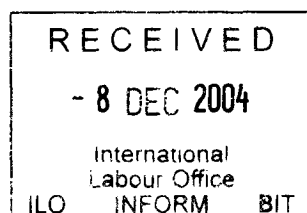


# **URBAN EMPLOYMENT GUIDELINES**

**Employment-Intensive Participatory Approaches  
for Infrastructure Investment**



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Development Policies Department  
International Labour Office Geneva

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## Urban Employment Guidelines

**J**ob creation is at the top of the agenda for the world's cities, whether they are in developing, transitional or industrialized countries. Employment is the key that unlocks the door of economic and social development. Employment is also a critical entry point to achieving the two goals of "adequate shelter for all", and "sustainable human settlements in an urbanizing world" that were targeted by the international community during the Second United Nations Conference on Human Settlements (Habitat II), in Istanbul in June 1996. In fact, the creation and protection of employment represent a common thread running through the contributions of the International Labour Office (ILO) to all the major United Nations conferences of this decade, from the United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro in 1992, to Istanbul, with special emphasis on the World Summit for Social Development held in Copenhagen in March 1995.

The Global Plan of Action of the Habitat II Agenda, adopted in Istanbul in June 1996, contains specific recommendations on urban employment.<sup>1,2</sup> The recommendations call not only for sound employment-oriented policies both at the macro and national levels, but also for concrete steps that can be taken at the local level to build on the comparative strengths of local authorities and city governments to create jobs. Despite international and national economic policies that strongly circumscribe the local policy context, city governments have often unexploited strengths in the field of employment. Their comparative advantage is related mainly to developing a sound regulatory framework vis-à-vis the urban informal economy, to promoting investments that are employment-intensive and targeted towards low-income neighbourhoods, and to facilitating local-level partnerships conducive to job creation.

The present guidelines highlight the commitment of the ILO to play its part in the implementation of the Habitat Agenda. These guidelines have been developed, in line with the ILO's 1996-97 work programme, to assist the social partners, local authorities and informal sector organizations in the design and implementation of informal sector and infrastructure development programmes with a view to improving productivity and working conditions in the urban informal economy. This document is based on both research and policy work, and the lessons learned from the ILO's country-level technical cooperation activities. The guidelines represent a determination to build on the strengths of the ILO's decades-long experience in the fields of the urban informal sector and employment-intensive investment programmes, but taking these experiences a step further, both integrating and adapting them to the context of an urbanizing world.

The guidelines can be used by practitioners both as a reference document and as a didactic tool. The document is not an end in itself, but rather a means for the development of hands-on activities for urban job creation and poverty alleviation carried out in collaboration with social partners and local authorities. The next step will be the organization of joint training and strategic planning workshops involving the ILO's headquarters, its field structure and its constituents to assist in responding to this largely untapped potential for new avenues of technical cooperation. These guidelines therefore constitute an important step in transforming the words of commitment of the international community into a programme of action for job creation in a rapidly urbanizing world.

*Samir Radwan*

Director

Development Policies Department

## Acknowledgements

**T**hese guidelines were prepared on the basis of information collected from employment-intensive and community-based infrastructure development programmes implemented by the ILO and other international agencies, including the United Nations Centre for Human Settlements (Habitat).

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# Abbreviations

CAP	Community Action Plan
CBO	Community-based Organization
CCC	Community Construction Contract
CDC	Community Development Committee
FPI	Focal Point Institution
GSS	Global Shelter Strategy
GTZ	German Agency for Technical Cooperation
Habitat I	First United Nations Conference on Human Settlements
Habitat II	Second United Nations Conference on Human Settlements
ILO	International Labour Organization
MDT	(ILO) Multidisciplinary Advisory Team
NGO	Non-governmental Organization
TST	Technical Support Team
UDLE	Urban Development Through Local Efforts Project
UEP	(ILO) Urban Employment Programme: Better Jobs for the Informal Economy
UNCED	United Nations Conference on Environment and Development
UNCHS	United Nations Centre for Human Settlements (Habitat)
UNDP	United Nations Development Programme
UNV	United Nations Volunteers
WFP	World Food Programme







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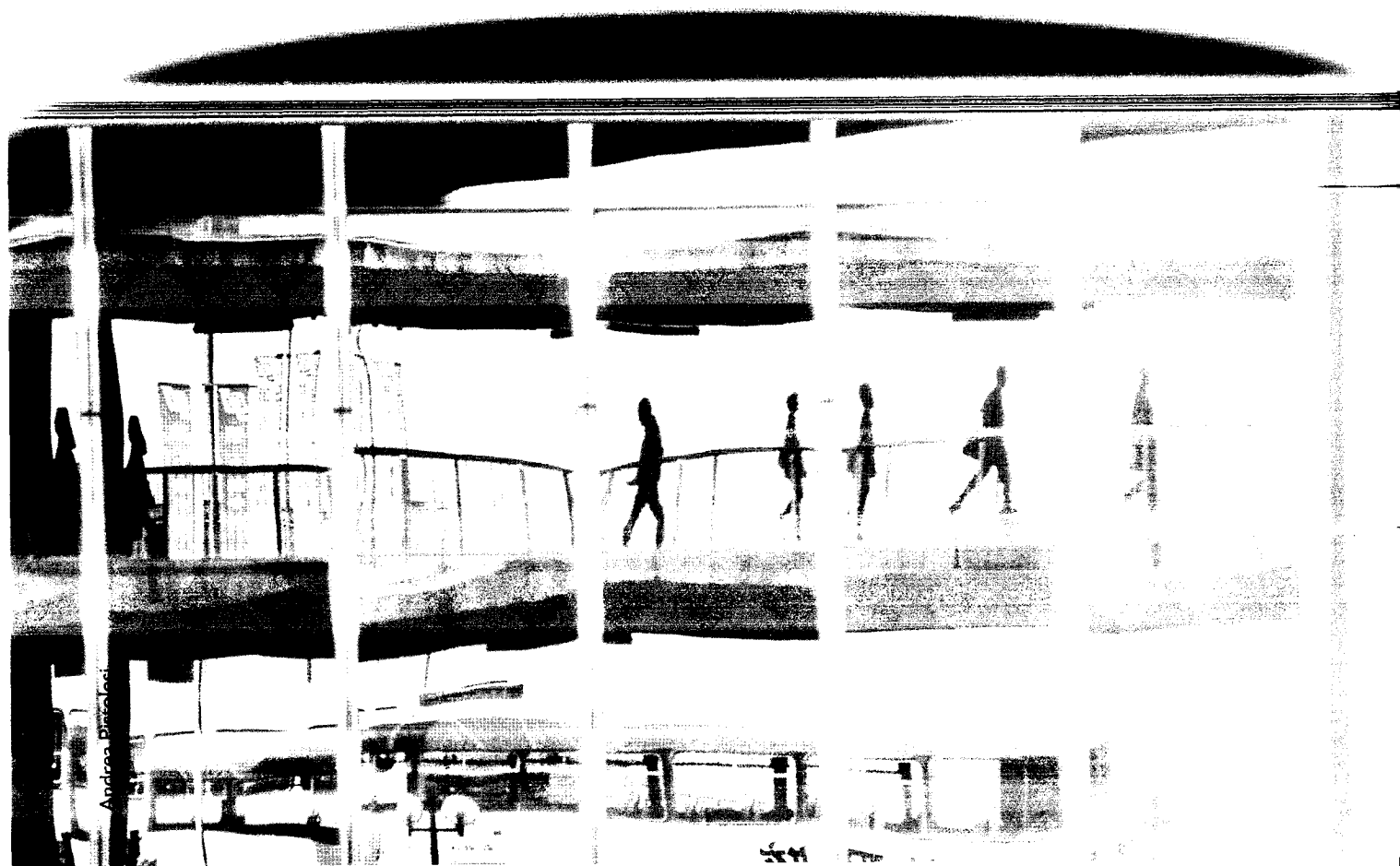
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**C**ities and towns are the principal engines of productive activity, economic growth and contribute disproportionately to national output. However, the magnitude and speed of urbanization, especially in developing countries, pose an urban challenge, especially in providing adequate jobs, infrastructure and basic social services.

The second half of the twentieth century has witnessed unprecedented rates of urbanization. Between 1985 and 2000, the world's urban population will have increased by 47 per cent, from 1,994 million to 2,926 million. In 2015, for the first time in history, more people in developing countries will live in urban than rural areas.<sup>3</sup>

This rapid urbanization is due to natural increase in population, rural to urban migration, and the geographical expansion of urban areas.

In retrospect, the 1980s were a lost decade for development. The decline in gross domestic product in many developing countries adversely affected their social progress, resulting in increased unemployment, underemployment and poverty. Inequalities widened not only between the developed and developing countries – with the exception of the newly industrializing countries – but also between the rich and the poor within countries.



# I. Introduction

Employment prospects were further exacerbated by the retrenchment policies implemented by developing countries since the 1980s. The structural adjustment policies adopted by most third world countries to reduce their debt led to severe cuts in social expenditure. The stringent measures to contain national budget deficits limited the public sector's labour absorption capacity, and in many instances led to the shedding of employees.

The recent revolution in information and communications technology has sparked off a major debate over its impact on employment creation. Some argue that economic growth facilitated by modern technology is not always accompanied by more job opportunities. "It is not just heartless but pernicious to assume that nothing can be done to remedy unemployment, that so-called 'jobless growth' (when a country's gross domestic product, or GDP grows with no substantial job growth) is the best that can be hoped for in an increasingly competitive economy", says the Director General of the International Labour Organization (ILO), Michel Hansenne.<sup>4</sup>

Urban unemployment rates appear to be low in the developing world, as they conceal the high rate of underemployment that constitutes the very crux of the employment crisis in many developing countries. It is common to find two or more workers undertaking the job of one

individual, which accounts for the low productivity and income in these countries.

The challenge facing the developing world today is to cope with the adverse consequences of rapid urbanization, which include a deteriorating living environment and high unemployment. According to the *Human Development Report 1992* of the United Nations Development Programme (UNDP), the rate of urban poverty is expanding at about 7 per cent a year, particularly in urban slums and squatter settlements.<sup>5</sup> Poor people living in these areas face social and economic exclusion, with limited access to basic social infrastructure and services. Little credit is provided for improved housing, thus further reducing their capacity for productive activities.<sup>6</sup>

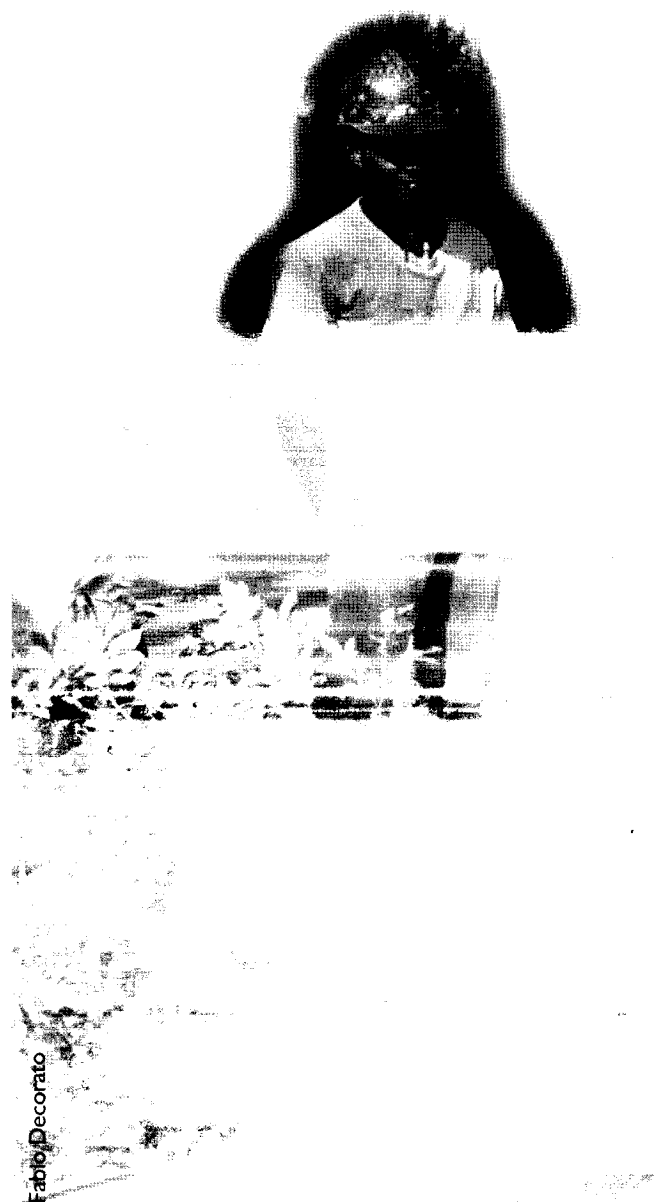
By the 1970s, more than half the cities in the developing world were estimated to have over 40 per cent of their population living in slums and squatter settlements.<sup>7</sup> The situation seems to have shown little improvement during the 1980s as the figures from Asia suggest: 47 per cent in Dhaka (1986), 54 per cent in Jakarta (1987), 28 per cent in Manila (1985) and 16 per cent in Bangkok (1987). Data from other sources indicate that this proportion was even higher in certain cities, such as 85 per cent in Addis Ababa, 70 per cent in Luanda, 59 per cent in Bogota, 51 per cent in Ankara, 45 per cent in Tunis and 37 per cent in Karachi.<sup>8</sup>

The failure on the part of many governments to address these problems is largely due to:

- lack of resources;
- designs of infrastructure and services set at levels unaffordable by the cities and by poor people;
- rapid urbanization exceeding capacities to implement city development plan proposals;
- measures that have often not reached the urban poor;
- non-involvement of beneficiaries/communities in planning and implementing the programmes; and
- absence of policies and flexible by-laws to deal with problems of urbanization such as squatter and informal settlements.

At the International Colloquium of Mayors on Social Development held in New York in 1994, urban unemployment and inadequate housing were identified as top priorities by mayors from both the developing and developed world. Partly in response to this, these policy guidelines are aimed at suggesting investment policies of the ILO member States in infrastructure and social service sectors so as to maximize their impact on poverty alleviation through employment generation and improved living conditions for the urban poor.

On the whole, developing countries invest US\$200 billion a year in new infrastructure, representing about 20 per cent of their total investment and 40–60 per cent of public investment.<sup>9</sup> In addition, many donor countries and international development organizations provide a large amount of loans and technical assistance funds for infrastructure programmes, including the World Bank, which devoted 41 per cent of its lending



# I. Introduction

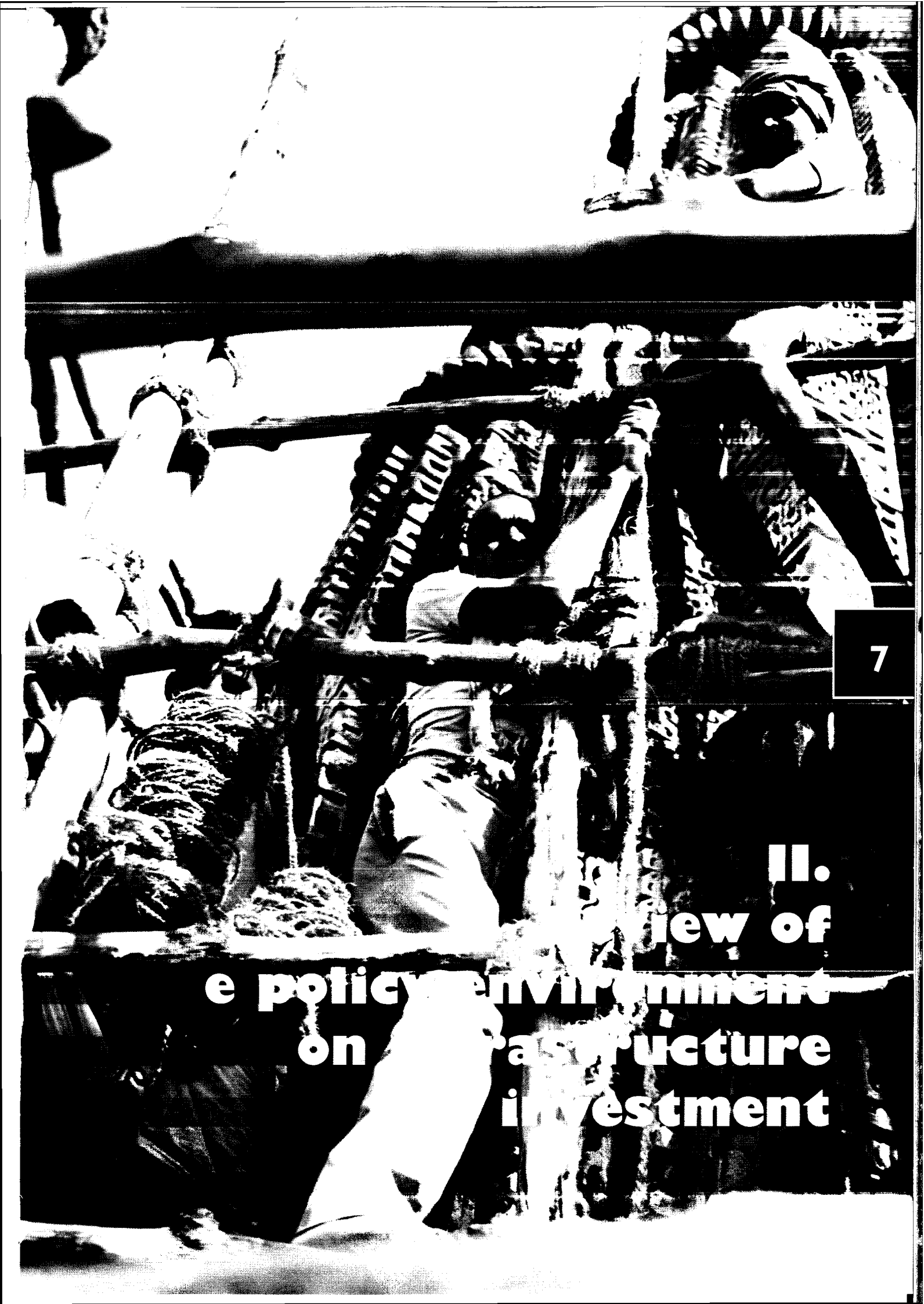
portfolio in 1993 to this area.<sup>10</sup> However, employment creation is not often specifically targeted or associated with infrastructure development programmes. There is, therefore, great scope for redirecting existing resources for infrastructure growth to secure a larger impact on employment creation.

Finally, these guidelines are intended for the ILO's tripartite constituents and specialists of the ILO's multidisciplinary

advisory teams (MDTs) and area offices. They provide the basis for planning, implementing and evaluating employment-intensive and community-participation infrastructure development initiatives. Such initiatives at subregional and country levels may well achieve a greater degree of effectiveness if carried out in consultation with these guidelines.







**II.  
A new view of  
the policy environment  
on infrastructure  
investment**



The ILO is beginning to develop experience in applying labour-intensive methods to an urban setting, and results from completed and ongoing projects show that these techniques can be both cost-effective and of a high quality (see *Employment-intensive investment policies and practice*, below).

However, the potential of labour-intensive techniques to contribute to poverty alleviation is not tapped in many developing countries. Among the constraints are:

- *Misunderstanding*. There has been a trend in using equipment-intensive construction methods in many developing countries, because such methods are seen as an indicator of modernization.
- *Lack of access to land*.
- *Biased policies*. Resources are often invested in urban infrastructure and services in middle- and high-income areas, thus leaving poor people with little access to basic infrastructure and social services.

- *Non-flexible regulations*. Many infrastructure components must meet impractical building standards. They are, therefore, costly and beyond the means of poor people.
- *Partnerships*. Alliances are often neglected for tackling urban unemployment and poverty because of sociocultural beliefs and legal constraints. Consequently, the infrastructure and services provided for poor settlements are inadequate in relation to their needs.

To address these issues it is essential to review the relevant international policy instruments and national policy issues.

## II. Review of the policy environment on infrastructure investment

### A. Key international policy instruments on urban poverty alleviation and employment creation

#### 1. ILO's mandate and conventions

The ILO, which was constitutionally mandated at its inception in 1919 to help safeguard social peace, has a long history of work on poverty and employment. The Declaration of Philadelphia, which redefined the aims of the ILO in 1944 and which remains a guiding consideration in all ILO work, states "Poverty anywhere constitutes a danger to prosperity everywhere" and recognizes the "solemn obligation of the ILO to further among the nations of the world programmes which will achieve full employment and the raising of standards of living ...".

The ILO's Employment Policy Convention, 1964 (No. 122) calls on member States to adopt policies to satisfy full, productive and freely chosen employment in an attempt to promote both economic and social development. In addition, the policies adopted should take into account, in particular, the level of the country's economic development and the national linkages between employment objectives and other economic and social goals.

#### 2. Other policy instruments

##### Global Shelter Strategy

The United Nations adopted the Global Shelter Strategy (GSS) at its forty-third session in December 1988. Its provisions are intended to encourage all countries to formulate and implement their national shelter strategies before the year 2000.<sup>11</sup> The GSS also calls on policy-makers to become aware that infrastructure investments are productive investments from both economic and social points of view and an important source of income and employment. It further advocates that shelter policies, to be formulated by national governments, should:

- be realistic in terms of the country's economic development;
- indicate effective ways to identify priority needs and actions;
- evaluate comprehensively the various aspects of the shelter issue; and
- be flexible in the setting of goals to respond to changes in requirements.

##### The Recife Declaration

This Declaration, adopted by the Recife International Meeting on Urban Poverty in March 1996 in preparation for the Second United Nations Conference on

Human Settlements (Habitat II) in Istanbul in June that year, calls for transforming public and private action through forging a new relationship with poor people. This requires substantive institutional and cultural changes involving professionals, experts and public officials, as well as other sectors of society including poor people themselves.

Within this new relationship, central governments are called on to devolve not only responsibilities, but also resources to local governments. Local authorities should assume a central role in poverty alleviation by articulating and coordinating the interests and capacities of diverse actors, including a large facilitating role in development of labour-intensive public works programmes through "community construction contracts" (see *Community construction contracts*, below). Poor people are urged to continue organizing themselves and to participate in decision-making and in the process of allocation of public resources which affect their living and working conditions; they should also ensure that their organizations are transparent, democratic and representative of diverse community interests, especially those of women, young people and minorities.

The Recife Declaration also encourages further implementation of an "enabling strategy" by governments

through adjusting legal conditions and helping establish supporting institutions in areas such as land, basic services, credit, and technical and organizational assistance (see *Enabling strategy*, below). An enabling policy should also necessitate changing the present patterns of public and private investment in cities, particularly in the case of infrastructure, to give a social orientation to urban development.

### **3. Declarations of key United Nations conferences**

#### **Agenda 21 of UNCED**

Although poverty and employment were also addressed at the International Conference on Population and Development in Cairo in September 1994, and at the Fourth World Conference on Women in Beijing in September 1995, the following United Nations conferences paid special attention to these issues. Agenda 21, adopted by the United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro in 1992, recognizes that a high priority in development should be given to the shelter and employment needs of the growing number of poor people. Chapter 7 of Agenda 21 addresses the need to promote human settlement development through access to finance, land and low-cost

## II. Review of the policy environment on infrastructure investment

building materials, and empowering people at the local level to take an active part in the development process.

Agenda 21 calls for joint efforts by government and non-governmental organizations (NGOs) in a wide range of activities for poverty alleviation, including:

- employment generation through the provision, improvement and maintenance of urban infrastructure and services with labour-intensive technology;
- adoption of appropriate legal and regulatory frameworks to extend the benefits of adequate and affordable environmental infrastructure to excluded social groups, especially poor people;
- strengthened institutional capacity of local authorities in working in partnership with local communities and the private sector in the provision of adequate infrastructure services; and
- development of activities in the small construction industry, including locally produced building materials with local raw materials.

### **The Copenhagen Declaration and Programme of Action**

The Copenhagen Declaration on Social Development, signed at the World Summit for Social Development in March 1995, acknowledges that there is an urgent need to address profound social problems,

especially poverty, unemployment and social exclusion. It advocates empowering poor people to use environmental resources sustainably as the basis for equitable development. It affirms that, in both economic and social terms, the most productive policies and investments are those that empower people to maximize their capacities, resources and opportunities.

The Declaration addresses the gender issue, acknowledging that without the full participation of women, social and economic development cannot be secured in a sustainable way. A priority for the international community in economic and social development is equality between women and men.

The Declaration commits the nations of the world to promote full employment as a basic economic and social priority, and to enable all men and women to attain secure and sustainable livelihoods through freely chosen productive employment and work. The Declaration agrees to "put the creation of employment ... at the centre of strategies and policies of governments, in full respect for workers' rights, with the participation of employers, workers and their respective organizations". The associated Programme of Action, in a chapter on the expansion of productive employment and the reduction of unemployment, encourages labour-intensive investments in infrastructure.

To achieve the objective of eradicating poverty, the Programme of Action stresses the need for improved access to productive resources and infrastructure. The aim is to increase opportunities for income generation and diversification of activities and productivity in low-income communities. It stresses the need to address urban poverty through a number of measures, including promoting and strengthening informal sector businesses, facilitating the transition from the informal to the formal sector, and satisfying the basic needs of all, including universal access to basic social services. To meet these goals, it advocates strengthening and improving financial and technical assistance for community-based development and self-help programmes, and enhancing cooperation among all actors concerned.

### **The Habitat Agenda**

Building on the first United Nations Conference on Human Settlements (Habitat I) in 1973, the Habitat Agenda was adopted during Habitat II in June 1996. Though it addresses many of the issues taken up in previous United Nations conferences of the decade, the Agenda focuses on how these issues are played out in the context of local development. This includes:

- *shelter policies*, to strengthen the linkages between shelter and

employment creation; to encourage development of environmentally sound and affordable construction methods and production and distribution of building materials, including strengthening the indigenous building materials industry, based as much as possible on locally available resources; and to promote in countries, where appropriate, the use of labour-intensive construction and maintenance technologies that create employment opportunities for the urban unemployed;

- *shelter delivery*, to make use of contracts with community-based organizations (CBOs) for the planning, design, construction, maintenance and rehabilitation of housing and local services, especially in low-income settlements; to strengthen the capacity of both public and private sectors for infrastructure delivery through cost-effective, employment-intensive methods, where appropriate, to optimize the impact on employment creation; and to promote and permit the use of low-cost building materials both in housing schemes and in public construction works; and

- *social development*, to redirect public resources to encourage community-based management of services and infrastructure; to promote participation of all potential actors in this endeavour; and to promote ratification of relevant

## II. Review of the policy environment on infrastructure investment

ILO conventions, including those on the prohibition of forced and child labour, the freedom of association, the right to organize and bargain collectively, and the principle of non-discrimination.

### 4. *ILO activities for Habitat II*

#### **The Urban Employment Charter**

The Urban Employment Charter was adopted in December 1995 by the Tripartite International Symposium on the Future of Urban Employment that was organized by the ILO, as a technical input to Habitat II. It states that unemployment is the primary cause of the urban crisis reflected in deteriorated living and working conditions, lack of access to basic infrastructure and social services, crime and violence, drug addiction, homelessness, street children and overcrowding. The Charter, therefore, encourages member States to develop a new strategy towards urban employment, including:

- at the international and national levels, establishing legal, social and macro-economic policies conducive to employment-oriented growth;
- at the national level, instituting micro-economic reform that will improve the efficiency of labour and capital markets; and improving sectoral policies, regional development programmes and other direct target interventions. Such reforms

should be designed to enhance employment creation; and

- at the local level, reorienting investments in favour of employment, and creating an enabling regulatory environment.

The Charter fully recognizes the role of cities and encourages municipal and local governments to play a major part in social and economic development, as they have the capacity to:

- forge alliances at local level, including those with employers and workers in the public and private sectors, and with CBOs;
- apply international labour standards, including those aiming towards full, productive and freely chosen employment;
- redesign the regulatory framework, including procedures for tendering and contracting public investments, and other regulations affecting the urban informal sector; and
- develop an enabling environment for the growth of small and micro-enterprises, including access to credit and appropriate technology.

Additionally, the Charter recommends for municipal and local governments the following strategies to create new sources of employment:

- public and private investment policies and programmes should be evaluated with a view to maximizing their impact on employment. Labour-based methods

and locally available natural resources, construction materials and personnel should be used for implementing infrastructure investment programmes whenever these prove to be cost-effective and do not compromise quality; and

- investment policies should include the upgrading of low-income neighbourhoods of urban areas for a positive impact on the living and working environment. Improvements to drainage, sanitation, erosion control, urban forestry and waste management should be used to create employment and to protect the urban environment.

## **B. Key national policy issues and operational implications**

### ***1. Policies for infrastructure investment***

In many developing countries, policy interventions are usually defined by the central government. This is due to its control of the majority of taxes raised and its power over resource allocation. However, the functions of municipal governments generally include the planning and provision of urban infrastructure and services. As a result, municipal powers and

responsibilities frequently do not match the resources available.

The increasing urbanization of poverty calls for a review by central governments of the range of powers that municipal governments have in policy formulation, infrastructure and service provision as well as in regulatory areas that have an impact on poverty alleviation. Governments should also consider decentralized responsibility for infrastructure investment policies and enhanced resource flows to municipalities.

Therefore, the following municipal political and financial objectives need to be achieved:

- decentralized power and resources for infrastructure investment and maintenance to local governments;
- infrastructure plans for low-income areas, including urban informal settlements;
- enhanced mobilization of resources, including the resources of poor communities;
- improved impact of local government current and capital expenditure on urban employment and poverty alleviation;
- secure tenure of land occupied by poor people in informal settlements; and
- creation of an enabling strategy (see next section).

## II. Review of the policy environment on infrastructure investment

### 2. *Enabling strategy*

An enabling strategy aims to secure a constructive partnership between all actors in development, including government agencies, the private sector, NGOs and communities. The essential element of the strategy is to empower people to exercise greater control over their lives by creating an environment for their participation in social and economic development. This changes the status of poor people from being traditional "beneficiaries" into "actors" in the development process.<sup>12</sup>

In applying the enabling strategy the role of government also changes, from that of a regulator and implementor, to that of a facilitator in a partnership to combat urban poverty. Its role is no lighter or easier. An enabling strategy requires government actions that benefit poor people, including flexible interventions in land allocation and tenure, and housing and financial markets, in addition to sufficient allocation of local resources in urban infrastructure investment programmes.<sup>13</sup>

The enabling strategy encourages a partnership, within which local communities take more responsibility for the physical improvement of their neighbourhood. It should be recognized that this partnership between two very different organizational cultures may often be clouded by mutual distrust. City engineers may find it hard to accept

building standards that are affordable to poor people, but below national or municipal standards.<sup>14</sup> Equally, communities may not easily believe in the goodwill behind a public service that the government failed to deliver in the past. However, the ILO's demonstration projects have shown that this partnership works provided that:

- the community is the "owner" of the project, not the municipality; and
- agreements between the community and local government are negotiated and reached on an equal basis, i.e., they are community construction contracts (CCCs) (see below).

The enabling approaches are especially important for minor works (see *A dual strategy: Major and minor works*, below) in the informal sector. For major works within the formal sector the facilitating role of the government is explained by increased employment content in investment for construction, rehabilitation and maintenance programmes.<sup>15</sup>

### 3. *Employment-intensive investment policies and practice*

Given the deteriorating employment situation in many parts of the developing world, from the early 1980s the ILO assisted member States – mainly



developing countries in Asia and Africa – to design and implement employment-intensive activities as a major means of employment and income generation for poor people. The ILO's programmes have been directed at central governments, in an attempt to influence their national and municipal investment policies in the infrastructure sector.

The term "employment-intensive" is used to describe strategies, programmes, projects, activities and assets which will promote direct or indirect, short-term or long-term employment at the highest possible level compared with other more equipment-intensive alternatives, while remaining cost competitive for the same quality of work.<sup>16</sup>

Labour-intensive urban infrastructure development in informal settlements is a development strategy that both generates employment opportunities, and improves the working environment and productivity of informal sector enterprises. Incomes which the urban poor earn as construction workers in labour-based upgrading schemes can subsequently help the same workers invest in required capital investment for small and micro-enterprises. Upgraded infrastructure will improve productivity and the working environment of the informal sector producers who either use their houses as workplaces or operate out of poor and unplanned urban settlements. Roads and footpath accessibility, proper drainage

and sanitation all make a positive contribution to sustainable employment creation in these settlements.<sup>17</sup> This changes the traditional perception that employment-intensive settlement upgrading, and projects to promote the urban informal sector, are two separate activities.

Labour-based technology should not be seen as a panacea, and cannot be used in such situations as major infrastructure projects for highways, airports and power plants, because of the high level of technical expertise required. However, it can be applied to many areas of infrastructure and services that benefit the urban poor directly, namely water supply, drainage, erosion control, unpaved roads and footpaths, as well as on-site upgrading of informal settlements.

Labour-based techniques should not mean hordes of people working like ants, but rather an appropriate mix of labour and light equipment to ensure productive labour. Here the rate of labour intensity is not important; what is, is the need to give priority to local labour input, supported where necessary by equipment, rather than equipment (often imported) supported by labour.<sup>18</sup>

Labour-based projects are neither "make-work" ones, nor are they synonymous with poor quality and cost ineffectiveness when compared with equipment-based methods. The ILO is

## II. Review of the policy environment on infrastructure investment

beginning to develop experience in applying labour-based techniques to urban settings, and results from its completed and ongoing projects have demonstrated that these techniques can be both cost-effective and of a high quality. For instance, a study of gravel road construction in several areas of Burkina Faso showed that labour-intensive techniques, when compared with mechanized alternatives, cost 42 per cent less in financial terms for a road of comparable technical standard, while at the same time creating 75 per cent more employment. (Nor does this consider the benefits of foreign currency savings.)<sup>19</sup> Moreover, an ILO-supported project in Uganda demonstrated that certain employment opportunities provided poor people with a supplementary income, which they invested either in education for their children, in housing improvements or in small business development, hence creating multiplier effects.<sup>20</sup>

In order to encourage governments of member States to adopt labour-intensive infrastructure investment policies, it is necessary to justify this approach in terms of technical and economic credibility in their specific countries. For this purpose, their key infrastructure development programmes (completed, ongoing and planned) have to undergo a cost-benefit analysis for the following aspects.<sup>21</sup>

### **Cost analysis and technical standards**

For each infrastructure programme, the total amount invested over the past decade is broken down by category of infrastructure (e.g., highways, footpaths, drainage systems, environmental improvements, tree planting, public toilets, social infrastructure). The amount is expressed in both local currency and US dollars at prevailing exchange rates, and is compared with the total amount of infrastructure constructed.

For each category of infrastructure, unit costs, as well as cost breakdowns covering the following cost elements, have to be assessed:

- (1) **Labour:**
  - Unskilled
  - Skilled
  - Supervisory staff
- (2) **Materials:**
  - Local
  - Imported
- (3) **Tools:**
  - Local
  - Imported
- (4) **Amortization of equipment:**
  - Local
  - Imported
- (5) **Running and maintenance costs of equipment:**
  - Local
  - Imported

All the above elements are expressed in quantities (e.g., workdays of unskilled labour, units of tools, tons of cement), costs and percentages. The design specifications for each category of infrastructure are also analysed.

### **Implementation method**

The method used for implementation is also analysed. Usually these programmes are carried out through contracting work to construction enterprises. In this case, a comparative analysis of the characteristics of the contracting enterprises is performed to cover the following elements:

- size of enterprise;
- nature and amount of equipment owned;
- number and value of contracts executed during the past year; and
- the size and qualifications of the contractor's workforce (both permanent and temporary staff).

When other implementation methods are used, such as unpaid community labour, or CCCs, these implementation methods are analysed comparatively with contracting methods with regard to the following factors:

- quality of work;
- design standards;
- time required for construction;
- maintenance requirements;
- supervisory requirements for public authorities;

- cost of work; and
- employment created.

It is true that employment-intensive infrastructure investment programmes have established technical and economic credibility in some developing countries – e.g., Burkina Faso, Kenya, United Republic of Tanzania and South Africa – and they are gaining an increasing momentum in others. However, in reviewing the overall situation, the ILO still needs to achieve the following in relation to labour-based approaches:

- help mainstream employment-based technologies in urban investment policies of developing countries where national and municipal governments have sufficient experience;
- encourage the use of employment-based technologies in countries where a bias remains towards equipment-intensive construction methods; and
- forge close linkages between employment policies, private sector development and compliance with relevant labour standards.

## **4. Community participation**

Low-income groups are generally poor not only financially, but also weak in terms of their power to influence decision-making on matters relating to their livelihoods. They are often totally excluded from the development process by the top-

## II. Review of the policy environment on infrastructure investment

down practice of government management in planning and budgeting. An approach that can overcome this is "community participation". It establishes the necessary linkages with a local government: the key objective is to include poor people in the process of policy-making and influencing how resources are to be used. Community participation can also generate a sense of responsibility and ownership, which increases a community's confidence in controlling its destiny and improves the sustainability of the development programme.

However, the word "community" is often fraught with ambiguity and given an unrealistic tinge by development workers. It has to be recognized that a community is made up of individuals and power groups who often have conflicting interests. Local elites in a community may not always facilitate the interests of the urban poor. It should therefore be borne in mind, when community participation initiatives are organized, that the urban poor are only part of the local community.

Community participation in urban settlement upgrading projects always calls for the formation of community development committees (CDCs) to represent the community. The CDCs must be registered as CBOs. The CDCs are decision-makers and act as "bridges" between the community members and the municipality together with donor

organizations. They identify their priority needs, participate in planning and design of projects, implement project activities and are responsible for the maintenance of the project-developed assets.<sup>22</sup>

Though CDCs represent communities, a wide definition of "community" is important. CDCs should always ensure access of all community members to decision-making processes and information on key issues such as finance, including community funds and allocation, community contributions and use of funds.

When the community participates in settlement upgrading, it takes time to mobilize unorganized residents into a cohesive group, because there is frequently little sense of community and a lack of consensus. It is therefore important not to design over-ambitious projects in terms of the work and responsibility given to the community. What is needed is sufficient time within a project for community awareness raising and training programmes.

Levels of community participation may vary in the implementation of projects, depending on the technical and managerial capacity of the CBOs. In addition to "self-help" approaches, other forms of community participation are recommended below for upgrading poor urban settlements, representing different levels of community involvement.<sup>23</sup>

- *Contracting-out system.* Work is contracted out to small and micro

construction firms, either in the formal or informal sector.

- *Labour-only community contract.* The communities provide and organize labour inputs on a contractual basis; other management functions, including funds, equipment and procurement, are handled either by a (preferably local) contractor, local government authorities or by the “project”. Such arrangements are particularly necessary when CDCs have little experience. The overall financial management and procurement operations can only be phased in at a stage when the community training programme is successfully completed.
- *Full community contracting.* All financial and technical responsibility for construction is given to CDCs, which act as the contractor to the project, including the management of project budgets and procurement of construction materials, tools and light equipment. Technical assistance is expected from a project-established technical support team (TST) and the local government, especially for design and standards.
- *Food for work implementation.* Work is organized on a “force account” basis and is paid for partially in food rations, not exceeding 50 per cent of total remuneration (see *Remuneration systems for paid labour*, below).

Community participation approaches have been adopted by many developing countries and applied, to different extents, to their urban infrastructure investment programmes and projects. However, in some developing countries, community participation has only meant that poor people contribute in kind or in labour to carry out the governments’ top-down programme without active participation in the planning or implementation process.<sup>24</sup> To improve the knowledge base on community development, studies are necessary through taking stock of the terminated and current infrastructure investment practices of specific countries before formulating new community participation programmes and projects. Assessment of community participation should be centred on the following:

### **(1) Planning**

- extent to which the beneficiary community is consulted prior to investment decisions;
- choice of infrastructure investments based on the community’s own priorities;
- input of beneficiary communities envisaged into the formulation of technical designs; and
- “walk through” the designs by government technicians with the beneficiary community.

## II. Review of the policy environment on infrastructure investment

### **(2) Implementation**

- percentage of the workforce (broken down by skill category) provided by the local beneficiary community;
- remuneration systems and levels used;
- unpaid labour provided by the community and part of the total labour input represented;
- forms of social protection provided to community labour;
- workforce imported from outside the local community; and
- mechanisms for consultations with the beneficiary community during construction.

### **(3) Operation**

- extent to which beneficiary community, or rather the public authorities, are involved in the management and operation of infrastructure; and
- community's responsibility for the management of funds collected either by the public authorities or by the community for operation.

### **(4) Maintenance**

- operation and maintenance arrangements discussed with the beneficiary community prior to the execution of work;

- extent to which the beneficiary community is responsible for maintenance;
- form of contributions;
- extent to which the public authorities are responsible for maintenance;
- levels of public resources, budgeted or otherwise, devoted to maintenance; and
- a comparative assessment of the quality of maintenance as related to the above factors.

### **(5) Evaluation**

- evaluation of the quality and cost-effectiveness of the infrastructure improved, based on the degree of community participation in the above project phases; and
- evaluation of the links between sustainability and community participation, and the links between bottom-up approaches and sense of community ownership over the project and the project-developed assets.





**III.  
Programme partners  
and their  
respective roles**



In traditional town planning and management practices, the government was seen as the sole provider of all social, economic and infrastructure services to an urban community. Contemporary town planning and management are predicated on the fact that the government alone cannot meet the ever increasing needs of an urban community. If properly mobilized and organized, a partnership of the urban community, private enterprises and other non-governmental institutions, including workers' and employers' organizations, should provide greater resources to supplement those of the government.

This partnership would act as a forum to bring together all stakeholders for discussing available funds, priority needs of poor communities and appropriate strategies for upgrading urban settlements. In order to tap the full potential and mobilize resources, the stakeholders' roles have to be examined and constraints identified.

In order to secure a well-functioning partnership, it is essential to develop products such as information materials and communication strategies for potential stakeholders. These are likely to stimulate local creativity, improve the environment of micro-enterprises, establish a participatory and responsible political culture and devise means to keep vested interests under control.<sup>25</sup>

## I. Local government

Municipalities operate under the jurisdiction of state and federal governments to manage cities and towns. As noted above, one of the major constraints facing them is the mismatch between their responsibilities and the inadequate resources to carry them out, a problem made worse in recent years in many developing countries through decentralization of responsibility to local governments without the necessary resource allocation.<sup>26</sup>

The present regulatory framework is rigid towards the urban poor in the fields of town planning, budget allocation and technical standards for land, infrastructure and services delivery. These are the specific legislative areas that local governments should review and reform.

Reasons for the poor performance of many local government agencies vary from a lack of technical capacity and poor work ethics, to corruption and chaotic administration.<sup>27</sup> However, the potential role that a local government can play in infrastructure investment is to plan, design, coordinate and monitor labour-based and community-participation actions and programmes at the local level, particularly in terms of financial and human resources.<sup>28</sup> Therefore, capacity-building of local governments in the following areas

### III.

## Programme partners and their respective role

constitutes an important component in the formulation of such programmes:

- managing a different mix of labour and equipment, apportioning work to small-scale, and at times, informal sector contractors, and evaluating investment plans to increase their impact on employment creation and on informal sector development;
- identifying new market opportunities for which a given municipality may have a comparative advantage, and recommending priority infrastructure investments required to attract new outside investors; and
- moving from the traditional role of “provider” to that of “facilitator” through development of an enabling strategy (see Box 1), in particular, in dealing with the urban informal sector and enhancing its potential for employment creation, rather than simply regarding it as something to be ignored or outlawed.

Capacity-building of local governments needs to be encouraged by central governments through decentralizing necessary resources. In addition, local governments will also need to be authorized to raise their own funds, either on local and international financial markets, or by directly approaching the donor community.

## 2. Community-based organizations

The urban poor have to organize themselves into CBOs as legal entities to avoid the risk of exclusion and marginalization in the development process. These organizations help poor urban communities deal collectively with governments and interested donors, thus helping them secure technical and/or financial assistance. They may also represent an institutional means to improve the employment situation of the urban poor through the following:<sup>29</sup>

- building institutions that articulate their interests;
- providing vital social services and crisis support;
- acting as a channel for assistance;
- improving linkages with the formal sector; and
- providing a catalyst for community-based upgrading.

In urban community-based development programmes, CBOs are usually represented by CDCs, which represent the community in supervising day-to-day work operations. Members of CDCs should be democratically elected by community members to help secure the community’s full participation. CDCs should also ensure that women are fairly represented on them, and that women workers are employed in project activities.

The ILO's Discrimination (Employment and Occupation) Convention, 1958 (No. 111) should be considered in the formulation of community upgrading programmes.

As CDCs act between the municipalities and the communities, their roles include:

- identifying local needs and priorities;
- participating in the planning and design of the proposed facility;
- consulting on a regular basis with the whole community to ensure community understanding and commitment to the project;
- establishing an effective conflict resolution mechanism for conflicts related to the project arising within the community;

- negotiating contracts with the municipality for execution of works, provision of services, and maintenance;
- ensuring that work is carried out according to contract; and
- encouraging the entire community to participate in and support the project, including mobilization and collection of community contributions (see *community contribution*, below).



### III. Programme partners and their respective role

#### Box I. Public Management Styles for Urban Services

Function	Management Styles	
	State as provider	State as facilitator
<b>Needs assessment</b>	Survey, census, field visit and statistical analysis; centralization of information	Communities' self-surveys; direct consultation; dispersal of information
<b>Determination of requirements for services</b>	Professionally established regulations; uniform and high-level technical performance	Incremental upgradable requirements based on adaptation of existing situation and technologies
<b>Financing</b>	Greater dependence on national government grants and international loans	Revenue generated by local governments and communities
<b>Planning</b>	Professionals in government and parastatal agencies	Communities and local governments with guidance of professionals
<b>Implementation</b>	Centrally controlled and managed by authorities, directorates and public corporations	Controlled and managed by communities with local government support
<b>Financial and quality control</b>	Monitoring and evaluation by central authorities through reports, auditing, and strict adherence to numerous and uniform rules, regulations, procedures, codes, and designs	Service provided accountable to community residents and local officials and judged on final effectiveness of service rather than adherence to procedures, etc.
<b>Service personnel</b>	Few professionals assisted by a large number of support staff	Community volunteers and para-professionals supported by small groups of professionals
<b>Cost reduction</b>	Efficient management, competitive bidding, and economies of scale	Community self-help, adapting regulations to local situation and affordability; elimination of overhead costs
<b>Relationship of service providers to users</b>	Separated and often opposed to communities' demands; government controls	Merging of providers and users; communities control and government support

Note: Most successful experiences of urban services involve elements of both management styles.

Source: Rondinelli, D.A. and Cheema, G.S. (1985). "Urban service policies in metropolitan areas: Meeting the needs of the urban poor in Asia", in *Regional Development Dialogue*, Vol. 6, No. 2.

CDCs need to build up the capacity to manage community projects. This should be realized through a series of training and problem-solving seminars and study tours to regional projects under way elsewhere to address legal, organizational and technical issues such as surveying, technical standards, workers' compensation, bookkeeping, CCCs and maintenance.

An additional important mechanism is the networking of community volunteers to support group development within communities. The community volunteers can effectively support the CDCs in mobilizing communities into active participants in project activities, building up a sense of community ownership over projects and promoting local initiatives. Experience shows that locally recruited community volunteers often perform their roles better than those brought in from elsewhere, primarily because of their knowledge of local language and culture.

To ensure the operation of this mechanism, the following is required:

- recruitment of national (or international) volunteers and/or specialists in urban community development and development of networking;
- selection of community volunteers in each settlement identified with a view to strengthening linkages between CDCs

and the community as well as within the communities themselves; and

- training of community volunteers.

### **3. Role of employers' and workers' organizations in promoting labour-based and community participation works programmes**

Given that the scope for action by employers' and workers' organizations is limited to promoting and protecting the interests of enterprises and workers in the modern sector, the challenge to these organizations is to expand their scope to small and micro-enterprises in the informal sector, through building up closer relationships between the two sectors. These organizations have a key role to play in removing many of the obstacles faced by informal sector workers and by small and micro-entrepreneurs, in helping them get organized, in promoting the fundamental labour standards of the ILO relevant to the sector, and in assisting them in emerging from a marginalized and segmented place in society and the economy. They can lobby their government for the removal of many discriminatory production specifications and bidding practices, as well as help promote

### III.

## Programme partners and their respective role

subcontracting and improve their technology, management skills and services offered for modern sector enterprises such as occupational health services and various welfare facilities.

#### 4. The private sector

Urban informal settlement upgrading programmes require a closer involvement of small enterprises in activities for employment and income generation and for an improvement in the living environment through:

- assisting residents of poor communities to establish and develop their own private enterprises on an individual, family or group basis within the manufacturing and service sectors;
- capturing involvement of existing small-scale construction enterprises and creating new enterprises for provision of infrastructure using labour-based techniques and community participation methodology; and
- developing collaboration between small and micro-enterprises on the one hand and medium and large enterprises on the other.

To achieve this, in general (and perhaps over-hopeful) terms, governments at all levels must eliminate their

discriminatory policies and regulations towards small and micro-enterprises and provide them with bidding opportunities for construction work, services and the production of manufactured goods. For their part, small and micro-enterprises must observe government regulations covering registration, taxation, health and safety, and conditions of employment. They also need to increase their product quality and value for money.

To be more specific, the following types of private enterprises are encouraged to be involved in urban informal settlement upgrading programmes:<sup>30</sup>

- *Small-scale construction enterprises.* Not all works are suitable for small-scale construction enterprises or community implementation because large construction projects require the experience of professional contractors. However, many community development works, such as water supply, drainage, sanitation, roads and footpaths, could be carried out by small-scale contractors, who of necessity choose more labour-based technologies than large-scale contractors. Governments should take the lead, with the help of local employers' and workers' organizations, in encouraging the use of small-scale contractors whenever socially, economically and technically feasible.

They should also consider assistance to small construction companies that would include training in labour-intensive works organization and technologies, accountancy, and tendering practices.

- *Small-scale building materials enterprises.* Production of building materials by local small and micro-enterprises usually consumes a high content of local raw material. Government assistance to these enterprises should be focused on product quality and pricing.

- *Small-scale recycling and waste collection enterprises.* Waste collection and recycling are extremely important when a water drainage project is envisaged. This is because many residents are used to throwing their waste into canals and other watercourses. There is therefore a need both to help change these practices and to assist small-scale enterprises in securing both formal contracts with local governments, and better access to recycling technologies, credit facilities, business training and marketing.

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## Box 2.

### Private Sector Infrastructure Provision: AGETIP in Senegal

The Agence d'Exécution des Travaux d'Interêt Public (AGETIP) is a private, non-profitmaking enterprise that contracts with Senegal's Government to carry out urban infrastructure works and urban service projects. The arrangement is stipulated in several documents, including a manual defining the responsibilities of the two parties. Municipal and central governments sign specific, delegated-contract management agreements with AGETIP each time they submit a subproject for execution. AGETIP hires consultants to prepare designs and bidding documents and to supervise works, issues calls for bids, evaluates and adjudicates the bids, signs the contracts, evaluates progress, pays the contractors, and represents the owner at the final handover of the works. As of January 1993, Senegal's AGETIP had implemented 330 projects worth US\$55 million, located in 78 municipalities, creating over 50,600 temporary and 1,500 permanent jobs. Over half the projects dealt with environmental concerns, e.g., drainage, waste collection, canal clearing, pavement improvements and road maintenance. A feature of AGETIP is its creation of work through labour-intensive methods.

Source: World Bank (1994). *World Development Report 1994: Infrastructure for Development*, Washington, D.C., as quoted in UNCHS (Habitat), 1996, *An Urbanizing World: Global Report on Human Settlements 1996*, Nairobi.

### III.

## Programme partners and their respective role

### 5. Focal point institutions

Most third world countries have research and training institutes with considerable technical expertise on technologies and procedures relevant to local infrastructure projects. However, in a national programme for infrastructure construction and maintenance, there is also a need for coordination, monitoring and selected research work, and securing access to credit for small enterprises. This function could be taken up by one or several of these research and training institutions, designated by the government as a focal point institution (FPI). One important criterion for selecting an FPI is its capacity to work closely with the private sector.<sup>31</sup>

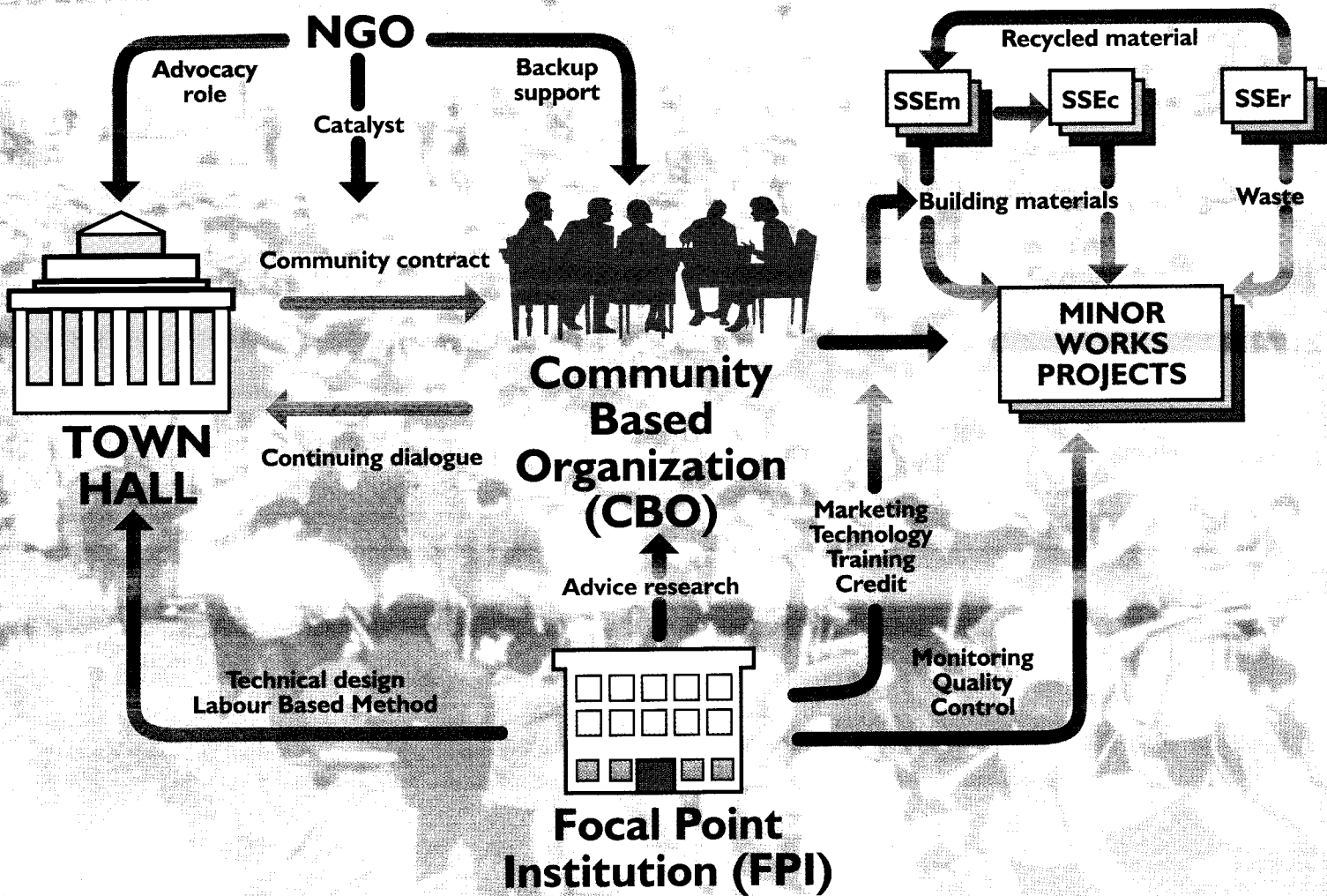
All small enterprises need to be assisted by an FPI both with research and access to credit. This applies particularly in recycling and building materials production; training is important for small-scale construction contractors. The FPI would also have responsibility for monitoring the process. The aims of the designated FPIs would include:

- effective input with national policy-makers in review and development of policy and regulatory approaches;
- review of resource allocations of their budgets to incorporate lessons learned from employment-intensive and community-participation construction interventions and informal sector development;
- focused research to generate necessary baseline data and case studies to demonstrate the effectiveness of the labour-based, community-participation methodology; and
- finding and helping implement solutions to social and technical problems confronting communities of the urban poor on a sustained basis.

Diagrams 1 and 2 describe the working relations of the relevant actors, including the provision of training by FPIs and access to credit (or at least awareness of it) to small-scale contractors; and research in recycling technologies for small workshops.



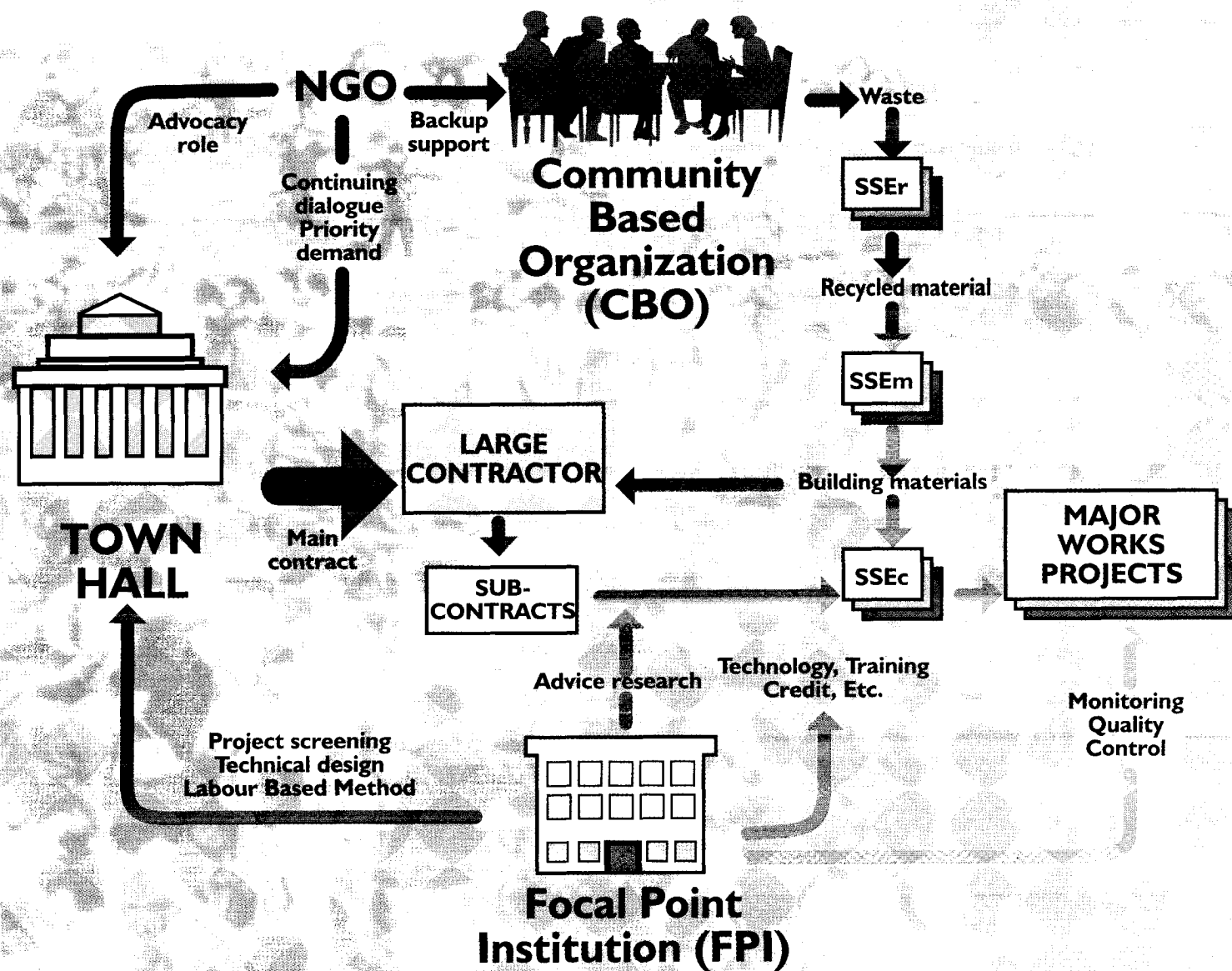
**Diagram I.**  
**Support Programme: Actors and their relations**  
**(MINOR WORKS)**



Source: ILO (1993). *From Want to Work: Job Creation for the Urban Poor.*

# III. Programme partners and their respective role

**Diagram 2.  
Support Programme: Actors and their relations  
(MAJOR WORKS)**



Source: ILO (1993). *From Want to Work: Job Creation for the Urban Poor*.

## 6. NGOs

NGOs, in addition to employers' and workers' organizations, are the key players in assisting informal sector development in third world countries today. The strength of the NGO is its independence, knowledge of local conditions and capacity to communicate directly both with CBOs and the municipality. They have contributed substantially to the success of projects aimed at improving the living conditions, employment and incomes of the urban poor. They can:

- gain access to required inputs in difficult circumstances;
- contribute training and other technical assistance inputs of a high quality and direct cultural and situational relevance;
- assist communities to develop their own advocacy and planning bodies; and
- function as intermediaries and even interlocutors in politically sensitive situations.

As not all NGOs possess sufficient capacity or experience in infrastructure development, governments – usually with the funding agency – must exercise great care when commissioning work in a community development programme to NGOs, and must make available the necessary specialized support. Criteria for partnership with an NGO include:

- compatible values with those of the programme;
- clearly identified, accountable management and competence of the board/committee, and staff;
- capacity to work alongside communities, to *empower*, rather than service or dominate them;
- capacity to work alongside municipalities and to develop a stable partnership with local government;
- stability to stay with the programme in the short and medium term; and
- value-adding potential: the net value of having the NGO as a partner should be a positive contribution to achieving the performance goals of the programme.

### III.

## Programme partners and their respective role

### 7. International development organizations

Both bilateral and multilateral development organizations are partners in urban poor settlement improvement initiatives. Ideally, their role should not just be that of “donors” providing financial support. They should also be substantive partners bringing their own experience, success and failures, which can improve the effectiveness of such interventions, through training of town planners, local government technicians, CBOs, small entrepreneurs, NGOs, FPIs and consultants; through technology transfer – particularly South-South – in the area of credit schemes; and through policy dialogue with governments.

According to their respective mandates and comparative advantages, United Nations agencies including UNDP,

UNCHS and United Nations Volunteers (UNV), the European Development Fund, and other donors such as the Ford Foundation, have become partners of the ILO in settlement upgrading programmes. Initiatives and interventions should be built on their respective complementary elements.

Interagency cooperation carries at times the risk of competition for credit where a project is successful. Therefore, care should be taken to delimit the technical inputs of each cooperating agency.<sup>32</sup> Associate agencies' roles can include provision of expertise according to the fixed share of resources available under the project budget.



**IV.  
Designing an urban  
infrastructure  
programme  
for low-income  
communities**

**A**n urban works programme (or project) for low-income communities through labour-based and community participation approaches could be formulated on the basis of the policy issues and actors discussed above. A programme's design has to clearly specify the development and immediate objectives the programme aims to achieve, the strategies to be used and possible inputs, outputs and activities to be envisaged. This chapter will provide some suggestions with regard to the inputs and design of the programme.

Special reference has also to be made to some generic project formulation documents in terms of the format and terms to be used for project design, such as the ILO's "Summary project outline" for multi-bilateral technical cooperation projects and the UNDP's "Guidelines for project formulation and the project document format".

## 1. The strategy

- Enhancement and creation of a tangible interface between the local communities and local authorities;
- Mainstreaming the informal sector into national economic development;
- Demand-driven and full community-participation initiatives, including women and youth; and

- Capacity-building of local communities and local government to implement community-based activities.

## 2. Development objective

- Improved living and working conditions and expanded employment opportunities in urban low-income communities in developing countries.

To achieve the development objective in a sustainable way, it is necessary to create capacity at different levels: community, small and micro-enterprises, local and central governments. Empowerment, or increased capacity at the community level, is very important since strong, organized and capable communities can themselves drive the process forward. However, the policy framework must be modified to reflect – or stimulate – such empowerment, and the local authorities must find new ways of handling their relationships with organized communities. A prerequisite for improving living conditions is generating income to lift people above the poverty line. These issues are addressed in line with the strategy, through immediate objectives, outputs and typical activities.<sup>33</sup>

## IV.

# Designing an urban infrastructure programme for low-income communities

### 3. Immediate objectives, outputs and typical activities

#### *Immediate objective:*

*To improve living and working conditions of urban low-income communities through community-based approaches.*

#### *Output:*

Functioning and maintainable infrastructure and basic services constructed/rehabilitated in urban low-income communities.

#### *Typical activities:*

- implementing community-based public works and environmental upgrading programmes in and by urban low-income communities;
- constructing low-income housing using local materials and appropriate technologies;
- arranging municipal contracts for community organizations for infrastructure and services;
- implementing maintenance programmes for housing and other types of infrastructure involving low-income communities, such as drainage, local access roads and footpaths, on-site sanitation, and primary collection and treatment of solid waste; and
- establishing and supporting small-scale enterprises capable of managing labour-intensive shelter and infrastructure programmes.

#### *Output:*

Employment opportunities.

#### *Typical activities:*

- applying labour-intensive approaches to community infrastructure upgrading programmes;
- training community groups to allow them to set up as small-scale contractors;
- assisting in recruitment of local labour; and
- developing skills required for construction activities.

#### *Immediate objective:*

*To generate income for poor people and improve productivity of informal sector producers.*

“Home as a workplace” is increasingly recognized by the ILO member States, especially for many of the informal sector producers and workers who carry out their work in homes or other premises of their choice, rather than the workplace of the employers.<sup>34</sup> Their poor working conditions, with little access to basic infrastructure and services, have limited their productivity and income prospects. It is therefore suggested that a component of urban informal sector activity promotion is included when urban informal settlement upgrading programmes are formulated. Improved access to basic infrastructure, including upgraded premises will, in turn, contribute to the raising of productivity and revenue of these informal sector producers and workers.



**Output:**

Enhanced productivity of micro-enterprises and improved access to credit, training, technology, marketing and employment opportunities for poor people.

**Typical activities:**

- establishing and expanding micro-enterprises;
- promoting the adaptation of technologies for micro-enterprises;
- opening market opportunities for micro-enterprises;
- forming associations for micro-entrepreneurs, artisans and traders;
- linking informal sector activities with those in the formal sector;
- negotiating credit facilities for micro-enterprises;
- training people in vocational and management skills, literacy and leadership;
- assisting and establishing women's enterprise activities;
- accessing and establishing savings and credit schemes;
- supporting and promoting urban agriculture;
- stimulating demands for goods and services from the informal sector; and
- promoting social and economic integration of vulnerable groups.

**Immediate objective:**

To develop policies and strengthen organizations committed to poverty alleviation

**Output:**

Established or modified policies promoting and supporting labour-intensive public works, enabling strategies, community initiatives, micro-enterprises and community-based credit facilities.

**Typical activities:**

- reviewing and developing regulatory frameworks, policies and strategies at national and local levels affecting public works programmes, micro-enterprise development, public contracting procedures, community credit facilities, urban infrastructure and service investments, community participation and local development planning and management; and
- assisting public agencies at national and local levels in establishing and implementing policies and strategies committed to poverty alleviation, support to community initiatives and promotion of micro-enterprises.

**Output:**

Municipalities, government agencies, NGOs and CBOs capable of implementing effective poverty alleviation and community development programmes.

**Typical activities:**

- strengthening the capacity of municipalities, government agencies and

## IV. Designing an urban infrastructure programme for low-income communities

NGOs to respond to demands for community improvement;

- establishing on-the-job training programmes to enable community participation in improving living and working conditions;
- supporting municipalities, government agencies, NGOs and CBOs in their technical capacity to coordinate, negotiate and implement poverty alleviation programmes; and
- organizing training seminars for municipalities, government agencies, NGOs and CBOs on modalities of community-based support programmes for improved living and working conditions.

Based on the above elements, the operational cycle is, theoretically, as follows:

The local government awards construction contracts to the CBOs for

strictly local work and to small-scale private contractors for other work, limiting its own role in direct works implementation to a minimum.

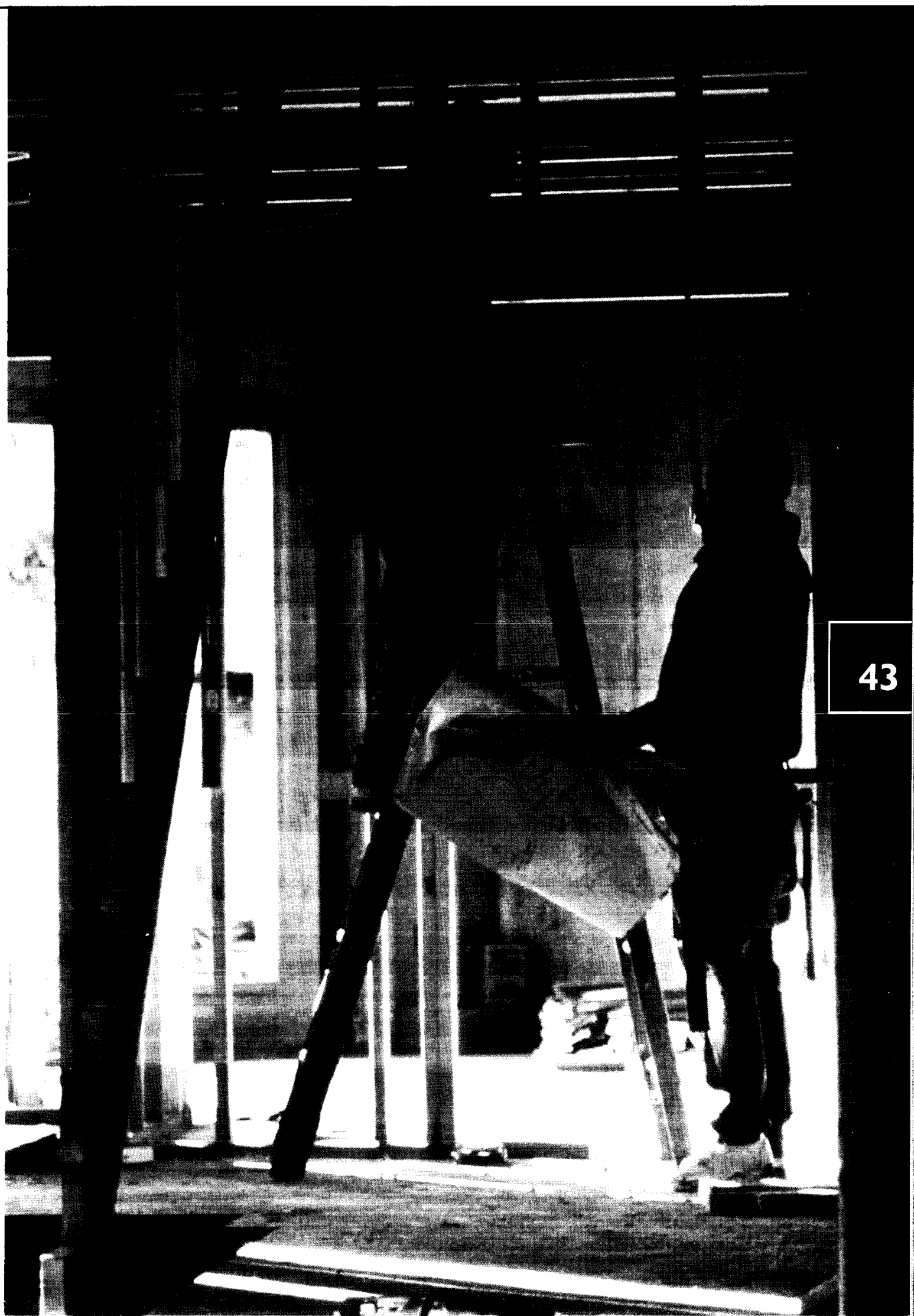
This is followed up with technical support to the CBOs in the spirit of the enabling approach. The CBOs and the small-scale contractors in turn buy their locally produced and adapted building materials from small-scale producers. In addition, the CBOs may agree on a contract for waste removal with one or several small-scale recycling entrepreneurs. The CBOs may be supported by NGOs with experience in community action planning (see *Community action plans* in the next chapter) for the organization of community seminars and other activities.



**V.**

# **Technical issues and considerations**





**A**part from the policy issues and mutual support relationship of all actors to be involved in urban poverty alleviation programmes, there are a number of additional technical issues that need to be addressed in urban informal settlement upgrading schemes.

## **I. Land allocation and tenure**

In the 1970s and early 1980s, special attention was given to the question of securing land tenure in irregular settlements. Benevolent state intervention replaced earlier policies of repression. The most common form of government intervention in informal settlements was in the guise of "sites and services". The state provided poor people with a plot of land and basic services such as electricity, water and drainage, and even paved roads and street lights, and left it up to the individual to secure funds to build a house. The formula was adopted by most third world governments as a strategy to counter the growth of illegal settlements. Major cities such as Lagos, Bangkok and Rio de Janeiro allocated large plots of land for this. However, in the late 1980s these schemes met severe criticism. Building and infrastructure norms were too stringent, land was appropriated by income groups other than those targeted and replicability

was compromised by unrealistic cost recovery policies. Therefore, governments have since abandoned the "sites and services" approach in favour of "sites without services" in partnership with the private sector.

One of the main problems for the urban poor, especially the large number of rural-to-urban migrants, is that they are forced to obtain land to build their own houses through invasion or illegal division of plots.<sup>35</sup> Their residence on this land is usually illegal with no land titles. City authorities and policy-makers have in the past been reluctant to regularize these informal settlements and to put in the required basic infrastructure and services for fear of transforming what were regarded as temporary settlements into permanent urban communities. Since the 1980s many governments have integrated the management of urban informal settlements into their land and housing policies because the informal settlements have been increasingly recognized as not temporary. This has been a major breakthrough in land and housing policy for low-income households.

The objective of providing security of land tenure is not only to protect the urban poor in informal settlements from eviction, but also to integrate them into mainstream social and economic life, including their access to basic infrastructure and services, and access to credit through a mortgage for

starting economic activities. Given the ambiguous legal status of many plots of land in informal settlements, regulations need to be reviewed in relation to land use, transactions, rent and tenure, with a view to the open and adequate supply of land for housing and other development needs for poor people.

Restrictions on the urban poor in terms of access to land may be summarized as follows:<sup>36</sup>

- outdated land regulation;
- distorted and malfunctioning land market (too many government departments involved, lengthy and costly land registration process); and
- high construction standards associated with land development.

Regulations governing the use of land and the type of structure to be developed have sometimes the effect of pushing out low-income earners. Town planners and policy-makers need to be persuaded that the lack of security of land tenure always leads poor people to eviction or to denial of collateral for financing their business development from public banking institutions. Further, without security of land tenure, poor people are unwilling to invest in their shelters. Therefore, secure land tenure is the only way to avoid eviction and is essential for the provision of minimal but upgradable services to enable individuals gradually to improve their homes.

The trend today, as noted above, is towards more flexible legal formulae for guaranteeing secure land usage rather than those which grant individual land rights (the goal of the majority of regularization programmes until the 1980s). Practical approaches to security of land tenure take various forms, including:<sup>37</sup>

- *Maintaining the current system*: this is decided by the state or local authorities. Poor people living in informal settlements are protected from eviction, or at least from eviction with no provision for rehousing with comparable advantages. Nevertheless, there is no guarantee that this will always be the case, and often discourages investment by the inhabitants in their housing, environmental improvements or economic development;
- *Guaranteeing security of land tenure without legal regularization*: this is an active commitment by the public authorities through provision of guaranteed principles of secure tenure. Prior to any eviction, the public authorities have to negotiate with the concerned population or go through arbitration procedures;
- *Recognizing the legitimacy of informal settlements with new forms of conditional ownership* (see Box 3): this option acknowledges the legitimacy of residents' land appropriation. However, the ownership is a political right granted

by urban authorities that allows the inhabitants of the informal settlements to build on and have access to urban infrastructure and services, provided that some conditions are met regarding the settlements, such as geographical location, size and physical characteristics. For this, negotiations have to be undertaken by the public authorities, not only with buyers (the inhabitants), but also with sellers (informal subdividers or, in Africa, customary subdividers); and

- *Legalizing informal land delivery channels*: this recognizes and legalizes the informal land market, implying that informal practices enter the area of common law.

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### BOX 3. IMPROVING PROPERTY REGISTRATION TO INCREASE SECURITY IN NAMIBIA

The largest urban centre in Namibia is the capital, Windhoek, where the population has increased from 110,000 to 180,000 since independence in 1990. Several informal settlements have mushroomed in former communal areas. A major problem experienced by residents in these areas was that they lacked a legal right to the land. In 1994, the Government produced a formal recognition system offering different ways of attaining property ownership. A series of pilot projects were embarked upon to define an efficient and transparent property registration system where the level of tenure could be upgraded or downgraded at any time, depending on what the Government and the people in informal settlements could afford. Participation by the community in the adjudication and planning of an area was a key principle in the formalization process. In addition, the establishment of a community-based organization in these informal settlements to represent the residents was also required for the execution of the project.

Source: Republic of Namibia, Ministry of Lands, Resettlement and Rehabilitation, 1995.

## V.

# Technical issues and considerations

To achieve security of land tenure, it is important for governments to remove or minimize legal and administrative rules and regulations, specifically:

- decentralize the role of the centre in land administration to local governments;
- establish land administration systems to ensure sound registration practices with precise record keeping of landowners and their rights;
- relocate squatters from “danger zones” or areas where people have no hope of acquiring land tenure to zones where they can be assured of security of land tenure, basic infrastructure and services;
- regularize land tenure of informal settlements;
- simplify land registration processes;
- make the sale of public land more transparent, and establish a land information system for public land at local government level;
- build up a public credit scheme to support land regularization programmes;
- give local governments greater revenue-generation and expenditure powers, using, e.g., property and capital gains taxes, incentives and subsidies; and
- consider collective tenure security for poor communities in special cases to diminish land speculation and price increases.

## 2. A dual strategy: major and minor works

A dual strategy is frequently used for distinguishing between major and minor works. Major works typically comprise main roads, main storm water drains, water supply, water-borne sanitation, waste management and electricity supply. Minor works may encompass lateral drains, local access and footpaths, on-site sanitation, communal buildings, and primary collection and treatment of solid waste. All these are items of direct interest to the inhabitants and tend to recur as high-rated priorities in local surveys around urban areas in developing countries.<sup>38</sup> The potential roles of various actors in major and minor works in urban areas are illustrated in Box 4.

Major works are based on paid labour, whereas minor works usually require a community contribution in the form of unpaid voluntary labour or – for those who prefer to give their money rather than time – cash. However, those who work may, in some projects, be paid a wage.

The issue of what constitutes major and minor works depends on who the direct beneficiaries are – individuals or the public – in addition to the scale of works. There are, however, cases which fall between the two categories (see *Community contribution and cost recovery mechanisms*, below). Under such



circumstances, a more limited community contribution than those given for minor works is justified. Equally important are minor works where a certain payment is also required for tasks calling for specific skills and technical knowledge.

The aim is to achieve a balance among public, community and private interests – as well as their obligations. Thus, workers should not be obliged to work for nothing as part of their community contribution, where they should properly receive a fair wage, while, at the same time, local initiatives should not be stifled owing to too high a labour cost component.

Two ILO conventions on human rights come into play in this distinction between major and minor works: the Forced Labour Convention, 1930 (No. 29) and the Abolition of Forced Labour Convention, 1957 (No. 105). In the former, the most important case of forced labour is “a method of mobilizing and using labour for purposes of economic development”.<sup>39</sup> However, the latter stipulates that “minor communal works” can be exempted from this definition provided that they are really minor, communal and of direct benefit to those who contribute their labour and/or cash.



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### Box 4. Major and Minor Works: Actors

	Actors	Major works	Minor works
Individuals	<ul style="list-style-type: none"> <li>■ take paid employment</li> <li>■ pay taxes</li> </ul>	<ul style="list-style-type: none"> <li>■ contribute labour &amp; cash</li> <li>■ take paid employment</li> <li>■ build/improve own house</li> </ul>	
Communities	<ul style="list-style-type: none"> <li>■ execute subcontract locally</li> </ul>	<ul style="list-style-type: none"> <li>■ form development committees</li> <li>■ decide priorities</li> <li>■ collect local contribution</li> <li>■ sign contract</li> <li>■ execute works</li> </ul>	
Small-scale contractors	<ul style="list-style-type: none"> <li>■ execute subcontracts</li> </ul>	<ul style="list-style-type: none"> <li>■ specialist jobs</li> </ul>	
Large-scale contractors	<ul style="list-style-type: none"> <li>■ execute larger contracts</li> <li>■ give out subcontracts</li> </ul>	<ul style="list-style-type: none"> <li>■ no role</li> </ul>	
Local government	<ul style="list-style-type: none"> <li>■ organize tendering</li> <li>■ technical control</li> <li>■ support contractor training</li> </ul>	<ul style="list-style-type: none"> <li>■ technical support and control</li> <li>■ issue contract to community</li> <li>■ adapt building standards</li> </ul>	
NGOs	<ul style="list-style-type: none"> <li>■ limited role</li> </ul>	<ul style="list-style-type: none"> <li>■ technical support</li> <li>■ administrative support</li> </ul>	

Source: Lyby, E. (1992). Background paper presented to the UNDP/ILO Interregional Workshop on Employment Generation in Urban Works Programmes through Efficient Use of Local Resources, United Nations Centre, Nairobi, 6-10 April 1992.

### 3. Community action plans

The community action plan (CAP) approach is a direct result of designs unsuitable for informal settlement infrastructure construction and lack of maintenance of what is built. The purpose of CAPs is to identify and strengthen the understanding of the different roles and responsibilities of the various stakeholders and their involvement in preparation and implementation processes of settlement upgrading. Clear community action plans should be formulated with the participating CBOs before infrastructure construction starts. CAPs usually contain requirements for type and level of service, including appropriate and affordable building standards, construction methodologies and an agreement on the community contribution.

The CAP approach can also be used as an operational tool. When a community decides to form a physical improvement programme, CAPs usually involve the following steps:

- a series of workshops are held for community members to discuss and identify their most pressing social, economic and physical infrastructure and service needs, to develop strategies and the implementation schedule;
  - a CDC is set up and registered with legal status, representing the community; and
  - a bank account is opened and operated by the CDC.
- A series of one- or half-day issue-specific workshops are held on capacity-building of the communities, depending upon the needs of the community and the stage of project implementation, including:
- one or more workshops to strengthen the functions of CDCs, including their role in project design and planning;
  - one or more land regularization workshops for people to lay out a blocking-out plan;
  - one or more building guidelines workshops to formulate community-specific building codes;
  - one or more CCC workshops to familiarize community groups with procedures to receive contract awards for minor infrastructure works;
  - one or more CDC workshops to strengthen management in day-to-day operations such as work assignment, labour recruitment, worksite supervision, bookkeeping, etc.;
  - one or more enterprise support workshops to initiate group credit programmes for income-generating activities, especially for women;
  - one or more workshops to raise community awareness, to communicate with community members to disseminate information and to mobilize their contributions; and

## V. Technical issues and considerations

- one or more workshops to develop a maintenance programme to sustain the project-developed assets.

### 4. Community construction contracts

A main element of a labour-intensive infrastructure development strategy concerns the encouragement of local community participation in the execution of relatively small-scale local infrastructure projects. This can be done through community construction contracts (CCCs), the concept of which opens up a wide spectrum of local but major works to local cooperative efforts, with benefits accruing directly to the community.<sup>40</sup>

CCCs are written agreements between external agencies (governments, local authorities, NGOs or donors) and communities (usually represented by their CDCs and advised by the projects' TSTs) to carry out development activities for the benefit of the concerned communities. The CCC is an agreement that specifies not only responsibilities and the amount of work to be carried out, but also contributions of each party involved, including, particularly, community contributions to the secondary and tertiary works (see *Community contribution and cost recovery mechanisms*, below).

The community can decide the rates for its own skilled and unskilled labour and the use of remaining funds (or profits) for other community activities. The CCC stipulates who is responsible for supplies of materials, labour and for standards, and when the work should be completed as well as what training and assistance is to be provided and by whom. In some cases the CDC management may be too weak and inexperienced to handle a contract. In this case, an NGO can assist the CDC in carrying out the contract and funds from an external agency are channelled through the NGO.

The following activities have to be considered in the preparation and execution of a CCC:

- identification of contract activities by the CDC with the help of the TST;
- preparation of detailed engineering designs and bills of quantities by the TST upon the request of the community;
- pricing bills for construction materials by the TST with the CDC, including workdays by skill type and wages;
- finalization of methods of subcontracts once the designs and estimates for labour and material are agreed with the CDC;
- full responsibilities of the CDC backstopped by the TST for supervising materials purchase, organization of voluntary and hired labour, construction activities and quality control, etc.; and

- monitoring of work progress and provision of technical guidance by the TST before completion is certified by the CDC for payment.

It is recommended that a 10 per cent profit margin of the total contract value be provided as a community development fund in signing CCCs with the CDC. This money would then be set aside in a separate community account to be used for future operations and maintenance of the project-developed assets and as funds for other simple works upgrading in the community.

Another contractual form, which has been well developed in South Africa, is the "social compact". This is an agreement between actors to undertake development activities in accordance with an agreed development vision, starting with a specific project. Funds are usually directed towards a project once a social compact has been drawn up. This, in turn, orientates projects towards community participation in upgrading works.<sup>41</sup>

A social compact usually includes:

- institutional actors to enter into the agreement;
- the legal rights and obligations of individuals;
- objectives of the project;
- an implementation strategy (principles); and
- a mechanism for solving conflicts and reaching agreements.

## 5. Remuneration systems for paid labour

As mentioned above, the dual strategy distinguishes between major and minor works; only minor infrastructure and services, and individual house improvements can reasonably be expected to be carried out unpaid. As CCCs recognize the right of a worker to be paid in major construction works, unskilled and semi-skilled labour can be recruited and paid as if the contract was awarded to a private contractor.

In addition to the daily rate remuneration system, the method of daily task or piece-work has become increasingly common. Under the daily task system workers can leave the worksite when they complete a pre-defined task and receive their daily wages. The ILO's research has shown that the daily task system results in increased take-home pay, coupled with both higher productivity and greater job satisfaction, although it requires more intensive site supervision in order to set tasks and check that they have been completed at a sufficient level of quality.

Levels of remuneration for labour in infrastructure programmes should be decided by the communities themselves. However, the ILO's Minimum Wage Fixing Convention, 1970 (No. 131) should be referred to when determining them. It is misleading to think

that the lower the wages are, the more cost-effective labour-based methods become. On the contrary, higher remuneration rates (compared with national standard wages or minimum pay) not only provide marginalized populations with a certain subsistence income, but also help make labour more productive. Two tendencies need to be avoided in practice. If wage rates are too high in comparison to those applied in capital-intensive projects, the latter may prevail, leading to a decrease in overall employment in the sector. If wages are so low that productivity is compromised, then the infrastructure created may actually cost more than would be the case if wages were higher.<sup>42</sup>

The levels of remuneration for workers in specific projects can be fixed with reference to the following parameters:

- the minimum wage laid down by the government of the country concerned for the category of casual workers involved in construction in urban areas;
- the prevailing daily task rate for workers; and/or
- the average payments of construction workers in the informal sector.

In certain projects using World Food Programme (WFP) "food for work" schemes, food and cash payments are combined. According to an agreement between the ILO and the WFP on projects employing wage labour, "a cash payment of not less than 50 per cent of the wage

prevailing in the locality for the kind of work to be done" should be paid to workers in addition to the food provided.<sup>43</sup> This agreement is intended to avoid abuse of in-kind payments and to meet essential non-food needs of the workers.

### 6. Community contribution and cost recovery mechanisms

Unlike major works where full wage payment is required, community contribution (in cash or in labour) is only appropriate to minor works. However, even for minor works, the level and nature of community contribution vary from one project to another. It therefore calls for negotiations between the public authorities and the local community on the percentages of contribution of each party, based on expected benefits, size and duration of the works and, more important, the capacity that the community can contribute in cash or in labour.

Besides the terms of major and minor works, the terms primary, secondary and tertiary works are often used not only to distinguish the nature of infrastructure but also to help determine (if at all) how much community contribution (in cash or in labour) ought to be made. Here primary corresponds to major works (with full wage payment) and tertiary is equivalent to minor works (where community contribution is appropriate), while

secondary works refer to the category of works between major and minor ones. In primary works, the community contribution as a percentage of the contract value should be zero; in secondary works, 15-25 per cent; and in tertiary works, 30-50 per cent.

Community contribution can be given either in cash or in labour. There must always be an option for people who wish to pay their contributions in cash instead of labour, such as business-people, civil servants and others in regular employment.

Levels of contribution from each household should be different and justified by their economic income and status (level of income, house owners or tenants). It is unreasonable and unrealistic to expect people who are only temporary sojourners without any right of tenure to pay the same level of contribution as those who have a recognized ownership of their home.

Lessons learned from a number of ILO projects show that willingness to contribute cash or labour on the part of households and communities might be limited owing to various reasons, including wrongly identified priority needs, non-transparency of finances managed by CDCs, and limited access to information. The limited capacity of CDCs to raise funds is sometimes another bottleneck in community contribution. Since donors can only supplement community efforts and external aid acts as a critical starter and/or catalyst, communities should always be encouraged to contribute a given amount of

resources. Recommended measures may include:

- rules established to stipulate that community funds be raised and deposited in a closed bank account before the project is launched;
- communications strengthened between CDCs and community members to keep the latter well informed of the purposes that their contribution will be used for;
- correlations established so that one dollar from a community releases a certain amount of dollars from donors; and
- strengthened activities of capacity-building of CDCs within project design in mobilization and collection of community contribution.

The sustainability of the developed community assets and impact of the project on socioeconomic aspects will not last if a clear cost-recovery mechanism is not properly planned and established. This is even more serious when taking into account the lack of resources from local governments in most developing countries to secure operation and maintenance of the project-constructed facilities. It is therefore recommended that full responsibility is granted to the communities for establishing their own cost-recovery mechanisms to cover 100 per cent of operation and maintenance costs.

Cost recovery can be realized either through property taxes, development levies or user charges, depending on the different types of infrastructure developed. The key issue is that the CDC should try to be given the mandate as an agent with legal status

## V. Technical issues and considerations

provided by the municipality to collect the taxes and manage them for community services, particularly for operation and maintenance of the assets developed by projects. The revising of local regulations and by-laws is not easy. However, interim procedures could be adopted, including memoranda of agreement between CBOs and local governments, in order to help the two sides enter a compromise in making collection of taxes by CDCs.

Cost recovery is always difficult to achieve. First, a distinction must be made between what beneficiaries should in theory pay as their contribution for the benefit received, and what in fact they can afford to pay. Second, non-recovery is often due to inefficient collection methods.

A credit union system usually works better for cost recovery when recovery is dealt with by CBOs.<sup>44</sup> The impact of these informal credit systems can, however, be strengthened if they are supported by public authorities.

### 7. Building and construction standards

Appropriate building standards are fundamental to sustainable social and economic development, especially in developing countries. Currently, many design and building standards are still adapted not to suit local needs and conditions, but are based on idealized models; this has had negative implications for local resource mobilization

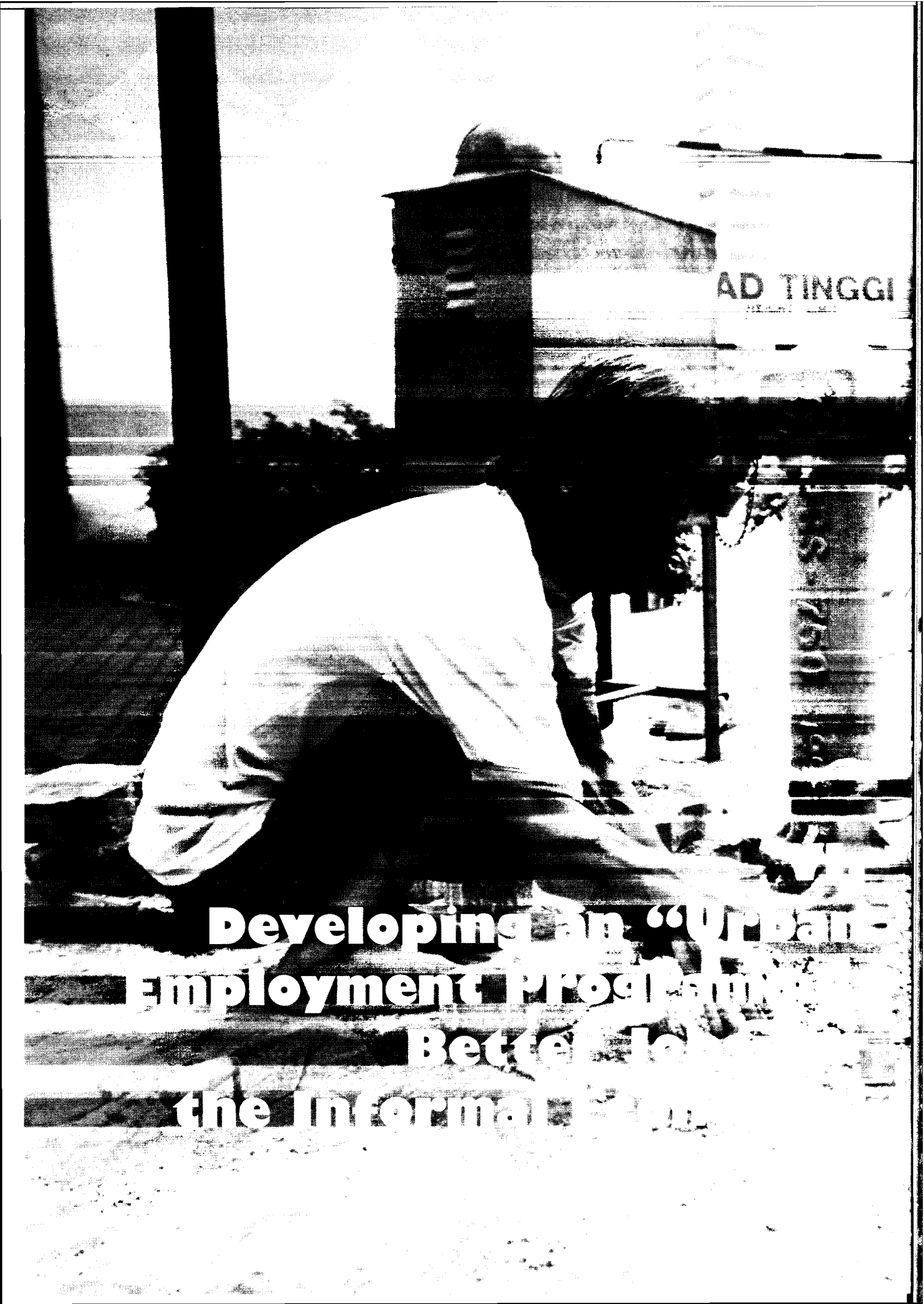
and employment generation. Standards for housing and the living environment should be reduced in accordance with: minimal standards that are technically safe and acceptable to the TST (and external technical agency where applicable); minimal initial costs that are affordable by poor people; and upgradability that permits subsequent incremental improvements.

Possibilities for less stringent codes and regulations for infrastructure in low-income settlements exist, for example, in roads, footpaths, drainage channels and individual houses. Other codes may also be introduced for encouraging production and use of improved traditional building materials instead of existing codes that favour import-based construction materials which are often costly and scarce. (As noted earlier, traditional building materials are affordable and adequate for most construction needs.)

Low-cost solutions also include consideration of "in-situ" upgrading, which requires a minimum level of destruction to individual and community buildings.<sup>45</sup> For this purpose, alterations to the original design may be called for during the construction phase. A principal criterion for design should be no evacuations and displacements.

This may result in upgrading to, or construction of, narrower roads and meandering drainage channels to avoid demolition of houses or buildings. The aim is to be cost-effective through eliminating unaffordable sums of compensation to a large number of displaced households during project implementation.





AD TINGGI

**Developing an "Urban-  
Employment Program"  
Better Jobs in  
the Informal Economy**



In the late 1980s, the ILO began to transfer its experience in labour-intensive rural works programmes to the urban sector through its Special Public Works Programme. Under an ILO/UNDP interregional project entitled "Employment promotion in urban works programmes through the efficient use of local resources", a number of demonstration programmes were carried out in the early 1990s, particularly in Dar es Salaam and Kampala, as were studies to pave the way for more efficient use of local resources in the urban sector. This local resource-based approach included not only labour-intensive public works, but also interrelated fields such as the urban informal sector, community participation and the creation of small-scale enterprises.<sup>46</sup>

Given the success of this first urban sector interregional project, UNDP financed the preparatory assistance phase of a follow-up project entitled "Improving living conditions and expanding employment opportunities in urban low-income communities". This project provided UNCHS, ILO and UNV with opportunities to carry out joint formulation missions to Bolivia, Columbia, Indonesia, Philippines and United Republic of Tanzania, as well as support urban sector initiatives in other countries including Albania, Burkina Faso, Namibia and Uganda.

Over the past several years the ILO has supported a number of demonstration projects, including community-based and labour-intensive upgrading of unplanned urban settlements in Dar es Salaam (United Republic of Tanzania), Kampala (Uganda) and Lusaka (Zambia); has established contacts with a number of World Bank-financed investment programmes; and has undertaken studies on the impact of investment through infrastructure development on employment.

The Development Policies Department of the ILO is developing an Urban Employment Programme<sup>47</sup> with the objective of creating better jobs for the informal economy. The programme will contribute to promoting and mainstreaming of labour-intensive and community-participation infrastructure investment strategy in a close partnership with the ILO member States and field offices.

The following approach is proposed for extending the above policies at national and local levels in three phases.

## VI. Developing an "Urban Employment Programme: Better Jobs for the Informal Economy"

### I. Study of priority needs of the urban poor

In order to help governments and the urban poor develop concrete policies, strategies and programmes for poverty alleviation, this study would focus on the following four priority areas of action so as to prepare for a pilot project:

- security of land tenure;
- provision of basic infrastructure and services;
- provision of sustainable employment and livelihood opportunities; and
- human resources development.

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#### BOX 5.

#### ILO/UNDP KALERWE DRAINAGE UPGRADING PROJECT IN KAMPALA, UGANDA

The aim of the project, carried out in April 1993 to March 1994, was to create employment through labour-based infrastructure investments and alleviate chronic flooding in the informal settlements of Kalerwe in Kampala. The environmental and hygiene standards were upgraded with the completion of a 3.3 km drainage network. Three pedestrian bridges and 13 grills for catching debris were also constructed to serve the low-income community of 20,000. As a result, there was a major reduction in flooding, creating a healthier living and working environment. Water-borne diseases were greatly reduced, from 70 per cent to 30 per cent of the total population in the project area for malaria and 17 per cent to 10 per cent for diarrhoea. The local population also benefited from the project through the creation of 14,307 workdays during the construction period. The project had several effects beyond the targeted community: it increased the capacity of the Government to carry out similar community-based drainage upgrading schemes; a national policy seminar was held with a view to "mainstreaming" the approach to multibillion dollar World Bank investments where the potential input of job creation is much stronger; and the ILO facilitated the exchange of experience from Kalerwe through a network of similar projects around the world.

Source: ILO/UNDP (1994). "Republic of Uganda: In-depth evaluation report on Kalerwe community-based drainage upgrading project", (UGA/92/006), Geneva.

The first phase would include a study addressing land tenure issues focusing on squatter settlements where people are living either in danger, without tenure rights or with a semblance of tenure rights. The validity of these categories can be verified through a random survey of the urban poor within these neighbourhoods, and compared with the viewpoints of local government authorities. These include the perception of "danger" and tenure rights of poor people, their willingness to invest their own resources in upgrading local living conditions and the relationship between tenure status and resource mobilization from poor people.

The second phase would concentrate on the impact of local infrastructure improvements on the living conditions and employment situation of the urban poor. It would examine how public and donor resources for infrastructure improvements are allocated between primary, secondary and tertiary infrastructure, and to what extent these infrastructure improvements are carried out in conjunction with resources mobilized from the urban poor themselves. The study would also be designed to determine the scope for increasing the labour intensity of infrastructure investments, to improve targeting of public infrastructure investments towards the urban poor and to examine the feasibility of developing

training programmes for small-scale labour-based construction enterprises.

An important output of the first phase would be the preparation of a solid base for national and local policy-level support, and for demonstration activities at the micro level (to be carried out in the second phase). This would include:

- a promotional report, advocating employment-creative and cost-effective approaches to urban infrastructure development;
- policy guidelines on technical alternatives, including an increase in labour intensity and innovative contracting procedures for future infrastructure improvements; and
- recommendations relating to a demonstration project in employment-intensive and community-based settlement upgrading so as to test new approaches.

## 2. Macro and micro interventions

The second phase would be a two-pronged effort focused on urban poverty policy support and project demonstrations to test new approaches to urban poverty alleviation in a low-income community.

*Policy-level support* should be focused primarily on capacity-building of governments, especially the local

## Developing an “Urban Employment Programme: Better Jobs for the Informal Economy”

government authorities, to develop employment-intensive and community-based approaches to basic infrastructure improvements in urban informal settlements, and to design training programmes in labour-intensive works.

*Micro-level* demonstration activities would require a multidisciplinary approach to the priority areas of need:

- *Land tenure security.* One possible activity would be to provide a successful model for relocation of squatters from “danger zones” or areas where they have no hope of acquiring land tenure, to zones where they are assured of land tenure security, basic infrastructure and services and sustainable gainful employment.
- *In-situ upgrading of squatter settlements.* In line with the demonstrative nature of the project, emphasis needs to be placed on the generation of all socioeconomic baseline and technical data necessary for promoting and disseminating the approach on a larger scale. Socioeconomic data would include a neighbourhood sample survey to determine levels and distribution of income, levels and forms of employment, unemployment and underemployment, poverty indicators, skills levels and community institutional organization. Upstream surveys through participatory methods would also be carried out to prioritize community

requirements of infrastructure, and determine pre-existing capacities within local communities in terms of the presence of small-scale construction enterprises and skills in various construction-related occupations. Technical information would include labour intensity, unit costs and breakdown of infrastructure, with comparative information on different construction technologies and implementation methods as well as on the construction time involved.

### 3. Mainstreaming to national investment programmes

Replicability of labour-intensive and community participation approaches to urban infrastructure investments is the goal to which the ILO aspires, in order to stimulate employment creation and poverty alleviation. Mainstreaming the approach both to international and national programmes could be realized by governments, with the assistance of international organizations, through dissemination of demonstration results by workshops, seminars, brochures, videos and publications. A training programme is also necessary for local government staff and community members to increase their capacities in developing and managing

labour-based contracting of basic infrastructure improvements.

A number of labour-intensive and community participation infrastructure improvement programmes have been formulated and/or implemented by international development organizations.

A number of labour-intensive and community participation infrastructure improvement programmes based on the ILO experience have now been formulated and successfully implemented by other international development organizations. These include Africa regional projects as well as country specific projects, for example in Uganda and the United

Republic of Tanzania. Agencies of replication include the World Bank, DANIDA and UNDP.

The ILO's member States might consider adopting their own employment-intensive and community-based infrastructure investment programmes, as a strategy to combat urban unemployment, to improve the living and working environment of poor people in urban informal sectors and to further alleviate urban poverty induced by rapid urbanization.

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