

5

Unsustainable Development: The Philippine Experience

Karina Constantino-David

High rates of urbanization in the South have led to unsustainable development in the region's cities and towns. Following the development paradigm of the North, the form of development that is taking place is "parasitic", in that it excludes the poor and is inappropriate to the situations faced in the South. For countries of the South, participation in the global market has also proved disastrous. Sustainable development aims to counterpoise economic growth with environmental concerns, but it remains to be seen whether this is possible. This chapter highlights the need to be aware of a country's "carrying" and "caring" capacity, and argues that work toward sustainable development needs to start with the poor.

The experience in the Philippines epitomizes these concerns, especially as regards the high rate of urbanization in Metro Manila, where environmental problems and lack of services have led to a deterioration in the quality of life. This deterioration is the responsibility of five overlapping power groups—the state, business, the church, the media and international aid agencies. These tend to follow the Northern development paradigm, which places the South in a vulnerable position and forces Southern governments to act against their countries' best interests. A new development paradigm is desperately needed that will avoid the mistakes of the past and improve future prospects for the poor and the environment.

In 1960, less than 50 per cent of the world's 19 megacities were in developing countries. Today, more than 80 per cent of its 60 megacities are in the South. In just four decades the world's cities have grown to spectacular proportions. New cities are also developing at an alarming rate. While the presence of modern amenities marks cities, a large segment of the urban population has barely the basic necessities for survival. The urban poor, residing on the perimeters of the rich ghettos, eke out a living in the midst of affluence, scavenge from the remains of our cities' consumerist lifestyle and are systematically excluded from urban development.

We have known for decades of the spread of urbanization and its concomitant ills. But governments chose to prioritize "development" even when countries of the North were already exhibiting the negative characteristics of unplanned growth. We set our sights on emulating the patterns of more developed countries, blindly importing and transplanting images of cities from more affluent parts of the globe into what were essentially underdeveloped nations.

Parasitic Development

The problem with the concept of development is that it implies movement toward a goal. So far this movement has focused primarily on economic growth—the hope and the promise were that the benefits of growth would "trickle down" to the poor. Toward the second half of the 1980s, the concept of sustainable development was introduced. Sustainable development was meant to correct the flaws of developmental thinking by mitigating the effects of economic growth with longer-term goals. But it kept us essentially on the same development path, except that the importance of the environment we share has come to the fore.

However, even with the grudging acceptance of the need for sustainable development by governments and multilateral agencies, the realities have not changed for the masses in the South. We have a parasitic form of development that blindly assumes that human and natural resources are inexhaustible. It sacrifices the poor and the environment at the altar of the market and its promises of economic growth.

Economic growth, and consequent patterns of consumption, cannot be equated with an improvement in quality of life. In fact, while the pursuit of economic growth has produced increases in trade, investment and output in general, it has also resulted in

widening disparities and inequalities among people and nations. The transactional and utilitarian nature of the market has further disempowered large numbers of people and marginalized their environments.

The unquestioned development paradigm and the rush to compete in the global market have had disastrous results. While cities have grown, attracting foreign investment, rural areas have stagnated. Finding no way out of poverty, rural folk migrate to the cities in search of paid work. These migrants swell the ranks of the urban poor, engaging in low-paid contractual jobs, surviving through the informal economy and residing in informal settlements. The irony is that low pay is an essential prerequisite for attracting foreign investment to an underdeveloped country. Our cities develop quite literally at the expense of the poor and the environment.

The reasons for poverty are complex. The primary causes are of a political, economic, structural and social nature, abetted by a lack of political resolve and erroneous attitudes regarding public policy and the deployment of resources.

- On an individual level, people are handicapped by lack of access to resources and the opportunities to gain skills or make a decent living.
- On the societal plane, major causes are inequalities in the distribution of resources, services and power. These inequalities may be institutionalized in terms of land, capital, infrastructure, markets, credit, education, information and advisory services. The same is true for the provision of social services: education, health, clean water and sanitation. Inequality of services leaves rural areas worst off, so that it comes as no surprise that an estimated 77 per cent of the developing world's poor live in rural zones. Yet the urban poor are mired in even worse conditions (ICPQL 1996:22).

A more appropriate direction would be toward a sustainable improvement in the quality of life. This would allow us to focus on the needs of the poor and the environment in each country without compromising the ability of future generations to meet their own needs. The needs of the present must be viewed from the perspective of the poor: those who have been abused most by the current development track. The goal of sustainable improvement in the quality of life allows countries and sectors to define directions that can accommodate subjectivity and cultural diversity in an ever-ascending spiral.

The sustainable improvement in the quality of life, as proposed by the Independent Commission on Population and the Quality of Life (ICPQL 1996), requires us to respect the limits of the globe's "carrying capacity", while at the same time acting on our "caring capacity", i.e., taking responsibility for the needs of people and the environment. The antithesis of care is power and control, abuse and aggression. In taking a new path we must recognize that the continued parasitism of society on the misery of the poor and the degradation of the environment will inevitably become the basis for the breakdown of our cities.

Patterns of Parasitism in Philippine Cities

The population of the Philippines is 51 per cent urban, roughly 38 million people or 6.5 million families. The country has one of the highest rates of urban growth in the developing world, at 5.1 per cent annually over the past four decades. This has been due to a high birth rate of approximately 2.3 per cent per annum, rural-to-urban migration, and the reclassification of rural areas as urban due to their increasing population densities. It is significant to note that while rural-to-urban migration is still a major source of an increasing urban population, especially in newer cities, second- and third-generation migrants, in areas like Metro Manila, are now greater in number. Migration is testimony of the continuing poverty in the countryside that forces the poor to seek their survival in the cities.

Of the urban population, approximately 10 million live in Metro Manila, which has an annual growth rate of 3.3 per cent. This area accounts for more than 30 per cent of the gross national product, but at least 3.5 million people can be categorized as urban poor. Ten thousand families live along the Pasig River alone, 32,000 families along the major tributaries, 45,000 families beside the railroad tracks, and the rest in pockets of urban decay that range from a handful of families to slums of tens of thousands of people.

The "brown" environment has long been abused—by air, noise and water pollution, inadequate waste disposal and congestion. The carrying capacity, or the maximum sustainable load that humankind can impose on the environment before it loses its capacity to support human activity, is in peril. According to WHO/UNEP (1992), Manila is one of the most polluted cities in the world, and most of the air pollution (suspended particulate matter, carbon monoxide and lead) is a product of motorized transport emissions,

especially from diesel engines. Industries release massive amounts of sulphur dioxide into the atmosphere, and domestic and industrial waste is indiscriminately dumped into the city's waterways and streets. In addition, environmental degradation is a cause of various natural disasters that occur more and more frequently: flooding, landslides and other earth movements, and the extinction of wildlife.

Even as we strain the carrying capacity of the metropolis, the inadequacy of our own caring capacity is obvious. Metro Manila, where economic activities are centred, is home to the best of urban amenities in both the business districts and in the rich areas, but security services are booming, protecting these sectors from the assaults of those who have far less. Tertiary health care and education are concentrated in the metropolis. But the primary health services accessible to the urban poor pale in comparison to those in rural areas: there is one primary health unit for every 10,000 people in the countryside against one for every 50,000 people in the urban centres. Even though primary and secondary education may be of a slightly higher quality in cities, the 1:50 teacher to pupil ratio makes basic education unsatisfactory. At the college level, the scene is dominated by private universities, which overcharge for substandard education. The seats of government, media and the church are also situated in Metro Manila. But basic needs remain unmet.

Despite respectable economic growth and the proliferation of urban amenities, the quality of life in Metro Manila has deteriorated; adherence to the laws of globalization means that economic growth has been achieved on the backs of the poor and at the expense of the environment. Unless drastic steps are taken, this very model is likely to discourage much sought-after foreign investment. Inevitably, the general quality of life will deteriorate further, and even the few who benefit from this kind of parasitic development will end up with less than they have today.

The Actors and Factors that Make or Break Cities

No amount of dreaming can result in an alternative future as long as the major actors and factors that make or break a city remain unchanged. In the case of Metro Manila and other urban areas in the Philippines, these fall into two distinct categories: those who wield power and those who are powerless.

The five distinct but overlapping power groups referred to above—the state, business, the church, the media and international aid agencies—share responsibility for the deteriorating quality of

life in Philippine cities. The model of development that underpins their actions is economic development through global competitiveness, with foreign investment as the engine of growth. But while sustainable development, equity and pro-poor rhetoric are standard fare, there have been but minimal improvements in the lives of the urban poor—secure shelter, sanitation, potable water and pollution remain grave problems.

In the Philippines, the Joseph Estrada administration, hounded by inefficiency and corruption, doggedly pursued the same economic thrust as previous governments, despite the pro-poor campaign line that ushered it into power.¹ The poor, who overwhelmingly put their faith in President Estrada, were buoyed by initial promises. The business community and the dominant church nervously awaited clear directions on economic policy, fearful of growing cronyism and flip-flopping decisions. The news media exposés of the inadequacies of the government ranged from the banal to the sublime. Foreign agencies like the International Monetary Fund (IMF) balked at what seemed to be a partial declaration of autonomy by some government economic managers as, for example, the insistence that interest rates be lowered.

But while charges of graft and mismanagement remained until President Estrada was removed from office, the economic direction settled back into the same development paradigm. In the Housing and Urban Development Department, which I headed for 15 months (1 July 1998 to 5 October 1999), the following radical changes in policy were undertaken:

- situating shelter within a broader national urban policy framework;
- earmarking 80 per cent of departmental budgetary allocations to housing for the poor;
- expanding options for the lowest-income households through efficient rental markets;
- strengthening co-operative housing and the Community Mortgage Programme²;

¹ Writing of this chapter was completed prior to the campaign to impeach President Estrada.

² The Community Mortgage Programme is an innovative system whereby informal settlers, with the assistance of an intermediary, called an originator, negotiate with the landowner. Once an agreement has been reached between the parties, the land is mortgaged to the government, the landowner is paid in full, and the settlers are required to reimburse the government over a period of 25 years at 6 per cent interest. For a fuller description and assessment of this programme, see the article by Berner (2001).

- reforming housing finance;
- localizing and decentralizing urban and shelter policy, with an emphasis on ecological balance;
- ensuring effective participation of the poor; and
- redefining public and private sector roles to ensure a better distribution of responsibilities and risks.

These changes were met with angry protests from a portion of the real estate business sector whose short-term interests were threatened. First, an emphasis on housing for the poor meant less profit. The profit margin in socialized housing is small considering that the ceiling for a house and lot package stands at 180,000 pesos (\$3,800). Second, the old programme involved minimal risks for developers. This is because the former Unified Home Lending Programme was designed in such a way that developers would build and market housing projects, package mortgage papers and pass this on to government which only did desk-top assessment. Developers got paid for the whole amount leaving the state with all the collection functions. Third, government-run pension funds were mandated to provide developmental loans and mortgages at below market interest rates, resulting ultimately in losses to the ordinary pension fund members. The new programme, on the other hand, was an attempt to create a more viable housing finance system that entailed a transparent subsidy programme for the poor. But for low-cost and economic housing, a policy environment was to be created with funds from the banking sector through a strengthened primary mortgage market and the setting-up of a secondary mortgage market. This meant that projects would have to undergo more professional assessment, and therefore take on the standard risks of the market. It also meant a reduction of the opportunities for corruption, because most decisions on which projects to fund would have been taken out of the hands of the bureaucracy.

While most of the top-level government decision makers, as well as foreign aid agencies, welcomed these policy shifts, they were diffident about confronting the self-interested groups. It was more comfortable for government functionaries to keep away from the fray, while foreign aid agencies refused to take a proactive stance by hiding behind the convenient policy of “non-interference”, though they were willing to voice their frustrations in private. Only a section of the World Bank took the bold step of immediately suspending negotiations for a major housing programme. Since the early 1990s the World Bank had taken a critical stance regarding past government housing policies. The radical policy revisions described

above, especially in the field of housing finance, were basically consistent with the Bank's perspectives. As such, the Housing Finance Technical Assistance grant-loan package was in the final stages of approval at the time of my resignation from the cabinet. In the final analysis, however, the political will for change gave way to the temptations of corruption and image building. Instead of pushing for policy changes, the lucrative practices of the old system, marked by bribery and other forms of graft, were re-established. Instead of viewing these policy changes as a legacy for a more sustainable housing system focused on the needs of the poor, government returned to using housing as a political tool, inaugurating projects to enhance the administration's political image even if this resulted in a further drain to government coffers.

The church, which has always stood for the rights of the downtrodden, continued with its worn-out advocacy of issues like family planning. It did not actively take up the cudgels for a reformed housing sector, perhaps because it was not equipped to keep up with the debates on the policy front. The media, on the other hand, highlighted the mud-slinging in the debate and at times heightened the fears of the poor through irresponsible reporting. Information about the changes was relegated to the inside pages of newspapers, while broadcast media often chose to adopt a sensationalist stance.

A large part of civil society—NGOs, people's organizations, academia, ideologically left-wing blocs and other voluntary organizations—were powerless in the face of these attempts to protect the *status quo* and resist the reforms. First, the micro perspective of the poor allowed them to view the changes only within the limited framework of their immediate needs. Second, NGOs could not keep up with the policy debates, especially those that were systemic rather than concrete in nature. Third, some ideological blocs could not wean themselves away from their consistent opposition to anything emanating from government. Fourth, academics did not seem to take much interest in either policy or research. Finally, there was a yawning gap between civil society demands (that were either very concrete or supremely conceptual) and the day-to-day requisites of change.

Pasig River Rehabilitation

The case of the Pasig River Rehabilitation Commission provides a concrete illustration. The Pasig River is the major waterway of Metro

Manila. It is a 27-kilometre stretch with dozens of tributaries that used to be the centre of economic, transportation and cultural activity. Today the river is dead. It is the dumping ground for domestic and industrial waste, the largest septic tank in the country. On its banks, on stilts in the river and underneath the bridges that traverse it are 10,000 informal settler families. Every administration for the past 40 years has tried to revive the river, and each has failed. The Estrada government decided to embark on an ambitious but attainable programme to resurrect the river (dredging, revetment walls, minimizing water pollution, etc.), relocate the settlers within the 10 metre easement, restore it as a viable means of alternative transportation, and create open spaces along the banks.

The determination to achieve what others had miserably failed to do meant creating a commission composed of cabinet members that would orchestrate the entire programme. Apart from government resources, the Danish International Development Assistance (DANIDA) and the Asian Development Bank (ADB) provided support. A crucial element was dealing with the settlers. Past attempts had resulted in protests, forcible and inhumane relocation to distant sites and, ultimately, the return of about 50 per cent of the people.

The commission began work in January 1999. A Housing and Resettlement Group (HRG), which I chaired, was immediately established. It included representatives from each of the affected local government units and representatives from the informal settlers and their NGO counterparts. The HRG arrived at consensus on a framework governing resettlement, re-validated a 1977 family census, agreed on uniform parameters for relocation, identified appropriate sites, scheduled each area for resettlement over a two-year period, and set up a monthly bulletin to provide accurate information to each of the communities. Among the innovations introduced were the following.

- Voluntary relocation: communities were provided with a choice of sites.
- Whole communities were brought to the sites before making their decision.
- Priority to in-city, then near-city relocation.
- To ensure transparency, the private sector was asked to submit already developed potential resettlement sites. Apart from the technical evaluations, the prospective resident had the final decision on the site.
- The settlers were given the option to submit their own resettlement plans.

- Every effort was made to ensure basic amenities and facilities—utilities, transportation, schools, health clinics and employment were present in each of the resettlement areas.
- Local Government Units (LGUs) were encouraged to keep the settlers within their boundaries or to contribute a set amount to the receiving LGUs if the settlers could not be accommodated in the city.
- A graduated lease-purchase scheme was set up, starting at less than \$10 a month.

Despite what seemed like a slow start because of the participatory nature of the process, almost 2,000 families had moved into new homes of their choice within 10 months. These were medium-rise buildings along a major highway and terraced houses in the periphery of Metro Manila. Relocation was voluntary, there were no acrimonious protests, and the cost of the sites was 15 per cent to 35 per cent lower than the market value. In one site where the schools were not completely in place, relocation was limited only to those families that could be accommodated, even though 2,000 more houses were ready for occupancy.

In hindsight, we could have done better. One major problem was the funds. The processing time for the ADB meant that funds were only available by the year 2000. And yet President Estrada demanded action based on an extremely tight schedule. At the same time, some communities, wanting to ensure getting the site of their choice, proposed moving even while the schools were still being built. Within six months of my resignation, there was already restiveness in both the relocated communities and the communities still to be resettled. The new housing head has effectively disbanded the HRG. The poor no longer have access to decision makers. During our term, there were regular meetings where the highest government officials would sit in dialogue with the poor. Although the HRG still meets on occasion, it is attended by government subalterns who do not have any decision-making powers. The identified sites for the Pasig River resettlers have become areas for other communities that have been forcibly relocated, the promised facilities have not been completed, and the people no longer have a say about the sites to which they would be transferred.

Not all the problems throughout this process came from government and foreign agencies. Academia was completely absent, when it could have provided much needed assistance through research and fresh insights. Some left-wing ideological blocs attempted to derail the process by raking up all sorts of fears—that

homes would be demolished without consultation, that families would be thrown into places where there were no livelihood opportunities, that people would be forced to live in substandard housing, that they would be made to pay exorbitant rates, etc. The media aggravated the situation by prominently featuring such accusations. The participatory nature of the HRG, however, helped leaders of the urban poor and NGOs to contain disinformation because the leaders themselves were part of the decision-making body. Although it was well worth it, the process was at times tedious and repetitive due to some extreme initial demands (for example on-site relocation with free land) and a lack of understanding of the complexities of resettlement.

The Role of Foreign Aid Agencies—The Seven Deadly Sins

The noble rationale for foreign aid is altruism—the responsibility of more developed countries to assist those with less. But in reality, much foreign assistance has degenerated into expressions of power and control. The dividing line between aid and business has been blurred. It is the reproduction of old colonial relations framed within a hypocritical rhetoric of democracy and philanthropy.

Foreign aid agencies undeniably promote economic development as their highest priority. Some espouse it openly while others hide behind the platitudes of sustainable development. Countries of the South that are in desperate need of funds are thus placed in the ironic situation of having to thank lenders and donors for funds that ensure the South develops according to the paradigms of the North. This integrates them into a global order in which poor countries, like the poor within them, are powerless.

The identification of projects and programmes is largely left in the hands of the “giver”, with the recipient having the illusory option to accept or reject. Countries of the South are in a double bind, with a choice over short-term gains for long-term pains, or short-term pains for long-term gains. Within democratic political systems each administration invariably chooses the former, if only for political survival. In the final analysis, it is the poor and the environment that suffer.

But beyond the basic issues of the development model that underpins foreign aid are practical realities that make the relation between givers and takers more onerous. In the 15 months I spent in government, invariably there were many occasions to deal with

various aid agencies in a number of different programmes. The negative experiences with them can be summarized into seven deadly sins, as follows.

Project pushers: The ideal relationship between aid agencies and government should be one where governments identify their priorities and approach aid agencies for support. In reality, due to budgeting and planning cycles, most projects start at the initiative of the aid agencies. For example, even before bilateral consultations with governments take place, project titles and relative budgetary allocations are already on the drawing board. The government has the choice of influencing the specifics of projects or simply rejecting the project outright. For developing countries, the former is the usual outcome. The project cycle begins with a mission or a concept paper, it then moves to technical assistance, usually by means of grants, which appear entirely altruistic. The agenda, however, is largely set by the aid agency. The technical assistance phase is generally contracted out to consultants hired and paid for by the aid agency, usually international firms. Since the technical assistance phase is usually a grant, it becomes easy to accept. But the result of the grant is a larger project that then needs a loan to fund it. By this time the country is committed to the project, and therefore to the loan that follows.

Bureaucratic straitjackets: The bureaucracy that has developed around aid is inflexible and expensive. No matter how much work has been put into consultations and project planning, foreign aid agencies require recipients to run the gauntlet of evaluations and project forms. I personally experienced an added stress to this inflexibility: at every step, there was an underlying suspicion that Philippine officials were either incompetent or cheats.

Parasitic expertise: A lot of money is spent on hiring foreign consultants who tap local expertise instead of establishing collaboration on an equal footing. And yet, much of the paperwork generated by foreign consultants is simply a re-hash of previous studies and plans. In many instances, government officials need to spend hours in briefing sessions in order to produce instant foreign experts on the Philippines, who are paid by the day more than we earn in a month.

Cultural blinders: Many foreign aid personnel and consultants regard the South as a homogeneous entity, perhaps believing in the infallibility of their expertise and the uniform nature of their subjects. Countries of the South are, therefore, forced to face an aid bureaucracy that is bereft of insight into our own uniqueness, which

is grounded in centuries of history. For example, during the Pasig River Rehabilitation Programme, the ADB insisted that the people could not afford the cost of the relocation site, based on the income survey we had conducted. We explained that the urban poor, based on previous research, generally understated their incomes, on purpose or because the informal nature of their income forced them to divulge only the minimum they receive rather than an average of fluctuating incomes. One of the consultants thought that this was easy to verify through pay slips or taxes, which were not available precisely because they were informal settlers who generated income from the informal sector.

Insensitive conditionalities: Because projects must run according to predetermined schedules and patterns, it is the poor and/or the environment that are ultimately sacrificed. Such as the structural adjustment programmes that insist on bitter pills, which compromise the quality of life of the poor, some urban projects dismiss the needs of the poor in order to meet demands of foreign funders. In one road-building project that required the relocation of hundreds of urban poor families, the donor insisted on the clearing of all settlers by a particular date, or else the funds would not be released. Because this was an infrastructure project, the donor was not concerned with the relocation of the poor. In order to meet the deadline, homes were forcibly demolished and families were relocated to a sub-human site, without basic facilities and livelihood opportunities, in time for the visit of the foreign donor.

Negative acculturation: Because most foreign aid agencies work through and with governments, these agencies have learned to work the system. Instead of insisting on professional relations, they have learned the arts of patronage and pulling strings in the background. A group of foreign consultants who were planning an urban poor programme came to see me about their mission. From the beginning of the meeting they seemed bent on simply going through the motions of consultation. As I was relatively unco-operative as well, they finally said that what they were looking for was a champion for urban development. I told them that my office was the highest policy-making body for housing and urban development. They agreed that this was so on paper, but also admitted that they had already spoken to the brother-in-law of the President because they knew that the Philippines operated more on relations such as this rather than on the formal channels as laid down by law. I was understandably incensed and dismissed them immediately. (Six hours later, they begged to see me once again, apologizing for the error of their ways.)

Direction without risk: Foreign aid agencies have the luxury of imposing projects while shielding themselves from any risks. On the financial side, loan repayments are, after all, guaranteed. On the human side, it is not they who will suffer the consequences. On the political side, foreign aid agencies hardly earn the wrath of those whose lives are negatively affected, since it is the in-country government that takes the flak. Because aid-givers have no accountability for the failures and the misery that may result from such projects, NGOs and urban poor organizations have learned to protest, not only to government but also to the aid agencies themselves. It is now standard practice to insist that donors take responsibility for their actions. Some headway has also been made to link up to civil society groups in the donor country so that they can pressure aid agencies in their own countries.

There are certainly many cases in aid programmes when these sins are avoided. I have had the benefit of working directly with people from foreign aid agencies who have undeniably had the best interests of the Philippines at heart. While there is much that can be done to reform foreign aid, however, it is still the countries of the South that must bear the burden of change.

The Challenges Ahead

A shift in our development paradigm is urgently needed. I do not refer to earth-shaking upheavals, but to resurrecting the importance of the rights of people and the environment. In our frenzy toward economic development, our macroeconomic policies and the short-term nature of political decision making have strained the carrying capacity of the earth and forgotten our caring capacity for the rights and needs of the poor. But beyond the platitudes that regularly mark our public statements, there are practical initiatives that can be introduced or strengthened.

Most governments have highly centralized systems for deciding on national policies, allocating resources and implementing programmes. Although we can all hope for national governance that is more responsive to the rights of the poor and the environment, we also know that the pressures of the dominant development paradigm are stronger at this level. Moreover, the specific realities on the ground are more distant from national agencies, despite the presence of local structures. Consistent with a bottom-up approach, and because of the growing complexity of urban life, decentralization to the local government level has the greatest potential to turn the

situation around. This requires that central government lay down the general directions, policies and regulatory framework, while local government units play a more proactive role in planning and implementation.

Here are a few actions that local governments could undertake immediately.

Minimum quality of life indicators: Social policies are the visible expressions of a caring government. We can start by creating measurable and verifiable parameters for non-negotiable minimum quality of life standards for each of our cities. Indicators must be formulated with the active participation of civil society. Indicators that are able to measure outcomes can serve as a social contract between local authorities and their constituencies because they relate to concrete action and defined accountabilities. For example, from baseline data on existing realities, quantifiable targets for the improvement of minimum quality of life indicators on housing, potable water, sanitation systems, welfare, employment, education and health can be regularly monitored. Instead of the rhetoric of promises, it is a challenge to responsible local officials to submit themselves to a regular rating based upon clear indicators of performance. But more than this, minimum quality of life indicators with a defined timetable can lay the bases for ensuring that the poor and the environment are given the highest priority in governance.

Learning from the poor: Expertise very often takes on an unconscious arrogance. Most public policy is formed without the participation of the poor. Many of our political leaders and technocrats unfortunately perceive the engagement of the poor as messy. On the other hand, civil society organizations tend to romanticize the poor, believing they have all the answers. Social policy can only be effective if decision makers draw from the wealth of knowledge and skills of the technical experts as well as from the poor. In the final analysis, a participatory process is the best guarantee for success.

Maximizing innovative initiatives: We do not need to re-invent the wheel. There are many innovative initiatives that can be strengthened and mainstreamed. The Sustainable Cities Programme of the United Nations Human Settlements Programme (UN-Habitat) and the United Nations Environment Programme (UNEP), and the City Development Strategies of the World Bank, although implemented in only a few areas, have had some positive results, especially in the area of community participation. In the Philippines, the Community Mortgage Programme, which allows informal

settlements to negotiate with landowners and purchase the land on which they live, has accomplished significant results. More than 100,000 families have benefited, with repayment rates significantly higher than the usual low-cost housing packages. Various micro-enterprise initiatives and co-operative movements in Asia have also shown that, given the opportunity, the poor can manage their own economic development. In the field of health and education, many NGO-initiated programmes are testimonies to successful alternative interventions. It is also worth emphasizing that all the successes can be traced back to the level of organization found in urban poor communities. Organizing and the accompanying increase in knowledge, attitudes, and skills of the urban poor is the base upon which poverty can most effectively be overcome.

Making the market work: In this era of globalization, it is naive to dream of poverty eradication without addressing the market. Business and finance have long been viewed as the antithesis of poverty. But, in much the same way as we have learned that we all share a finite earth, the corporate sector has also come to accept the reality that massive poverty is not good for business. The past few decades have seen a slowly emerging trend whereby more business conglomerates have moved from an almost total lack of concern, to charitable endeavours, to involvement in social issues and self-imposed quality of life standards. Governments must speed up this development by providing the atmosphere that would encourage access of the poor to the market. This can be done through enhancements like guarantees of, and incentives for, credit to the poor, as well as through transparent subsidies so the poor can afford the market.

Focusing on newly emerging cities: Although our megacities have developed into monstrosities due to lack of planning and simple neglect, we have the opportunity to avoid the same mistakes in the newer cities. Dramatic technological advances, especially in mass-transit and electronic communication systems, make it possible to create centres of governance, business and culture that need not be congested within tightly confined geographic areas. It is therefore imperative that local authorities in newly emerging cities muster the political will to anticipate the future and plan their cities beyond their terms of office.

Today those who are in a position to lead can either repeat the mistakes of the past or can help to shape a better future. I am confident that local authorities, with the effective participation of business and civil society, can make a difference for the poor and our

environment. With the assistance of multilateral institutions along with urban researchers, all it takes is the political will to go against the grain of tradition and the daring to care for the poor, the environment and the future.

References

- Berner, E.
“Learning from informal markets: Innovative approaches to land and housing provision”, *Development in Practice*, Vol. 11, Nos. 2/3, 2001.
- Independent Commission on Population and Quality of Life (ICPQL)
Caring for the Future: Report of the Independent Commission on Population and Quality of Life, Oxford University Press, Oxford, 1996.
- World Health Organization (WHO)/United Nations Environment Programme (UNEP)
Urban Air Pollution in Megacities of the World, Earthwatch: Global Environment Monitoring System, Blackwell Publishers, Oxford, 1992.