interventions led by non-governmental organisations (NGOs) to confront the urban poverty crisis in South Asia and Africa. It provides detailed case studies of interventions that have been guided by the principles of sustainable livelihoods and have developed an integrated approach. The material ranges from fresh analysis of some renowned interventions in Pakistan and South Africa, to some studies which if not the first of their kind, then bring to the reader rare insights into countries whose urban dynamics have rarely been discussed in development literature, like Angola and Sudan

### *Sustainable Livelihoods*

Sustainable livelihoods approaches have had a major influence on NGO interventions in low-income settlements, especially those in partnership with Northern agencies. They have provided a framework to understand the practical realities and priorities of poor men and women – what they actually do to make a living, the assets that they are able to draw from and the problems that they face in doing this. Such approaches seek to assist NGO staff in identifying points of intervention and appropriate strategies.

Ideally, successful strategies under the SL approach should serve to improve and consolidate poor people's access to and control over assets, thereby improving their livelihoods, and helping to make them less vulnerable to shocks and stresses (such as serious illness, natural disasters and/or job loss) which could otherwise lead to a downward cycle of indebtedness and impoverishment. In this context, Livelihoods refers to more than income, encompassing the capabilities, assets (stores, resources, claims and access) and activities required for a means of living.

### *Integrated urban development*

From the recognition that poverty in urban areas is multi-faceted, comes the need for interventions to be designed to work on a number of aspects simultaneously to remove the barriers hindering people moving out of poverty. An integrated approach is one whereby a project or programme undertakes several activities in a coordinated way in a given location (but not necessarily citywide). These activities will have been defined by the livelihoods need of poor men and women in that location.

The integration is two fold:

- The integration of sets of activities, that become mutually supportive and co-ordinated, working together to improve the assets and capacities of the urban poor.
- The integration of a range of agencies in carrying out these activities.

Four agencies agreed that, to further broaden and deepen the understanding of urban poverty interventions, they would come together to share their project experiences in a common analytical framework. This gave rise to **Understanding Urban Livelihoods, Project Experiences** a research and experience sharing project between Practical Action (formerly ITDG), Water and Engineering

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Development Centre University of Loughborough (WEDC), International Institute for Environment and Development (IIED) and CARE International UK. The research generated interest and participation among the urban NGO practitioner community and specialists in urban poverty research because of the recognition of the increasing need for experience sharing, in the urban context, between specialists in the fields of infrastructure development and small enterprise development. Project partners and researchers have reported growing activities, both informal and formal that seek to integrate knowledge and understanding in this field. In drawing together their case studies, the researchers agreed to look at the inter-relationships between physical (as in shelter provision), financial (income) and social (community organization) capital. It was recognised that in some cases multi-sectoral interventions would have been planned but in other cases there would have been less coordination, with different activities evolving over a period of time.

Development interventions in low-income settlements in eight cities in South Asia and Africa were compared to gain a better understanding of the dynamics that govern the relationship between financial and physical assets at the household level, the neighbourhood level and the settlement level. Situations were identified and analysed whereby:

- Improved income levels have led to neighbourhood improvements in shelter (including land tenure, basic services and housing).
- Neighbourhood improvements have had a beneficial impact on household income levels. By income we may not mean absolute increases in income but the more effective allocation of income. For example, the provision of clean piped water may increase effective income by reducing expenditure on private water providers and on medical and related costs when family members are sick.

The research explored the distribution of these improvements among different types of household within the settlement, whether there have been unforeseen negative impacts on certain categories of households, and how local associational activity and links to municipal authorities and other political actors have affected the processes identified. Entrepreneurial activity within selected settlements was analysed to understand enabling factors and whether interventions have been well-attuned or not to identifying and supporting local micro enterprises.

Within each selected town or city, researchers selected two settlements. The criteria for selection was one settlement where local staff perceived strong positive links between at least two of the three assets and another where the relationship was less clear. In both cases, the availability of household baseline data was a potential advantage. At least one of these settlements was involved in project interventions that have been particularly targeted at stimulating income generation activities, neighbourhood improvements, or both. The research was not intended to evaluate project interventions, since it is virtually impossible to isolate the impacts of projects from all the other variables affecting urban livelihoods, but was intended to draw on the experiences of NGOs associated with urban projects and their close knowledge of particular settlements to offer insights of value to others. The research did not concentrate solely on the fate of project beneficiaries but took a step back and analyse the progress of the settlement as a whole over the preceding three to five years.

*Key research lines.*

With regard to impact, the prioritisation of a research theme on the interrelationship between financial and physical assets derived from a concern on **the potential limitations of income generation approaches especially for the lowest income residents.** (Mitlin 2000) Markets are subject to many different sources of instability and therefore NGO supported income generation activities do not necessarily result in secure improvements in income. It often proves difficult to accumulate sufficient savings or other assets to provide security when market conditions change. In times of recession, assets can lose value and be exhausted rapidly whilst those borrowing for micro-enterprise development may be required to meet ongoing commitments even as their situation deteriorates. It may prove difficult to support and strengthen collective activities through activities based on income generation, due to the complex and competitive market environment. Collective activities (social capital) are vital for local residents to be able to move forward with their improvement in incomes to tackle secure tenure, basic services and infrastructure, which are the basis for lasting improvements in the quality of life in informal settlements. Such collective activities may also be able to help with housing improvements. Collective organisations are needed to identify, prioritise and undertake activities in the settlement and to negotiate resources from external agents. It is therefore vital that NGO activities contribute to building social capital if the gains from income generation are to be effectively channelled into lasting neighbourhood improvements.

In terms of generating community social capital, therefore, income generation projects may be limited in regard to who in the settlement receives support and for how long that support is effective. These activities should not be dismissed because they are an important part of livelihood improvement and for many households the market is a route out of poverty, but for approaches that seek to be inclusive of all the residents they need to be further understood and analysed. The agencies challenged themselves to consider how their practical experiences could inform this discussion?

Likewise infrastructure projects, which require the mobilisation of community resources are potentially frustrated by very low levels of financial capital, and are looking for ways to build the financial assets of communities in sustainable ways. (Mitlin 2000: 206) Without credit, only small quantities of building materials can be afforded and therefore unit costs for housing improvements are high. Basic infrastructure and services issues cannot be tackled simply by raising incomes, as they are not amenable to individualised solutions. In many cases, they cannot be addressed simply by the community but need to include local government and the relevant service agencies. On many occasions, public and private organisations need to combine effectively with communities to mobilise the plans and resources required. In all cases, the relevant authorities have at least to agree not to prevent community efforts to improve their situation.

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*Themes in the Case Studies*

	Angola	Bangl- desh	Sri Lanka	Mozam- bique	Pakis- tan	South Africa	Sudan	Zimbab- we
Income – generation		X			X	X	X	X
Infrastructure	X		x	X		X		
Housing			x			X		
Collective activities	X		x			X	X	X
Strong CSO state collaboration	X		x			X		
Vulnerabilities	X	X		X			X	X

*Angola (Care Angola)*

The chapter is about how partnerships were the route to making quite large infrastructure investments possible. The analysis focuses on the impact of infrastructure on incomes and income-generating opportunities.

CARE Angola’s Luanda intervention started to have transformative impacts on urban livelihoods during its second phase, through intensive social mobilisation activities directed at all relevant stakeholders simultaneously.

*Mozambique (CARE Mozambique)*

CARE Mozambique, in partnership with the Maputo City Council, intervened to undertake a major infrastructure work, to stabilise a gully, which threatened to erode and progressively destroy one of the largest low-income settlements in the city. The intervention took a “good governance” approach. CARE was trying to connect service providers with the Municipality, which led to a diverse set of relationships being strengthened..

*Sudan (Practical Action Sudan)*

The study reviewed the history of two low-income settlement areas in Khartoum and in Kassala, Eastern Sudan. It was found that areas where INGOs had intervened demonstrated consolidated improvements in quality of life, whereas adjacent settlements where interventions had not take place still had very serious infrastructure problems and very few opportunities. The communities where the INGOs had intervened have gradually been able to develop their own autonomous capacity to draw in government provision and the services of other NGOs. Nevertheless approaches in Khartoum and Kassala differed. In Khartoum the limited effectiveness of emergency relief orientated interventions is demonstrated. Kassala shows the results achieved through an integrated approach which tries explicitly to get away from the relief-mentality / emergency system. The work in Kassala achieved important milestones in getting secure tenure for the residents, and building local community-based organisations. This helped it move on to income-generation, services (latrines) and, to a lesser extent housing.

*South Africa (IIED/People’s Dialogue)*

The chapter explores the two interventions seeking to improve shelter conditions for communities in Cape Town. The first, called Vukuzenzele Housing Association after the community group who pioneered the development, lies on the edge of the predominantly black settlement of Khayalitsha. The second sought to rehome families in the nearby settlement of Manenberg who were made homeless following a

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tornado. In VukuZenzele, despite much frustration and a lack of trust, individuals and groups managed to overcome their differences and work together. At times the development faced difficult challenges with considerable internal disagreement however, with the help of others, VukuZenzele community negotiated a solution with the individuals involved. In communities with a high level of violence establishing alternative non-violent practices are important.

In Manenberg, many of the families have now been rehoused. However, the housing intervention of the Cape Town City Council appears to have been divisive because of its emphasis on a single solution that is based within the market and the associated exclusion of those with whom it did not have an existing formalised tenure contract.

### *Zimbabwe (Practical Action Southern Africa)*

The chapter explores a model of income-generation leading to serviced housing. Two settlements are considered, one in which the approach has been ongoing for many years and the second in which it has been operating for three years. The model in Chitungwiza provides one direct support to a small number of households (3 group enterprises and about 15 trained). Basic training in business given to a slightly larger group of around 65. But the benefits, ideas and inspiration spread further than that (probably because of the assets they already had). A comparison with Zone D (also in Chitungwiza) shows that they have achieved more in terms of housing and services. In part, it is argued, the model has been successful because the people had key assets to start with: land, savings in their co-operative, retrenchment packages and income from lodgers.

### *Bangladesh (Practical Action Bangladesh)*

NGOs have been active in the slums of Faridpur town, with their interventions focussing heavily on health and micro-credit. However even in slums with a long history of intervention, these interventions have lacked any transformative effects in the livelihoods of the urban poor: up to ninety per cent of the households live in unsanitary conditions. Extreme vulnerability is compounded by very adverse governance conditions including the strong links of local “musclemen” to the police and municipal authorities. The Understanding Urban Livelihoods research has been a high profile intervention, which has revealed in great detail the stark realities of lack of progress on even the most basic water and sanitation provision, has sparked of two processes, the formation of an NGO network involving the slum dwellers committees to press for coordinated and systematic actions on basic infrastructure. The research process is being replicated in other secondary towns in Bangladesh.

### *Pakistan (WEDC/OCT)*

In Karachi, Pakistan strong local NGO, the Orangi Pilot Project was established in 1980 by charismatic and committed professionals, committing itself to a systematic long term approach to improving urban livelihoods in the Orangi settlement. Basic infrastructure issues have now been resolved for a million people. The research featured in the case study looks at a more recent phase of intervention by the Orangi Charitable Trust in the field of micro-credit. The micro-credit intervention had the most favourable impact on the livelihoods of a category of borrowers characterised as “moderately poor”. The very poor could not sustain the loan repayments and for the better-off borrowers; a low interest loan without collateral was an additional boon but not a determining factor in their upward livelihood trend. For the moderately poor however, very dramatic positive impacts were found for providing credit to those who could not obtain it from other sources.

*Sri Lanka (WEDC/Sevanatha)*

In Colombo slums most households have decent access to water. There have been huge improvement over 20 years. People have invested heavily and house prices have increased exponentially. The research by Sevanatha has documented the livelihoods assets built up during a 20-25 years of process. Through the support of NGOs, most households have water connection, improved latrines, and reasonable facilities. This is what urban upgrading has achieved.

*Conclusions*

The main conclusions drawn from the research are as follows:

- ⇒ Leadership from within the communities in low-income settlements is a vital prerequisite for combating vulnerability and establishing sustainable linkages with external service providers. NGOs have played a constructive role in facilitating the emergence of community-based organisations. The factors that determine the quality of local leadership are complex and are an issue of current debate between the partners.
- ⇒ Interventions that have concentrated on developing partnerships between communities, municipalities and responsible national authorities to improve basic infrastructure have demonstrated the most clear and measurable impact in improving urban livelihoods.
- ⇒ Interventions that have focussed only on income generating activities without tackling infrastructure constraints have generally failed to have any transformative effects. Once basic infrastructure systems are in place however, and threats to security of tenure have been removed, credit/micro-enterprise interventions can be very effective in allowing households to further improve their livelihoods.
- ⇒ Low-income urban settlements born in moments of extreme stress or crisis, established by internal refugees were an important sub-set in the study. International NGOs have played an indispensable role in establishing basic services for such very new settlements. Such services have been sustained and consolidated over time as the settlement matures, so paradoxically they are better served than other nearby settlements that were formed through more conventional processes of urbanisation

**End of Executive Summary**

## Background and Objectives.

The world is urbanizing at a very rapid pace — but it is in the South that urbanization processes are intensifying at a really disconcerting rate. Three-quarters of global population increase is currently occurring in the urban South, causing rapid growth in cities that are struggle to accommodate this unprecedented upsurge. The growing significance of urban populations in the South is illustrated by the fact that by 2010 over half of urban citizens will be living in Asia – a considerable difference from 1950 when over 50 per cent of the global urban population was in Europe and United America. Equally significant is that whilst urban populations are growing, the rate of growth is declining.

There is also an urbanization of poverty in the South, manifested most conspicuously in the expansion of informal settlements characterized by a lack of basic urban services (water supply, sanitation, drainage, solid waste disposal, and roads and footpaths). In inner city areas, overcrowding often takes place as households struggle to find affordable accommodation and hence services, while provided, are inadequate. In many cities, more than half of the population live and work in these unhygienic, hazardous environments where they face multiple threats to their health, well being and security. Poor health increases the difficulties associated with poverty and incidence of injury and/or disease is often the major cause of the slide from transitory to chronic poverty. The high cost of informal services, particularly water, adds to the difficulties of providing for a family on a low income.

Moreover, most Southern nations are unable to provide sufficient job opportunities for existing citizens even without the growing number of new entrants to the urban labour market each year. A substantial proportion of able and enterprising women and men living and working in informal settlements are under-employed. Moreover, many working the informal sector, with little security. Whether in the formal or informal sector, they earn low incomes for long hours of work. In this context, the majority will find themselves unable to afford the cost of a safe and secure home with adequate access to services. Indeed for many of these families, food remains a primary concern with a lack of adequate nutrition.

The need to confront urban poverty is linked to a number of significant global issues that are key concerns for governments and development agencies:

- Economic growth: the essential role of towns and cities in economic performance has long been recognised. In some countries the structure of the economy makes this particularly significant and the Bolivian PRSP noted that urban economic growth has a bigger impact on poverty than rural growth. In some countries, the informal sector is closely linked to the performance of the formal sector. Whatever the relationship, the expansion in micro-finance is lifting one of the constraints on small business development.
- MDGs. The specific target for urban poverty is Goal 7, Target 11, *to improve the lives of 100 million slum dwellers by 2020*. This is a very modest goal as an estimated 900 million people are living in poor quality shelter with inadequate access to infrastructure and services. Moreover, unless the problems of urban poverty are tackled, we stand little chance of achieving many of the other goals and targets on e.g. poverty, child and maternal health, and access to water and sanitation.



- Decentralisation and Governance. Local Government is being given increasing responsibilities and expectations of what they should deliver are rising in e.g. providing infrastructure, local economic development and so on. If they are to carry out their roles effectively and address the scale of need, they will need to adopt new ways of working with urban poor communities.

A range of projects and programmes has sought to address poverty in urban areas: two main thrusts can be identified. The first identifies the need for income generation, and the second concentrates upon neighbourhood improvements in housing, basic services and/or infrastructure. In their intermediary role between communities, municipalities and large-scale donor agency programmes, NGOs need to be able to show sustainable progress in poverty reduction. This project makes a contribution to understanding the impact these different NGO approaches on livelihoods in the low-income informal settlements where they have been implemented.

Guidelines on the future direction of NGO activities in low-income urban settlements emerge from this research. These were shared during the course of the project with stakeholders in the projects areas and the agencies involved in the research.

Our hypothesis on the interrelationship between financial and physical assets concerned **the potential limitations of income generation approaches**. Markets are subject to many different sources of instability and therefore NGO supported income generation activities do not necessarily result in secure improvements in income. It often proves difficult to accumulate sufficient savings or other assets to provide security when market conditions change. In times of recession, assets can lose value and be exhausted rapidly whilst those borrowing for micro-enterprise development may be required to meet ongoing commitments even as their situation deteriorates. It may prove difficult to support and strengthen collective activities through activities based on income generation, due to the complex and competitive market environment. Collective activities are vital for local residents to be able to move forward with their improvement in incomes to tackle housing, basic services and infrastructure, which are the basis for lasting improvements in the quality of life in informal settlements

Collective organisations are needed to undertake activities in the settlement and to negotiate resources from external agents. It is therefore vital that NGO activities contribute to building social capital if the gains from income generation are to be effectively channelled into lasting neighbourhood improvements.

In terms of generating community social capital, therefore, income generation projects represent an approach of value but one that may be limited in regard to who in the settlement receives support and for how long that support is effective. These activities should not be dismissed because they are an important part of livelihood improvement but they need to be further understood and analysed - how can our practical experiences inform this discussion?

#### The Significance of this Research

The research has generated interest and participation among the urban NGO practitioner community and specialists in urban poverty research because of the

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recognition of the increasing need for experience sharing, in the urban context, between specialists in the fields of infrastructure development and small enterprise development. Project partners and researchers have reported growing activities, both informal and informal that seek to integrate knowledge and understanding in this field. This project will be a major contribution to increasing and solidifying these interactions

Small enterprise development projects have faced bottlenecks in terms of the premises and basic services needed by small businesses.

Likewise infrastructure projects, which require the mobilisation of community resources are potentially frustrated by very low levels of financial capital, and are looking for ways to build the financial assets of communities in sustainable ways.

The South African and Pakistani case studies are both from highly organised and sophisticated NGOs –but featuring very different orientations in the field of small enterprise. This is fruitful ground for engagement, discussion and cross fertilisation. The Orangi Pilot Project and the South African Homeless People’s Federation are strong enough to be able to challenge and compete with national authorities on the questions of how informal settlements should be developed.

Whilst strongly embedded in their countries of operation both Care International UK’s and Practical Action’s programmes are developed according to externally driven and funded models or approaches to urban development. Care International has transferred its learning from long experience in Lusaka to its newer programmes in Luanda and Maputo. Practical Action’s work in urban areas has tended to focus upon on the development of local material, skills and knowledge to improve incomes and build local capacity for shelter improvements. This project provides a space for reflection and mutual lesson sharing among staff at all levels, which will impact upon the design of future programmes. The case studies of Sevanatha, People's Dialogue, and OCT show contrasting examples of the approaches developed by local/national CBOs/NGOs

Maputo and Colombo studies led on impact of interventions targeting physical and infrastructural improvement. The others are prioritising research in emerging issues in credit, savings, employment and enterprise, which appear to be more controversial and vexed for NGO practitioners. This interest is in both contexts where physical assets have been considerably strengthened already (Karachi) and also where they remain extremely weak (e.g. Faridpur). However the type of approach to strengthening financial assets may need to differ from context to context.

All the research plans contemplate engagement and dialogue with the relevant local authorities, whose active participation in the research process were sought. In terms of governance, there are three clusters –

- Angola/Sudan/Mozambique which have war torn/ disaster affected economies and extremely weak municipal structures, but not necessarily difficult to establish good relations with local authorities.
- Bangladesh/Zimbabwe. Reasonable levels of local institutions but a very difficult operating environment for NGOs, making it more difficult, although by no means impossible to establish dialogue in the direction of pro-poor policy.

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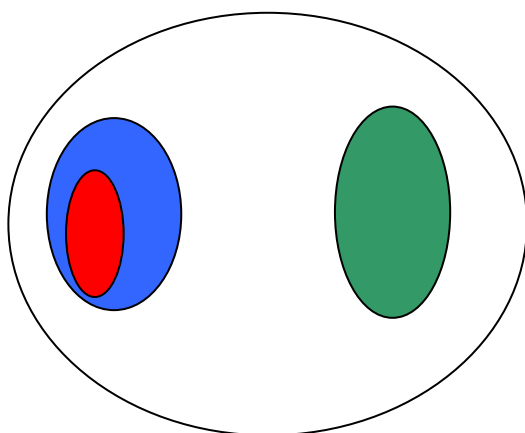
- Pakistan/Sri Lanka/South Africa. More favourable circumstances for civil society participation, but communities not immune to violent economic/social shocks.

### Methods

1. Low-income settlements in eight cities in South Asia and Africa were compared to gain a better understanding of the dynamics that govern the relationship between financial and physical assets at the household level, the neighbourhood level and the settlement level.
2. The outcome will be to clarify the most appropriate entry points for urban poverty projects, and to understand how processes can be generated which conform with the capacities and aspirations of the broadest range of low income households.
3. Situations were identified and analysed whereby:
  - Improved income levels have led to neighbourhood improvements.
  - Neighbourhood improvements have had a beneficial impact on household income levels. By income we may not mean absolute increases in income but the more effective allocation of income. For example, the provision of clean piped water may increase effective income by reducing expenditure on private water providers and on medical and related costs when family members are sick.
4. The research establishes the distribution of these improvements among different types of household within the settlement, whether there have been unforeseen negative impacts on certain categories of households, and how local associational activity and links to municipal authorities and other political actors have affected the processes identified. Also entrepreneurial activity within selected settlements was analysed to understand enabling factors and whether interventions have been well-attuned or not to identifying and supporting local micro enterprises.
5. Within each selected town or city, researchers selected two settlements. The criteria for selection was one settlement where local staff perceived a strong positive link between the two sets of assets and another where the relationship is less clear. In both cases, the availability of household baseline data was a potential advantage. At least one of these settlements was involved in project interventions that have been particularly targeted at stimulating income generation activities, neighbourhood improvements, or both. The research was not intended to evaluate project interventions, since it is virtually impossible to isolate the impacts of projects from all the other variables affecting urban livelihoods, but is intended to tap into the experiences of NGOs associated with urban projects and their close knowledge of particular settlements. The research did not concentrate solely on the fate of project beneficiaries but took a step back and analyse the progress of the settlement as a whole over the preceding three to five years.

### Criteria for selection of two low-income settlements per case study

**Settlements chosen were those which generally have very poor infrastructure and services and weak municipal capacity, but where there have been or could be in the future some opportunities for engagement with the relevant local authorities to tackle these problems.**



**Settlement One- Where an NGO Project has been operating**

Red area = households expected to have benefited.

Blue area = households not included/involved in the project

**Settlement Two- Little or no NGO project intervention**

Green area = no known poverty reduction intervention beyond standard government services that are available on a significant scale if not to all.

It will also be possible to select two settlements in two different cities within the same country, providing some criteria for comparability of the two settlements are established - e.g. age/social structure of the settlement.

*Key research lines.*

Impact of infrastructure/shelter/services on the livelihoods of households participating in a project intervention.

Impacts of infrastructure/shelter/services on the livelihoods of households not participating in a project intervention.

Impact of project-based income generation activities on livelihoods.

Non-project based income generation activities

Impact of local social/political organisations/institutions in gaining access to resources.

Impact Scenarios.

Unequitable impact - e.g. a few households monopolising benefits from project interventions.

Equitable impact - evidence that a project has genuinely had positive impacts on the poorest households.

That livelihoods have been significantly strengthened in an intervention area compared to a non-intervention area.

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That there is little discernible difference between these two areas.  
That non-intervention areas also feature significant strengthening of livelihoods.  
That immediate effects were evident but that such positive benefits have not been maintained.

### **Main Findings**

The essential path to sustainable livelihoods in low-income settlements through NGO interventions appears to be as follows:

- In four of the eight studies, low-income urban settlements were born in moments of extreme stress or crisis, established by internal refugees. International NGOs have played a positive role in establishing basic services for such very new settlements.
- NGOs have increasingly come to realise that leadership from within the communities is a vital prerequisite for combating vulnerability and establishing sustainable linkages with external service providers.
- Interventions that have concentrated on developing partnerships between communities, municipalities and responsible national authorities to improve basic infrastructure have demonstrated the most clear and measurable impact in improving urban livelihoods.
- Interventions that have focussed only on income generating activities without tackling infrastructure constraints have generally failed to have any transformative effects. Once basic infrastructure systems are in place however, and threats to security of tenure have been removed, credit/micro-enterprise interventions can be very effective in allowing households to further improve their livelihoods.

### **Findings: Short Case Study Summaries.**

**Angola.** CARE Angola's DFID funded Luanda intervention started to have transformative impacts on urban livelihoods during its second phase, through intensive social mobilisation activities directed at all relevant stakeholders simultaneously. Savings, credit and micro-enterprise interventions had all failed due to the extreme economic and infrastructural constraints face by households. From 2001 onwards, in the contexts of the cessation of the civil war, a series of assemblies was organised to review and find solutions to the most critical infrastructure bottleneck affecting a low-income settlement in Luanda, lack of access roads. Three bridges needed to be built which were beyond the resources of CARE Angola. The research has demonstrated a dramatic rise in transport linkages, a rise in rental income for existing residents, improved access to drinking water at reduced prices and a substantial growth in micro-trading opportunities.

**Bangladesh** NGOs have been active in the slums of Faridpur town, with their interventions focussing heavily on health and micro-credit. However even in slums with a long history of intervention, these interventions have lacked any transformative

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effects in the livelihoods of the urban poor: up to ninety per cent of the households live in unsanitary conditions. Extreme vulnerability is compounded by very adverse governance conditions the strong links of local “musclemen” to the police and municipal authorities. The R8257 research has been a high profile intervention, which has revealed in great detail the stark realities of lack of progress on even the most basic water and sanitation provision, has sparked of two processes, the formation of an NGO network involving the slum dwellers committees to press for coordinated and systematic actions on basic infrastructure. The research process is being replicated in other secondary towns in Bangladesh.

**Mozambique.** CARE Mozambique in partnership with the Maputo City Council, intervened to undertake a major infrastructure work, to stabilise a gully, which threatened to erode and progressively destroy one of the largest low-income settlements in the city. The intervention took a “good governance” approach. CARE was trying to connect service providers with Municipality, which leads to a diverse set of relationships being strengthened. CARE supported council in doing the work, trying to put municipality at the forefront. It persuaded the council to involve local communities in the design of the intervention. Technical capacity building from CARE will enable Municipal Council to carry out similar work in future. The livelihood impact survey produced fascinating results, with improved access to the settlement producing greater stability and security of livelihoods but also the perception of a surge in robberies and assaults.

**Pakistan** In Karachi, Pakistan strong local NGO, the Orangi Pilot Project was established in 1980 by charismatic and committed professionals, committing itself to a systematic long term approach to improving urban livelihoods in the Orangi settlement. Basic infrastructure issues were resolved for a million people. The research featured in the case study looks at a more recent phase of intervention by the Orangi Charitable Trust in the field of micro-credit. The micro-credit intervention had the most favourable impact on the livelihoods of a category of borrowers characterised as “moderately poor”. The very poor could not sustain the loan repayments and for the better-off borrowers; a low interest loan without collateral was an additional boon but not a determining factor in their upward livelihood trend. For the moderately poor however, very dramatic positive impacts were found for providing credit to those who could not obtain it from other sources

### **South Africa**

#### ***Vukuzenzele***

Despite much frustration and a lack of trust, individuals and groups managed to overcome their differences and work together in some cases. In others, they allowed another community body, to gather information and assist them in negotiating a solution with the individuals involved. In communities with a high level of violence these practices are important.

Material resources have been secured for low-income households. Estimates suggest that the Federation members that have constructed their own homes have an asset worth between three to five times the value of the materials of the subsidy.

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Hence the developments at VukuZenzele have benefits that will exceed the subsidy investment. Prior to living at VukuZenzele, most members were renting shacks in the nearby low-income settlements often with limited access to water and sanitation and with limited private space.

### **Manenberg**

The housing intervention of the Cape Town City Council since 2000 appears to have been divisive because of its emphasis on a single solution that is based within the market and the associated exclusion of those with whom it did not have an existing formalised tenure contract. This has had two separate impacts. First the community split because the solution was attractive to some but not open to all. Clearly the option was not equally attractive to all and this fuelled competition within the settlements. The conflicts between the community and the Council were considerable. Second, the relationship was individualised and such individualisation reduced the value of social capital. There was little role for collective activities and the Council orientated households to function within the housing market and individualised the housing product. Third, the Council has kept the more vulnerable group in temporary accommodation, and in a permanent state of uncertainty for 6 years now with no evident reason for the delays except to make dependency on the Council as unattractive as possible.

Hence, despite the objective of the council being an ambitious social engineering project that offered multiple benefits to the ex-tenants and the sub-tenants this has not been achieved. Whatever the initial ambitions, the project has been reduced to a housing project which has been limited by vision and resources (notably in terms of consultation and housing). The group that has not received houses appears to have lost any capacity to plan and strategise to address their needs. One community member argued: "Whatever situation you're in, if it's bad then it's up to you to make it better for yourself." Despite this sentiment, there is little evidence that people are doing this for themselves. Rather they are waiting for the Council to develop their houses. The lack of interest in saving appears indicative of their level of dependence as well as the real issues of affordability.

**Sri Lanka** In Colombo slums most households have decent access to water. There have been huge improvements over 20 years. People have invested heavily and house prices have increased exponentially. The research by Sevanatha has documented the livelihoods assets built up during a 20-25 years of process. Through the support of NGOs, most households have water connection, improved latrines, and reasonable facilities. This is what urban upgrading has achieved.

Poor people are now "sitting" on prime land in Colombo. From the point of view of the government, the benefit of releasing such land for the other activities would be huge. Even with most vocal advocates of giving houses to the poor are not giving leases to the poor. People are still therefore very vulnerable (even if they have received municipal support for upgrading) In informal settlements there is no right to own land. People are very keen to pay something to Municipality as a defence against legal action, but policy makers are determined to reserve the right to evict.

**Sudan.** The study reviewed the history of two low-income settlement areas in Khartoum and in Kassala, Eastern Sudan. It was found that areas where INGOs had intervened demonstrated consolidated improvements in quality of life, whereas adjacent settlements where interventions had not taken place still had very serious

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infrastructure problems and very few signs of spill over-in terms of learning and opportunities. The communities where the INGOs had intervened have gradually been able to develop their own autonomous capacity to draw in government services and the services of other NGOs. This raises very serious questions particularly for international NGOs in terms of the need to look for mechanisms that allow for greater participation of **all** low-income settlements in a particular intervention zone.

**Zimbabwe** A very similar pattern was observed in the case study of Chitungwiza, Harare, Zimbabwe, where the Practical Action has worked to build a very effective community based organisation. The painstaking capacity building of the CBO by Practical Action has been exemplary, as the leadership has proven consistently transparent and selfless to the point where they have been the last to receive financial support for upgrading their properties. The community has benefited from a very wide range of interventions, particularly on the diversification of income generation options, which have enabled households to sustain their livelihoods in the context of a rapidly declining macro-economic environment. However, contiguous settlements in Chitungwiza have felt very little impact from the sustained intervention of Practical Action, which again points to the need for partnership at the settlement wide, municipal level. Demonstration effects have been lacking.



### **Project Messages**

1) Insecurity is a key vulnerability constraint to the potential of urban poor to improve livelihoods. This is both insecurity of tenure and personal physical insecurity due to inadequate policing. Future interventions will need to devise more sophisticated socio-political strategies to tackle insecurity if resources deployed are not to be partially captured by local gangsters/mafias

2) In situations of the sudden creation of an urban settlement / environment, people nevertheless are mostly there to stay. They are not temporary. This then requires:

- Planning
- Support to the host city / community
- Social cohesion
- Rights and legislation / international conventions

3) We are committed to and seek to promote Accountability and Transparency – in understandable forms for those who need to use the information. That means accountability of project implementers to all others involved (including grassroots organisations). This would be at various levels: Global, National, DFID. At the National Level, for example, it would allow “urban civil society resource centres” established by local NGO networks to know what money is coming in to support urban upgrading, and where it is being spent in their own country / locality.