

LITERATURE REVIEW OF POVERTY AND URBAN
DEVELOPMENT INDICATORS

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BACKGROUND

Homeless International is a UK based charity that supports community-led housing and infrastructure related development in Asia, Africa and Latin America. Homeless International recognises that poor communities can and should play a lead role in their own development. Homeless International therefore supports community-led processes which strengthen poor communities in their ability to gain access to adequate land, housing, infrastructure and finance for settlement development through designing, implementing and managing their own processes. One of the ways in which Homeless International seeks to add value to its partners' work is through collaborative research which seeks to explore long term solutions to poverty and address issues which their partners have identified as important.

Homeless International is currently developing a research project that will look at assessing the impact of investment in urban infrastructure, rehabilitation and resettlement on poverty alleviation from the point of view of various stakeholders in the process.

This paper represents a key part for developing this research proposal. It reviews the literature on poverty and urban development indicators from which it proposes possible avenues for further research on indicators that should be relevant in the work of Homeless International's partners for strengthening community-led processes in the low-income areas of the city.

ABSTRACT

Despite its well-documented limitations, the income-based poverty line still prevails in the development discourse as the major conceptual tool for the qualification and measurement of poverty. In order to gather a more subjective perspective of what poverty is, and what its causes are, alternatives do exist, such as the Entitlement Perspective, the Sustainable Livelihoods theory and concepts of vulnerability.

Looking at poverty in the city using such alternative conceptual tools helps to focus on aspects of poverty that income-based poverty lines are unable to acknowledge: lack of basic services, such as water & sanitation, garbage removal, transport, health care, access to education and accessibility to the labour market, adequate law enforcement and protection from environmental hazards.

Indicators tend to reflect this omnipresent emphasis on income-level. They tend to be ‘objective’, ‘quantitative’ and ‘exogenous’. Housing-related indicators follow this trend as well and lack relativity and subjectivity with their obsession with rankings. As a result they fail to tell us much about the causes and the processes of poverty. Furthermore these ‘orthodox’ approaches see poor people as placid end-users of indicators but not as the necessary and unavoidable parties to their identification they ought to be. This powerful exogenous and quantitative paradigm imprisons us in a perspective that fails to highlight the dynamics at work within poor communities and thus prevents us from identifying and supporting their efforts.

In order to contribute positively to community-led attempt to improve their livelihoods, concepts calling for other sets of indicators are necessary. There is a need to look at the interconnectiveness of the political socio-economics of housing and at the dynamics of the numerous relationships at play between the different stakeholders of the urban development drama, principally the people, the politicians and the developers.

The struggle for land represents the core around which these relationships of power and conflicting interests revolve. To reflect ground level socio-economic politics, indicators need to translate these power relationships to help identify their inequities so that support can be provided where it is needed.

Homeless International by its experience with community-led organisations and in partnership with them is in a privileged situation to carry on the research needed for the crafting of such indicators. These should be established through a dialogue between the people themselves, and discussed between the different partner organisations.

I. INTRODUCTION

The Fallacy:

- The first step is to measure whatever can be easily measured: This is ok as far as it goes.
 - The second step is to disregard that which cannot be measured or give it an arbitrary quantitative value:
This is artificial and misleading.
 - The third step is to presume that what cannot be measured easily is not very important: This is blindness.
 - The fourth step is to say that what cannot be easily measured really does not exist: This is suicide.
- A Smith, *Super Money*. From Jodha, 1988, p.2421

Ever since the early 1900's, measurements of poverty have traditionally followed an economic approach based on income and consumption levels. Over the last decades social scientists have criticised this approach and have produced an impressive amount of work presenting alternative definitions and ways of measuring poverty. However, much of the poverty indicators used to this day are still imbedded in this income/consumption paradigm, while fieldwork undertaken so far on alternative indicators have been primarily carried out in rural areas.

Poverty can be looked at in absolute or relative terms and using objective or subjective perspectives. Deprivations can be of a physiological nature or of a sociological nature. In any case the roots of poverty are situated in the "underlying structural inequities and inherent disadvantages"¹ that are at work in any social make-up, and therefore is a socio-economic and political phenomenon. In the power play continuously taking place within any society, the perspective of the strongest often becomes the imposed norm. Definitions and approaches to poverty follow this rule, so that it is the perspective of the powerful that usually takes precedence over the perspective of the main actor in the poverty drama, i.e. the poor themselves.

Homeless International and its local partners are concerned with community-led urban development. In view of what has just been said, it is not surprising to find that the 'orthodox' indicators compiled and used by state's ministries and multi-lateral agencies do not reflect outlooks and priorities shared by the poor and their organisations. There is therefore a need for these organisations of locally specific indicators to help them in their work, to identify where to concentrate their efforts and to monitor the results of such policies they would have chosen.

In order to shape such indicators, this paper presents an overview of the critics of income based poverty line indicators, and of the existing alternative concepts that have appeared over the last decades. It argues that despite these concepts having been around for many years, their practical applications at the urban level have so far been neglected, although they may form a starting point

¹ Lok-Dessallien, p.4

for further discussion amongst Homeless International and its partners. It concludes that there is a need to follow up by urban fieldwork some of the avenues opened up by the critics of the income/consumption paradigm in order to develop alternative and urban specific sets of poverty indicators. These should help in assessing the impact of policy measures and investment in urban infrastructure, rehabilitation and resettlement programmes from the point of view of the various community level stakeholders. These include Homeless International's local partners concerned with community-led development processes.

II. CHANGING APPROACHES TO POVERTY

Throughout history mankind has had to come up with words and concepts to represent poverty, and all societies have had to develop ways to come to term with it, accommodate it, or eventually control its social and economic consequences, by force if necessary. Concepts of poverty therefore reflect their times, and from the descriptive social approach of 19th century Europe we have moved, with the industrial revolution, the advent of capitalism and the rapid urbanisation and proletarianisation of the masses, towards a quantitative and economic focus. Rowntree's work on urban poverty in the English city of York may be the first "modern" attempt at developing poverty standards at the household level, based on estimates of nutritional and other requirements². This paved the way for the income/consumption based poverty lines that many agencies affectionate so much to this day.

However, this approach has severe limitations and many critics have developed alternative concepts to determine and measure poverty. However, despite these constructive criticisms, we find that the income-based approach still represents the most powerful paradigm to poverty measurement within the development arena.

1. The Income-Based Poverty Line Approach

The present emphasis on income level, Gross National Product per head, macro-economic development and growth is mainly a post 1945 phenomenon. It coincided with the de-colonisation of what was to become the 1/3 World³, the strengthening of multi-lateral agencies, such as the U-N system and the Bretton Wood institutions, and the ideological political and military struggles of the Cold War. The commitment of multi-lateral agencies against poverty took on a higher profile in the 1970's as humanitarian crisis became increasingly mediatised and as hopes and aspirations brought about by independence were being deceived. It also provided, in the context of the Cold War, a non-communist alternative for development and poverty alleviation. At the same time some of these agencies, such as the International Bank for Reconstruction and Development (I.B.R.D or World Bank) and the International Monetary Fund (I.M.F) needed to define a new role for themselves further afield from their original post World War II mandate.

² Maxwell, 1999, p. 3

³ The term 1/3 World was originally coined in French in the 1950's. It referred to the oppressed 1/3 estate on the eve of the French Revolution (See Hadjor, 1992). English, unlike French, does not distinguish phonetically between 1/3 and 3rd, so that translated into English the term Third World loses its political and historic connotation to become an unfavourable ranking. I have therefore chosen to write it as 1/3 rather than Third World.

The international and national agencies have long favoured the use of income poverty line to assess the extent of poverty. As these agencies somehow sit on top of the political hierarchy of the development arena, it is not surprising to see that the use of income-based poverty indicators still remains the best-publicised mean of assessing poverty. The most general and abstract income based indicator is certainly represented by the hegemony of the World Bank's \$1 per day per person poverty line. It is applied equally to all low and middle income nations, so that a town dweller in Rio or a peasant of rural Mali is equally defined as poor or not poor whether he/she is below or over this \$1 income per day threshold. Income-based poverty lines are also applied within countries and are extensively used by national governments to evaluate and monitor national incidence of poverty.

2. The Limitations of the Income-Based Poverty Line

Estimates on the number of urban poor vary from 130 million to 600 million⁴ depending on the approach and types of indicators being used. Satterthwaite and Jonsson argue that the World Bank figure of 495 million urban poor⁵ is seriously underestimating the scale of urban poverty as it infers that *“three quarters of the urban population are ‘not poor’”*. They put forward two essential factors behind this consistently under-estimation of urban poverty:

- *“The ‘income-level’ at which income-based poverty lines are set are unrealistically low in relation to the costs of essentials in urban areas so they under-estimate the proportion of urban dwellers who have income too low to meet their needs; and*
- *Estimates are based only on the number of people who fall below an income-base poverty line with no account taken of the number suffering from other forms of deprivation (including lack of assets, poor quality, overcrowded and often insecure housing, lack of basic infrastructure and services, lack of civil and political rights...).”*

These disparate evaluations of the extent of urban poverty expose the problematic surrounding issues of objectivity and neutrality of indicators. The concept of poverty one chooses to follow eventually determines the type of indicators one will use. The choice in the approach to poverty to favour will reflect the interests of the most powerful stakeholders involved in the politics of development, thus seldom representing the priorities of the poor.

Madhura Swaminathan's work in Bombay, using data provided by SPARC, demonstrates how income poverty line indicators failed to expose adequately the scale of poverty. In 1989, 27

⁴ Satterthwaite, 1997

⁵ Satterthwaite & Jonsson, 2001, p. 1

percent of the Bombay population was statistically falling below this poverty line, although more than half of the city's population lived in slums or was homeless⁶. Furthermore, according to these indicators, 55 percent of homeless and 30 percent of slum dweller were identified as being 'poor': Should we take this to mean that 45 percent of homeless living on the pavements with no toilets, no home, and life threatening environmental conditions are not poor?

Income-based poverty line indicators do not only underestimate poverty but also misrepresent its trends over time. Many case studies have contradicted tendencies away or towards poverty as reflected by income level indicators. Swaminathan's research also revealed that moving either side of this income poverty line through time had not translated into any relevant change in the basic conditions of life and work of the homeless and the slum dwellers surveyed in Bombay. In Jodha's article⁷ comparing levels of poverty in the 1960's and the 1980's in two villages of Rajasthan, households identified as getting poorer using income level indicators were perceived as being better off according to participatory and qualitative indicators.

Despite its shortfalls, proponents of this type of indicators argue that they provide a single, absolute, simple and universal criteria that facilitates cross country comparisons and the monitoring of the fluctuation of the incidence of poverty. But we may ask ourselves how relevant and reliable and of what use can such indicators be for policy makers if they fail to adequately picture the characteristics, causes and extent of the poverty they set out to evaluate. Furthermore, income level poverty line indicators do not identify the capacity of the poor to achieve access, they do not convey the different local characteristics which mould what the priorities are for the poor nor do they describe the relative poverty and the extent of income inequality experienced locally.

Questioning the validity of this approach drove Satterthwaite and Jonsson to conclude that: *"(income-based poverty indicator) has no validity unless it accurately reflects the income level that an individual or household needs to avoid poverty in their particular neighbourhood (whether it is a village, small town, city or large metropolis)"*⁸

3. The Alternatives to the Income-Based Poverty Line Approach

Although income level macro-economic indicators remained the main paradigm over the 1970's, 80's and even 90's, much literature had been published all through these years that challenged it. In the UK, Townsend introduced the concept of relative poverty in opposition to notions of absolute poverty and as such defined poverty *"Not just as a failure to meet minimum nutrition or*

⁶ Swaminathan, 1995

⁷ Jodha, 1988 & Lok-Dessalien, p. 14

subsistence levels, but rather as a failure to keep up with the standards prevalent in a given society."⁹ In the mid 1970's, the International Labour Organisation (I.L.O.) shaped the concept of "basic need": poverty could not be defined just as a lack of income, but also as a lack of access to health, education and other social services.

But it is really in the 1980's that approaches to poverty became more encompassing. The work of Robert Chambers made concepts such as participation; powerlessness; isolation; vulnerability; security; assets; social capital; sustainability and livelihood parts of the vocabulary of poverty alleviation. Previously the work of Amartya Sen had brought us notions of entitlements and had "*emphasised that income was only valuable in so far as it increased the capabilities of individual and thereby permitted functionings in society*"¹⁰.

We thus have now not only 'objective' definitions of poverty, but also the acknowledgement of the need to take 'subjective' definitions of poverty into consideration and notions of physiological and sociological deprivations. Simultaneously gender also became a focus of study within the poverty debate. From a somehow disconnected and static view of "women in development", we moved towards looking at the dynamics of gender relations within development processes: "gender and development". In a nutshell, alternatives to income-based level concepts of poverty are relative instead of absolute, participatory instead of universal, subjective instead of 'objective' and dynamic instead of static.

a) Human Development Index

The United Nation Development Program (U.N.D.P.) tailored its concept of Human Development, and promoted, as an alternative to strictly economic indicators, its Human Development Index (H.D.I) that encompasses many other criteria of well being on the basis of the following definition of poverty:

*"The denial of opportunities and choices...to lead a long, healthy, creative life and to enjoy a decent standard of living, freedom, dignity, self esteem and the respect of others..."*¹¹.

More recently the notion of social exclusion and marginality, that had appeared in Europe in the late 1970's, is starting to be applied to the experience of 1/3 World poverty: Exclusion from democratic and legal systems, markets, state provisions, communities.

⁸ Satterthwaite & Jonsson, 2001, p. 2

⁹ Ibid.

¹⁰ Ibid.

¹¹ Maxwell, 1999, p. 3-4

b) The Entitlement Perspective

The entitlement perspective presents poverty as ultimately being a failure to access resources. The causes of this failure have their roots in the socio-political processes that determine who has and who has not access to resources and to what extent. From his studies on famines, Sen concluded that they occur not because of macro level deficiencies in food availability, famine do take place in times of relatively good harvest, but because people did not have command over access to food¹².

The entitlement perspective draws attention on the command over resources that an individual may hold within his/her social environment. As such it ultimately focuses on the social relations that control people's access to these resources and defines poverty as a lack of endowments and exchange entitlements towards them. At household level the politics of entitlement also takes place, between gender and age group for example¹³, and thus Sen's work offers a way to desegregate household poverty, most notably to incorporate politics of gender entitlements within families.

c) Participatory, Vulnerability and Sustainable Livelihoods Approaches

Participatory means, at first developed from rural-based experiences, helped to gather more qualitative and subjective information from the poor's perspective and away from the sole overpowering perspectives of outsiders and professionals. It brought insight into the processes by which poor become poor and remain so. Participatory means have helped to convey some of the diversity and complexity of the experience of poverty so that the poor ceases to be a monolithic static and impersonal individual to become an active actor of his/her life who makes choices to optimise his/her livelihood.

Thus there are other aspects of poverty than just income levels, and other dimensions of deprivation than lack of economic impoverishment such as: social inferiority; isolation; physical weakness; powerlessness; lack of access to knowledge and information; social dependency; humiliation; psychological harm; vulnerability.

Ultimately, vulnerability is the lack of means to cope with shocks stress and risks without damaging one's longer-term livelihood potentiality. A livelihood depends on the assets held by the individual and how successful he/she is at optimising them in the given circumstances that he/she faces. Poor are in the permanent process of adapting their strategies to optimise trade-offs between income and security, what Chambers refers to as 'fox strategy'¹⁴.

¹² Sen, 1981

¹³ See Kabeer, 1994, p.140-141

d) The Institutional, Professional and Personal Challenge¹⁵

In order for participatory approaches to be anything more than just empty rhetoric, there needs to be a change in the way institutions function and professionals think and behave. Institutions need to come to terms with the fact that “*ownership by them means non-ownership by us*” and that “*empowerment for them means disempowerment for us*”.¹⁶ An institutional change in the gender, cultural and occupational make up of the work force within development agencies is a prerequisite for any real change in their approach to poverty to take root.

Similarly, the professionals’ orientations, values and concepts need to be challenged to let us be more open to alternatives and away from the over-powering and imprisoning paradigms that direct and dictate what our path of thoughts ought to be.

At last the challenge is a personal one. The extent to which a participatory appraisal will really be participatory depends first and for all on the personality, perceptions, values, commitment and behaviour of the professional on the ground and the way he/she relates with her/his environment¹⁷.

The vulnerability approach eventually opened the way to concepts of Sustainable Livelihoods. A livelihood is deemed sustainable if “*it can cope with, recover from and adapt to stresses and shocks, maintain and enhance its capabilities and assets, and enhance opportunities for the next generation*”¹⁸. The notion of empowerment also derives from the livelihood approach and it represents one of the single most important assets for the poor to assert their rights to a decent livelihood. We will look at some of the practical avenues opened by these approaches while looking more specifically into poverty in the city.

¹⁴ Chambers, 1995

¹⁵ Chambers, 1995, p.197

¹⁶ Ibid.

¹⁷ Ibid., p. 198

¹⁸ Chambers, 1992

III. POVERTY IN THE CITY

Today, about half of the world's population lives in cities while only 10 per cent did so in the mid 19th century. U.N.C.H.S. projects that *“during the period 1990 to 2030 the population of urban areas will have grown by about 3.3 billion, 90 percent of which will accrue to cities of developing countries”*¹⁹. The growth has been rapid and represents a challenge for the urban populations, policy makers and professionals in cities world-wide. Despite the scale of the task we are faced with, it is only recently that the attention of researchers, multi-lateral and international organisations has turned more specifically to the urban dimension of poverty.

*“Understanding poverty in metropolitan cities requires an understanding of how these cities exist as arenas of complicated and conflicting economic processes that are both local and global”*²⁰. These economic processes are themselves inextricably linked with similarly conflicting local and global social and political processes. Indicators of macroeconomic performance therefore cannot adequately reflect the complexities of poverty in the city. They even may be misleading, as highly aggregate economic statistics do not take account of the increasing segregation that takes place between rich and poor and the exclusion and marginalisation of the poorer away from the commercial, political, educational and industrial circles of the city²¹. A city might have good overall economic indicators that would not reflect the extent of deprivation and marginality experienced by parts of its population.

Differences in the provision and quality of basic ‘public’ services, the perception of fear and of insecurity, the lack of access to safe and secure housing and the political marginalisation of poorer areas from urban governance are key factors to be taken into account for an understanding of urban poverty.

Another important aspect is the nature of the relationships at work between the different protagonists. Poor communities ‘naturally’ organise themselves in an attempt to address common problems that they face, usually getting together around housing related issues. However, their capacity to negotiate with local authorities, financial institutions or the informal sector is often limited.

If we accept that *“poverty...relates to ways in which different groups influence public policy”*²², there is a need to look further and into the power relationships at play within the complex social

¹⁹ UNCHS, 1997, p.5

²⁰ Benjamin, 2000, p. 35

²¹ Dockemdorff, Rodriguez and Winchester, 2000

²² Benjamin, 2000, p.54

and political framework of the city and the ways in which groups form and function. It only then becomes possible to identify weaknesses upon which to eventually direct support.

1. The ‘Urban Bias’ in Development

Up to the 1970’s precepts according to which urbanisation and industrialisation could provide the necessary development that was needed to tackle poverty took precedence. The result was that development programmes implemented during this period tended to favour large-scale urban investments. As it became increasingly obvious that growth had not trickled down to the rural masses that way, this ‘city bias’ became blamed for the enduring rural poverty: “*rather than solving the problem of poverty, urban centres were depriving rural areas of infrastructure and resources*”²³. This viewpoint remained influential within development agencies until the 1990’s and many programmes and policies were reoriented towards alleviating rural poverty during this period, to the detriment of the cities.

2. The Return of Urban Poverty on the Development Agenda and the Rise of the ‘New Economy’

The speeding up of urbanisation: 28 percent of the world’s population lived in cities in 1975; 37 percent in 1994 and 50 percent in 2000²⁴, coupled with the effects of structural adjustment programmes, the exacerbation of environmental degradation and the increase in the absolute number of urban poor have contributed to a re-examination of urban poverty related issues in the late 1980’s.

The political and institutional setting is very different now from what it was in the 1970’s. We have moved away from the post independence paradigm of nation-state and centralised government responsible for an integrated model of planned development based on ill-adapted European urban paradigms.

At present the situation is characterised by the informalisation of the economy, notably in the labour and housing sectors, the supremacy of free-market and free trade capitalism, the growing influence of transnational companies, international agencies and donors at the expense of national and local governments and their elected representatives, where and when they exist. From a culture of planned development we have moved towards a culture of development projectisation within a highly informal and unregulated environment.

²³ Wratten, 1995, p.19. Also see Lipton, 1977.

²⁴ de Haan, 1997, p.2

These political-economic changes have weakened the role of the institutions of the state involved in urban planning and development. They also have resulted in the transfer of the prerogative of the state and local institutions in matters of planning and development to NGOs and CBOs on one side and transnational companies and multi-lateral agencies on the other. These trends have resulted in shorter term autonomous development projects taking over the previous longer term integrated planning paradigm and thus have led to an increasing projectisation of people's lives. People have become placid 'recipients' of such programs, and have typically no say in their set up and their implementations.

These changes have had serious repercussions in the management of 1/3 World cities and in the way we need to apprehend and respond to their development-related issues, notably issues of empowerment, as the centres of power become increasingly elusive. Although acknowledging these changes, professionals have not adapted their policies to this new environment. Many urban programs are implemented as if state institutions were still in control and without taking account of the massive informalisation of the economy and of city governance. The result is that they fail to take account of what often amounts to more than half of the city that is not reflected in the official statistics.

The structural adjustment programmes imposed by the Bretton Wood institutions have hit the urban poor disproportionately. They caused food and basic services price increases, industrial and public sector job losses and a sharp decrease in public expenditure²⁵ that leads to the undermining of the planning and governing institutions of cities. This has led to a decrease in the provision of basic services such as health, sanitation, education and transport. They have also resulted in the removal of protection to local and informal sector industrial production, while privatisation of public services, notably in the spheres of education and transport, have the effect of increasing the rich-poor divide while decreasing the asset-based potential of the poor to manage a more sustainable livelihood.

Parallel and interrelated with these institutional and economic changes, the social make up of the cities also underwent drastic changes in a very short time. People have adapted to the 'new rules of the game' and their aspirations have adjusted. Consequently, the city has tended to become more complex, heterogeneous and split between those who have access to the benefit of the new economy and those who are becoming ever more marginalised as a result of it.

²⁵ See Wratten, 1995, p.19; Kanji, 1995; Jenkins, 2000; de Haan, 1997, p.2

Professionals often fail to take these factors into account, even more so within the growing ‘project culture’. Many are still embedded in negative and preconceived ideas²⁶ about the city and have a tendency to oppose rural against urban poverty in a neat dichotomy while, ironically, many researches carried out in rural areas have had their conclusions superimposed on the city. All these factors have concurred to misrepresent the specific dimension and characteristics of urban poverty by simplifying its picturisation and over-viewing its dynamics. This has also led to obscure the common global macro-level issues it shares with rural poverty and poverty in general²⁷. It is not surprising therefore to witness that urban poverty indicators have so far failed to acknowledge these complexities.

The expansion of the neo-liberal ideology with its structural adjustment programs and the ensuing informalisation of the economy, coupled with growing evidence that macro level growth did not trickle down or was not sustainable or just did not happen, highlighted the need for alternative new ways to qualify and quantify poverty. Although alternatives to strictly economic approaches to poverty measurement have been acknowledged, at least in principle, by most multi-lateral agencies, NGOs and professionals at large, the changes that they imply are seldom reflected in urban policy making and urban program implementation. As most of the original fieldwork that gave rise to these concepts had a rural focus, there is a lack of specifically urban research on issues of poverty measurement and monitoring within the ‘modern’, ‘informal’ and ‘neo-liberal’ city.

3. Poverty and The Lack of Provision of Basic Services

The gap between official income-based poverty lines and the income needed to avoid ‘living in poverty’ can be particularly high in the urban setting²⁸. Many basic services that may be taken for granted in high income nations and higher middle class groups in poorer nations are not accessible or not benefiting the poor of most 1/3 World cities. The lack of provision of services or infrastructures such as water and sanitation, garbage collection, efficient transport system, free or affordable health care and education, accessible formal housing and a working police and judicial system represents an additional burden for the poor that has to find alternative providers for these services or do without them.

The provision of basic services directly impact on the quality of life of the poor and on their physiological and social assets so that the poor will bear the consequences of their insufficiencies. On the other hand, where some of these services are made accessible and affordable, they

²⁶ U.N.C.H.S, 1997, p.5

²⁷ Satterthwaite, 1997, p.9-23

²⁸ Satterthwaite & Jonsson, 2001, p.5

represent a “Hidden Income” as their provision can lower the income level required by a household to “avoid poverty”²⁹.

a) Water and Sanitation

Basic services such as water and sanitation facilities are rarely provided to the poorer people of 1/3 World cities who typically live in informal settlements. As a result they have to rely on other means to buy water and usually at a very high cost. This alone might typically represent 10 to 20 percent of a household income³⁰ or even higher. This means that they cannot afford the amount of water that is needed to keep a satisfactory level of hygiene, thus accentuating risks of diseases, ill-health and premature death and the extra burden these cause, especially in situation where access to health care and medicine may be out of their financial reach.

The low quality of water also often infers that it needs to be boiled before consumption with the health hazards, fire or asphyxia, associated with using kerosene or wood inside the house. Many poor cannot afford the added ‘energy’ cost of boiling water and thus expose themselves to water born diseases and their associated day wage losses. Lack of proper sanitation means that house sewerage is directly discharged in the neighbourhood with, once more, the associated health risks. In cases where pay as you use toilets may be available, the cost of using them may be too high for many and the waiting too long, so that people would still have to defecate outside.

b) Garbage Removal

The lack of provision for garbage removal similarly exacerbates health risks faced by slum dwellers, and the proliferation of polythene bags may destroy attempts made at improving sanitation as they block drains and sewerage. The large informal and unregulated recycling industry produces highly toxic pollution and very hazardous working and living environments. These recycling activities often take place within or on the edge of lower-income slums, and represent a major source of employment for the people living there.

c) Transport System

The squatter settlements where poor people live are often situated on the outskirts of the city, whereas their source(s) of livelihood tends to be nearer city centres. As a result the poor may heavily depend on public transport to commute to and from work and the associated costs typically represent an important part of their income. The time, stress and health strain of using often inadequate public transport, or alternatively to walk long distances, have a negative effect on the livelihood opportunities of the people, and on their quality of life. This is to the extent that many

²⁹ Ibid., p.8

³⁰ Ibid., p.6

people living in shacks on Bombay's pavements do so to be nearer their income opportunities as they could not bear the cost of commuting to the centre from surely better but further out of town accommodation³¹.

In a study carried out in Karachi³², it was estimated that transport fares typically represent 10-20 percent of people's income in squatter settlements, for a service that was not adapted to their needs. To remediate to this, the poor cannot organise themselves independently as they might do for the provision of other basic services such as with water or electricity. Transport policies are a matter of long term city-wide urban planning, and are such communities need to gather planning, technical and political lobbying expertise to influence policymaking.

d) Health Care & Hazardous Living Conditions

The urban environment is characterised by high living densities, high housing cost and competition for land. In this competition the poor invariably end up in the most environmentally dangerous areas that are frequently prone to flooding and landslides, situated in old quarries or along open drains and often contiguous with industrial sites. Such conditions are putting their health, and therefore their livelihood, at risk. Industrial pollution, noise pollution, the lack of proper sewerage and water distribution coupled with poor quality shelter situated within high density and insecure areas, the lack of basic services and infrastructure, the stress associated with all the fears of an uncertain life all concur to curtail the chance of the poor in building their asset base and to adequately sustain a livelihood.

These environmental factors greatly increase the rate of illness within low-income settlements, diarrhoeal diseases, for example, being up to hundreds of times more common than within middle income groups³³ in the same city. The poor rely far more on physical efforts to earn their living and to cope with their daily necessities than better off groups. Bad health represents a major burden for the poor, as a loss of income as well as for the extra spending on health care it represents.

The retreat of the state from the provision of accessible health care services and the increasing privatisation of such services have meant a major loss for the poor who often cannot afford medicines. Bad health may be the start of the vicious circle of indebtedness poor find very hard to extract themselves from. Repayments may represent a significant proportion of their income. The repeated cost of funerals in instances of high mortality rates may also represent an important burden for the poor.

³¹ Ibid., p.6

³² URC, p.226

Private doctors are mostly concerned with curative medicine and are usually not interested in preventive medicine. They might not liaise with government programs for the propagation of basic health and hygiene advocacy. In the low-income settlement of Orangi, in Karachi, after the population successfully established a self-built and self-financed sewerage system, the infant mortality rate dropped from 128 per thousand to 37 per thousand³⁴, pushing doctors out of the town as business plummeted.

e) Education & Vocational Training

Education represents a major asset for the poor, as do vocational training. In the changing socio-economies of many 1/3 World cities, one increasingly needs to gather the tools necessary to understand the growing complexities of his or her changing social, political, economic and labour environments.

As is the case with health-care, access to education has become increasingly monetised in the last decades. The state has withdrawn from the provision of free schooling thus particularly hitting the poorer sections of society. The cost of education represents a high and increasing proportion of the expenditure of low-income households³⁵. It might be difficult to get a place in government schools or these may be situated far away from low-income settlements that are often comparatively recent and informal and as such are not recognised by local or governmental authorities.

Even when entry to school is free, the associated costs, such as transport meals or books, may be too high for poorer households to afford. The loss of income associated with the work of the child, within or outside the house, is also born by the family. An older sibling at school may also mean that a younger one cannot be looked after while the parents are working outside the home with associated problems and expenses.

f) Adequate Law Enforcement & Bribes & Harassment

The poor are typically less protected by the law and from the law. Laws and regulations aimed at protecting people's rights, notably from violence, discrimination and exploitation, are most often inadequately applied to low income groups. On the other hand these groups often have to pay the consequences of these laws and regulations when they are applied against them, such as in cases of evictions. Furthermore, the poor might have to pay bribes to law implementing agencies, i.e. the police, in order not to be evicted from a land, or to carry on their income generating activities.

³³ Satterthwaite & Jonsson, 2001, p.14

³⁴ Hasan, 2001, p. 7

³⁵ Ibid., p.6

There is a need for people to be informed on the rights and to organise themselves to assert them. This is especially important in regards to the struggles for land and again evictions that poor repeatedly have to fight. In some cases marginalised quarters of town have become violent and outside the law, with security becoming a most urgent issue.

4. Poverty and the Labour Market

Employment might be the highest determinant of urban poverty as it is the position within the labour market that determines levels of poverty.³⁶ It could therefore be argued that it is the rigidities (in social terms, not in Neo-Liberal economic terms) in the labour market that entrave the potential of the poor to get out of poverty. The growing casualisation of the labour market has been shown to be the most important cause of urban poverty.³⁷

Amis³⁸ proposes to look at urban poverty not as a result of urbanisation, but as the result of the process of proletarianisation that he defines as being “*the extent to which an individual’s subsistence depends upon a cash wage*”. In his view, there are wider societal forces that are determining these apparently urban issues making him to suggest that “*what were previously considered urban problems, such as crime, unemployment and poor housing are really problems created by capitalism*”³⁹

Through this outlook the labour market, rather than urbanisation per se, becomes the starting point for looking at the problems of the city. Different issues of poverty such as lack of access to education; cultural and social barriers; ill health; location can be looked at and taken into account using this perspective as all these issues influence and are influenced by the unequal position of the poor within the capitalist labour market and other structural inequities within society at large.

This approach is relevant to today’s growing recognition of the negative economic effects structural adjustment programmes have had on urban poverty. The idea that the informal sector could indefinitely absorb unemployment has been heavily promoted since De Soto’s influential book on the informal sector, “The Other Path”⁴⁰. However the ‘miracle’, if it ever was one, has some limitations. In the current crisis facing many 1/3 World economies and in situations of saturated market, intense competition and higher unemployment, the informal sector is pushing down wages and incomes without absorbing the extra manpower.

³⁶ Amis, 1995, p.151

³⁷ Harris, 1989 in Amis, 1995, p.151

³⁸ Amis, 1995, pp.147-148

³⁹ Ibid.

⁴⁰ de Soto, 1981

5. Synthesis of the Different Aspects of Poverty Reduction

Table 1: “Different Aspects of Poverty Reduction” is adapted from Satterthwaite 1997, pp 17-18. It sums up the different aspect of poverty reduction. Adds-up made in the scope of this report are in *bold italic*.

Increasing Income and/or Assets	
A job through employment creation	Where successful, these bring new jobs (<i>and new types of jobs</i>) and/or enhanced incomes, although external support must understand local constraints on new enterprises being able to generate adequate incomes. Within a stagnant economy with a considerable proportion of the workforce working in activities which generate very little income, there may be little possibility for such enterprises. There may be considerable potential for linking employment creation for low-income groups with public works to improve water supply, provision for sanitation and drainage, improved roads and all-weather paths, health care centres etc (Wegelin and Borgman 1995) or with staffing new or improved services (e.g. schools, day care centres, health promoters).
Credit for small-scale or informal enterprise (need for intermediate organisation to redistribute credit locally)	Examples of credit and support for informal enterprises include the work of the Carvajal Foundation in Cali (Colombia) (Cruz 1994) and of Praja Sahayaka Sewaya in Sri Lanka (Gamage 1993). There may also be considerable potential for linking income generation and better generation and better collection and management of garbage in various cities (Furedy 1992). Credit for small-scale enterprises must respond to women’s needs and priorities, as well as men’s. <i>Need to look at collective credit and savings and how they link up.</i>
Education, literacy and vocational training	In general, these should increase income-earning capacity as well as providing other advantages. In many countries, biases against women in education and vocational training will need to be addressed. The barriers to education for low-income households caused by the introduction of school fees or their increase or the increase in other education costs (for instance of school uniforms or examination fees) have to be addressed (see for example Kanji 1995). <i>Importance of the nature of education that is relevant with the realities of the people and the gap with the education that is actually provided.</i>
Providing squatters with legal tenure	Increased security of tenure for ‘owner-occupiers’ in illegal settlements reduces the risk of eviction, increases the value of their asset and increases the possibility of obtaining credit.
Emergency credit	The ready availability of emergency credit can greatly reduce the vulnerability of low-income groups to economic shocks. (See, as one example, the <i>Mahila Milan</i> crisis scheme in Bombay (Patel and D’Cruz 1993)

Upholding Human Rights	
Access to justice within the judicial system	This includes legal systems that protect citizens from forced eviction; several million urban dwellers are forcibly evicted from their home each year, most without any form of compensation (Audefroy 1994). This also includes public programmes to reduce crime and violence within low-income settlements and community programmes to halt the abuse of women and children within families. It is also important in many urban centres to establish the right of low-income urban dwellers to land for cultivation (Smit and Nasr 1992; the Ecologist 1994) and the need to halt the harassment of hawkers. <i>Importance of the manipulation of political and judicial systems by powerful interest groups.</i>
The right to vote, to have representative government and to organise to make demands	An increasing number of Southern NGOs who work closely with organisations or federations of low-income groups (People's Dialogue, SPARC, Asian Coalition for Housing Rights etc) have shown the importance of low-income urban dwellers being able to organise, made demands on the political process and negotiate successfully with government agencies or politicians. Achieving a recognition by government agencies of the civil and political rights of low-income urban dwellers and their entitlements to public support, public services and public accountability can bring major benefits, except where government agencies are themselves too weak and ineffective to do so.
Improving Housing and Basic Services	
Tenure of housing	As well as the advantage noted above in terms of the value of the house and protection from eviction, secure tenure generally promotes household investment in improving the house and gives greater capacity to negotiate with local authorities for improved services
Improved water, sanitation, drainage and garbage collection	If adequately provided, this removes a tremendous health burden and also considerably reduces the time needed for domestic tasks. This brings particular advantages to the person in the household who is responsible for collecting water and managing household wastes-usually the woman (Lee-Smith and Stren 1991). It is also important in reducing the vulnerability of many low-income settlements to floods and rain induced landslides.
Basic Health-care	If available, this greatly reduces the economic and health costs of illness and injury. There are particular advantages for the person in the household who takes care of those who are sick or injured (usually the woman)
Day-care	This increases the time for other tasks for those who look after young children and also means young children are not left in the care of older siblings. Day-care centres can also provide regular health checks for infants and young children and monitor their nutritional status; they can also provide stimulus and support for children's physical and mental development. Day-care centres are often particularly valuable in increasing women's income-earning capacities and especially valuable to single parent (usually women headed) households. (See for instance Hardoy, Hardoy and Schusterman 1991; and Espinosa and Lopez Rivera 1994)
Housing finance	<i>Importance of intermediate organisations for providing small credit that formal financial institutions are not geared up for.</i> Housing credit available to low-income households who want to build, extend or buy their own homes allows them to afford better quality housing and, if building themselves, to reduce the time taken to complete it. Credit can also be used to allow improved infrastructure and services for whole settlements - for example; piped water and sewers installed with each household able to repay the capital costs over several years.
Transport	Cheap and efficient public transport can greatly reduce the disadvantages for low-income households of living in peripheral locations and, if city-wide, could also help reduce the price of housing.

IV. OBJECTIVES AND CHARACTERISTICS OF 'ORTHODOX' POVERTY INDICATORS

Indicators have two main objectives: to inform policy mapping and to monitor the effects of the policies being implemented. U.N.D.P defines indicators as “...pieces of information or data that can be used to make decisions based on observable trends towards or away from specific goals”⁴¹. The multi-lateral agencies use indicators to “assess the impact and performance of their policies, programmes and projects”⁴². If the approach adopted to define poverty is indeed related to the policy measures that are being contemplated⁴³, then in turn the nature of the chosen approach will determine the type of indicators to be used for monitoring and informing policy making.

1. Desirable Characteristics

According to U.N.D.P⁴⁴, indicators should have the following desirable characteristics:

- Be developed within an **agreed upon** conceptual and operational framework
- Be **sensitive** in so far as that a small change to be measured should result in a measured change in the indicator
- **Clearly and consistently** defined so as to be unambiguous or lend themselves to various interpretations, or to give inconsistent results in different situations
- **Specific and measurable** in that they have an explicit scale ranging from undesirable states to desirable states (along with specific weightings) that enables them to be used for assessment purposes
- **Policy oriented** so as to provide practical information by being able to record either changes in the means recommended by policy or changes in the development impact attributable to policy
- Have **ownership** by users
- **Reflect** input, output processes, and outcomes or impact
- **Readily collectable** and, thereby, lowering the technical and collection costs.

For the U.N.C.H.S⁴⁵ the following criteria for their selection should be primordial:

- Importance for policy
- Comprehensive
- Easily understood
- Cost-effective and timely
- Measurable
- Includes most disadvantaged
- Reliable
- Sensitive
- Unambiguous
- Independent

⁴¹ Hoon, Singh & Wanmali, 1997, p.13

⁴² Ibid., p.2

⁴³ Lusugga-Kironde, 1995, p. 77

⁴⁴ Hoon, Singh & Wanmali, 1997, p.2

⁴⁵ U.N.C.H.S, 1997, p.16

2. “Means” And “Ends” Families Of Indicators

Lok-Dessallien⁴⁶ proposes to differentiate families of poverty indicators according to two sets of oppositions: means/ends and quantitative/qualitative. “Means” refers to indicators of inputs intended to achieve an end result, such as the cost of a minimum food basket. “Ends” indicators measure the ultimate outcomes, such as nutritional status as measured by a variety of indicators such as weight-for-height and height-for-age ratios, incidence of vitamin deficiencies...

“Means” indicators have been the most widely used type, income level indicators fall into this category, whereas “ends” type indicators have started to be used more recently as, for example, the Human Poverty Index of the U.N.D.P. “Means” indicators are easier and cheaper to collect, but they do not necessarily correlate adequately with the concept of poverty that is being followed. “Ends” indicators, although they “*correlate more closely with the phenomena being measured*”⁴⁷, are less sensitive to changes over time and are therefore less suited to for monitoring short-term changes in the incidence of poverty.

3. Quantitative and Qualitative Indicators

Quantitative and qualitative indicators are not synonymous with being objective and subjective. Objective attributes of poverty can be measured using qualitative indicators, and subjective attributes can be measured using quantitative indicators: “*an objective approach to poverty measurement may determine that perceptions of deteriorating academic standards (a qualitative indicator) are the principal cause of declining school enrolment. Likewise, a subjective approach to poverty measurement may reveal that household composition (which can be quantified) is a central characteristic of poverty.*”⁴⁸

Income based approaches to poverty favour the use of quantitative indicators, whereas qualitative types of indicators are mainly used in the context of participatory and empowerment poverty concepts. Despite the accepted limitations of income based types of indicators, they continue to be the most widely used means of measuring poverty because of the abundance of data available and because of their simplicity. The quantifying nature of the data collected makes their use straightforward. However things become more complicated when moving towards other types of indicators.

⁴⁶ Lok-Dessallien, p.7

⁴⁷ Ibid.

⁴⁸ Ibid., p.8

The human capability approach to poverty measurement attempts to measure poverty in terms of outcomes or “ends”. Most of the indicators associated with this approach are easy to aggregate: life expectancy, literacy, malnutrition...The exercise increases in difficulty when one seeks to measure the participation of the poor within his community. We then need to tailor qualitative indicators that can express an individual’s involvement in his/her social entity.

4. Exogenous and Endogenous Indicators

Exogenous indicators allows international or nation-wide comparisons, while endogenous indicators are relevant at community level and *“should be evaluated against a standard or norm that is established endogenously by the local people themselves”*⁴⁹. The choice of indicators to utilise reflects the priorities and concerns of the stakeholders, as well as the scale they are interested in. The stakeholders comprise the residents (including the poorer), the NGOs and CBOs, the city and local state institutions, the commercial organisations, the national state institutions and the support agencies. It is in the realm of urban endogenous indicators that the deficit in original fieldwork research is the most patent.

One needs to keep in mind that the choice of indicators to be utilised is not made in a vacuum. The nature of the indicators that eventually translate the “reality” of the city and influence policy makers and people’s lives will depend on the power relationships of the different stakeholders, so that the perspective and interest of the strongest usually takes precedence over the others’. U.N.D.P recognises that *“in regard to ownership, indicators have traditionally been designed to assist policy makers in governments and multilateral organisations to assess the impact or performance of certain policies and programmes”*⁵⁰, therefore acknowledging that the poor, the “recipient” of poverty alleviation programmes, usually play no part in the determination of these indicators that primarily ought to concern them.

There is a growing recognition that the existing indicators are not adequate and that there is a need for further research regarding urban and local level indicators:

*“Much of the poverty literature consists of policy oriented reviews and summaries of previous research. There is far too little empirical (especially micro level) studies”*⁵¹.

“Existing tools for urban policy in both developing and developed countries have been largely inadequate in providing an overall picture of the city and how it works. Rarely do they provide the

⁴⁹ Ibid.

⁵⁰ Hoon, Singh & Wanmali, 1997, p.2

means for understanding the relationship between policy and urban outcomes, nor do they provide an indication of the relationships between the performance of individual sectors and broader social and economic development results.”⁵²

“...new perspectives on the causes and manifestations of poverty that have emerged over the last several years call on development practitioners to expand conventional sets of indicators to reflect a broader understanding of the phenomenon.”⁵³

5. Housing-related indicators

Many of the indicators we have looked at so far were concerned with housing related issues, and housing is what Homeless International and its partners in Asia and Africa are primarily concerned with. The main-stream housing indicators reviewed in this chapter share similar flaws to those we have looked at so far: lack of relativity, of subjectivity, too general or too abstract, not taking account of the realities on the ground, not enough focus on causes and on social and power relationships, too much emphasis on what is visible and obsessed by ranking groups, cities and countries.

Ranking cities or countries according to these ‘objective’ indicators does not enlighten us much on the causes, the processes, the trends and the way forward. As such their relevance to community-led processes, and therefore to Homeless International and its partners’ work, is doubtful.

The Guide for Monitoring Human Settlements with Urban Indicators of the U.N.C.H.S proposes a list of key indicators relating to the city⁵⁴ (Table 2) while it identifies the following major groups of stakeholder as possible beneficiaries from such indicators⁵⁵:

- Residents
- Mayors and city managers
- Commercial and business organisations
- National government agencies and parliaments
- Sectoral agencies
- NGOs and CBOs
- External support agencies

In the accompanying literature, U.N.C.H.S fails to identify ‘residents’ as necessary and unavoidable participants in the identification of indicators, it only recognises them as possible end-users of indicators: as a guide to voting or in choosing which organisations to support or whether

⁵¹ Lusugga-Kironde, 1995, p.82

⁵² U.N.C.H.S, 1997, p.7

⁵³ Lok-Dessalieu, p.1

⁵⁴ U.N.C.H.S, 1997, part II, p.5

or not to move to other places⁵⁶. It seems to be a little naïve, to say the least, to imagine that such or such households living in a slum will base its decision to move out or not just because it read the latest U.N housing indicator report! NGO's role is portrayed as being somehow disconnected from communities, not as representing people and even less as being the people. At best they are simply identified as possible implementers of the U.N.C.H.S indicator program!

Table 2: list of key indicators, U.N.C.H.S, 1997, part II, p.5

<p>Background data D1: Land use D2: City population D3: Population growth rate D4: Woman headed households</p>	<p>D5: Average household size D6: Household formation rate D7: Income distribution D8: City product per person D9: Tenure type</p>
<p>1. Socio-economic Development 1: Households below poverty line 2: Informal employment 3: Hospital beds 4: Child mortality 5: Life expectancy at birth 6: Adult literacy rates 7: School enrolment rates 8: School classrooms 9: Crime rates</p>	<p>4. Environmental Management 18: Wastewater treated 19: Solid waste generated 20: Disposal methods for solid waste 21: Regular solid waste collection 22: Housing destroyed</p>
<p>2. Infrastructure 10: Household connection levels 11: Access to potable water 12: Consumption of water 13: Median price of water</p>	<p>5. Local Government 23: Major sources of income 24: Per-capita capital expenditure 25: Debt service charge 26: Local government employees 27: Wages in the budget 28: Contracted recurrent expenditure ratio 29: Government level providing services 30: Control by higher levels of government</p>
<p>3. Transport 14: Modal split 15: Travel time 16: Expenditure on road infrastructure 17: Automobile ownership</p>	<p>6. Housing 31: House price to income ratio 32: House rent to income ratio 33: Floor area per person 34: Permanent structure 35: Housing in compliance 36: Land developer multiplier 37: Infrastructure expenditure 38: Mortgage to credit ratio</p>

The downside of the indicators proposed in table 2 is that they do not tell us much about the relationships between the different stakeholders within the urban development drama. The static picture they provide tells us the number of hospital beds, but nothing about the access to those beds by poorer groups. This is also true for indicators regarding schooling and transport. The time it takes to go to work does not tell us about the relative costs it represents.

⁵⁵ Ibid., Part I, p.18

⁵⁶ Ibid., p.19

There are no indicators regarding empowerment, political involvement, level of community organisation and of self-made infrastructures and self-managed services such as piped water and sanitation or school and basic health care. Their focus at the household level means that we know nothing about the 'distribution' of poverty within the household at individual level, notably in terms of gender and age group.

Indicators such as those have the pretension of providing an instant picture of the city, but they fail to take account of the increasing informal aspect of the city and the increasing complexity that emerges as a result. The involvement of people in setting up their own community organisation has to be acknowledged by those who are compiling indicators if they wish to represent a more relevant picture of the stakes at play. By doing so, external organisations such as Homeless International may direct adequate support to these community organisations in a more efficient and positive way.

An important aspect of the power relations at play that determines the potentiality of poorer communities to be heard is represented by the relationship between the politicians, the planners and the people. Typically the nexus between the politics and the planners is strong and thus tends to leave aside the people. The stronger this bond between the politics and the planners, the weaker and more isolated the people become from the planing and political processes.

Communities therefore need to be supported in order to have a say within this politics/planners nexus so that they can influence planning policies decided on their behalf which ultimately will influence their livelihood. The creation of this space for the interaction of the people, the planners and the politicians is necessary for poor friendly policies to be drafted and implemented.

In order to get away from these imprisoning paradigms we need to look at these issues with new eyes, leaving aside powerful orthodoxy as much as we can. We have to bring the people's 'claims' at the centre of the outlook instead of relying on projected definitions that decide on what their 'needs' might consist of. We need to adapt to people's demands and look at the effort they are making to improve their situation. Once we have identified and understood the dynamics that already exist, it becomes easier to sustainably support grass-root efforts. External interventions that do not understand the situation on the ground might be counter productive by duplicating or fragilising the momentum painfully set on by communities.

V. HOUSING, COMMUNITY-LED PROCESSES AND INDICATORS

*“The World Bank, highest of us all
Looks down to see poor people small
Like atoms all, a shape and size
For which it’s right to standardise⁵⁷”*

Poor people’s perceptions markedly differ from those of professionals and each group seeks, experiences and constructs different realities. The alternative concepts to poverty viewed so far have in common that they are based on participatory methods and that they try to focus on the perceptions and the realities of the poor rather than that of the professionals. The poor may be an individual or a community whose level of formality and recognition needs to be assessed. The following table summarises some of the “Contrasting Tendencies in Professionals’ and Poor People’s realities”:

Professionals	Poor People
Universal	Local & specific
Simplified	Complex
Reductionist	Holistic
Standardised	Diverse
Physical	Experimental
Quantified	Unquantified
Income-poverty	Multi-dimensional
Employment	deprivation livelihood

From Chambers, 1995, p.185

Homeless International aims to support efforts made by communities in upgrading their livelihood, particularly as regard to housing. People are not inert, they seek solutions. These solutions are found at local level, they may change people’s prospect, their quality of life and increase their asset base. They may also increase their abilities to deal with external suppliers, institutions and government and bring them the empowerment, the self-esteem and the confidence they need to assert their place and their rights within society at large. At its roots, empowerment means the ability to generate money and to have collective control over its use. Subsequent issues of social and political empowerment naturally evolve from that point.

Thus looking at indicators at the local level should be a priority and any further research should “Recognise and assess indicators of poverty and well being at the levels of the individual, household and the community”. This is crucial as: “...indicators of vulnerability and well being

focus at individual, household and community levels for beneficiaries can be targeted in different ways in relation to a variety of roles, relationships and social functions...focusing on one set of indicators misses the fact that it is the relationship between the three which determines what poverty means to low-income men, women and children”⁵⁸

In an urban environment, housing issues, employment and access to credit represent important factors in the dynamic in and out of poverty. Many basic services that the poor obtain unsatisfactorily and at very high costs may need only a small amount of money to get efficiently provided and leading to substantial savings thereafter. The savings can be in term of user’s charge, better health and a gain in available time. This can be the cost of a water connection, electric connection, paying scavengers collectively for garbage removal, the price of the deposit for a bottle of gas, and ultimately the laying down of sewerage by the community. In term of unemployment, small-scale credit may provide the capital needed for self-employment.

We mentioned earlier that the choice of indicator to use depended on the approach to poverty that is being privileged. By outlining the limitations of the income-based level approach or the sets of ‘orthodox’ or ‘official’ urban indicators, we have in fact outlined the limitations of mainstream poverty alleviation paradigms. Not all the approaches and not all the indicators that have been mentioned are necessarily un-useful; some may be of use at a different level from the one we are interested in but they are seldom relevant for stakeholders directly involved in community-led processes.

1. The Interconnectiveness of The Political-Socioeconomics of Housing

In their approach, ‘professionals’ have the tendency to look at the different aspects relating to housing as if these were not connected. Doing so, they seal off the parameters of the discussion before it even starts. Looking at the politics, the economics, the sociology and the technology of housing separately gives us a rigid and static picture of the situation that inherently fails to represent the extremely dynamic, changing, volatile and informal state of affairs of most low income settlements and slums.

Instead of presumptuously make out the needs of the poor, we ought to identify their claims. This would help to picture in a less static way the nature of their daily struggle to optimise their asset base. By studying the nature and the dynamics of people’s claims, as opposed to establishing their needs, we may provide an alternative approach for a more dynamic and encompassing study of the

⁵⁷ “With apologies to the IMF, the President of the United States of America, and the Secretary-General of the United Nations” in Chambers, 1995, p. 184

politics, economics sociology and technology of housing that avoids the compartmentalisation imposed from the outset by mainstream outlooks and paradigms.

a) Claims Over Land

The primary factor in determining the asset building potential of the poor is the nature of the claims they hold over the land on which they live. It can be a secured or insecure, temporary or long lease rent. Ownership can be de jure, with full official recognition, or de facto. De facto land use can also be of different degrees.

The security of tenure will determine the asset base represented by the land and whatever construction standing over it as well as the possibility, the extent and the scale of capital that can be securely invested on it.

The geographical location of the land will determine if basic services are present or not and, if not, what the possibilities and the costs are of eventually getting connected for example to electricity or the water mains. The location of the land vis à vis areas of employment will determine the need for public transport and the associated cost of using such transport. It also tells us about possible environmental degradation, such as industrial pollution, sewerage or garbage. The location also tells us about the price of the land and the eventual prospect for speculation.

All these factors will determine the potential of town-dwellers for future asset building, their condition of life and therefore their degree of vulnerability and sustainability.

b) Credit

Linked to the nature of the claim over the land, access to credit to build or improve dwelling or enhance human capital through training or business opportunities is of primary importance. Access to formal credit is difficult for the poor, whether it is to borrow from banks or even from government housing credit agencies. These agencies, as banks, have difficulties in lending what represents for them very small sums, and the poor cannot borrow any sizeable amount individually. Furthermore, demands for formal collateral guaranties imply that only those who have legal rights over their land may be able to get credit.

As credit repayments have to be kept as low as possible, the loans that are sought for are typically small and aimed at improving the home and add value to it: reinforcing the roof; connecting to water or electricity; installing toilets... These changes may represent an immediate economy for the household that may outdo the cost of repayment: Water from the mains cost much less than

⁵⁸ Moser, 1993, p. 9 in Thomas, 1994, p. 12

water bought through informal means and the larger available quantity of water obtained from the mains mean that hygiene levels improve and that less money is lost through sick days and medicine. The time and the money saved by not having to collect water may be used for other things, maybe contributing to the increase of the household's incomes.

Apart from the affordability and the size of credits, indicators ought to inform about access to credit, the procedures involved and the nature of the relationship between the issuer of the loan and the borrower: If it is a relation of trust or not, to what extent it is a power-relation and possible subsequent pressure or blackmail, etc... Community organisations, such as Homeless international's local partners, may have created criteria for credit rating adapted to the specific needs and capabilities of low income settlements and that they use in their credit and micro-credit programs.

It is the nature of the relationship, the procedures involved, the size of the loan and the nature of the collateral (that includes various professional and organisational skills and possible community organisations) the poor can provide that will eventually dictate whether the credit will go ahead or not. It is also the nature of the claims over the land that is held that determines if investing on it is at all realistic.

Communities living together on land over which they have very little security might not want to take the risk of investing over that land. They might however create saving funds to eventually acquire together some land over which they would be safely able to invest. Therefore, instead of focusing exclusively on risk taking from the bank's point of view, we should also be looking at risk-taking from the perspective of the poor. This would enlighten us on the difficulties *they* perceive as being the most important ones.

c) Relationships and Delivery Systems

After looking at the nature of people's claims over their land and the relative possibility of accessing credit, we have to look at the relationships between the different protagonists, namely the people, the governmental institutions and the suppliers. The people are those who live in low-income settlements and who want to improve their conditions and their livelihood according to their own parameters. Governmental institutions encompass the official institutions communities may have to deal with at local and national level, a municipal corporation or the justice system for example. Suppliers consist of private traders with which people establish commercial links. They might be suppliers of building material, informal land traders and loan brokers or water tanker operators to only quote a few examples.

The relationship between the people and these different groups will once again depend to a great extent on the nature of people's claims on their land. Whether people hold de facto land ownership, de jure land ownership or no land at all, we have three main sets of relationships we need to look at: Government-People; People-people and People-Suppliers:

- De facto land ownership

De facto land ownership can be secured through people uniting themselves in large numbers to protect their gains. The size of the community might make large-scale eviction more difficult or impossible because of practical reasons or possible social or political repercussions. It can also be reached through incomplete government decrees or gaps in the law or through political opportunism, allegiances, activism or lobbying.

De facto ownership might not be acceptable for governmental credit agencies or financial institutions, however they may be acceptable by community level NGO's delivering credit as their understanding of the ground level socio-economic politics might enable them to assess more finely their risk taking. Similarly the relative level of security from a de facto ownership will determine the willingness of suppliers of building material and informal loan brokers to trust the people and provide credit to them against the delivery of material. Depending on the perceived security of de facto land ownership, the land and its construction already has a market-determined price tag.

- De jure land ownership

De jure ownership makes it easier for people to get state support and credits. It also makes it easier to get connected to services and to claim political rights. If it may ease Government-People relationships, it might also sever People-People abilities to join efforts together. If the land is well situated, speculation games might jeopardise the capability of working together to improve living conditions. For example this might be the case when a low-income settlements manages successfully to assert legal rights over previously squatted land or other de facto ownership situations. This also leads the way to sociological changes with the rapid development of lower middle-class values that alters people relationships with one-another and with society at large.

- No land ownership

People-Government and People-Supplier relationships are difficult. Access to official credits is nil. There is no official recognition. People are thus more opened to intimidation and harassment from informal sector 'mafias' and corrupt law enforcement authorities.

With strong People-People links, and in cases of a minimum level of income, communities might establish saving funds over many years in order to collectively buy land at a later stage or move to a potentially more secure tenure.

Investment from outside and from within the communities in housing infrastructure will typically remain very marginal in cases of no land ownership. The asset building of such communities is low and their livelihood typically highly vulnerable.

2. Crafting Indicators for Community-Led Development

Table 3 proposes a list of possible assets with tentative indicators for their measurement. It represents a starting point for a discussion on the type of indicators that we need to create that would be relevant for urban community organisations. As was mentioned earlier, most research undertaken so far has been at the rural level so that, once more, this list originally has a rural focus, but its approach is imbedded in a Sustainable Livelihoods framework that is relevant to the scope of this research.

The indicators it mentions are set up to identify the asset base of the people in order to assess their adaptive and coping strategies. It proposes to divide these assets into Stores & Resources (S&R) and Claims & Access (C&A) although the relevance of this division is open to debate.

The next step is to define evaluation techniques that can measure whether these assets are being eroded or replenished. Suggestions for further indicators more specifically relevant to urban poverty measurement have been added in ***bold italic font***.

Table 3: Examples of Assets With Tentative Indicators For Their Measurement⁵⁹

<p><u>Land (S&R)</u> Tenure/<i>risks of eviction</i>. Legal status in regard to tenure and eviction. Fertility/quality. Price of basic food/minimum wage. Informal households as % of city's total. % of land ownership within settlement. Speculation prevention.</p> <p><u>Housing standards</u> Degree of implementation of national or international standards. Source and origins of building material: from within the settlement or from outside? Identification of locally specific standards or constraints (geographical, weather, building materials, security concerns, cultural requirements...).</p> <p><u>Savings/investment (S&R)</u> Jewellery. Access to credit/<i>nature and procedures</i>. Cash savings.</p> <p><u>Labour (S&R)</u> Health. Life expectancy. Education, Skills, Knowledge. Relation to the labour market, casual or formal employment? Rate of unemployment (how to define it in view of formal/informal divide?). Women's work inside/outside home and whether retributed or not. Age distribution.</p> <p><u>Livestock (S&R)</u> Type/mix.</p> <p><u>Natural Resource Base (S&R)</u> Common property resources. Ecosystem conditions.</p> <p><u>Dwelling/shelter (S&R)</u> Ownership. Quality-process of improvements.</p> <p><u>Traditional knowledge (S&R)</u> Institutions. Traditional education.</p> <p><u>Infrastructure & basic services</u> Formal/Informal. Wells/Water & sanitation-incremental pace. Roads. Health clinics/primary health care. Electricity. Flexibility in using transports. Garbage collection. Child Care.</p>	<p><u>Social capital (C&A)</u> Robberies. Civil/social violence. Physical mobility, especially for women. Patronage/corruption. Networks of reciprocity: activity done collectively. Number of CBOs and their relevance, cohesion, goals and characteristics. Lobbying power and capabilities. Length of schooldays. How many neighbours do you know? Percent of elections involved with a vote for politicians liked. Police & access to justice. Institutional capital.</p> <p><u>Intra household relations (C&A)</u> Household size. Gender division of labour. Educational status of women. Single and women headed household. Collective inputs.</p> <p><u>Inter-household relations</u> Women's contribution in community build-up. Degree of cohesion and homogeneity or heterogeneity and quarrels of a settlement/neighbourhood and causes. Similar professional groups? Recent migration from similar area? Minority group living in the same settlement? Inter-household marriages? Etc...</p> <p><u>Time</u> Daily tasks. Learning. Time spent with their age groups. Leisure time as fraction of free time. Community time.</p> <p><u>Belief systems/attitudes/life style (C&A)</u> Happiness. Awareness. Experimental innovation. Aspirations (short-term, medium-term, long-term).</p> <p><u>Food security/insecurity</u> Fluctuation of food prices. Number of food distribution centres.</p> <p><u>Education & Vocational training</u> School Professional training.</p> <p><u>Metaphors</u> Which one are used by people to describe a neighbourhood/settlements/community, both from within and from outside.</p> <p><u>Environmental and other Health Hazards</u> At work, at home, specific to a location or an activity.</p>
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⁵⁹ Adapted from Hoon, Singh & Wanmali, 1997, pp. 23-24

VI. SYNTHESIS

1. Orthodox Indicators:

- Do not desegregate the poor from the city.
- Are primarily physical in nature or wage related whereas poverty has other aspects as well.
- Are not related to the city political relationships which promotes or help alleviate poverty.
- Have no ownership by the people.
- Do not relate to the incremental nature of development taking place in poor settlements.
- Do not relate to the power relationships between the poor and other interest groups.
- Do not build upon the knowledge and insights gained through poverty alleviation and development projects taking place in various parts of the world.
- Assume in their very construction that local governments function, and that if they do not it is because of an absence of capacity and capability rather than the result of an alienation from the context in which they operate.
- Can only define conditions but cannot establish processes.

That is why it is necessary to:

- 1) Understand the context within which poverty exists.
- 2) Understand the causes, the relationships and processes of successful projects and programs.
- 3) Negotiate indicators with communities rather than with professionals and administrators that have been inappropriately trained.
- 4) Understand the relationship between power, politics and poverty, and how it can be qualitatively assessed.

2. The Power Structure and Poverty Indicators

- These power structure related indicators can only be qualitative in nature and have to be derived from the experience of the poor themselves and/or from projects that have struggled with these issues.
- Developers in many 1/3 World cities undermine the political process as they are financed through the black economy without any form of accountability.
- The election process is often funded by interest lobbies of developers and contractors whose primary concern is the acquisition of land on which poor settlements are located or established.
- This manipulation of the political process makes a mockery of all planning exercises for the city and promotes evictions and demolitions of settlements, increasing homelessness and poverty.
- The loss of the poor's property and assets is never assessed by state agencies and is not perceived as a loss to the national economy or a reduction of badly needed housing stock.
- People are usually evicted because of incomplete legal decrees (procedures with no law, or laws without procedures), or because of ill-conceived development projects, the result of a mindset that relates only to the physical aspects of development.
- The judicial process opens itself to manipulation by the politicians/bureaucrats/developers nexus to the detriment of the poor.
- An improved informal sector can help alleviate poverty conditions if it is supported by technical and managerial advice.
- Various types of community organisations, and the actors and actions required to create and operate them, along with constraints and potentials.

VII. CONCLUSION AND RECOMMENDATIONS

1. Conclusion

Participatory and Sustainable Livelihoods approaches call for the crafting of new indicators that would reflect their vision. However, the literature that has come up so far on the subject bases itself primarily on rural field work and experience, while most indicators used to this day are still embedded in a quantitative economic and macro-level iron cage that is of little relevance to community organisations such as those Homeless International works with.

Chambers reminded us of *“the basic human right of poor people to conduct their own analysis”*⁶⁰ and the need to enable them to do so. Consequently the importance of ownership of indicators by the people and organisations that use them is capital. Homeless International’s researchers and/or implementers should keep in mind that they ought to remain accountable to the ‘recipients’, the people, while working on any future research as a result of this proposal.

Therefore future indicators should be assembled in close partnership with their users and leave aside the imprisoning conceptual paradigms imposed by the ‘orthodox’ approaches on poverty. The need to develop indicators that confront the complex socio-economic politics of the city, and more specifically in regard to the community-led processes that are taking place within low-income settlements is real. Homeless International and its partners are in a privileged situation to answer to this need and could directly benefit from an original set of indicators suited to their own vision, priorities needs and experience.

- This paper has identified the need for new indicators related and relevant to the work of urban communities and partners of Homeless International.
- Poverty in a community or settlement is not static.
- Indicators ought to capture the dynamics and the power relationships underlying urban poverty, both at the city and settlement level.
- The work of Homeless International and its partners have been involved with improving the political and socio-economic prospects of urban communities in the past. Homeless

⁶⁰ Chambers, 1995, p.201

International should inspire itself from these past experiences in its research for new indicators.

- The life of communities is determined by policies that they do not make and over which they have little control. A new set of indicators should evaluate the extent to which people can be involved in planning policies of the city.
- Indicators should evaluate how much a community is organised and for what goals: Lobbying, everyday affairs or taking over development? In the last case, it is in fact taking on functions of government, in which case the relationship between the communities and the government/planners nexus undergoes a positive change for the community.

2. Recommendations

- New sets of indicators cannot be established by desk research or by a simple evaluation of conditions by an outsider.
- New indicators have to be created by the people through a dialogue amongst themselves and in which they can express their experiences, views, perspectives and aspirations.
- A social scientist may then derive the main issues out of such discussions and take them back to the communities for evaluation.
- It is suggested that Homeless International identifies partners with whom and where such dialogues can take place.
- Homeless International will have to select staff or consultants to make this happen.
- Eventually, various community representatives should come together to finalise the indicators with Homeless International staff and /or consultants.

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