TOOLS AND METHODS FOR PARTICIPATORY
GOVERNANCE IN CITIES

David Satterthwaite

with

Somsook Boonyabancha, Celine d'Cruz, Yves Cabannes, Diana Mitlin, Sheela Patel and Alfredo Stein

January, 2005

The views expressed in this paper are those of the author and do not necessarily represent those of the United Nations or its Member States.

1 David Satterthwaite is a senior fellow with the International Institute for Environment and Development (IIED). This paper draws heavily on the work of Somsook Boonyabancha, Celine d'Cruz, Yves Cabannes, Diana Mitlin, Sheela Patel and Alfredo Stein; some sections draw direct from their work. However, all errors in this paper are solely the responsibility of the principal author. Thanks are due to UNDP for supporting the preparation of this paper and to Sida for their support for IIED’s work on poverty reduction.
TOOLS AND METHODS FOR PARTICIPATORY GOVERNANCE IN CITIES

CONTENTS

Summary
1. Introduction: Why Participate in Local Government? .......................................................... 4
   Building Democratic Structures and Systems from the Bottom Up ....................................... 4
2. The Importance of ‘The Local’ for Urban Citizens ................................................................. 6
3. What Is Participatory Governance ......................................................................................... 9
   Introduction ............................................................................................................................... 9
   Participation ............................................................................................................................. 9
   Governance ............................................................................................................................ 10
   Putting Participation and Governance Together ..................................................................... 11
   Participatory Governance’s Focus on the Local ..................................................................... 12
4. Innovations in Participatory Governance by Cities and Smaller Urban Centres and The Bigger Context
   in Which They Were Embedded ............................................................................................. 13
   Participatory Budgeting ......................................................................................................... 13
   Other Innovations in Participatory Governance from City Governments ............................. 17
   The Complex Interplay between Representative and Participatory Democracy .................... 19
   Participatory Governance and Service Providers .................................................................. 20
   National Structures for Supporting Participatory Governance – the Example of CODI in Thailand.. 23
5. Innovations in Participatory Governance by Urban Poor Organizations and Their Partnerships with
   Local Government ..................................................................................................................... 29
   Introduction ............................................................................................................................. 29
   The Tools and Methods Used by Community-Driven Processes .......................................... 33
   Savings and Credit ................................................................................................................... 33
   The Capacity to Innovate and the Learning Cycle ................................................................ 34
   Surveys and Mapping ............................................................................................................. 36
   House Modeling ..................................................................................................................... 38
   Learning from Each Other ..................................................................................................... 38
   Using Community-Exchanges to Influence Professionals and Governments ....................... 41
   Precedent Setting .................................................................................................................... 42
   Changing Standards ............................................................................................................... 45
6. Widening the Discussion of Public-NGO-Community Partnerships ...................................... 46
7. Participation for Donor Agencies in ‘The Local’ .................................................................. 49
   The Difficulties that Official Donors Face in Supporting Participatory Governance .............. 49
   The Kind of Support that Community Processes Need from International Donors ............ 52
   The Community Led Infrastructure Finance Facility ............................................................... 53
   PRODEL: The Local Development Programme in Nicaragua ............................................. 53
   What Does This Imply for Donor Agencies? ......................................................................... 56
8. Conclusions ........................................................................................................................... 57

BOXES

Box 1: The Two Extremes in Terms of Local Institutions That Do or Do Not Contribute to The
       Achievement of the Millennium Development Goals in Urban Areas .................................. 7
Box 2: Arnstein’s Eight Rungs on The Ladder of Citizen Participation ..................................... 10
Box 3: Participatory Budgeting ................................................................................................. 13
Box 4: Report Cards on Public Services in Bangalore ............................................................... 17
Box 5: Moves Toward More Pro-Poor Governance in Bangalore’s Public Water Sector .......... 21
Box 6: Surveys and People Managed Resettlement Programmes in Mumbai ............................ 36
Box 7: Changing Official Norms and Standards; Some Examples from Mumbai ....................... 46
TABLES AND FIGURES

Figure 1: The Structures, Stages, and Timescales for The Annual Participatory Budgeting Process in Porto Alegre................................................................. 15
Figure 2: The Baan Mankong Programme: The linkages for a local development partnership by city-wide networks with communities and local authorities ........................................ 24
Figure 3: Power relations at different levels that affect development ........................................ 49
Table 1: The Scale of Urban Poverty in Low- and Middle-Income Nations in 2000/2001 .......... 5
Table 2: Details of the Federations, Their Support NGOs, and Their Funds.............................. 32

SUMMARY

Participatory governance is often seen as a way of making governments more accountable and more responsive to the needs of low-income groups. It is also considered to have particular relevance in low-and middle-income nations where representative governance systems have failed to ensure that the most basic needs of the poorest 20-50 percent of the population are met. In urban areas, these needs include secure housing with safe, sufficient, convenient supplies of water and provision for sanitation, drainage, solid waste collection, schools, health care, emergency services, and the rule of law. Innovations such as participatory budgeting have demonstrated the value for poorer groups of more participatory approaches. But participatory governance’s greatest potential in low- and middle-income nations is in addressing poverty directly through partnerships between government institutions and community based organizations.

This paper presents many examples of community-government partnerships that have significantly improved the lives of large numbers of low-income households – and done so at unit costs that are often far lower and less dependent on external funding than conventional responses. These include partnerships between local governments and urban poor and homeless federations. These federations have, at their base, community-managed savings and credit groups that also develop upgrading and housing initiatives and improvements in provision for water and sanitation. The federations also develop a strong information base about their needs and how these can be addressed – through city-wide surveys, squatter enumerations and mapping and house modelling. Community-to-community exchanges allow communities and their federations to learn from each-other and the initiatives they implement set precedents from which they can negotiate changes in government policies, standards, regulations and practices. From these develop the partnerships that show the participatory governance’s real potential to reduce urban poverty.

There are also precedents showing how national governments can support participatory governance – for instance the Thai Government’s Community Organizations Development Institute which supports hundreds of partnerships between municipal authorities and community organizations and their federations. There are also innovations that show how international agencies can support community-municipal partnerships – as in the Community-Led Infrastructure Finance Facility in India and the Local Development Programme in Nicaragua. Thus there are precedents on which local and national governments and international agencies can draw that have demonstrated their effectiveness and their capacity to include poorer groups that usually benefit little from government programmes. These suggest that governments and international agencies can become more effective in reducing urban poverty. But these examples involved changes in government and international agency systems that many politicians, civil servants and international agency staff find difficult to support – especially providing representative organizations and federations of the urban poor with more influence in what is prioritised, what is done, how it is done and how it is financed. It is easier for official agencies to support ‘participatory governance’ in theory than to change their structures and relationships with poorer groups to make it happen.
1. Introduction: Why Participate in Local Government?

*The idea of citizen participation is a little like eating spinach; no one is against it in principle because it is good for you. Participation of the governed in their government is, in theory, the cornerstone of democracy – a revered idea that is vigorously applauded by virtually everyone. The applause is reduced to polite handclaps, however, when this principle is advocated by the have-nots. And when the have-nots define participation as redistribution of power, the consensus on the fundamental principle explodes into many shades of outright racial, ethnic, ideological and political opposition – SHERRY ARNSTEIN*²

Citizens ‘participate’ in government for obvious reasons. To try to get government agencies to meet their needs, support their priorities and protect their rights. So they participate to get governments to do something or change the way they do things. This participation in government can take many forms but most fall into two categories: a direct engagement with government bodies; and influencing government through voting for elected representatives.

What this paper will highlight is the importance of supporting this direct engagement with government bodies within urban centres in low- and middle-income nations because of its demonstrated capacity to reach large sections of low-income households with significant improvements in their lives. This means a potentially important contribution to reducing poverty. This direct engagement can also act to reduce not only the immediate causes of poverty (such as inadequate incomes, unsafe water and dangerous, insecure housing) but the processes that cause or perpetuate it (especially poorer groups’ exclusion from government processes). As such, support for direct participation can contribute to meeting many of the Millennium Development Goals. Many of the examples given in this paper also show how support for direct participation can greatly reduce unit costs for infrastructure and service provision for local governments – which in turn allows limited public resources to go much further. It also contributes to making representative democracy more accountable to lower income groups. As such, one would expect governments and international agencies to support such innovations. But in reality, most of the examples of direct participation in this paper had to overcome strong opposition both from within governments and from outside. In addition, few international agencies were prepared to support these, until they had been shown to be successful. Most local and national governments and international agencies find it easier to say that they want more participatory governance than to change their structures and their relationships with poorer groups to allow this to happen.

**Building Democratic Structures and Systems from The Bottom Up**

In regard to ensuring the meeting of citizens’ physical needs in urban areas, representative democracy has worked well in some nations and very inadequately in others. In high-income nations and in some middle-income nations, most of the urban population (including most households with low-incomes) live in secure, permanent housing with good quality fresh water piped to the home (and available 24 hours a day in kitchens and bathrooms), safe and convenient sanitation, storm drains and regular collection of household wastes. They have access to health care and to schools. Their neighbourhoods have police services and emergency services – for instance ambulance services and specialized health care services that respond rapidly to serious injuries or fire services responding to accidental fires. There are also complaints procedures if they feel they have been poorly served or cheated by any public service and

---

²The wording of this has been cut to take out the specific references to the US context – because what it says has relevance for far more than the USA. The complete wording of this was “The idea of citizen participation is a little like eating spinach; no one is against it in principle because it is good for you. Participation of the governed in their government is, in theory, the cornerstone of democracy – a revered idea that is vigorously applauded by virtually everyone. The applause is reduced to polite handclaps, however, when this principle is advocated by the have-nots, Mexican Americans, Puerto Ricans, Indians, Eskimos and whites. And when the have-nots define participation as redistribution of power, the American consensus on the fundamental principle explodes into many shades of outright racial, ethnic, ideological and political opposition” Arnstein, S.R. (1969), “Eight rungs on the ladder of citizen participation”, *Journal of the American Institute of Planners*, Vol. 35, No. 4, July, page 216.
safety nets if they are unable to work or they lose their source of income. These webs of local institutions and services may have limitations and may fail to adequately serve a proportion of the population (typically the poorest) but they ensure that most of the population avoid physical deprivation.

In low-income nations and most middle-income nations, large sections of the urban population have few if any of these physical needs met – see table 1. Representative democracy has not done much for them. In most cities in these nations, between a fifth and half the population live in accommodation that is overcrowded and often of very poor quality. Large sections of the urban population live in illegal settlements and have to live with the constant threat of eviction. Forced evictions are also common, with all the devastation that these bring to people’s lives, assets and livelihoods. Most do not have safe, regular, convenient provision for water and sanitation, solid waste collection and storm drains. Tens of millions have no provision for sanitation in their homes. Public provision for schools, health care, emergency services and ‘law and order’ is inadequate or non-existent for much of the population. Violence has reached record levels in most cities or poor city districts. It is common for between a third and half the urban population to be below the poverty line – and for infant and child mortality rates in urban areas to be 10 to 20 times what they should be in any well governed urban area. This is even the case in nations with several decades of representative democracy. As Jockin Arpurtham, the leader of India’s National Slum Dwellers Federation commented, India has had a representative democracy for decades yet over 20,000 households in Mumbai still live on the pavements and millions live in slums. Clearly, more effective governance models are needed.

Table 1: The Scale of Urban Poverty in Low- and Middle-Income Nations in 2000/2001

<table>
<thead>
<tr>
<th>Type of Poverty</th>
<th>Numbers and % of Urban Population in Poverty</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inadequate income for basic needs</td>
<td>700 million to 1 billion (36 to 51%)</td>
<td>No accurate figures are available on this and the total varies, depending on the criteria used to set ‘the income-level’ required for ‘basic needs’</td>
</tr>
<tr>
<td>Inadequate or no provision for safe, sufficient water</td>
<td>More than 680 million (35%)</td>
<td>No reliable figures for the extent of provision for ‘adequate’ or ‘safe and sufficient’ water or on the extent of provision for ‘adequate’ sanitation for urban areas in most nations; these estimates are drawn from a recent, detailed UN review of individual city/urban studies.6</td>
</tr>
<tr>
<td>Inadequate or no provision for sanitation in the home</td>
<td>More than 850 million (43%)</td>
<td>No reliable figures available; in many Asian and sub-Saharan African nations, 25-40% of urban children are underweight.7</td>
</tr>
<tr>
<td>Under-nutrition</td>
<td>150-200 million</td>
<td>No accurate figures available; in many Asian and sub-Saharan African nations, 25-40% of urban children are underweight.7</td>
</tr>
<tr>
<td>Living in housing that is overcrowded, insecure and/or of poor quality</td>
<td>924 million (47%)</td>
<td>No accurate figures available for this in most nations; this is based on a recent UN review of the proportion of people living in ‘slums’8</td>
</tr>
</tbody>
</table>

5 This comment was made at a meeting in South Africa, as South Africa was making the transition to a representative democracy – to encourage the urban poor to form their own organizations and not to trust ‘representative democracy’ to address them more details of this are given in a later section.
A discussion of the tools and methods of participation in regard to governments has to recognize this very large difference. If most citizens have their physical needs met and their rights protected, they are more likely to be content with representative democracy. Most people do not want to actively participate in the planning, construction and management of roads, footpaths, water supply systems, sewers and drains, electricity systems, telephones or in the management of street cleaning, solid waste collection, parks and playgrounds. They want political and bureaucratic systems with channels they can use if they think they are being over-charged or are receiving a poor quality service (or denied a service) but for most of the population, this can be through procedures set up by the providers or through elected representatives. The same is true for schools (and other facilities for children) and health care, although citizens may want more scope for direct involvement in their management – for instance in schools through parent-teacher bodies. There is often a need for an official channel for grievances that is independent of political systems and the service provider but this can only cope if most of the population do not need to use this.

The discussion of the tools and methods for participation is inevitably very different when large sections of the population do not have roads, footpaths, water supply systems, sewers and drains, electricity systems, telephones, solid waste collection systems, provision for children’s play, schools, and health centres. Representative democracy may help to reduce the proportion of the population lacking such provision; it has certainly helped do so in some Latin American nations, especially some of those that returned to democracies from military dictatorships in recent decades – and this was further supported by the widespread move to elected city governments and decentralization. But there are many representative democracies in low- and middle-income nations where large sections of the urban (and rural) population have most of their basic needs unmet or inadequately met and where representative democratic structures have shown little capacity to progress towards meeting these needs.

This raises the question – are there forms of citizen participation in government that are more effective than conventional representative democracy for those citizens with unmet basic needs? What this paper seeks to do is to demonstrate that there are many forms of direct citizen participation in government that have expanded and improved provision of basic needs for lower income groups. Furthermore, these are not damaging or undermining representative democracy; indeed, they are often making representative democracy work better too. But most of the scope for this direct participation is inevitably in local government – which for urban areas means city or municipal government or the local branches of state or national government agencies.

2. The Importance of ‘The Local’ for Urban Citizens

It is stating the obvious that the deprivations faced by ‘the urban poor’ are experienced locally – inadequate food intakes, inadequate asset bases, daily challenges to health in poor quality homes and the inadequacies in provision for infrastructure and services that were highlighted above. Most of these deprivations will not be addressed by ‘more external investments’; they need changes in the way local and external investments are made, in who determines what investments are made and how external resources are used and in to whom those who make these decisions and investments are accountable. This implies changes in local governance that increase the power of those whose needs are unmet or inadequately met.

In any urban centre, the proportion of the population facing such deprivations is also much influenced by the extent to which local governments and other local institutions act to lessen the cost of necessities (for instance keeping down the price of land for housing with piped water and good provision for sanitation) and provide certain key services that are available to all independent of their income - for instance schools, health care, police, emergency services, provision for children’s special needs, sufficient safe water even if it cannot be paid for, and safety nets. But in most low- and middle-income nations, local institutions do little or nothing in this – and usually lack the capacity to do so. This helps explain why so

---

many people live in makeshift homes in illegal settlements that lack connection to piped water and sewer networks and public services. Also why it is common for a high proportion of a city’s population to be unable to use official health care providers and schools. Box 1 lists the local institutions that have importance for meeting the needs of those with limited incomes and contrasts how they can be supportive or unsupportive.

**Box 1: The Two Extremes in Terms of Local Institutions That Do or Do Not Contribute to The Achievement of The Millennium Development Goals in Urban Areas**

<table>
<thead>
<tr>
<th>Local Institutions That Are Supportive</th>
<th>Local Institutions That Are Unsupportive</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Schools (pre-school, primary and secondary):</strong></td>
<td></td>
</tr>
<tr>
<td>Schools should be accessible to all and with costs kept down (e.g. fees, school uniforms, text books); special provisions to help low-income families keep their children at school may be needed.</td>
<td>Schools with high user charges (formal or through informal payments requested) and that avoid admitting children from urban poor areas (for instance through requiring pupils to have official addresses which excludes children from families living in illegal settlements).</td>
</tr>
<tr>
<td><strong>Primary health care centres, hospitals and emergency services:</strong></td>
<td></td>
</tr>
<tr>
<td>These are available and easily accessible to all with strong out-reach programmes for poorer areas, special programmes for vulnerable and at-risk groups and provision to keep down costs for users.</td>
<td>High user fees and locations and opening hours which make them difficult to use, especially for working populations. Staff that are antagonistic and judgemental to ‘poorer groups’ or to particular groups (for instance adolescents or particular ethnic groups).</td>
</tr>
<tr>
<td><strong>Providers for water, sanitation, drainage, household waste disposal and electricity:</strong></td>
<td></td>
</tr>
<tr>
<td>Service providers with a focus on ensuring adequate provision for all – with differential service standards and support for community-partnerships to ensure the poorer groups are reached, where the resources are insufficient for universal provision.</td>
<td>Service providers who have little or no interest in reaching poorer groups within political systems that do not ensure that they do so. Piped water supplies, sewers, drains and waste collection often only available to richer groups (and often provided at below cost). Refusal to provide any services in illegal settlements.</td>
</tr>
<tr>
<td><strong>Local government planning and land use management bodies that influence the availability of land for housing</strong></td>
<td></td>
</tr>
<tr>
<td>Local government actively working to ensure land for housing is available at prices and in locations that serve low-income households wishing to build their own homes; also supporting provision of secure tenure for those living in informal settlements.</td>
<td>Local governments that do nothing – or actively seek to keep poorer groups out of official land for housing markets – for instance by maintaining inappropriate standards for minimum lot sizes and infrastructure and by having slow, costly, inefficient official procedures that have to be met to develop land for housing.</td>
</tr>
<tr>
<td><strong>Public, private or NGO providers of safety nets:</strong></td>
<td></td>
</tr>
<tr>
<td>Official provision for safety nets to help those who cannot work or those with inadequate incomes to meet needs or official support for NGO or community-provision of safety nets.</td>
<td>No local institution providing safety nets or supporting community-managed safety nets.</td>
</tr>
<tr>
<td><strong>Public, private or NGO finance agencies:</strong></td>
<td></td>
</tr>
<tr>
<td>Micro-finance programmes for individuals and support for community-finance for poorer households.</td>
<td>No local institution providing or supporting credit that is available to low-income groups.</td>
</tr>
</tbody>
</table>
**The police, the legal system and local government bodies involved in ensuring the rule of law:**

<table>
<thead>
<tr>
<th>The police, the legal system and local government bodies involved in ensuring the rule of law:</th>
<th>These provide the rule of law (including police services in informal settlements) and protect poorer groups’ civil and political rights. Also seek to be supportive of poorer groups’ livelihoods. Also seek to lessen discrimination and work towards greater gender equality</th>
<th>These do not serve poorer groups (for instance with no police service in informal settlements) or oppress them. Common for poorer groups living in illegal settlements to be evicted and for informal enterprises (for instance hawkers and sellers in informal markets) to be harassed. Common for migrants to be considered as a problem.</th>
</tr>
</thead>
</table>

**The local government systems for voting and accountability to citizens:**

<table>
<thead>
<tr>
<th>The local government systems for voting and accountability to citizens:</th>
<th>The right to and the possibility of voting for local government; political and bureaucratic systems in which poorer groups have access to senior politicians and civil servants to ensure their rights are respected, they are protected from eviction and they get appropriate support in an emergency</th>
<th>Local government is not elected – or if it is, those living in illegal settlements are denied the vote (for instance because they lack an official address). Politicians and the bureaucracy unresponsive to demands of poorer groups and of possibilities of working in partnership with them.</th>
</tr>
</thead>
</table>

**How governments define and measure poverty and how local institutions act on this:**

<table>
<thead>
<tr>
<th>How governments define and measure poverty and how local institutions act on this:</th>
<th>Local processes in which urban poor groups are involved in defining, measuring and monitoring poverty and using this to support local poverty reduction strategies</th>
<th>Poverty defined and measured by a national government agency, usually based only on consumption levels and with little allowance for non-food necessities. Poverty measurements based on representative national samples so they have little or no relevant data for local institutions, including local governments.</th>
</tr>
</thead>
</table>

SOURCE: Satterthwaite, David (2005), "Meeting the MDGs in urban areas; the forgotten role of local institutions", *Columbia Journal of International Affairs*, Spring.

Thus, one of the central issues for national governments and for external development assistance in regard to poverty reduction is the extent to which they support the development of stronger local institutions that really deliver for those with limited incomes and are accountable to them (schools, health care, protection of the poor’s civil, political and resource using rights/rule of law protecting them from powerful vested interests, provision for water, sanitation, secure tenure of the land on which they have built their home, micro-finance agencies, local infrastructure building agencies). This also includes the extent to which these ‘non-local’ agencies support institutional or political changes that lessen the negative impact of local institutions (anti-poor local governments, pro-the-rich-and-powerful legal systems).

However, it is also obvious that most local governments and other official service providers lack the funding base and capacity to ensure that everyone’s needs are met. In such circumstances, the key issue is how these local governments and other official service providers support other ways of addressing these needs – for instance provision by local or international NGOs or community organizations. This paper will provide many examples of community organizations and local NGOs that have had critical roles in reducing poverty because these were the local institutions that helped meet poorer groups’ needs for (for instance) housing, water, sanitation, health care, schools, the rule of law and emergency finance. They did so in forms that low-income groups could use and could afford. Many also did so in ways that were more participatory and accountable to those that they served. The paper will also describe how these can reach a very large scale, if supported by local governments (and other external agencies).
3. What is Participatory Governance

Introduction

Participatory governance implies a particular emphasis on the inclusion of people who are marginalized or excluded from conventional ‘governance’. It implies the introduction or strengthening of mechanisms to encourage the direct involvement of those who do not find it easy to participate in state structures and processes. In almost all circumstances, this includes those with limited incomes; it also includes those groups facing discrimination based on gender or ethnicity.

Participatory governance also implies that the arena of action goes beyond a specific project and involves government engagement with civil society groups. Government’s engagement with individual citizens in individualized consultation and decision-making processes may be considered part of good governance but it is not considered here as participatory governance. Thus, participatory governance differs from ‘good governance’ in its emphasis on the inclusion of groups whose interests and priorities tend to get marginalized in representative democracy.

Participation

Before discussing the tools and methods used within participatory governance, it is important to be clear about what is meant by ‘participatory’ and by ‘governance’. As noted in the quote from Sherry Arnstein at the beginning of this paper, the participation of the governed in their government is, in theory, the cornerstone of democracy. Yet as Arnstein’s careful analysis of the different levels of citizen participation in community and city programmes in the USA shows, ‘participation’ can be tokenistic or used by those in power to serve their ends – or it can give citizens more power (see Box 2). Arnstein’s ‘ladder of citizen participation’ is specific to the struggles that low-income citizens and their community organizations had in the USA in getting real participation within particular government programmes in the 1960s. If a ladder of participation was constructed to examine another aspect of citizen-government relations (for instance not for specific government programmes but for the way that city government worked or its budget was defined), or if it was constructed to look at government ‘housing’ and urban programmes ‘for the poor’ in another nation, it would not be the same as Box 2 – but many of the key principles would be the same. In this paper, the interest in participatory governance is in where this did result in partnerships between citizen organizations and government that ensured needs were met (or met better) and in where citizen groups that are often excluded from government (especially the poorer groups) did get more power in ways that also had positive benefits in terms of needs met. The most fundamental test of whether ‘participation’ is real participation is whether it is addressing inequality.

---

9 This section draws on Mitlin, Diana (2004), "Reshaping local democracy", Editorial in Environment and Urbanization, Vol. 16, No. 1, pages 3-8

**Box 2: Arnstein’s Eight Rungs on The Ladder of Citizen Participation**

<table>
<thead>
<tr>
<th>Citizen Power</th>
<th>8. Citizen control: Where citizens can govern a programme or institution, be in full charge of policy and management and are able to negotiate the conditions under which ‘outsiders’ may change this.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7. Delegated power: Where citizens achieve dominant decision making authority over a particular programme.</td>
</tr>
<tr>
<td></td>
<td>6. Partnership: Through agreements to share planning, decision-making and other responsibilities, power is redistributed between citizens and power holders. This works best where there is an organized power base in the community which is accountable to community members and which has financial resources.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tokenism</th>
<th>5. Placation: Citizens begin to have some influence but provision for this by power holders is still tokenistic. For instance “worthy” representatives of the poor are put on a board – where they are in a minority and where they are not accountable to a constituency in the community.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4. Consultation: The extent of participation depends on how much the consultation influences what is done and how it is done (and with whom). It may be done through surveys where there is little provision to ensure the findings influence anything. Governments often use measures of consultations (how many people attended meetings or answered surveys) as measures of participation when these do not measure real participation.</td>
</tr>
<tr>
<td></td>
<td>3. Informing: Informing citizens of their rights, responsibilities and options can be the most important first step towards legitimate citizen participation but this is tokenism when the emphasis is on a one way flow of information from officials to citizens with no provision for feedback or for citizens to renegotiate. Examples include organizing ‘community’ meetings dominated by officials’ presentations with little opportunity for questions and discussions.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non participation</th>
<th>2. Therapy: The real objective is to change participants’ attitudes and behaviours that local government officials do not like under the guise of seeking their advice - for instance getting resident groups to help clean up their neighbourhood rather than question the lack of government services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1. Manipulation – for example citizens placed on advisory committees that have no power or where they have no power</td>
</tr>
</tbody>
</table>

**SOURCE:** Arnstein, S.R. (1969), "Eight rungs on the ladder of citizen participation", *Journal of the American Institute of Planners*, Vol. 35, No. 4, July, pages 216-224. This has drawn from Arnstein’s text in elaborating these different levels but in doing so has sought to make them more general than her original which was specifically to address the limited participation within community action programmes and model cities programmes in the USA.

**Governance**

The interest in participatory governance developed out of the growing interest in ‘governance’ within discussions of development (and in some discussions of environmental management). The roots of this interest in ‘governance’ within development discussions can be traced at least back to the 1950s and 1960s, when building the capacity of public administrations received considerable international support – although this was conceived as support for ‘good government’ rather than ‘good governance’. The interest in good governance is in part related to the dissatisfaction of the official international agencies with the shortcomings of the (national) recipient governments who were their official partners and through whom their development assistance was largely channelled. In part, it is related to the search for more effective development strategies after the disappointing results from some international agencies’ promotion of the market – itself also a response to earlier critiques of the performance of government
During the 1990s, the interest in ‘governance’ was also fuelled by a growing discussion of how poverty should be reconceptualized from its almost exclusive focus on ‘income’ and consumption to include public services, civil and political rights and voice (all of which relate strongly to governance). The reasons for this search for more effectiveness in urban areas was obvious. If it is common for between one-third and one-half of city populations to live in overcrowded and poor quality housing structures in informal settlements, in conditions that are illegal and insecure, and with inadequate or no provision for piped water, sanitation and drainage, it is obvious that new approaches are needed.

But the issue of governance was also pushed onto the development agenda by bottom-up pressures from citizens and citizen organizations. Better governance had become a pressing issue for citizens all around the world, especially under dictatorships with large-scale and continuous abuses of human rights. In the closing decades of the last century, people’s movements in many nations demanded systemic changes in government, and helped drive a switch from politically repressive regimes to those that offered multi-party democracy.

Governance as a concept recognizes that power also exists outside the formal authorities and institutions of government. At its root, governance is the construction of new relationships between citizens and governments. The term “governance” is used for one aspect of this citizen–government relationship. It encompasses the institutions and processes, both formal and informal, which provide for the interaction of the state with a range of other agents or stakeholders affected by the activities of government. Thus, it includes not only government institutions but also the wider set of institutions and organizations that influence the processes of government. “Arguably, this broader set of relationships has long existed, but a previous concept of government was that it should somehow stand back from the messy business of negotiating acceptance of and agreement to its own processes and decisions. There is now recognition that this messy business is part of the process.” Rather than government taking decisions in isolation, there is growing acceptance (indeed, expectation) of an engaged state negotiating its policies and practices with those who are a party to, or otherwise affected by, its decisions. This questions government strategies that simply involve negotiating with a few powerful but unrepresentative groups. Rather, the concept embraces a more systematic consideration of who should be included, and how. Governments, and indeed state power, are an important, perhaps predominant, but not all-determining force.

Not all relationships between state and citizens fall within the remit of governance according to this definition. It does not include relationships between individuals and the state that are concerned simply with those individual’s concerns and which do not affect others on any significant scale.

Putting Participation and Governance Together

Participatory governance implies a need for more scope for participation within the relationships between citizens and government – so it goes beyond increasing the scope for participation in a specific neighbourhood or a single development. There are many participatory projects that involve citizens and local government in localized decision-making but which do little to change government processes.

14 Cabannes, Yves (2005), Participatory Budgeting: Conceptual Framework and Analysis of its Contribution to Urban Governance and the Millennium Development Goals, UN Habitat and UNDP.
Hence, not all participation, even participation involving government agencies and officials, is participatory governance if it is limited in scope, scale and space. And as noted above, government’s engagement with individual citizens in individualized consultation and decision-making processes may be considered good government, but it is not considered here as participatory governance.

Thus, participatory governance implies the engagement of government with groups with interests beyond those of a single individual (although members may not benefit equally). For this to take place, some sense of group identity and interest is important, and this forms a starting point for a process of negotiation and collaboration between this group and government institutions.

**Participatory governance is about making government more inclusive and as a result more effective in poverty reduction.** For those who accept that one key aspect of poverty is poor people’s lack of “voice” within political systems and bureaucratic structures, participatory governance measures can themselves be seen as poverty-reducing. For others, who use more conventional definitions of poverty, it offers potential for more appropriate policies and practices. With more communication with, and influence from, groups of the poor, it is believed that state policies and practices will improve.

**Participatory governance offers greater scope for action by organized civil society groups.** Increasing numbers of international agencies recognize the importance of citizen movements and associated NGOs, and provide these with financial support. Some citizen movements have focused on a specific goal or policy, and have dissipated once success has been achieved; for example, the pro-democracy movements in a number of countries. Some have, themselves, sought to join government, with leaders standing for political office or accepting government appointments. However, others offer a grassroots challenge to existing government processes, and have campaigned for greater involvement and inclusion. Such groups see participatory governance as a necessary complement to representative democracy, which often fails to represent the interests of less powerful groups, especially in situations of resource scarcity, where elections become a way of allocating limited state benefits rather than making political choices.

**Governments may see participatory governance as a way of increasing their legitimacy.** As governments have lost legitimacy and found their scope and decision-making being questioned, some have sought to regain citizen confidence and improve performance through offers of inclusive decision-making to a range of other interested parties. Measures have been taken at national and local levels, and have included further information, formal consultation and increased accountability to citizens. There have been some notable attempts to reach out to groups that have been excluded previously – for instance governments institutionalising multi-stakeholder decision-making councils. However, the extent to which the ‘multi-stakeholders’ outside of government have real decision-making influence varies greatly. In some instances, this would be no more than tokenism or manipulation in Arnstein’s ladder of participation.

**Participatory Governance’s Focus on The Local**

In urban areas, most of the focus of participatory governance is at the local level. This is for two reasons. First, it is local government or the local offices of higher levels of government that have the most direct impact on the lives and livelihoods of citizens – for instance, in the provision of water, sanitation and drainage, health care and schools, the regulation and management of land for housing, building controls and spaces for informal businesses, police and the rule of law. Some key government services may be provided by national or provincial/state governments – for instance, in some nations, schools, health care and the rule of law – but citizen and civil society engagement with these is usually through their local offices. Second, it is at the local level that most opportunities for civil society groups’ engagement with government exist. However, often, it has been changes at the national level – for instance, through democratisation, decentralization, legal changes and local government reform – that have encouraged or allowed more participatory governance.
In many nations, decentralization and stronger local democracies within local government have allowed a new generation of local politicians who are often committed to more participatory governance. Many of these politicians have strong links with local political activists. When taking up office, they have been encouraged to explore partnership arrangements with groups that state authorities traditionally kept at arm’s length. At the same time, national and provincial governments seeking to strengthen local decision-making may see advantages in encouraging links between local government (most of which lack capacity) and other local organizations that share a development agenda.

Two sections below discuss the tools and methods relevant to participatory governance. This includes the mechanisms needed to encourage the involvement of those who do not find it easy to participate in state structures. Before beginning this discussion, it should be noted that much of the discussion of ‘governance’ and ‘good governance’ among international agencies focuses on the national level and this often ignores urban governments. This means that the critical role of city and municipal government institutions and their relationships with poorer groups and their organizations have not received the attention they deserve both in relation to the scale of poverty in urban areas and in relation to the potential to reduce it.

4. Innovations in Participatory Governance by Cities and Smaller Urban Centres and The Bigger Context in Which They Were Embedded

*Participatory Budgeting*

Participatory budgeting is one of the most significant innovations in participatory governance – and one that is being applied in around 250 cities. These cities are mostly in Brazil, but participatory budgeting initiatives are also flourishing in cities in many other Latin American nations (and in some European nations). Participatory budgeting means more scope for citizen groups and community-based representatives in setting priorities for local government expenditures; it also implies a local government budgeting system that is more transparent and available to public scrutiny (Box 3). A review of participatory budgeting in 25 municipalities shows the many different motivations behind the initiation of such programmes. While these programmes have some common aspects in their approach, their strategies and outcomes are very much related to contextual factors such as the motivation of the mayor or leading group within the city council, the degree of autonomy that the council has over its own budget, and the nature and scope of the groups drawn into the budgeting programme.

---

**Box 3: Participatory Budgeting**

Participatory budgeting is one of the most significant innovations in democracy and local development. Initially developed in Brazil some 15 years ago (particularly in the city of Porto Alegre), it spread to over 100 Brazilian municipalities during the late 1990s and then to cities in Latin America and elsewhere after 2000.

The forms that participatory budgeting takes are diverse, influenced by existing forms of government, by political motivation and by state–civil society relations. Experience varies much between cities as to:

- where participation takes place (citizen participation at the neighbourhood or the city level) and the form of participation (for instance, from every citizen having a right to attend and vote

---

17 This section draws heavily on Cabannes, Yves (2004), “Participatory budgeting: a significant contribution to participatory democracy”, *Environment and Urbanization* Vol 16, No 1, April, pages 27–46.

in “participatory budgeting assemblies” to participation by representatives of neighbourhood associations, trade unions or other civil society organizations);

- the proportion of the budget controlled by participatory budgeting (from a few per cent to all of the investment budget) and who takes the final decisions (from the municipal council to the participatory budgeting council);

- what body is in charge of the decision-making (a new council, existing institutions or a mixture of the two); who manages it (for instance, the mayor’s office, the finance or planning department, or shared between several departments); and who oversees the works that are funded (for instance, what role for civil society groups); and

- the extent to which it has resulted in more funding and attention to the poorer neighbourhoods within the city.

Some cities have made special provision within participatory budgeting for vulnerable groups or groups that have particular difficulties getting their priorities heard (for instance, committees for women or children and youth). Some have delegates elected for particular groups – for instance, the elderly, adolescents, indigenous groups and the disabled.

Participatory budgeting has also helped encourage or support innovative responses by civil society groups in the informal economy and social economy through, for instance, the use of social currencies, collective purchases and systems based on barter clubs and “prosumers” (someone who is both a producer and a consumer of goods and services).


Within participatory budgeting, there are different modes by which citizens participate. There are generally city-wide assemblies and neighbourhood and district meetings in which every citizen can participate. These often elect delegates to represent them in participatory budgeting councils. Participatory budgeting discussions also involve delegates and leaders from existing civil society organizations such as social movements, neighbourhood associations and trade unions. This process is not outside representative democratic systems because the municipal council is still responsible for approving the budget – but more scope is given to civil society groups to influence it. In most Brazilian experiences, the Council of the Participatory Budget formed by elected delegates at public assemblies and forums has a central role – including organizing the form that citizen participation can take, the themes to be discussed and the preparation of the participatory budget for submission to the municipal council. In many of the non-Brazilian experiences, participatory budgeting is built on already existing social or political frameworks such as neighbourhood associations or elected parish councils.\(^{19}\)

In cities where participatory budgeting is well established, there is an annual cycle of discussions and consultations – usually organized both by district/neighbourhood and by particular themes or sectors. For instance, in Porto Alegre, participatory budgeting involved discussions held within each of the municipality’s 16 districts. There are also city-wide forums on topics such as urban planning and development, traffic management and public transport, health and social welfare, education, culture and recreation, and economic development and taxation. Both in the district discussions and in the sectoral discussions, delegates are elected to take part in the Participatory Budgeting Council – see Figure 1.

\(^{19}\) Cabannes 2004, op. cit.
Figure 1: The Structures, Stages and Timescales for the Annual Participatory Budgeting Process in Porto Alegre

Participatory budgeting also needs systems to monitor the actual expenditures (to see if the commitments influenced by this process were fulfilled), the projects that are developed and the performance of the agencies that are commissioned to undertake them.

Participatory budgeting has certainly had many successes. It is no coincidence that Porto Alegre that pioneered participatory budgeting has one of the highest quality of lives of any city in Latin America; average life expectancy there is 76 years and the proportion of citizens with good provision for water, sanitation, drainage and solid waste removal are among the highest for any city in the region. From 1992 to 2002, public works worth more than US$700 million were implemented through participatory budgeting. During this period, the drinking water supply network was expanded to reach 98 percent of households; the sewage network expanded from 46 to 85 percent of the population. Provision for street paving and lighting and drainage has also expanded, as these were often among the top priorities defined by district assemblies in poorer areas.

However, effective participatory budgeting is not easily implemented. The comment of Martin Pumar, a former Mayor of Villa El Salvador (one of the municipalities within Lima) has particular relevance – as he introduced participatory budgeting:

“The municipal structure and bureaucracy were not yet capable of dealing with the changes. First of all the participatory budgeting of course implies relinquishing power, also the everyday power of councillors, municipal workers. Personal favours, clientelistic relations are part and parcel of our municipal culture. So there was quite some resistance in the municipal apparatus. Yet even for those who understand and support the change it was not easy. All of a sudden urban development received tens of project proposals to be implemented, where the municipality had to develop all the technical plans to prepare the construction”

When participatory budgeting was introduced, the municipal authorities had particular difficulties responding to the multiplicity of demands and priorities that this generated. A municipal councillor in Peru identified the constraints on making participatory budgeting effective for a city or a municipality’s development:

- Overcoming the confrontational attitude though which neighbourhood leaders address the authorities; both neighbourhood leaders as well as municipal officials have to learn to work together;
- Learning to govern in a less politicized way – and so not disqualify a proposal because it comes from another political party;
- Learning to move away from the culture of the leader and the follower – with mayors seen as people who will solve everything. Modern mayors have to learn to delegate decision-making and responsibilities while neighbourhood leaders and the population have to learn that they are co-governors who are entitled to come up with their own proposals and solutions, instead of expecting the authorities to solve everything for them, just because they have elected them to power;
- Municipal authorities and neighbourhood leaders having a vision that goes beyond short term actions (for instance those that municipal authorities need to ensure re-election) and avoiding the investment budget being scattered among many different small projects (to make sure that each neighbourhood gets something). There are a few examples where leaders of various communities pooled the budget and realised substantial investments that benefited various

20 Menegat 2002. op. cit.
21 Menegat 2002, op. cit.
neighbourhoods such as levelling a major road and a pre-study for the construction of water and sanitation system. But these examples are rare. It will take a long learning process to change people’s mind-set in such a way that we can really speak of co-governance: long term planning taking a larger area into account then just your own neighbourhood. A neighbourhood leader is not trained to consider long term and larger scales.

- The conventional understanding of ‘neighbourhood improvement’ in which modernity is associated with concrete – even if a park is planned.
- Participatory budgeting reaching the leaders but not all the population.

**Other Innovations in Participatory Governance from City Governments**

Governments and civil society groups engage with participatory governance strategies with mixed intentions and with a diversity of understandings. From the beginning, these initiatives are strongly influenced by existing relationships and the ways in which power is distributed within such relationships. However, by its very nature, participatory governance should open up new possibilities by allowing non-state groups greater “space for negotiation”.

Participatory budgeting, where implemented seriously, is certainly on the upper rungs of any ‘ladder of participation’ that is constructed to review citizen-local government relationships. There are various other initiatives centred around greater citizen involvement in local government budgeting and expenditures that can be considered to increase participation although with lower levels of participation than participatory budgeting. These include budget analysis, reviews of budget expenditures and performance monitoring. One of the best known initiatives in this is the report cards system on public services developed in Bangalore (see Box 4).

**Box 4: Report Cards on Public Services in Bangalore**

In 1993, a survey was done to examine what aspects of public services were satisfactory (or not) and the direct and indirect costs of acquiring these services. The findings generated heavy media coverage. This was then institutionalized into one of the core functions of a new non profit society established in 1994: the Public Affairs Centre with a goal of “improving governance in India by strengthening civil society institutions in their interactions with the state”. In 1999, the survey was repeated but before the findings were published, a summary of the findings was presented to the key service providers for telephones, water, and electricity and to the municipality. After the findings were published, a workshop was held involving senior officials from the agencies and the public.

Over the five years between the two report card initiatives, there had been partial improvements in services such as telephones and hospitals. But overall citizen satisfaction remained low, even for the better performing services. The findings suggest that the scale of corruption had grown both in how often bribes (including ‘voluntary speed payments’) had to be paid and in the amount that had to be paid. Some of the service providers responded to these findings – for instance the worst rated agency, the Bangalore Development Authority, reviewed its internal systems for service delivery, introduced training for junior staff and began to host a joint forum of NGOs and public agencies with the Bangalore Municipal Corporation on how to solve high priority problems such as waste management. The state electricity board formalized periodic dialogues with resident associations to get feedback from users. Two others sought to strengthen their grievance redressal procedures – but four of the eight service providers made no response. Highlighting public dissatisfaction and the level of corruption does not of itself generate the needed governance changes.

Source: World Bank (no date), Action Learning Program on Participatory processes for Poverty Reduction Strategies; Paper 1: Accountability to the Poor: Experiences in Civic Engagement in Public

---

23 World Bank (no date), Action Learning Program on Participatory processes for Poverty Reduction Strategies; Paper 1: Accountability to the Poor: Experiences in Civic Engagement in Public Expenditure Management, The Participation Group, Social Development Department, the World Bank, Washington DC, 95 pages.
Most instances of budget analyses or reviews in low- and middle-income nations appear to be initiated by civil society rather than by local governments. They certainly have importance in bringing greater scrutiny to what government does with its funding base and the quality and extent of the services provided. However, these do not necessarily influence what government does; these of themselves do not redistribute power to poorer groups. They may also not involve poorer groups and their organizations, even if they claim to speak on their behalf and they may focus primarily on the concerns of non-poor groups. Perhaps more importantly, by focusing on government budgets and expenditures, they do not address the many non-expenditure issues that have particular importance for large sections of the poorest groups – for instance:

- tenure of the land they occupy and protection from forced eviction;
- an ‘official address’ (which is required to be able to vote, to send their children to government schools and use government health clinics and to get police and emergency services and other citizen entitlements); and
- inappropriate regulations that inhibit their livelihoods or their possibilities of getting safe, legal housing or land on which it can be built.

One measure of participatory governance is how it changes the understanding of the parties involved, enabling a new set of approaches to be explored as knowledge and confidence grows. This was demonstrated in an analysis of participatory planning exercises in 32 municipal authorities and corporations in Andhra Pradesh (India). The community members learned more about how state resources were allocated and were encouraged to take a greater role in decision-making; and the municipal officials recognized the quality of community decision-making. In Vietnam, the processes involving greater participation in government opened up a space in which civil society contestation became more acceptable.

Perhaps the single most important criterion for assessing ‘participatory governance’ for urban governments is the extent to which those groups who are generally excluded or ignored by government investments, programmes and services get more power to influence what government does or does not do and more resources to support their own initiatives. But it is difficult to assess the extent to which innovations by governments do provide more scope for poorer groups – and if they do, who benefits and for how long. For instance, in Cambodia, the municipal government in Phnom Penh has developed a city-wide strategy for improving conditions in hundreds of informal settlements, working with the local urban poor federation and a local NGO – with support from international agencies. The prime minister of Cambodia has given his support to this, and announced a policy to support the upgrading of 100 settlements in a year and 500 more over the next five years. The vice-governor of Phnom Penh stated that: “This city doesn’t only belong to the rich. It belongs to all of us, so we should all be involved in improving it .... Now we have a lot of work to do. We have to sit down and set concrete plans for this upgrading programme together.” This points to the potential benefits of more participatory governance – and this change in the relationship between government (local and national) and citizen groups was certainly influenced by the well-organized, representative federation of the urban poor. However, a

---

27 UPDF (2003), *Urban Poor Development Fund (UPDF) in Cambodia*, Urban Poor Development Fund, Phnom Penh, 12 pages.
28 ACHR 2004, op. cit. page 9; see also See also http://www.achr.net/
review of this process in early 2003 would have presented a pessimistic conclusion, because government agencies still saw eviction and resettlement as the main response to informal settlements and they showed little willingness to consider the difficulties experienced by poor and vulnerable citizens or to work with organized urban poor groups. Phnom Penh’s rapid development also means that powerful vested interests will still seek to displace those living in informal settlements in valuable locations, so this important change towards more participatory governance will always be at risk.29 The municipal authorities in Mumbai have had some innovative engagements with representative organizations of the urban poor which have produced significant benefits for poorer households – including upgrading programmes, new house programmes a large scale community-managed toilet construction programme and community police stations set up in many slums (as will be described in the next section). Yet this same authority has also recently launched a very large squatter eviction programme.

In Sri Lanka, the government’s Million Houses Programme during the late 1980s and early 1990 presented a radical break from conventional, top-down approaches. Community development councils and a participatory methodology known as community action planning meant that residents and community leaders in low-income areas of Colombo worked with government officers to identify problems, set priorities and develop solutions. But it proved difficult to sustain these in the face of widespread poverty, entrenched government institutions and power structures antagonistic to community participation. The grassroots testimony also tells of the difficulties of preventing NGOs from controlling the initiatives, and politicians from undermining them. The participatory approaches were also abandoned when the government changed in the mid-1990s.30

The Complex Interplay between Representative and Participatory Democracy

Participatory governance implies changed roles for politicians and civil servants. Inevitably, there are complex relationships between decision-making by existing state agencies, including elected representatives and government bodies, and decision-making emerging from participatory governance processes. Many elected politicians oppose most forms of participatory governance because they see themselves as the legitimate decision takers, elected by citizens through a democratic process, and believe such participatory processes are taking decisions and control away from them. This opposition has been evident in Brazil, where participatory budgeting was first developed, and there are many cities where participatory budgeting has been stopped.31 In Santo André, participatory budgeting was first introduced by Mayor Daniel Celso during his term of office between 1989 and 1992 but it was discontinued by the city governments between 1992 and 1997 – and then reintroduced by Daniel Celso when re-elected in 1997.32 This opposition was also evident in Cebu (the Philippines), where there were tensions between elected representatives and participatory governance initiatives, as the NGOs and people’s organizations found their political space constrained in the 1990s. The city government supported NGOs and people’s organizations in service delivery, but not in their attempts to broaden the scope of their involvement through an NGO advisory council. The NGOs are now pressing the municipal council to accept sectoral representation, and legislation is being considered by the Philippine congress. But local politicians are not supportive.33

There is also the problem of continuity. Many instances of governments developing more participatory approaches with citizen groups were cancelled or made less effective when a new political party gained power at an election – or even when the same party retained power but the new mayor did not want to

29 ACHR 2004, op. cit.
31 Cabannes 2004, op. cit,
32 Acioly Jr, Claudio, Andre Herzog, Eduardo Sandino and Victor Henry Andrade (2004), Participatory Budgeting in Santo André: The Challenge of Linking Short-term Problem Solving with Long-term Strategic Planning in a Brazilian Municipality, Institute of Housing and Urban Development Studies, 100 pages. This also describes the innovations implemented under Mayor Celso after 1997 and presents an analysis of who participated.
continue implementing some policy associated with their predecessor. One good example of this comes from the city of Barra Mansa in Brazil which developed a much admired participatory budget council with children. Here, 18 boys and 18 girls were elected by their peers to ensure that the municipal council addressed their needs and priorities. This council allocated a proportion of the municipal budget (equivalent to around US$ 125,000 a year) to addressing the priorities identified by children and its child councillors were also involved in other aspects of government. For several years after 1998, more than 6,000 children took part in discussions and assemblies to elect their child councillors and discuss their own priorities. The elected children also learnt how to represent their peers within democratic structures, to prioritize based on available resources, and then to develop projects within the complex and often slow political and bureaucratic process of city governance. This example encouraged similar innovations towards children and youth in other cities. This was a way of involving a group that usually represents 40-60 percent of the population in cities in low- and middle-income nations. But initiative in Barra Mansa was not sustained, after a change in government.

There is also the conflict between urban governments and higher levels of government – where higher levels of government have the power to impose decisions, policies and investments in cities, against the wishes of the local government or large sections of the local population. This problem is particularly evident where local governments are weak. Perhaps this is best documented in the city of Bangalore where the municipal authorities are more responsive to citizen demands that the state government controlled development authority but the development authority and various state-level government bodies have far more power and resources – and influence on Bangalore’s development.

Another example of this is the local-national conflict over a power generation scheme in Mangalore (India). This highlights how the planning of large projects by national and state governments in India often bypasses local government and, as such, avoids accountability to local populations. Here, the political organizations in a fishing settlement (Bengare) within the city of Mangalore worked with elected city corporation representatives to halt a scheme for barge-mounted power generation that threatened their livelihoods; in this, the city government of Mangalore was committed to supporting greater participation among citizen groups – but if they can be overruled by higher levels of government, it shows the limitations of more participatory governance at local levels.

However, participatory governance may also provide local government with more legitimacy in the eyes of citizens and so help get local councillors re-elected. The significance of new forms of governance for traditional state activities is shown by the increase in tax revenues achieved in a number of projects, as relationships between citizens and the state improved. Participatory budgeting can mean that people are more willing both to pay taxes and to maintain the investments that they have jointly agreed to make.

**Participatory Governance and Service Providers**

One of the most important issues that participatory governance would be expected to address is the relationship between poorer groups and official (public, private or NGO) service providers. Both public and private service providers may find a new emphasis on participatory governance difficult to respond to. They are under pressure from international development agencies and national governments to find ways to increase their accountability to those to whom they provide services or to whom they should provide services. Many have sought to improve their performance through a better dialogue with users, but improvements in accountability have often not resulted in greater user satisfaction with planning, delivery and maintenance of urban services. In an era in which state agencies are being questioned, participatory governance is offered as a way of holding service providers to account. But service

---

36 Cabannes 2004, op. cit.
providers perceive themselves as offering a service to individualized customers – and to be accountable for the delivery of the service, not to be negotiating with collective customer groups or groups that are demanding services such as community or neighbourhood organizations. Service providers’ own capacity to enter into such negotiations is also likely to be limited. For instance, in most cities, there are the constraints on them being able to provide services in most or all informal settlements, because the inhabitants have no legal tenure of the land they occupy. Even if they are prepared to work in these settlements, local government or the landowners may not permit them to do so. But even when this constraint is removed, as in much of Buenos Aires, the private companies have avoided any changes that imply more decision-influencing powers to resident/community organizations in unserved areas.  

A review of community participation within municipalities found that in general, public works agencies do not like working with community organizations. Many municipal authorities are staffed by administrators and technical professionals who find the concept of community participation irrelevant. This is perhaps especially so in public works departments. Municipal officials have an incomplete knowledge of the potentials and limitations of participatory approaches. Even if they are willing to try participatory approaches, they often lack the skills and resources needed to do so. They also do not appreciate the difficulties in developing effective partnerships with community organizations - or the extent to which their bureaucratic procedures and official norms, codes and regulations inhibit participation. If municipal authorities want to support the kinds of government-civil-society partnerships that are described in more detail in the next section, this will require a transfer of power and decision-making from municipal agencies to community-organizations. Many international agencies also fail to recognize that the very nature of the conventional municipality is in conflict with the concept of participation.

An initiative in Lucknow (India) used community consultations to try to develop a more effective relationship between low-income citizen groups and government service providers. This developed a set of indicators on infrastructure and service provision that was presented to the agencies that were meant to provide infrastructure and services. This showed the gap between what residents prioritized and the indicators used by external agencies to monitor their performance. It also showed the potential for developing a dialogue (and even a working partnership) between the agencies and the inhabitants of settlements with very inadequate provision of infrastructure and services and also for developing a more appropriate set of indicators to monitor and evaluate the quality of provision. This illustrates how community consultations can allow public, private or NGO service providers to learn how to make their systems for monitoring performance more participatory and more accountable to their customers. It can also help resolve conflicts - for instance by identifying forms or methods of payment that low income households can afford and that are also acceptable to infrastructure and service providers.

An initiative in the public water utility in Bangalore shows the kind of internal changes that can make such a utility more responsive to the demands of the ill-served and unserved – see Box 5.

**Box 5: Moves Toward More Pro-Poor Governance in Bangalore's Public Water Sector**

The Bangalore Water Supply and Sewage Board is a traditional publicly owned water utility struggling to cope with insufficient funds, rotating leadership, rapid population growth, expanding urban boundaries, hiring and promotion constraints, high water costs and political interference, primarily in tariff setting. As a parastatal, it took responsibility for water and sanitation away from the (elected) city corporation, and there was little possibility of unserved or ill-served slum dwellers influencing it. Its own revenues do not generate funding for investment so it is dependent on external funders for any expansion programme. Its

---


40 Plummer 2000, op. cit.

existing piped system does not serve slums well (around 15 percent of the population live in slums) and only households with proof of land tenure in ‘slums’ that had been officially recognized as ‘slums’ could get individual piped connections. Its staff had little interest in changing this; in addition, responsibilities for serving slums are also unclear in that it is a state agency the Karnataka Slum Clearance Board that usually provides water supply in slums.

However, three donor funded pilot projects demonstrated that water could be piped to slums legally; that residents were willing to pay for household connections and water supply; that the traditional stumbling block of insecure tenure status could be managed; and that systems could be designed to meet the needs of specific typologies of tenure and density. These pilots led to the setting up of a Social Development Unit to work with slum dwellers to connect them to the official piped network. Funding also became available for expanding the water supply system and the municipal council has stated that it will no longer pay the Board for the water supplied to public taps – which means it has to increase the proportion of water that is paid for by consumers.

Within a system where responsibility for slums is splintered between many different agencies, the Board has opted to take some definitive responsibility and provide water to slum areas. The efforts are slow, piecemeal and perhaps inconsistent. Slum dwellers do not have much power or say in the Board and the Board appears unsure as to how it will approach slums in the future. Moreover, the current slum connection rate is heavily dependent on individual engineer enthusiasm, revenue shortfalls relative to targets, the capacity of the (understaffed) Social Development Unit and both the willingness to participate and ability to pay of slum dwellers themselves. But for the first time, slums are being serviced as a distinct category by the water utility and new working relationships are being forged between the utility, NGOs, and residents as they learn to cooperate and bargain with one another.


With much public works investments and service provision privatised, the relationship between poorer groups and the private enterprises responsible for these investments and services become important.

In many major cities, privatisation of water, sanitation and solid waste collection has not brought the hoped for expansion in provision and improvement in services. There was a hope that privatisation would bring better management and new sources of capital for investment – and would tap lower-income households’ willingness to pay for better services. In part, the poor performance after privatisation is because of the way the state privatised these services. For instance, for water and sanitation, the state has the lead role in setting the rules by which a water and/or sanitation utility operates – whether the utility is public or private. Generally, the framework for privatisation concentrated on contract deliverables such as investment activity, service standards, and payments. Few efforts were made to represent the interests of the urban poor in the process, let alone to involve representatives from urban poor groups directly. Once the concessionaire is in place, if no provisions were made in the contract or agreed regulatory regime to specify the utility’s responsibility to the unserved, it is difficult for the unserved to negotiate for provision.

Thus, there is a need for new kinds of participatory governance for service providers – perhaps at a different level, as the poor prefer not to use the formal routes offered by service providers (such as complaints procedures) but would rather look for other opportunities to express their frustrations, such as “…public meetings, meetings with councillors, voting for politicians and approaching other public figures who also have a catch-all responsibility.” For private water utilities, this may mean the need for a specific unit responsible for informal settlements in which local government and civil society are

42 Budds and McGranahan 2003, op. cit.
44 Cavill and Sohail 2004, op. cit.
represented either within or outside the concession – although such a model has not proved popular with public utilities.45

**National Structures for Supporting Participatory Governance – The Example of CODI in Thailand**

If participatory governance’s main arena for action and innovation is the city neighbourhood or district and, among government agencies, involves primarily city and municipal governments, obviously, the extent and nature of the support from higher levels of government for ‘good local governance’ influenced the potential for participatory governance. The return to democratic rule, decentralization and stronger local democracy were all important underpinnings of participatory budgeting in Brazil.47 In nations with elected city governments and where decentralization has strengthened their capacities to act, the potential for effective participatory governance is obviously greater. The national government in Peru has recently legally laid down that local and provincial authorities should formulate comprehensive development plans and their budgets in a participatory manner.48 However, as noted already, elected politicians may strongly oppose participatory governance as they see themselves as the legitimate representatives of the population and distrust or feel threatened by community-based organizations. And even where both politicians and civil servants support the idea of more participatory governance, the actual means to effect this usually involve complex and difficult to implement changes in existing institutional structures and relationships.

There is also the issue of how national agencies support participatory governance – not easily done if participatory governance’s main arena of action is local. The key issues involved in how national structures can support participatory governance will be highlighted through one example – the work of the Community Organizations Development Institute (CODI), a national government agency in Thailand. This is an unusual national agency in that its main focus is supporting community organizations formed by relatively poor households to develop their own collective responses to inadequate, insecure housing and inadequate services and to develop partnerships with local governments.

CODI is currently implementing the *Baan Mankong* (“secure housing”) programme, which channels government funds in the form of infrastructure subsidies and housing loans direct to poor communities who plan and carry out improvements to their housing environment and to basic services. This has particular significance for participatory governance because it was set up to support processes designed and managed by the community organizations formed by low-income households and their networks. These organizations and networks work with local governments, professionals, universities and NGOs in their city to survey all poor communities, and then plan an upgrading programme to improve conditions for the whole city over three to four years. Once the plans have been finalized, CODI channels the infrastructure subsidies and housing loans to the community organizations. These upgrading programmes build on the community-managed programmes that CODI and its predecessor the Urban Community Development Office (UCDO) have supported since 1992, and on people’s capacity to manage their own needs collectively. They also build on what slum communities have already developed, recognizing the large investments that communities have already made in their homes. Upgrading existing settlements is supported whenever possible; if relocation is necessary, a site is sought close by to minimize the economic and social costs to households.

*Baan Mankong*, which was launched in 2003, has set a target of improving housing, living and tenure security for 300,000 households in 2,000 poor communities in 200 Thai cities within five years. This would represent at least half the urban poor communities in Thailand. This programme imposes as few conditions as possible, in order to give urban poor communities, networks and stakeholders in each city

45 Hardoy and Schusterman 2000, op. cit.
46 The text on CODI’s work and on its significance for more effective government is drawn direct from Boonyabancha, Somsook (2005), “Baan Mankong; going to scale with slum upgrading in Thailand”, *Environment and Urbanization*, Vol. 17, No. 1.
47 Souza 2001, op. cit.
48 Hordijk 2005, op. cit.
the freedom to design their own programme. The challenge is to support upgrading in ways that allow urban poor communities to lead the process and generate local partnerships, so that the whole city contributes to the solution.

**Figure 2: The Baan Mankong Programme: The linkages for a local development partnership by city-wide networks with communities and local authorities**

Figure 2 illustrates the process by which a city-wide upgrading/housing development programme is developed, bringing all actors together. The design of a city-wide upgrading programme and the city network necessary to implement it involves certain key steps:

- identify the stakeholders and explain the programme;
- organize network meetings, which may include visits from people in other cities to explain what they have done and how it was organized;
- organize meetings in each urban poor community, involving municipal staff if possible;
• establish a joint committee to oversee implementation. This includes urban poor community and network leaders and the municipality; also local academics and NGOs. This committee helps to build new relationships of cooperation to integrate urban poor housing into each city’s overall development and to create a mechanism for resolving future housing problems;

• conduct a city meeting where the joint committee meets with representatives from all urban poor communities to inform them about the upgrading programme and the preparation process;

• organize a survey to cover all communities with information collected on all households, housing security, land ownership, infrastructure problems, community organizations, savings activities and existing development initiatives. Doing the survey also provides opportunities for people to meet, learn about each others’ problems and establish links;

• from the survey, develop a plan for the whole city;

• (while all the above is going on), support community collective savings as these not only mobilize local resources but also strengthen local groups and build these groups’ collective management skills (the importance of this for strengthening urban poor groups’ capacities to engage in participatory governance is also evident in the community-driven initiatives described in the next section);

• select pilot projects on the basis of need, communities’ willingness to try them out and the learning possibilities they provide for those undertaking them and for the rest of the city and prepare development plans for pilots, start construction, and use implementation sites as learning centres for other communities and actors;

• extend improvement processes to all other communities and to people living outside communities, e.g. the homeless and itinerant workers;

• integrate these upgrading initiatives into city-wide development. This includes coordinating with public and private landowners to provide secure tenure or alternative land for resettlement, integrating community-constructed infrastructure into larger utility grids, and incorporating upgrading with other city development processes;

• build community networks around common land ownership, shared construction, cooperative enterprises, community welfare and collective maintenance of canals, and

• create economic space for the poor (for instance, new markets) or economic opportunities wherever possible within upgrading.

• Support constant exchange visits between projects, cities and regions for all those involved, including community representatives and local government staff.

Infrastructure subsidies of 25,000 baht (US$ 625) per family are available for communities upgrading in situ, 45,000 baht (US$ 1,125) for re-blocking and 65,000 baht (US$ 1,625) for relocating. Families can draw on low-interest loans from either CODI or banks for housing, and there is a grant equal to 5 per cent of the total infrastructure subsidy to help fund the management costs for the local organization or network.

This differs from conventional approaches because:

• Urban poor community organizations and their networks are the key actors, and they control the funding and the management; they also undertake most of the building (rather than contractors), which makes funding go much further and brings in their own contributions.

• It is “demand-driven by communities” rather than supply-driven, as it supports communities who are ready to implement improvement projects and allows a great variety of responses, tailored to each community’s needs, priorities and possibilities (for instance, communities choose how to use the infrastructure subsidy).
The programme does not specify physical outputs, but provides flexible finance to allow community organizations and local partnerships to plan, implement and manage directly. Government agencies are no longer the planners, implementers and construction managers delivering for beneficiaries.

It promotes more than physical upgrading; as communities design and manage their own physical improvements, this helps stimulate deeper but less tangible changes in social structures, managerial systems and confidence among poor communities; it also changes their relationships with local government and other key actors.

It helps trigger acceptance of low-income communities as legitimate parts of the city and as partners in the city’s larger development process. It works to develop urban poor communities as an integrated part of the city; people plan their upgrading within the city’s development framework, so their local housing development plan is integrated within city planning and city development strategies.

Secure tenure is negotiated in each instance, but locally – and this could be through a variety of means such as cooperative land purchase, long-term lease contracts, land swaps or user rights.

Its focus is city-wide development with a commitment to reaching all low-income communities within a three-year period, drawing on local resources.

One key reason why this programme supported decentralized actions within cities was that city authorities in Thailand do not have much power, and the governance system needs to be opened up so citizens feel that it is their city and that they are part of the development. Responsibility for different aspects of city management can be decentralized to communities – for instance, for public parks and markets, maintenance of drainage canals, solid waste collection and recycling, and community welfare programmes. Opening up more room for people to become involved is the new frontier for urban management – and real decentralization. Upgrading is a powerful way to spark off this kind of decentralization. When low-income households and their community organizations do the upgrading, and their work is accepted by other city actors, this enhances their status within the city as key partners in solving city-wide problems.

Six techniques are used for scaling up, to reach the ambitious five-year target:

- pilot projects organized in as many cities as possible: these are to get things going, to generate excitement and demonstrate that community-driven upgrading can work. They become examples of how upgrading can be done, and can be visited by other community organizations and city government officials;
- learning centres: twelve cities with strong upgrading processes have been designated as learning centres for other towns and cities in their region;
- big events: when an upgrading process is launched or a project inaugurated, people from neighbouring cities are invited to see what is happening and what is possible;
- exchanges: between communities, pilot projects, cities and regions involving community representatives, officials, NGOs and academics;
- sub-contracting: CODI sub-contracts most of the support and coordination work to partners in cities;
- constant meetings at all levels, including regular meetings between Baan Mankong staff and sub-contract partners

Note that these are also techniques widely used by other organizations and federations of the urban poor as will be discussed in the next section.
City-wide processes are now underway in many cities. For instance, in the city of Uttaradit, it started with a survey that mapped all the slums and small pockets of squatters, identified the landowners, and established which slums could remain and which needed to relocate. This helped to link community organizations and initiated the building of a community network, supported by young architects, a group of monks and the mayor. Looking at the whole city, they sought to find housing solutions for 1,000 families within the existing city fabric. They used a range of techniques – land sharing in one (where those in an illegal settlement reached agreement with the land-owner to share the site), re-blocking in another, in situ upgrading and relocation. Their city-wide housing plan became the basis for the city upgrading programme under *Baan Mankong*, and it includes infrastructure improvement, urban regeneration, canal cleaning, wasteland reclamation and park development.

In Bangkok, 1,200 urban poor settlements house almost one-third of Thailand’s urban poor. To make *Baan Mankong* manageable at this scale, each of Bangkok’s 50 districts (khets) is regarded as a city, and so each is doing its own survey, forming a joint committee with all key actors, and developing a three-year upgrading programme.

In Khon Kaen, 69 poor communities were identified and the 50 poorest are being improved between 2004 and 2006. Some of the poorest and most insecure are situated alongside the railway tracks; some will relocate to nearby land (mostly those living closest to the tracks) but most will stay and be upgraded and obtain leases. In Korat, a community network of 25 communities is working with NGOs, the municipality and the university on a three-year upgrading programme that will reach 52 settlements with 9,900 households.

In Ayutthaya, Thailand’s old capital city and a world heritage site, the community network has surveyed and mapped all informal settlements. These totalled 53, comprising 6,611 households, most of which are situated within the historic areas. The community network then organized a seminar with the city authorities where survey information was presented. This showed that it would be possible to improve conditions in their settlements, bring in basic services, construct proper houses and shift the settlements a little to allow the monuments to be rehabilitated. Some pilots are underway to show that poor communities and historic monuments can be good neighbours.

Although this is a government programme, it had many characteristics in common with the innovations in participatory governance driven by urban poor organizations that is the focus of the next section. In this programme in Thailand, as in most programmes described in the next section, community savings and credit are key factors in enabling communities to manage finance for their own upgrading. Community-based savings and loan activities are important because they build community capacity to determine priorities, transparently manage finance, negotiate with other powerful local groups, and plan and reformulate their own strategies. Collectively organized savings strengthen the links between community residents, and help to ensure leaders are accountable to local members. Collectively managed loan repayments help each community to assess the financial investments that they wish to make, and help to ensure that finances are not managed by a group living outside the community. Loan management helps networks of communities understand when accumulating debt is a necessary burden for a community and when it is best avoided. Together, savings and loan activities help communities to prioritize, manage and implement development.

New financial mechanisms can help low-income households and their community organizations develop new responses – using flexible community development funds to support flexible development processes involving different groups with their different and varied solutions and creative innovations. The upgrading process can restructure social organizations and greatly enhance financial and management capacities, and also increase welfare.

Horizontal learning and sharing among communities and cities, and exchange visits and events that bring in other groups, help to spread learning and encourage other communities to innovate. Community learning is as important as savings and loan activities. Within the processes supported by CODI, community learning takes place as community organizations work together on implementation and
through community exchanges. Exchanges help community organizations to analyze their experiences and modify their plans.

One of the most important characteristics of this programme is that from the outset, it sought to work at city-scale and change city-level governance. It recognized the need to work at city scale on city-wide processes involving urban poor communities, municipal authorities and other actors, including local universities. Traditional approaches, project by project, are not going to reach a scale that has any real impact. Innovative projects rarely change governance processes. As urban poor communities develop city-wide plans with these other actors, and also have direct access to financial support, it expands their vision of what can be achieved. It is this kind of city process that has the potential to greatly increase the scale of upgrading. It won’t always work well, and there will be conflicts and disagreements that need to be resolved, but in most instances, local processes will resolve these.

City-wide upgrading can build new partnerships between communities, municipalities and development actors. It enables communities and municipalities to work together as more equal partners, and design and implement overall upgrading plans together, solving eviction problems as a team. CODI recognizes that projects cannot be ends in themselves; they need to be part of a more comprehensive plan that is driven by the poor. 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. What is required is that the poor determine the conditions attached to projects – thereby enabling plans and processes to be better suited to their needs and capacities. At the same time, the poor cannot resolve their problems on their own. What is needed is an open and inclusive process that engages the many other groups that are relevant to development, but that is determined and controlled by the poor.

It is at the city level that the structural changes on which slum dwellers depend to significantly improve their lives become possible, but making these changes will depend on strong, representative organizations and federations of the urban poor developing working relationships with local government and other actors in a city. To achieve the changes, city/municipal governments will have to modify their approaches in at least four ways:

- Allowing slum dwellers and their organizations more influence on what government does and how it spends its budget. This acquires greater importance in a globalizing world as, increasingly, city governments are actively competing for new investment and investing in “big infrastructure” and other facilities designed to attract new investment, which often also means a strong anti-poor attitude and policy, including major eviction programmes in the better-located “slums”.

- Building local government commitment and capacity to sort out land tenure for those living in illegal/informal settlements in ways that are pro-poor (which can include resettlement where needed, but this has to be done in partnership with those to be resettled).  

- Increasing local government commitment and capacity to ensure that low-income households who want their own home can find suitable land sites with infrastructure and services at prices they can afford (perhaps the most difficult to achieve).

- Increasing commitment and flexibility among (public/private/voluntary) agencies that provide water, sanitation, drainage, health care, schools in extending and improving provision for low-income groups, as well as more capacity

50 To achieve this on any scale often requires changes in legislation and financial support – see for instance the changes that had to be in place in Sao Paulo to allow a large scale land tenure regularization programme described in Budds, Jessica with Paulo Teixeira (2005), “Building houses, building citizenship: integrated housing, urban development and land tenure legalization for low-income groups in Sao Paulo, Brazil”, Environment and Urbanization Vol. 17, No. 1.
CODI provides a precedent for an official national government agency that can support “bottom-up”, community-driven development and participatory governance. Although the form that any national agency in another nation would take would need to be rooted in local realities, there are some key principles taken from the experiences of CODI that are transferable. These include:

- Having flexible funding to support innovation and pilot projects for community-driven processes, especially where representative organizations of the urban poor are ready to try new approaches. This must support urban poor groups to do things, try out new approaches and wherever possible develop partnerships with other local actors. In theory, there are social funds available in many nations to do this, but in most instances, it is difficult or impossible for urban poor organizations to access these.

- Supporting learning from such initiatives within that city and nation, and seeing what this implies for their policies.

- Seeing how greater scale can be achieved, but without diminishing strong community-driven processes – i.e. not going to scale is through expanding one standard initiative but supporting a large number of local initiatives – and supporting city or municipal authorities that want to support community-driven approaches.

- Considering how the city development strategies and the poverty reduction strategy processes that they support should involve urban poor organizations; despite the claim that the poverty reduction strategy papers support participation, in reality few of these have recognized urban poor organizations and federations as potential partners in really ensuring participation.51

- Spreading learning and shared experience among the international agencies. Most international agencies find it difficult to support community-driven processes because their structures and procedures were not developed to do so. There is a need for international funders to develop an understanding of the requirements of community organizations and federations both for project and for non-project support. This includes recognizing the need for changes in their procedures for supporting locally determined solutions and locally generated resources, and not imposing externally driven solutions. It also means recognizing that the less money they contribute the better (a fact that is never easy for funders to accept) – and that developing accountable, effective community-driven processes can be a slow, conflict-laden process, and must not be subject to external pressure to spend. But it also means recognizing that international funding requirements may suddenly increase considerably, if circumstances permit a much increased scale.

5. Innovations in participatory governance by urban poor organizations and their partnerships with local government

Introduction

Perhaps the most significant point about participatory governance is its potential to create new (and unforeseen) opportunities for groups with widely differing, but related, interests to realize common objectives in ways that significantly reduce poverty. To date, there has been relatively little understanding of how governments can move towards the practicalities of greater power-sharing, especially in ways that include the poorest.52 However, there are positive experiences emerging from some cities that have new relationships between state and civil society – and these are the focus of this section.


A starting point is the need to create conditions in which lower-income households and their organizations and other interest groups can make choices about the goals they wish to prioritize and the strategies that they wish to use. For a participatory governance process to succeed, the individual parties must have some clarity of purpose and a common strategy. This is evident in the strategies used by federations formed by urban poor groups in many nations, including India, 53 Thailand, 54 South Africa, 55 Zimbabwe, 56 Cambodia, 57 the Philippines, 58 and Kenya. 59 Strong local savings groups enable these federation groups to collectively consider their needs, and federating with other groups enables city (and sometimes national) positions to develop. In another example, in Cebu, the NGO coordinating group, Kaabag sa Sugbo, moved towards a clear agenda of its own, around the sectoral interests of its members. 60 Without a growth in the institutional capacity of community organizations representing urban poor groups, there is a danger that government initiatives to increase stakeholder inclusion will lead to fragmentation and repeated disputes between divided interests.

Many of the most significant examples of ‘participatory governance’ come from nations where representative organizations and federations of the urban poor and homeless have developed. This can be seen in the scale and scope of their projects or programmes within nations and the links between them – the ways that they have supported and are supporting each other in a transnational movement that is active in over 20 nations. Table 2 gives examples of some of the larger urban poor or homeless federations including details of their scale, support NGOs and the funds that they manage. Some of these federations have achieved a very considerable scale in their work. The scale of CODI’s programme in Thailand was noted already. In India, the Indian NGO, SPARC and its alliance with women’s co-operatives (Mahila Milan) formed by ‘slum’ and pavement dwellers and the National Slum Dwellers Federation are engaged in many different projects in different locations in over 50 cities. These are to improve housing and living conditions and basic services and support savings groups and they are reaching hundreds of thousands of low-income dwellers. They have managed resettlement programmes involving over 20,000 households and a community-managed public toilet programme serving hundreds of thousands of low-income dwellers. 61


54 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 on Urban Poverty Reduction, IIED, London, 31 pages (available from www.iied.org/urban/index.html). See also www.codi.or.th (this is in Thai but it has a section in English).


57 ACHR 2004, op. cit. See also http://www.achr.net/


59 Weru 2004, op. cit.

60 Etemadi 2004, op. cit.

But it would be misleading to judge the federations only on the tangible ‘projects’ in which they have been engaged – the houses, toilets and water points built or improved, the evictions prevented, the loans provided, the land acquired and developed. This misses at least four other dimensions:

1. **The contribution of each federation and their savings groups to the daily lives of federation members that are not recorded as ‘tangible projects’** – the short term, quick-disbursing small emergency loans managed by the community-savings groups that are at the base of the federations, the relationships developed by federation members and their families with each other and with other community groups, the increased possibilities for individuals (especially women) of being involved in community discussions, plans and activities, the way that the community-organizations that are the foundation of the federations manage things on a routine basis such as resident committees, conflict resolvers, facility managers, emergency support providers. The actions that savings group members take to help each other.

2. **The possibilities that the federations provide for the urban poor and homeless to learn and to teach** – learning about the innovations of other groups, reflecting on their own experiences and telling other groups about their innovations, the possibilities of trying something together to improve their conditions without disastrous consequences for them or for others if it does not work well. Most of this teaching and learning is through exchange visits between savings groups in a nation or city.

3. **Beneficial changes in the urban poor’s relationships with government agencies and other external institutions.** This is not only in regard to work with official agencies responsible for housing but also in their relationships with the police, the staff of schools and health care centres, the staff and owners of shops they use, the staff of municipal authorities or private utilities with responsibility for water, sanitation, garbage collection, electricity….. politicians and staff from local and non-local NGOs. Most of these changes are not easily measured, although they contribute much to the tangible projects in which the federation groups engage. The changes in relationships with external groups includes partnerships developed with city-governments and national governments that change the way that city-governments and national governments relate to the urban poor.

4. **Changing the context in which they work and live in ways that brings benefits to them and/or to other poor/homeless people.** This includes not only the innovations in ‘co-management’ with local governments and other official institutions which are working examples of participatory governance in action but also the contributions of federation members to local democracy and to a greater role for representative organizations of the urban poor in local governance.

Thus, the tangible projects must also be understood as entry points for mobilisation, learning and changing relationships with external agencies (in other words participatory governance) – but this is a point that many official ‘development’ organisations (especially government agencies and often international funders) fail to understand.
## Table 2: Details of the Federations, Their Support NGOs and Their Funds

<table>
<thead>
<tr>
<th>Federation</th>
<th>Year founded</th>
<th>Number of members</th>
<th>Support NGO / Federation-Managed Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOUTH AFRICA: <em>umfela nda Wonye</em> (South African Homeless People’s Federation)</td>
<td>1991</td>
<td>c. 100,000</td>
<td>People’s Dialogue on Land and Shelter The <em>u’Shani</em> Fund (for housing), <em>Inqolobane</em> (The Granary) funds for employment/micro-enterprise</td>
</tr>
<tr>
<td>ZIMBABWE: The Zimbabwe Homeless People’s Federation</td>
<td>1993</td>
<td>c. 45,000 members</td>
<td>Dialogue on Shelter <em>Gungano Fund</em></td>
</tr>
<tr>
<td>KENYA: <em>Muungano wa Wanvijiji</em></td>
<td>2000</td>
<td>c. 25,000</td>
<td>Pamoja Trust (2000) <em>Akiba Mashinani</em></td>
</tr>
<tr>
<td>MALAWI: Malawi Federation</td>
<td>2003</td>
<td>3,000</td>
<td>CCODE -Centre for Community Organization and Development</td>
</tr>
<tr>
<td>THAILAND: Various regional and city-based federations</td>
<td>1990</td>
<td>1,000s of savings groups</td>
<td>CODI – Fund set up by the Government of Thailand</td>
</tr>
<tr>
<td>PHILIPPINES: Philippines Homeless People's Federation</td>
<td>2003</td>
<td>50,000 members</td>
<td>Vincentian Missionaries Social Development Foundation Inc (VMSDFI) Urban Poor Development Fund</td>
</tr>
<tr>
<td>SRI LANKA: Women’s Development Bank</td>
<td>1998</td>
<td>31,000 households</td>
<td>JANARULAKA Women’s Dept. Bank Federation</td>
</tr>
<tr>
<td>CAMBODIA: Squatter and Urban Poor Federation</td>
<td>1994</td>
<td>Active in 200 slums</td>
<td>Asian Coalition for Housing Rights Urban Poor Development Fund</td>
</tr>
</tbody>
</table>

**SOURCE:** D’Cruz, Celine and David Satterthwaite (2005), *The current and potential role of community-driven initiatives to significantly improve the lives of ‘slum’ dwellers at local, city-wide and national levels*, IIED Working Paper, forthcoming

In addition to the federations listed in Table 2, urban poor federations are also forming in Swaziland, Nepal and Zambia and savings groups that have the potential to form federations are developing in many other nations including Uganda, Ghana, Lesotho, Tanzania and Madagascar.

The achievements of the federations formed by urban poor groups also demonstrate the value of new kinds of engagement with government – as illustrated by the earlier example of the changes in government attitude in Phnom Penh. The federations of the urban poor or homeless use strategies such as community-designed and managed household enumerations and “slum” surveys to draw in local authorities. By offering the authorities information that they don’t have (and that is needed for any upgrading programme), citizen groups start to shift the balance of power within this relationship. As a more equal partnership begins, both groups explore new ways of working together. In Cambodia, the municipality of Phnom Penh was already engaged with local social movements in jointly operating a...
fund with the urban poor federation and local NGOs. The fund was collaboratively managed, and the confidence gained through its operation became an important factor leading to the engagement of the municipality in the more ambitious and complex programme of strategic planning for the city. The practicalities involved in co-management helped to deepen the nature of the relationship, enabling broad-based support for a jointly planned city strategy and allowing the critical shift in community organization-local government partnerships to go beyond short-term action to long-term planning. Collaboration in a space in which power is more equally divided is important in enabling some of the benefits to emerge.62

In the Philippines, tri-party resettlement agreements have helped to provide a basis for new forms of relationship that the urban poor federation hope will lead to further state support for community activities. The urban poor federation in the Philippines seeks to engage municipal governments in their activities at an early stage, for example in community surveys to identify the numbers living in high-risk areas and their preferences for improved housing. In some cases, the local government simply recognizes the survey is about to take place and promises to accept the results. In others, they are willing to be more actively involved. At the same time, existing government institutions (local development councils) are also involved. Through the more active involvement of civil society, existing mechanisms that had not achieved notable success can be renewed and invigorated, providing the basis for new kinds of institutions.63

In Kenya, the urban poor federation, Muungano wa Wanvijiji, and the local support NGO, Pamoja Trust, are working with local government to develop an upgrading programme in an informal settlement (Huruma) where agreement has been reached on site development and land allocation. This is an important precedent, because any attempt to improve conditions in the informal settlements of Nairobi (where half the city’s population live) is complicated by the potential conflict between landlords and tenants, and by conflicts between different ethnic groups, that have been exacerbated by manipulation by powerful political interests.64

The Tools and Methods Used by Community-Driven Processes65

The tools and methods used by the urban poor/homeless federations are both for themselves (strengthening them, expanding them, supporting learning) and for changing the attitudes and approaches of national, state and local government staff and politicians. It is remarkable how a common set of tools and methods to encourage and support participatory governance has proved valid and much used in many different nations and cities, even if the actual form that many of the tools and methods take are modified to fit different local contexts. All the urban poor/homeless federations use this set of tools and methods.

Savings and Credit

Community-managed savings and credit groups in which each member saves each day is the foundation of these urban poor/homeless federations; they are often referred to as ‘the glue’ that holds the federations together.66 Daily savings have advantages over weekly or monthly savings because it matches informal earning patterns, builds scale and gives people daily opportunities to meet. There is no minimum amount that savers have to contribute each day. Savings each day might seem to external experts to be problematic for the poorest households – yet daily savings schemes were first developed in India by women pavement dwellers in Mumbai whose households must have among the lowest incomes of any urban household worldwide. From these developed Mahila Milan, savings cooperatives of women slum and pavement dwellers that now have 300,000 members.

63 See Yu and Karaos 2004, op. cit.
64 Weru 2004, op. cit.
65 Most of the text in this section is drawn from Patel, Sheela (2004), "Tools and methods for empowerment developed by slum dwellers federations in India", Participatory Learning and Action 50, IIED, London.
66 Most federations are formed by the ‘savers’ and by a large group of individuals or households who work with and support the federations but are not active savers
Women are particularly attracted to these savings groups because they provide crisis credit quickly and easily; they can also develop into savings accounts that help fund housing improvement or new housing and loan facilities for income generation. They can also allow financial support to be negotiated from housing finance or other finance institutions that would not lend to their members individually. Women also find that their participation in savings groups transforms their relationships with each other, their family and community. The daily contact between each saver and the community representative who collects the savings acts as a constant source of information on what people’s difficulties are and how they can be addressed – which are discussed and analysed during the regular meetings of the savings’ collectors. When people want access to credit, the savings collector has personal knowledge of family circumstances and can vouch for them. Savings does not generate large resources quickly but produces a discipline among its members to save small amounts daily. When circumstances permit, savings groups also work together to develop their plans for new housing or other initiatives – as can be seen in the hundreds of housing projects that have been managed by such savings groups.

The savings schemes that are the foundation of the federations are more than a simple mechanism for meeting daily monetary needs and sharing resources among the poor. They are the building blocks of what begins as a local process and develops into citywide and national processes. The women leaders play a central role in the collection, and management of the savings and loans. Without poor women joining together, there can be no savings. Without savings and without the very poor women, there can be no effective federations. Pooling the funding from all the savings groups also makes each savings group experience their collective power – which is further strengthened by the constant contact between savings groups as they work with each other and learn from each other. These savings groups are managed by community organizations, not professional staff. They serve not only to provide members with credit for their needs but also to develop decentralized mechanisms for large federations to manage finance. Savings and credit groups build community organizations’ capacity to manage finance collectively. This also helps develop their capacity to plan and implement projects within the learning cycle outlined below.

When money goes into community savings, it not only builds community organizations but also circulates many times in the neighbourhood economy – it helps build houses and starts small businesses, helps people in crisis and helps pay school fees and doctors’ bills. It helps generate more assets, more options for people’s future.

The external image of these savings groups is usually that of efficiently generated and managed savings. But for the federations, the most important function of savings and credit is that it mobilizes large numbers of people who manage money together. This collective management of money and the trust it builds also increases community organizations’ capacity to work together, to address problems and to manage or resolve conflicts. It also creates a larger federation that is able to negotiate with external agencies on behalf of all its members. In effect, it is building ‘good’ and ‘more participatory’ governance from the bottom up.

The Capacity to Innovate and the Learning Cycle

Poor people know what their problems are and generally have good ideas regarding what solutions they want. But they lack the resources or capacities to demonstrate that they can produce a solution. So the federations support their members to try out solutions in a ‘learning cycle’. Some solutions work so well that they are adopted and adapted by many others - for instance as in the community-managed upgrading in Phnom Penh described earlier or in the hundreds of community-designed and managed toilet blocks in the ‘slums’ in Mumbai and Pune developed by the National Slum Dwellers Federation and Mahila Milan. Some set precedents that allow more external support to be negotiated from governments or international agencies and also allow changes in rules and procedures to be negotiated (and so are at the heart of more participatory governance, as explained in more detail in a later section). Some fail – but even here, the learning from the failures is widely shared.

67 See Burra, Patel and Kerr 2003, op. cit.
Among the tools and methods described below are ‘slum’ enumerations/surveys, mapping, pilot projects, and house modelling, community exchanges and precedent setting. These take place within a learning cycle that includes several stages: identifying priority concerns, trying out solutions, learning from each other as these solutions develop, refining solutions and supporting more community groups to try them, and using solutions as precedents to encourage change in government policies, programmes or regulations.

Within discussions in low-income communities, the priority concerns are identified – for instance for sanitation, upgrading (which often includes securing tenure) or new housing. A debate then takes place, generally leading to the formulation of a strategy for seeking a solution. One or more community organizations come forward with a scheme to address the problems. The federation and the support NGO assists these groups financially and organizationally because they offer a living "laboratory" of how change can occur and they help the federation to develop a solution from which all can learn. For instance, in Mumbai, women pavement dwellers have succeeded in obtaining a land site where they can build their own houses and they are currently building housing to accommodate 326 pavement-dwelling households. The pavement dwellers had put pressure on the local government to provide them with land; when the local government claimed that there was no land available, the pavement dwellers organized a survey around the city, cataloguing how much vacant land was available. When they obtained this site, they designed the housing units and the common-spaces within them and they are supervising its construction. This project encourages other organizations of pavement dwellers to negotiate for land and government support for other such schemes.

Once a crude solution has been developed in a settlement, many groups within the federation visit it to see what has been achieved and to learn how it was organized and how much it cost. This leads to the next generation of volunteers who want to try out similar actions. Refinements to the solution emerge as other communities go through the process. Progress is always made although many delays take place when external factors prevent communities from achieving change. Once a refined solution has been established, it is explored with officials from local governments who also come to visit it. These pilot projects help set precedents that can be used to promote changes in official policies, practices or standards. The learning is shared with other federation groups and other city officials through exchange visits.

The federation then creates a core team from people in the first settlement that experimented with the solution and they visit other cities to demonstrate the solution that has been developed. This process may have a long gestation period because large numbers of people need to participate to create the confidence in a local people's movement to believe that it can transform their situation. Increasing numbers of communities are exposed to the innovation and they put pressure on local officials and politicians for change and support. Depending on the external situation, there may be many possibilities for scaling up through participation in major government projects.

The training process involves several critical principles:

- there are never resident trainers, always visiting ones;
- major training events (including house modeling – see below) are done by community leaders;
- training encourages women to participate in the processes;
- training teaches by doing rather than by telling;
- the trainers learn through training, acknowledge this and never consider themselves experts;
- the process helps people to develop a working relationship with professionals and other stakeholders, and helps to ensure they are not treated as "beneficiaries".

- there is no one central training institute but several communities/cities have become learning crucibles.
This process helps more and more communities align with the federation, learn new skills and begin to reconsider their interaction with local government and other external agencies.

**Surveys and Mapping**

Community-directed household, settlement and city surveys or enumerations are important in helping communities to look at their own situation, consider their priorities, strengthen their organization and create a capacity to articulate their knowledge of their members and their communities to government agencies and other external organizations. The importance of the community-directed city surveys was evident in earlier discussions of city-wide upgrading programmes in Thailand and Cambodia.

Self-surveys and enumerations provide a way for the poor to begin to collate their own household database and produce knowledge about themselves. They also produce an information base that is valuable to governments and international agencies – detailed records of each household, their housing and their plot boundaries – and one that governments find difficult to produce (for most low-income settlements there are no maps, lists of households or data on plot boundaries from which to work) and expensive to produce using conventional means. These community-driven surveys also help generate interest from governments. Having this data helps community organizations and their federations to go into negotiations with government agencies well prepared. They no longer make demands because ‘they are poor’ but based on detailed facts and figures on the ground. This redefines the tone of negotiations as they move from being defensive to becoming more proactive. This ‘community-driven’ production of detailed data also contributes to a more equal relationship with external agencies as it is produced and owned by the communities, not produced by external agencies and presented to communities. The surveys also give each person and household an official identity as their occupation of land and housing is recorded – often for the first time.

The federations and support NGOs help low-income communities to undertake surveys at various levels, including citywide or area-wide ‘slum’ surveys that provide documentation of all ‘slums’, informal settlements or pavement dwellings. They also undertake very detailed household enumerations and intra-household surveys. These surveys proved particularly important in allowing community organizations to manage a large resettlement programme for those who lived beside the railway tracks in Mumbai and this in turn developed precedents that are being used in other resettlement programmes in Mumbai and in other cities (see Box 6).

---

**Box 6: Surveys and People Managed Resettlement Programmes in Mumbai**

Mumbai relies on its extensive suburban railway system to get its workforce in and out of the central city; on average, over seven million passenger-trips are made each day on its five main railway corridors. But the capacity of the railway system is kept down by illegal settlements that crowd each side of the tracks. By 1999, nearly 32,000 households lived in shacks next to the tracks, including many living within less than a metre of passing trains. The households lived there because they had no better option they could afford because they needed the central location to get to and from work. Yet they had to face not only the constant risk of injury or death from the trains but also high noise levels, insecurity, overcrowding, poor quality shelters and no provision for water and sanitation. Indian Railways, which owned the land would not allow the municipal corporation to provide basic amenities for fear that this, would legitimate the land occupation and encourage the inhabitants to consolidate their dwellings. So the inhabitants had to spend long hours fetching and carrying water – a task that generally fell to women. Most people had no toilet facility and had to defecate in the open. Discussions within the Railway Slum Dwellers Federation (to which the majority of households along the railway tracks belonged) made clear that most wanted to move if they could get a home with secure tenure in an appropriate location.

A relocation programme was developed as part of the larger scheme to improve the quality, speed and frequency of the trains. This was unusual on three counts. First, it did not impoverish those who moved (as is generally the case when poor groups are moved to make way for infrastructure development). Secondly, the actual move involving some 60,000 people was voluntary and needed neither police nor municipal force to enforce it. And third, the resettled people were involved in designing, planning and
implementing the resettlement programme and in managing the settlements to which they moved. The process was not entirely problem free – for instance the Indian Railways started demolishing huts along one railway line and 2000 huts were destroyed before the Alliance managed to get the state government to decree that the demolitions must stop. Land sites were identified to accommodate the evicted households and the Federation was given the responsibility for managing the resettlement programme.

Perhaps the most important feature of this resettlement programme was the extent to which those who were to be resettled were organized and involved before the move. First, all huts along the railway tracks and their inhabitants were counted by teams of Federation leaders, community residents and NGO staff – and done in such a way that the inhabitants’ questions about what was being done and how the move would be organized could be answered. Then maps were prepared with residents where each hut was identified with a number. Draft registers of all inhabitants were prepared with the results returned to communities for checking. Households were then grouped into units of 50 and these house groupings were used to recheck that all details about their members were correct and to provide the basis for allowing households to move to the new site together. Identify cards were prepared for all those to be moved. And visits were made to the resettlement sites. Then the move took place with some households moving to apartments and others moving to transit camps while better quality accommodation was being prepared.

Interviews with the relocatees in 2002 highlighted the support that the inhabitants gave to the resettlement and their pleasure in having secure, safe housing with basic amenities. No process involving so many people moving so quickly is problem free – for instance the schools in the area to which they moved could not expand enough to cope with the number of children, many households had difficulties getting ration cards (which allow them access to cheap food staples and kerosene) and the electricity company overcharged them. The resettlement would have been better if there had been more lead-time with sites identified by those to be relocated and prepared prior to the resettlement. But this programme worked much better than other large resettlement programmes and has set precedents in how to fully involve those to be relocated in the whole process – and it is hoped that other public agencies in India will follow.


The information-gathering process for a ‘slum’ enumeration often begins with a hut count when a community is visited for the first time, and many men and women from the federation talk about their work and why they have come. Questionnaires and other survey methodologies are discussed with communities and modified as necessary. All data collected is fed back to community organizations (especially the savings groups) to be checked and, where needed, modified. The repeated interaction with a community through hut counts, household surveys and settlement profiles establishes a rapport with them and creates a knowledge base that the community own and control. These ‘slum’ enumerations also provide the organizational base from which to plan upgrading and new-house development. For instance, a settlement wide enumeration in Huruma in Nairobi provided the basis for a settlement-wide upgrading programme which accommodates both landlords and tenants. The learning that came from this enumeration in Huruma allowed the Kenyan federation and its support NGO Pamoja Trust to undertake enumerations in larger and more problematic settlements. For instance, an enumeration was done in Korogocho where a strong association of landlords feared any enumeration would threaten their control of land and housing and strongly opposed the enumeration – through death threats to NGO staff, court orders and spreading rumours (that the enumeration was to allow Indian real estate interests to buy the land with the support NGO acting as their real estate broker). The experience with the Huruma enumeration had shown how to avoid some difficulties and bottlenecks and over a ten-day period, 18,500 household forms were completed in Korogocho. Enumerations became easier after Huruma and Korogocho and more than 60 enumerations have now been completed with these also helping create detailed citywide information on ‘slums’. Profiles of all of Nairobi’s slums are now being developed.

69 Weru 2004. op. cit.
As part of household enumerations and hut counts, the federations work with communities to build their skills in developing detailed maps of houses, infrastructure, services, resources, problems etc. so that they can get a visual representation of their present physical situation. These maps are particularly useful in developing plans for improvements with external agencies. The federations have also supported other community-driven enumeration and mapping processes – as in the support given by the South African and Zimbabwean federations for enumerations and mapping in informal settlements in Dar es Salaam, supported by WaterAid and a local NGO (PEVODE).70

**House Modeling**

As communities secure land for housing, they are eager to build. To do so, federation members need to develop many skills such as house construction, costing building material and the skill to manage external professionals and bureaucratic procedures. There are also other options to be explored such as what role they can take in the production of building materials and the installation of infrastructure.

Costings for different house sizes and designs are explored by designs developed by community members – often through house modelling exercises. These also allow groups to work collectively to design and plan the kind of housing they want and can afford and to show government officials and community members that federation members have the capacity to plan and build low-cost housing. This generally operates in the following manner:

- federation members meet to discuss plans, identify the features that they want in their houses and determine what they can afford to pay each month;
- small groups construct model houses out of cardboard and present these to the whole group. After different models have been discussed and refined, so the most appropriate design is identified in regard to size, use of internal space and costs;
- a full-size model house is constructed usually using a wooden frame and fabric attached to it to show the external and internal walls and roof and a detailed costing of how much it would cost is prepared; and
- the construction of this full-size model is used to attract not only further discussions among urban poor groups but also to get the attention of staff from local government, politicians, architects and planners. The construction of these life-size models are usually public events.

The idea of housing exhibitions with such life-size models designed and developed by and for the poor goes back to 1986 in Mumbai and it has been replicated in many cities in India and elsewhere in the world. They become celebrations of what urban poor communities can do. The federations also organize other events as celebrations of what they have achieved and what they plan – for instance the start and the completion of each new housing project or toilet block is an opportunity to invite politicians and city administrators and professionals to see what has been achieved – and publicly honour those who have helped the process. These often attract hundreds or thousands of community people from all over the city and also politicians since few politicians can resist the invitation to take part. Publicly acknowledging the role of politicians and government professionals in supporting them obviously serves to also build public support for further work.

**Learning from Each Other**

One of the key characteristics of the 12 or so nations with well-established urban poor or homeless federations and many other nations where federations are emerging is the links between community leaders/organizers - their contact with each other, their support for each other and their learning from each other.

For all the urban poor and homeless federations, exchange visits between the community-organizations that make up the federations and other groups interested in what they are doing have been continually developed because they serve many ends. They:

- spread knowledge – for instance on how to set up savings schemes, how to manage savings, how to give and manage loans, how to collect and manage household and housing data, land management, managing building and managing relations with local authorities.
- are a means of drawing large numbers of people into a process of change, supporting local reflection and analysis, enabling the urban poor themselves to own the process of knowledge creation and change;
- enable the poor to reach out and federate, thereby developing a collective vision and collective strength;
- help create strong, personal bonds between communities who share common problems, both presenting them with a range of options to choose from and negotiate for, and assuring them that they are not alone in their struggles.

For instance, in India, since 1988, there has been a constant process of exchanges between slum and pavement communities. Representatives from savings groups formed by women pavement dwellers in Mumbai were the first to travel to other settlements in their own city and later to other cities in India to visit other communities. They shared their knowledge about the savings and credit groups they had developed and managed themselves and found many people who were interested in acquiring their skills. These exchanges become routine parts of federation work. For instance, during 2003, there were more than 100 city-to-city exchanges in India and countless exchanges between communities within cities.

Although most community exchanges are within cities or between cities, there have also been hundreds of international exchanges. For instance, for the Indian federations, community organizers from India have visited many other countries regularly (including South Africa, Thailand, Cambodia, Laos, Uganda, Zimbabwe and Kenya) and community organizers from these and from many other countries have visited slum and pavement communities in India.

One example of the influence that these international visits can have is from a meeting in 1991 organized in Johannesburg to bring together community leaders from all over South Africa. At this point, the political changes that ended apartheid were in motion so this was a ‘Dialogue on land and shelter’. At the meeting, the community leaders divided into two camps. The majority were sure that as soon as political rights were secured, a new non-racial government would deliver social and economic rights and that it would be reactionary and counter-productive to organize autonomous urban poor institutions. But a significant minority were less convinced that political liberation would bring social and economic emancipation and recognized the need for such an organization – that was to become the South African Homeless People’s Federation. One important influence on this was a speech by Jockin Arpurtham, the President of India’s National Slum Dwellers Federation, telling how after more than forty years of representative democracy and independence in India how the poor get little or nothing from their government. He also explained how they had built up the National Slum Dwellers Federation and Mahila Milan to represent the urban poor and invited the South Africans to come to India to see the awful conditions under which the poor lived in a democratic country and how the federations worked (which they subsequently did).71

Within Africa, there have long been constant exchanges between the well-established federations in South Africa, Zimbabwe and Namibia. Community enumeration developed in Victoria Falls (Zimbabwe) in 1998, after a community exchange from South Africa showed local savings scheme members how to develop a questionnaire, go from house to house collecting information and collate the

---

information. The Zimbabwean federation provides support to the emerging networks in Zambia. Strong federations have also emerged in Kenya and Swaziland, supported by exchanges with the three southern African federations. In several other nations in the region, including Lesotho, Zambia, Malawi, Tanzania, Uganda and Madagascar, savings groups are developing, largely as a result of exchange visits with other federations, although these have not yet achieved the scale needed for the process of Federation building. Several hundred people in Madagascar and Zambia mobilized into savings groups as a direct result of international exchanges.

An exchange in Namibia with participation from South Africa and Zimbabwe illustrates the benefits for all those who took part:

- for the South Africans, it was a chance to explore the policy of incremental infrastructure development in Windhoek in more detail; this had developed from a partnership between the Namibian federation and city authorities; it was also a way of introducing new members of the professional team to the federation approaches;
- for the Zimbabweans it was a way of spreading an understanding of the policy of incremental development within their Federation and with Dialogue on Shelter (their support NGO). It also proved an opportunity to explore appropriate professional support strategies within the group.
- For the Namibians, it offered an opportunity to assess the technical strengths and weaknesses of their work in installing infrastructure. Using interviews with the local authority, the Federation and the local support NGO (Namibian Housing Action Group) gained more information on how their work was perceived and what might usefully be addressed.

The benefits of community-exchanges include:

**Strengthening knowledge and organisational capacity through sharing of experience.** Exchanges offer a supportive environment where urban poor groups can share what they have learnt and work collectively to help identify solutions to their problems. They build upon the logic of "doing is knowing". Capacity and confidence is built up within communities. In the exchange process, communities and their leadership have the potential to learn new skills and share teaching. People become involved in exchanges because they get something out of the process and, in the process, they build their collective and individual consciousness. The exchanges maintain a rapid learning and teaching curve – helped by a core team of experienced community organizers that spread new learning and help more people to teach and to learn from each other.

**Community exchanges strengthen the ability of low-income groups to control the development process.** Poor people, especially poor women, are often sceptical of the solutions presented to them by professional experts but they generally have little opportunity to make and develop more appropriate suggestions for themselves. They can do so through community exchanges because through such exchanges, the capacity to teach, to disseminate new ideas, to explore current events and to analyse beyond the level of an individual settlement, to take on new skilled activities and to manage relationships with powerful bodies becomes vested in individuals who are inside the community. The poor themselves can control opportunities for growth and development.

Managing exchanges, and the events associated with them also pushes forward the development of local capacity. Community exchanges are managed without hotels, caterers or per diems. Local hosts accommodate those who visit. An important part of organizational capability is the ability to plan and manage. International community exchanges add a new dimension to the capacity of already experienced communities. Providing new opportunities to stretch the existing capacity of active groups can be important for their growth.

Community leaders often have to deal with guests brought to their settlements by the city officials or NGOs but during such visits they are passive observers. With an international exchange, the community
leaders themselves are the focus of attention. This process makes them re-examine their expectations for themselves and other community members. Having played these roles in another country, they are more ready and confident at home as well.

**The acquisition of technical skills.** In addition to the general capacity to create knowledge, the exchange process helps to spread from community to community the skills they need such as financial management skills for savings and loans, strategies to obtain government entitlements such as housing subsidies in South Africa or ration-cards in India, and building and construction skills for housing and infrastructure. The transfer of skills is done through practical demonstration, enabling many people to see how easily they can do what is required. The exchange process is a powerful method for creating skills. First, community members quickly believe that they too can do it. When they see professionals undertaking an activity, they may be sceptical about how easily they might take it over. When they see another community member doing it, they know it is possible. Second, the teaching is more easily understood and more appropriate:

“When I asked the technician (who works with us in Dakar) to show us how layout plans are designed, he used such sophisticated jargon that I barely understood a word he said. In Protea South (Gauteng, South Africa) during our last evening, we asked a woman to draw us a plan. When she explained house modelling, I understood and felt that I too could do it.”

– Aminata Mbaye, Senegalese Savings and Loan Network visiting the South African Homeless People’s Federation.

“We learnt the experience of Mahila Milan (India) and we were impressed. But still we did not believe it would work. It started to catch on gradually, until today people question me when they do not see me every day. I learnt from my neighbour about the savings system. I am shy, and can’t talk to people easily, but I know my neighbour, and I decided to give it a try. I did not always want to come to the meetings because I felt uncomfortable, but they would come and ask me to join them anyway. They said: you will learn and become less shy over time. At the meetings I was forced to speak by the others. At first I thought they were against me, but it worked: here I am! I live in my own house, and I come to India now to share my experiences.”

– Xoliswa Tiso, Victoria Mxenge Savings Scheme, Cape Town, South Africa (internal reports, People’s Dialogue on Land and Shelter).

**Using community-exchanges to influence professionals and governments**

As the text above makes clear, the primary goal of community exchanges is strengthening and supporting community organizations. But they have also proved useful learning exercises for many professionals, as federations invite key professionals from municipal or national governments to join them in community-exchanges or to come to the meetings organized in their own city as part of community exchanges. For instance, the (then) minister of land within the South African national government went on an exchange visit with the South African federation to India; the (then) secretary of housing for the city of Sao Paulo accompanied community leaders from Sao Paulo on an exchange with South Africa. International community exchanges can attract considerable attention within a city from local governments and the media, and become events to which senior politicians and bureaucrats want to come – ironically to hear and learn about innovations in their city that they had not taken note of, prior to the international exchange.

The Ministry of Local Government and Housing in Uganda requested assistance from the African Federations and from Shack/Slum Dwellers International in designing and implementing a nation-wide slum upgrading programme and a delegation to Uganda included members from the South African and

---

72 Asian Coalition for Housing Rights (2000), *Face to Face: Notes from the Network on Community Exchange*, ACHR, Bangkok, 32 pages.

73 This is the umbrella group that represents all the federations in international discussions and helps resource international exchanges; for more details, see www.sdinet.org
Kenyan federations. A programme of support to Uganda has begun with Kenyan and South African federation members supporting shack counting, enumeration and savings in several low-income settlements in Kampala and the construction of a model house. This has also secured the agreement of the local authority to the development of a community-managed communal toilet block.

The federations and their support NGOs use innovations achieved in one location to promote discussion among professionals in others. For instance, the innovations in flexible standards for plot sizes and infrastructure implemented in Windhoek helped stimulate many international exchanges. During 2002 and 2003, communities and officials from Windhoek have visited or been visited by federations and local governments from Victoria Falls, Bulawayo, Asvingo, Mutare and Harare (in Zimbabwe), Nairobi (Kenya), Cape Town and Port Elizabeth (from South Africa), Karachi (Pakistan) and Mumbai (India). The federations’ umbrella organization, Shack/Slum Dwellers International also profiled Windhoek’s policy at the World Urban Forum in Kenya in 2002 and Windhoek hosted a launch of the Global Campaign for Secure Shelter (in which the federations work with the UN Human Settlements Programme) with representatives from South Africa, Zimbabwe, Madagascar, India, Thailand, Nepal and the Philippines.

The federations collectively now have a range and depth of experiences that can show governments and international agencies new approaches. One particularly significant international exchange was the visit of senior officials from Kenyan Railways and senior planners from Nairobi to Mumbai in April 2004 to see how the resettlement of the people from beside the railway tracks was organized there (this resettlement programme in Mumbai was described earlier in Box 6). In Nairobi, 200,000 low-income households (750,000 people) live in informal settlements close to the railway tracks and these have been threatened with eviction – and this visit to Mumbai showed the Kenyans the possibilities of community-managed resettlement which benefits those who are resettled, as well as clearing the tracks to allow faster and more frequent train services.

Precedent Setting
"Precedent-Setting" is another key tool for the federations. The idea is that urban poor groups need to be able to claim, capture, define and refine their own ways of doing things (designing and building a house, developing a community-managed toilet…) in spaces they already control and then use these to show city-officials and external agencies that these are "precedents" that are worth investing in. This gives legitimacy to the changes that the poor want to bring into a city strategy.

Over the last 50 years, many community-driven processes have set precedents that influenced the policies and practices of governments and international agencies. One of the most important examples of this was the recognition of 'squatters' and the settlements they build as being legitimate (and important) parts of a city. Precedents set during the 1960s then encouraged changes in many government programmes and some international agency programmes - for instance, 'slum' and 'squatter' upgrading programmes became conventional parts of many government-housing policies. During the 1970s, many (local) NGOs worked with community organizations to implement large upgrading or new housing schemes, often with support from government. Some governments set up agencies to support community driven processes – for instance FONHAPO in Mexico and the Community Mortgage Programme in the Philippines – while others developed national housing programmes which sought to

75 See for instance the work of FUNDASAL in El Salvador; CENVI and COPEVI in Mexico, and Human Settlements of Zambia; see Turner, Bertha (Editor) (1988), Building Community - A Third World Case Book from Habitat International Coalition, Habitat International Coalition, London for a series of case studies
support community-driven processes – for instance the Sri Lankan government’s Million Houses Programme.

However, the urban poor may have set precedents in their organizations for land invasion, site layouts, house forms and community-developed infrastructure but these were not systematically used as evidence of precedents that could form the basis of effective community-government partnerships. Perhaps the most important change here is a shift from organizations of the urban poor making demands on the government to demonstrating to governments what they can do (and what governments could achieve) in partnership with them. In part this is based on the urban poor federations recognizing that government systems for, for instance, land management, infrastructure and services are too weak, ineffective or rooted in vested interests to deliver for them in conventional projects. In part, it is recognition that the federations must define, design and manage the ‘solutions’ if these are to be appropriate, especially for the poorest. This change in strategy is most evident in the Indian National Slum Dwellers Federation in the early 1980s as it moved from not only fighting evictions and making demands on government to also developing projects and programmes that set precedents for community-government partnerships that urban poor organizations designed and managed – working with the NGO SPARC and the cooperatives of women slum and pavement dwellers (Mahila Milan). This change can also be seen in Thailand in the land-sharing projects and the community organizations and federations that developed there – also with support from local NGOs.

This change has great significance not only for the work of the federations in India and Thailand but also for the way that all the urban poor federations have worked. For it is this change that greatly increases the potential scope for participatory governance. This raises the question of why this did not happen in Latin America where in many nations, squatter organizations were stronger and urban poor organizations were important parts of citizen-movements fighting dictatorships and demanding democracy and respect for civil rights. Part of the reason is that when the dictatorships were overthrown in Latin America and democracy came (or returned), the organizations of the urban poor weakened because their constituents assumed that now they had a government that represented them (and some of them or the staff of the NGOs they worked with became part of the government). There was also an assumption that representative democracy would now deliver for them, so many people got involved in party politics which created divisions in urban poor settlements that were previously united. In addition, in some cities or districts the new representative democracy did deliver more for them. It is also entirely legitimate for urban poor organizations to expect governments that they help to elect to deliver for them. The potential divisiveness of this issue is illustrated by the divisions among the urban poor organizations in South Africa mentioned earlier, as the apartheid government was replaced by the first democratic government. Many urban poor leaders in South Africa do not see the value of forming an urban poor/homeless federation because their party (the ANC) is in power and they assume that this will deliver for them. Some of these leaders were also successful in standing for election – so the urban poor had some of their colleagues in office.

Precedent setting has become a central part of the strategy of the urban poor and homeless federations with the precedents they set used to negotiate for changes in government policies and practices. This is


79 See for instance the experiences with participatory budgeting described earlier; also the greater effectiveness of democratic city and municipal governments - Campbell, Tim (2003), The Quiet Revolution: Decentralization and the Rise of Political Participation in Latin American Cities, University of Pittsburgh Press, Pittsburgh, 208 pages.
based on recognition of the need to change the way that government agencies operated, including their working relationships with urban poor groups. This also differs from the conventional ways in which NGOs who work with the urban poor seek to change government policies – which is generally through policy advocacy. They generally base this on consultations with communities and draw from these consultations to suggest alternative policies to government that they campaign to have accepted. Often, the policies suggested are good and much needed but these rarely influence government policy. Even when they do, most communities lack the training, exposure or capacity to take advantage of them.

Precedent setting begins by recognizing that the strategies used by the poor are probably the most effective starting point although they may need to be improved. Precedents are set as community organizations within each federation are supported to try out pilot projects and then to refine and develop them within the learning cycle described already. Because they emerge from the poor’s existing practices, where they work well, they make sense to other grassroots organizations, become widely supported and can easily be scaled up.

The roots of setting precedents are in demands made by urban poor organizations, when permitted the space to do so. In India, women pavement dwellers have been central to setting precedent. Since 1984, when SPARC was founded, the National Slum Dwellers Federation and Mahila Milan membership at local levels made demands on SPARC for activities that the poor and the NGOs who work with them do not generally take on. For instance, when the women pavement dwellers in Byculla urged SPARC to help them do something about the eviction notices against them that had been posted in 1985, they did not want to fight the municipality (they knew that weaker groups always lose in such fights), they wanted to avoid the violence that their men were moving towards and they sought a long-term resolution to their problems. From discussions between women pavement dwellers and SPARC came the first community-driven enumeration (of the pavement dwellers – published in 1985 as We the Invisible) which set a precedent for showing how community-centered enumerations can provide the information base from which community-driven solutions (and partnerships with local governments) can be developed. When the immediate threat of evictions was over, the women demanded that something be done about their inability to get alternative housing – and from this came the savings and credit schemes, the collective leadership, the life-size house models and later these women’s survey of vacant land to demonstrate that there was land available on which they could be re-housed. The inter-city community exchanges began when the women pavement dwellers were discussing what building materials might reduce housing costs. One of the materials that appeared to have potential was the funicular roofing pre-cast tablet developed in Kerala that had greatly reduced the cost of roofing so a group of pavement dwellers made the long trip to Kerala in 1986. The women pavement dwellers also created the concept of a house model exhibition to demonstrate publicly and visibly what they wanted – because risk-adverse bureaucrats are much more likely to accept a new idea if they see it working in practice.

Constructing exhibits of life size house models has helped set precedents in many other places. For instance, in the Philippines, a model house exhibition in Payatas (Manila) in 2000 drew over 15,000 visitors from communities around Manila and other cities and provided a focus for discussions on affordable house designs and settlement layouts. House design workshops were also used to explore cost saving materials and techniques. The waste pickers at Payatas developed a two storey starter house which had 40 square metres floor space and cost US$800 – and this is one of several house designs developed by the federation that are far cheaper than government-built houses. 80

In Zimbabwe, despite the difficulties faced by all low-income groups and all local governments in recent years, increasing numbers of municipalities are allocating land to Federation groups and requesting further applications (for instance in Mutare, Gwanda, Karoi, Gweru and Bulawayo). 5334 plots of land have been committed to the Zimbabwean Homeless People’s Federation by different local authorities. Most significantly there have been two large allocations (565 plots in Victoria Falls and 1500 in Mutare). When savings schemes were set up in Victoria Falls (inspired by the experience in South Africa), they were everything that the official party structure was not – participatory, emphasizing self reliance, 80

80 Vincentian Missionaries Social Development Foundation Incorporated/VMSDFI 2001, op. cit.
establishing relationships of accountability between leaders and members and dominated by women rather than men. But after a long process of negotiation, in 2000, they succeeded in getting 565 land plots for housing for their members which they developed with community participation in infrastructure installation and with acceptance by the local authority that one-room houses may be all that is affordable in the near future. In Harare, the council has sold a plot of land to the Federation that can accommodate 233 houses and this is now being developed, while the federation negotiates for other land plots. These all set precedents for partnerships between community organizations and local governments. They also set many precedents in regard to standards – see below.

Changing Standards

Many precedents contravene official rules and standards – but by demonstrating to government officials what is possible, the negotiation on how rules and standards can change becomes much easier.

The developments noted above in Zimbabwe provided an opportunity for the renegotiation of development standards with an increasing recognition of the need for incremental development of housing and infrastructure so poor households could afford the ‘solutions’. Changing standards means the need to bridge the rigidities of formal processes and standards and the flexibilities and rudimentary capacities of informal process through simplified procedures, appropriate standards and affordable costs. In Zimbabwe, perhaps as important as negotiating the land sites are the innovations and changes in official rules that the Federation are developing with local authorities in Harare, Mutare and Victoria Falls that cut the unit-costs of housing and infrastructure and ensure that the Federation’s housing solutions are affordable by the poorest groups. This is mainly through developing sites with a mix of plot sizes to ensure the poorest households can take part (which had to be negotiated since many sites are below the official minimum plot size) and incremental development of housing and infrastructure (roads, provision for water and sanitation). Getting such changes in each location involves long and difficult negotiations with local politicians, planners and engineers, careful documentation (including enumerations of all low-income households) and visits organized for local authority staff to locations in Zimbabwe and to schemes developed by urban poor federations in other nations where these innovations have worked.

The changes in plot sizes and infrastructure standards in Windhoek, Namibia were noted already. Although the government there had a pro-poor policy of providing serviced sites at cost, only a very small proportion of those living in informal settlements could afford plots with individual household connections to water mains and sewers. In response to this, the city government developed the two new options for those with very limited resources: small rental plots of 180 square metres serviced with communal water points and gravel roads; and group purchase or lease of land with communal services and smaller plots permitted. In these schemes (as in all other housing schemes), the charges made were to get full cost recovery for the public investments (as the city government has no funding to subsidize these), although no charge is made for the land. These changes in standards that also allowed community development have brought down the unit cost of secure tenure and services dramatically. In Windhoek, the cost per plot with community development and individual connections is less than half that of a conventional plot while the cost per plot with communal services is between a third and a fifth of a conventional plot. Even larger cost reductions were achieved in Walvis Bay.

In India, the NSDF-MM-SPARC Alliance has used precedent setting to change many rules and regulations; Box 7 gives some examples from Mumbai. This included promoting the use of a mezzanine floor in the design of houses developed by the Federation because this provides households with more room and more flexibility in their homes but costs much less than a two-storey unit. Government designs

83 Chitekwe and Mitlin 2001, op. cit.
84 Mitlin and Muller 2004, op. cit.
did not allow this. So the Federation demonstrated what could be done (and how well it worked) before negotiating for its approval. Now this design is being built in a new housing development for pavement dwellers and in housing being built within one of Mumbai’s densest and largest ‘slums’ (Dharavi) to allow all the inhabitants to get better quality accommodation. The community-directed house modelling described earlier has also produced precedents showing how particular designs better serve low-income households’ needs.

---

**Box 7: Changing Official Norms and Standards; Some Examples from Mumbai**

1. Establishing the right of the 23,000 pavement dwelling families to have ration-cards (which entitles them to subsidized basic food and kerosene and had been available to ‘slum’ dwellers but not to pavement dwellers). Getting ration-cards also meant proof of identity, which allowed pavement dwellers to apply for public housing, a driving licence and a passport.

2. The removal of a maximum indoor height regulation of 9½ foot for housing being developed by and for ‘slum-dwellers’ in the Development Control Regulations – and a change that allowed a height of 14 foot to accommodate a mezzanine (which allowed 40 percent more floor space and gave more flexibility) – first negotiated by the Markandeya Housing Cooperative and achieved after three years of lobbying and advocacy. This housing cooperative also pioneered the development of multi-storey buildings with small apartments in Dharavi; NGOs and community-based organizations rarely have the capacity to manage the construction of multi-storey buildings but Dharavi has such a high population density that it is only through multi-storey buildings that the whole population can be rehoused in good quality accommodation; the Federation has managed the construction of two more apartment blocks with two more under construction and other housing societies are copying this model.

3. The Indian Federal Government’s Housing and Urban Development Corporation (HUDCO) agreeing to set up an NGO Credit Line through which urban poor households with partial security of tenure could get credit at reasonable interest rates. The credit was channelled through NGOs; this took discussions, workshops and negotiations over many months.

4. The way that resettlement programmes are designed, managed and financed. Among the many precedents set in the MM-NSDF-SPARC resettlement programmes was a two-phase resettlement strategy whereby those who are to be resettled move to temporary accommodation while permanent accommodation is built. This was first negotiated for Kanjur Marg for 900 families who previously lived by the railway tracks and later used for the larger resettlement programme for railway track dwellers. Many other precedents were set as communities designed and managed their resettlements both in how and when the resettlement took place and to where and how they moved and these have influenced government practices on evictions and resettlements in many other locations (see for instance developments in Mysore and Pondicherry).

---

**SOURCE:** D’Cruz, Celine and David Satterthwaite (2005), *The current and potential role of community-driven initiatives to significantly improve the lives of ‘slum’ dwellers at local, city-wide and national levels*, IIED Working Paper, forthcoming

---

**6. Widening the Discussion of Public-NGO-Community Partnerships**

There are many other examples of community-NGO-local government partnerships for service provision which are relevant to discussions of participatory governance. One of the best known is the community-NGO-Local government partnerships for sanitation in urban areas of Pakistan developed by a Pakistani NGO, the Orangi Pilot Project (OPP). This has supported community-managed improvements in water and sanitation in many urban areas in Pakistan, reaching hundreds of thousands of households and with most of the costs covered by what low-income households can pay. OPP also developed many other programmes to support community initiatives, including schools and health care – and also support for building.
Initially, the support concentrated in Orangi, an informal settlement in Karachi with over a million inhabitants. While this support for communities initially began as an alternative to local government (because local government improvements were too expensive for low-income households), many local governments now support this approach and this is being applied in many settlements other than Orangi in Karachi and in other urban centres. OPP call this ‘component sharing’ – where the inhabitants of streets and neighbourhoods take responsibility for the pipes, sewers and drains in their neighbourhood and official service providers install the water mains and sewer and drainage trunks into which their neighbourhood systems can connect.

But there are three other important aspects to OPP’s work that are perhaps less well known but that also have importance in showing new possibilities for participatory governance.

1. The extent to which their model has been used in many areas of Karachi other than Orangi and in many other urban centres in Pakistan, including its widespread adoption by official (national and local) government agencies. Although OPP initially supported the community-developed sewers as an alternative way to get these built and financed, it was never their intention to promote alternatives to official provision. They developed this model to change the way official provision worked, so it would be affordable by low-income households. In recent years, many official agencies have adopted the OPP model. For instance, in November 2002, the government of the Punjab (the most populous of Pakistan’s four provinces) adopted the OPP sanitation model of component sharing as its policy for low income/informal settlements (katchi abadis). Two foreign funded projects – one by UNDP for three cities, one by the Asian Development Bank for 21 towns – have been influenced by the OPP model. In 19 villages comprising 1039 houses, a sanitation component sharing model has been implemented by a partner NGO in Lodhran and is now being adopted in many other villages in a World Bank project.

2. OPP’s demonstration of how to develop detailed maps of informal settlements to provide the information base that allows official agencies to install water and sanitation. When working in Orangi, the OPP-Research and Training Institute also noted the large investments being made on water and sanitation on a self help basis by communities outside Orangi and recognized the need to document this work: to understand the extent of community initiatives being undertaken; to avoid duplication of work being done by government; to enable people to realize the extent of their work and strengthen their capacity; and to inform government of what was going on so their policies could support work already going on. It decided to document the quality and extent of provision for water and sanitation in each neighbourhood in Karachi – and also to include in this documentation of clinics and schools too. Surveys were undertaken by trained youths. To date, 334 informal settlements have been surveyed, encompassing 224,299 houses in 19,463 lanes. These detailed neighbourhood by neighbourhood surveys serve two functions. The first is to demonstrate to government the scale and breadth of household and community investment. The second is to provide detailed maps of each neighbourhood that then allow government investments to complement household and community investments – in the component sharing model described earlier.

3. OPP’s design of a much cheaper and more effective means of improving the city-wide system of sewers and drains – into which community-systems can integrate – and this design is now being used for Karachi-wide investments and improvements.

---

86 Rahman, Perween (2004), Update on OPP-RTI’s Work, Orangi Pilot Project - Research and Training Institute, Karachi.
OPP-supported local and city-wide sanitation schemes achieved what is often said to be impossible by private or public water and sanitation utilities: provision of good quality sewers to each household with cost recovery and a city-wide system into which these can feed that does not require large external funding. Official water and sanitation agencies usually refuse to consider extending sewers to low income settlements because they consider it too expensive or because they do not believe that residents will pay for this. If it was possible to develop sewers (and the larger sewer system into which these integrate) in the OPP ‘component sharing’ model in other cities in Asia and Africa, the total cost of reaching hundreds of millions of low-income groups with good quality sanitation is not very expensive. The OPP model emphasizes how the achievement of ambitious targets for improved water and sanitation are as much around the development of competent, capable, accountable local agencies or utilities who can work with community organizations as it is about external money. But the long struggle of OPP for legitimacy (its model was initially criticized by a UN expert as being completely inappropriate) is a reminder of how difficult such changes can be. OPP also needed the long-term support of local foundations to allow it to have the influence it now has at city and national level – and internationally.

There are many other examples of community-government partnerships that have succeeded in extending and improving provision of basic services to lower income groups. Many of these are linked to water, sanitation and waste management. For instance:

**Water in Luanda, Angola:** In Luanda, a local NGO (Development Workshop Angola) has supported the construction and management of 200 standpipes, each serving around 100 families. Each has a local elected water committee to manage it and this is done in collaboration with the water utility and the local authority. Where local (public or private) water agencies are too weak to be able to extend provision to unserved, low-income communities, this kind of NGO-Community-organization partnership can have particular importance.90

**Water and sanitation improvement in low-income areas of Dhaka and Chittagong:** Partnerships between community organizations, Bangladeshi NGOs and the UK Charity WaterAid have provided water points and sanitation blocks or community latrines serving tens of thousands of low-income households within a programme that is recovering most of its costs – to allow reinvestment in reaching other low-income communities.91 This is also a form of component sharing, as most of these draw on the official piped water network.

**Community managed solid waste collection in Chennai:** A partnership between a local NGO (Exnora international) and neighbourhood organizations (Civic Exnora units) have developed community-managed solid waste collection services for several hundred thousand inhabitants whose costs are covered by fees collected from those who are served. To be effective, this also depends on a partnership with the local government, as these local organizations need transfer stations to which they deliver the solid waste they have collected.92

One final example of a partnership that shows the potential of new forms of participatory governance is the community police stations (police panchayats) within the ‘slums’ in Mumbai. By September 2004, 65 ‘slums’ in Mumbai had community policing developed through a partnership between ten community representatives (seven women, three men) and local police officers with similar initiatives planned for many more settlements. Each community representative has a photo-badge that they wear, authorized by

---

89 See OPP 1995, op. cit.
Mumbai’s Police Commissioner – but they are appointed by residents’ organizations, not by the police. In each settlement where these are set up, the community also make available a room where the police are based, which also serves as an office for the police panchayat. These community police stations have importance not only for bringing the rule of law to these settlements but also because they establish a permanent partnership between the police and slum residents. They help reduce the prejudices that slum dwellers so often face, when they go to police stations – to make complaints or as victims of crimes. As the police get to know the inhabitants of the slum where they are based, especially the community volunteers with whom they work, they find that most are law abiding and helpful. Meanwhile, slum residents will feel more confident about using police services, when needed. Residents get to know their local police constables and this also ensures more police accountability to the local population. The decision to have a majority of women on each police panchayat is in recognition that women are disproportionately the victims of crime and often face problems of domestic violence.  

7. Participation for Donor Agencies in ‘The Local’

The Difficulties That Official Donors Face in Supporting Participatory Governance

Official bilateral agencies and multilateral development banks face difficult constraints in supporting participatory governance in urban areas. They were set up to provide development assistance to national governments, not local governments – and were certainly not set up to support civil society groups engaged with local governments (including what is often a conflictive engagement). As noted earlier, participatory governance implies supporting the participation of those that are normally excluded from ‘government’ in government processes. Official bilateral and multilateral agencies generally conceive of participation at the project level, not of participation in governance – and at project level, the participation of the ‘beneficiaries’ is within terms and frameworks set by the international agency.

It is particularly difficult for official development assistance agencies to conceive of how their governance can be more participatory when their official lines of accountability are largely to those that fund them (mostly governments in high-income nations) not to those that they fund. They also have to live with what their political supervisors perceive as ‘efficient’ for development assistance which includes great pressure to keep down staff costs relative to total funding, and pressure to implement and demonstrate results quickly. Most official development assistance agencies are also subject to more pressure from civil society organizations within the nations where they are located than to civil society in the nations where their funding is spent. Figure 3 illustrates this. This figure does not pretend to list all the influences at each of the four levels but to illustrate the institutional and physical distance between the donors (at level 1) and ‘the poor’ and their organizations (at level 4). Also the many influences on the donors and the many intermediaries between them and ‘their clients.’ This is not to claim that development assistance is unaccountable – but figure 3 makes clear the difficulties that ‘the poor’ have in any involvement in ‘governance’ of official donor agencies.

In figure 3, at the bottom are the low-income groups, made up of households and individuals – who face the realities of poverty and on whose needs most development assistance is justified. Their main ‘governance’ interaction is with local governments and other local implementers. Inevitably, the scope for ‘local governance’ is much influenced by higher levels of government, especially national government – which, in the last ten to fifteen years in particular, have introduced political changes such as different forms of decentralization and democracy; these have powerfully influenced local contexts within most low- and middle-income countries. Then at the top, there are the official donor agencies.

LEVEL 1: WITHIN THE DONOR AGENCY’S OWN NATION

A donor agency and its policy decisions

Internal structure:
- suits large capital projects or non-project support
- few staff relative to no of projects
- reliance on other agencies to implement

Commercial interests
Non-commercial environmental lobby
Non-commercial development/human rights

MEDIA and Public Opinion

LEVEL 2: RECIPIENT GOVERNMENT (NATIONAL)

POLITICIANS
POWERFUL ECONOMIC INTERESTS (National and linked to international)
HIGHER-INCOME GROUPS (with their particular priorities and attitudes)
PUBLIC OPINION/MEDIA

LEVEL 3: LOCAL GOVERNMENT

POLITICIANS
POWERFUL ECONOMIC INTERESTS (National and linked to international)
HIGHER-INCOME GROUPS (with their particular priorities and attitudes)
PUBLIC OPINION/MEDIA

LOCAL CONTRACTORS
OTHER LOCAL IMPLEMENTORS: NGOs, private voluntary agencies, community-based organizations. Structural constraints on their capacity work independent of or opposed to local government

LEVEL 4: LOW INCOME GROUPS WITH THEIR OWN PARTICULAR NEEDS AND PRIORITIES AND THEIR ORGANIZATIONS (much distance from and usually unable to influence the donor agency and usually the national government)
Participatory governance implies seeking a more direct relationship between the groups at the bottom (particular groups suffering particular deprivations) and donor agencies at the top. The link between the two is formed through information gathering, consultative processes, and/or negotiations through which particular problems are identified that are considered deserving of some external support, with interventions designed to address these. This identification is not an easy process, in part because of deficient information, especially in regard to the exact nature of the deprivations and who suffers from them and the ways in which these are rooted in complex local political economies. The two ends are also linked by the institutions through which the funding is channelled, usually a national government agency, which in turn may be channelling the funding to a mixture of local government agencies and private enterprises and sometimes NGOs.

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 taking advantage of new opportunities. Donors are also unwilling or unable to support processes whose objective is to transform the interaction 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.94

Within the process of problem identification and disbursements of funding, there are usually no formal political or institutional channels through which ‘the intended beneficiaries’ can directly influence ‘the donors’. The intended beneficiaries do not have votes in the donor nations or elected politicians in these nations to whom they can turn. There is also the large physical distance between them and the donor agencies (and the rich-world governments that fund them); also usually language barriers. The intended beneficiaries may have no clear channels of communication to the staff within the agency that is funding the project. Donor agencies’ decisions and financial management practices are not necessarily transparent to local groups. In general, the possibilities for the intended beneficiaries of donor-funded interventions to influence the design, implementation, and management of these interventions depend on their own government. Thus, the scope for donor-funded interventions to support participatory governance is much influenced by the extent to which national and local government structures through which their funding is channelled are committed to and able to implement participatory governance. In one sense, this is obvious. But recognizing this fact does not mean that there are easy ways for donors to support more participatory governance or even that the knowledge exists on how it is possible to do so.

Donor support for participatory governance will prove difficult for most official donors. It implies the need to engage with and support local processes at levels 3 and 4 (contrary to the shift that many donors are making away from this towards budgetary support) but with a different model of external support from conventional project cycles with exit strategies. It implies a need not so much for specific projects (an upgrading project, installing water supply systems…) but for continuous support for local initiatives which allow the real ‘participation’ of low-income communities and their organizations, working with local NGOs and local governments, to address their needs. This may initially cost far less than supporting conventional donor-funded projects, especially if every effort is made to keep down unit costs – both to ensure funding goes further and to prevent a dependence on large amounts of external funding. As scale increases, more substantial support may be needed.

It will never be easy for international donors to fund these kinds of local processes. National governments will complain that it is limiting their powers and subverting their authority, especially if this ends up supporting city governments governed by political parties different from the one in power nationally or at state government. The political bodies supervising donor agencies will complain that this will be costly in staff time and inefficient in actually disbursing money. It will be difficult to specify precise outcomes and time-frames. It may take awhile before these processes produce the tangible, visible outcomes (water systems, health care centres, children immunized…) that their political supervisors are so keen to see demonstrated. The Millennium Development Goals have further increased the pressure on donors to demonstrate particular, quantified outcomes and may mean that the local

---

94 Patel and Mitlin 2001, op. cit
processes that are so important for participatory governance (and what participatory governance can contribute to the achievement of these goals) will get forgotten.  

Consider, for instance, the possibilities of donor agencies funding the organizations and federations formed by the urban poor and the homeless whose work and tools and methods were described earlier. These federations need more participatory governance built into any support because their effectiveness depends on developing better relations with local authorities. They also need to avoid donor pressure to ‘implement’ or ‘scale up’ too quickly. They need funding support that is not tied to specific projects – for instance for learning, experimenting, visiting other urban poor organizations and federations. All growing federations also need this kind of support to help new savings groups form and that build the information base on which effective interventions depend – including ‘slum’ enumerations, citywide ‘shack’ surveys and community exchanges.

The federations often need relatively little external funding – which is problematic for the official donors whose administrative systems have difficulties coping with small funding requests. The federations also seek to keep down unit costs and foreign funding requirements wherever possible to achieve the largest scale with any available resources. They also have as a key goal getting national and local governments to support them and will want to use foreign funding to support this – which again provides complications for many donors. But the same federations who required very little funding from external donors as they built their own capacity and relationships with local governments may suddenly need large sums of foreign support quicker than international agencies can manage to process, as particular opportunities present themselves (a new supportive mayor getting elected, success in getting a substantial land allocation for their housing programmes if they can help fund trunk infrastructure, a city or national agency prepared to provide substantial resources if the federations can match them).

**The Kind of Support that Community Processes Need from International Donors**

Most international agencies recognize the importance of more participatory local governance 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 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. 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. And those who are engaged in these local processes have no political channels through which they can influence the international agencies.

If official donor agencies want to provide consistent support for participatory governance, they need to develop funding channels that can support the kinds of initiatives described earlier. This includes engaging with and supporting local government, where local government agencies have the potential to become more effective; and to amplify funding channels that go outside government to ensure that funding reaches low-income groups and their organizations. But note here that this is not to fund ‘autonomous’ development but to support community-driven processes that help change the way that local government perceives and works with community organizations.

Most international agencies already channel some funding to city and municipal governments and community processes but these represent a very small proportion of total funding flows. However, there is an increasing recognition among many international donors of the need for funding channels that

---


support local processes. There is also recognition that this cannot be done from the donors’ headquarters but needs intermediary institutions within the recipient country. Two examples will be given here: the support of DFID and Sida for the Community Led Infrastructure Finance Facility in India and the support of the Swedish International Development Cooperation Agency (Sida) for PRODEL in Nicaragua.

The Community Led Infrastructure Finance Facility
The Community Led Infrastructure Financing Facility (CLIFF) is a financing facility to help two federations of community-based organizations - the National Slum Dwellers Federation and Mahila Milan – and their partner NGO (SPARC) carry out and scale up community-driven infrastructure, housing and urban services initiatives at city level, in conjunction with municipal authorities and the private sector (including banks and landowners). 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 funding for projects that are developed locally, on a larger scale than is usually available to NGOs and people’s organizations and in a form that helps leverage funds from other groups and, where possible, to recoup the capital for reinvestment.

The financing facility provides loans, guarantees and technical assistance to support a range of projects including community-led high-rise developments in crowded areas (so housing can be improved without displacing anyone), a variety of new housing projects and community-managed resettlement programmes. £6.1 million (c. US$11 million) is available for bridging loans to kick start large infrastructure, upgrading and resettlement projects. In India, much of this funding can be recovered from national or state governments where subsidies to support these kinds of initiatives are available. But most of these government subsidies only become available when a project has reached a certain stage and this has often led to such subsidies not being used, as few NGOs and community organizations can 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 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. 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, which is channelled through Cities Alliance and the UK charity Homeless International (which helped develop the concept of CLIFF with the National Slum Dwellers Federation, Mahila Milan and SPARC.

CLIFF demonstrates a way in which official donor agencies can support community-processes in ways that allow far more decision making to the grassroots and far more accountability to them than conventional donor funding flows. This Fund can also be used to leverage local resources.

PRODEL: The Local Development Programme in Nicaragua
Over the last decade, The Local Development Programme (PRODEL) has assisted the low income urban population in eight cities and towns in Nicaragua in an integrated approach to local development by providing funds for co-financing small infrastructure and community projects, loans and technical assistance for housing improvement and loans for micro-enterprises. Unlike many other development assistance programmes, PRODEL is not an implementing agency; rather it supplies funds to local institutions and builds capacity within these institutions. PRODEL’s immediate goal was to improve the physical and socio-economic conditions of families living in poor urban communities – but it also had a

Stein, Alfredo (2001), Participation and sustainability in social projects: the experience of the Local Development Programme (PRODEL) in Nicaragua, IIED Working Paper 3 on Poverty Reduction in Urban Areas, IIED. Alfredo Stein and Irene Vance also updated some of the information for this section.
longer term goal of building the capacity of local government and strengthening the partnerships between local government and citizen groups.

In ten years, 484 projects (with an average cost of US$ 22,000) in more than 230 neighbourhoods were completed. Just over half this funding has been provided by the Swedish International Development Cooperation Agency (Sida) with the rest mobilized locally, by the families and the municipal authorities. The services installed include sewage and drainage systems, paved roads, footpaths, street lighting, schools, playgrounds, sporting facilities, and sites for the collection, disposal and treatment of waste. Some 60,000 families have benefited from the US$ 10.5 million programme – 48 per cent of the total population of the eight towns.

In the same period, 12,500 low-income families have enlarged and improved their homes, supported by micro-credit provided through the programme. Just under half of these loans have been for less than US$ 500 which complement the household’s own savings to fund incremental or progressive upgrading such as plumbing, improved kitchens and repair or replacement of roofs. The other 55% of the housing loans of between US$ 501-1,500 have financed the construction of additional rooms.

More than 20,000 micro-enterprise loans of between US$ 100-5,000 have been disbursed to more than 3,500 enterprises (most of which had more than one loan). The target group of the loan programmes are the poor with capacity to pay; 70 per cent of the households receiving housing improvement loans have monthly incomes of US$ 200 or less. Cost recovery and low default rates have been sustained over time despite the persistent economic difficulties faced by the country. 67% of borrowers are women.

PRODEL’s ultimate goal is to develop and institutionalize a participatory model for the provision of infrastructure and services and the support of housing improvement and micro-enterprise development that can be sustained in all urban areas of Nicaragua. Based on the results, the Nicaraguan and Swedish governments agreed that the PRODEL model of local development should be institutionalized. The goal of the institutional transformation was to preserve the integral approach to local development that had proven successful. As of 2003, PRODEL operates as a non-profit Foundation with private and public representation. The mission of the new institution is embodied in the original development objective – increasing the quality of shelter and living conditions of the urban poor. PRODEL continues to provide grant funding and technical assistance to local authorities. Community participation is a prerequisite for obtaining PRODEL funds – communities together with local authorities jointly collaborate in the identification, execution and maintenance of the infrastructure and services installed, and the municipal councils are required to allocate resources to social infrastructure investment. Micro-planning workshops allow community representatives to work with municipal staff to develop draft proposals, which are discussed at general assemblies. A Project Administrative Committee is elected by the General Assembly and trained by PRODEL, to review the project design, oversee and supervise the use of resources and to manage and administrate the building materials, equipment and labour during project execution. This Committee also takes an active part in the financial and technical audit once the project has been completed. Community participation and administration helps to keep down costs and thus the scarce resources reach more communities.

PRODEL recognized from the outset that maintenance is key to sustainable services. For the new water, sewer and electricity connections, maintenance can be funded from the service payments made by the communities, who also contribute labour to the maintenance of schools, health facilities, recreational facilities and parks. Each municipality budgets for maintenance and communities collect and manage resources for routine preventative maintenance.

PRODEL’s funds for housing improvement and micro-enterprise loans are made available through microfinance institutions while the technical assistance for households is provided by staff hired by PRODEL who work directly with the households taking out housing improvement loans.

Among the key lessons learnt:
Programmes such as these can improve the relationship between local governments and communities. They are based on concrete alliances founded on tangible plans rather than community demands that are often unrealistic in terms of what municipal authorities can deliver.

Limited resources go further and are used more efficiently when improvement programmes are developed through negotiations between communities and external agencies. This means that they are more likely to reflect the priorities of the communities and the actual capacities of the municipal authorities (with communities coming to better understand the limitations of municipal agencies).

There is a need to work with existing local institutions since they are closest to the demands and the needs of users and can develop a participatory engagement with them. But the programme had to support them in developing new habits and procedures of control, reporting and joint responsibility in order to improve accountability and transparency. As Manuel Maldonado, Mayor of Somoto noted:

“\textit{We previously had an erroneous idea of what community participation was. We knew that it was a key element with a great deal of economic and human potential for municipal development but in fact, we were not providing any space in which it could take place. We are now convinced that it is essential to have community participation in all possible processes and all stages of the project. This participation has facilitated the creation of coordinating committees and the identification of opportunities between the communities and the local government, which has been beneficial to both sides. Involving the communities has given the ‘barrios’ greater confidence in the management and transparency of the funds by the municipal government. There is now improved communication and understanding between the members of the communities and the municipal government, and a higher level of satisfaction on the part of the population with the projects which have been carried out.}\”

It is possible to reduce the influence of political change on programmes such as these if clear rules are set regarding incentives and sanctions in the use of external resources that the funding agency channels through the recipient government. There is a need to recognize from the outset the different interests of those involved and to ensure that these are met – for instance, the fact that the bank needed to charge commission as a means of meeting the costs of loan supervision, and the need for the municipality to get co-finance for maintenance.

Programmes such as these must avoid creating unrealistic expectations among external agencies as to what community participation can do. It is often difficult to get communities involved in design and preparation. Community enthusiasm for infrastructure and community works projects declines if there are delays in getting the projects approved and executed. It is difficult to get a good match between the time frames of communities, PRODEL and the municipal authorities. Community participation needs supporting – for instance, to provide families with new options, capacities and skills in identifying problems, project planning and financial management.

There is a need for training and for the development of methodologies to make municipal technicians support participation. Technical and financial officers of the municipal government think that training and empowerment is something done by social workers; they do not become involved in transferring know-how to communities.

It is difficult for any agency to provide technical and financial advice to hundreds of households, which are developing and implementing plans for housing improvement, simultaneously, especially when these households are scattered over a wide geographic area in a wide variety of site conditions. It is also difficult for any agency to administer a portfolio of thousands of small loans to these same households.
**What Does This Imply for Donor Agencies?**

CLIFF and PRODEL shift the decision-making process about what is to be funded, and most of the administrative burden and transaction costs to the place where the local proposals originate. From there, it is much easier, quicker and cheaper to check on proposals and monitor their implementation, using a network of people with local knowledge. Pushing the decision-making process regarding what should receive funding down to local organizations can also minimize the need for ex-patriate staff; all international agencies that have expanded their offices in low- or middle-income nations with international staff face difficulties with the high staff costs this entails. Country offices staffed by international staff also generally means a constant turnover in staff, inhibiting in-depth knowledge of local circumstances. But it is a big step for any international donor to entrust the funding it manages (and for which it has to be accountable) to local organizations or local funds.

In some low and middle-income nations, there are national government agencies, which support community processes, and international donors can channel funds through these. The example of the Community Organizations Development Institute in Thailand whose work was described earlier is unusual in that this is an official national Thai government agency yet it strengthens and supports local processes involving community organizations (and their networks) and local governments. Also, unusually for any national government agency involved in poverty reduction, it provides support for local processes by having a clear range of credit lines and support services, which seek wherever possible to recover costs. And many of the decisions about what is funded are made at the level of the community organization with many of decisions about loans made by networks of community organizations. Having a national agency such as this presents international agencies with far more scope to channel their funds to support local processes.

Thus, in regard to international funding for the community-driven processes that are central to participatory governance, there are four needs:

1. The need for international funders that understand the requirements of community organizations and federations for non-project support – for instance for exchanges, ‘slum’ enumerations, house modelling, experimentation…. To date, the main funders of this have not been the official bilateral or multilateral agencies but international NGOs - the German charity MISEREOR, the Belgian charity SELAVIP, the UK Charity Homeless International, the Ford Foundation and the Dutch charity CORDAID. The Asian Coalition for Housing Rights in turn raises money from a variety of sources to do so within Asia.

2. The need for intermediary funds within low- and middle-income nations on which community organizations and federations can draw and which are accountable to them – while also offering safeguards and well managed accounts for any international donor. As noted earlier, most of the urban poor and homeless federations have their own ‘urban poor’ funds into which member savings go and from which loans are made – and these can be capitalized by governments or international donors (and they often are). There is also a growing experience with the use of local funds to support community-driven processes in other contexts.98

3. The need for United Nations agencies and official bilateral and multilateral donor agencies to consider how their work within any nation can support (and avoid hindering) the work of the urban poor and homeless federations. These agencies may support the federations yet still have policies that marginalize or ignore them.

4. The need for new information systems. Much of the data which influence the decisions of 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 or other surveys funded by international donors may be able to identify some of the most serious health problems and inadequacies in infrastructure and service provision 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. The community-driven city-wide surveys and ‘slum’ enumerations and mappings described earlier are examples of the kinds of new information systems that are needed to support participatory governance. Another important innovation is local resource centres within each city that provide a centre for information and discussion for all civil society groups – as in the work of the Urban Resource Centre in Karachi. 

Capital from national or local governments may be as important for these as international funds. One important innovation within the Community-Led Infrastructure Finance Facility (CLIFF) described above is that it can be used (and has been used) to leverage resources from local institutions – both local government and banks. As such, it is changing local governance systems so that representative organizations of the slum dwellers and pavement dwellers have more influence.

8. Conclusions

In virtually all low- and middle income nations, large sections of the urban population lack provision for very basic needs including secure housing with safe, sufficient, convenient supplies of water and provision for sanitation, drainage, paved roads and streets, electricity, solid waste collection, schools, health care, emergency services and the rule of law. In most cities, large sections of the population live in illegal settlements where the long, difficult and often conflictive process of regularizing the settlements and their households’ relationships with utilities needs to be undertaken. In most cities, there is also a large backlog to be addressed in city infrastructure – which cannot be addressed without displacing some existing settlements and their inhabitants. All this implies the need for city governments that are far more effective in working with low-income groups and their organizations in finding solutions that serve them both. This paper suggests that far more progress will be achieved if city authorities and agencies develop co-designed and co-managed processes with urban poor organizations with more localized decision-making and with greater equality between the groups involved.

Over the last fifteen years, there have been many innovations in more participatory forms of governance in low- and middle-income nations. Some have been driven ‘from the top’ by mayors and elected councillors – although often in response to pressures from below from citizen groups or other civil society organizations. Some have been driven by ‘bottom-up’ pressures, especially where representative organizations and federations of the urban poor and homeless are active.

Inevitably, participatory governance’s main focus is at the local level, since this is the level at which people’s physical needs are manifest and where action is needed. It is also the level at which the direct participation of citizens and their community organizations is easiest and likely to produce the most impact. In addition, it is usually the failure or anti-poor nature of local institutions that produced the need for new forms of governance. Not surprisingly, most of this direct participation by low-income groups has been to get basic physical needs met more adequately.

These have particular importance in nations where representative democracy has produced such inadequate responses to the needs of large sections of the population. This includes virtually all low and middle-income nations. Many of the innovations in participatory governance described in this paper ensured that poorer groups or other groups who usually have little or no political influence got better provision for (for instance) water, sanitation, drainage, health care, schools, police services. This was also often achieved at much lower unit costs and often with much greater effectiveness that conventional public or private provision. Thus, one of the challenges for participatory governance is for governments

to reach out to groups that have traditionally been excluded from development processes. One measure of the effectiveness of any such initiative is the extent to which it encourages new groups to become involved. There have been attempts both to increase voice (inclusion, consultation and mobilization) and to increase the accountability and responsiveness of the state. Both are important for participatory governance, although particular emphasis is needed for increasing voice because measures concerned solely with accountability and responsiveness often engage with individuals rather than collective interest groups. Stronger and more effective mechanisms are also needed to hold service providers accountable, especially to the lowest-income groups and groups that the service provider does not reach.

However, perhaps the most important examples of participatory governance are those that were driven not only by the demands of low-income groups and their community organizations but also by their capacities. This paper has described many examples of urban poor or homeless federations working in partnership with local governments to develop ‘slum’ and squatter upgrading schemes and new housing schemes or improve provision for water, sanitation or improve public services. It also gave examples of the kind of national frameworks that can support such partnerships on a large scale in many cities – the example of the Community Organizations Development Institute in Thailand – and examples of how external donors can support these kinds of participatory local processes. Given the experience to date, it may be that success in achieving most of the Millennium Development Goals in urban areas depends not so much on an increase in external assistance but on changes by local and national governments and international agencies in their relationships with poorer groups and their organizations.

---

100 Cabannes 2004, op. cit.