In the past thirty years, Europe’s local landscape has been radically reshaped, mostly through the decentralization of central government powers and structures towards local authorities – a virtually general process not only in the current European Union countries but also among future members of the Union. This trend counterbalances the increasing complexity of regional planning methods, which central government is no longer able to handle alone, at a time when the dictates of efficiency are increasingly imperative. Although it may once have been possible for local development and national development to act as one – whether in a welfare state or a planned economy – such is no longer the case because present-day problems require collective action at different levels: central government, local government, civil society and the business sector. This has been demonstrated by the most promising sustainable development initiatives. However, it must be borne in mind that the State’s role is still essential for establishing regulatory policies, providing a balanced distribution of resources and skills and controlling budgets. This has the effect of clarifying responsibilities insofar as possible and ensuring that the aim is the common good. As for local authorities, they often need to acquire or strengthen technical and financial knowhow if they are to cope with the magnitude of their new missions. But experience has shown that everywhere and always, they have adapted well and succeeded in optimizing the services for which they are responsible. It is at the expense of such adjustments that they can acquire the financial fundamentals needed to attract the foreign capital that can then help fund their development according to their requirements.

Lastly, although local development is a matter for all levels of public authority, it can only succeed if the principal stakeholders – civil society and the business sector – are fully involved. Over and above user demands for the former, and for the latter, their concerns as users of general interest services that are the mainstay of their competitiveness, they must all participate actively in the collective task. These are the challenges to be addressed along the road to harmonious, sustainable development.

Pierre Richard
Chairman, DEXIA Executive Committee
Preparation of the first Ecoloc studies in Ivory Coast: local economic profile
Vincent Folléa, Consultant

Aboisso with some 20,000 inhabitants close to the border with Ghana, and San Pedro, a port city with 110,000 inhabitants, are among the Ivorian cities selected in 1998 by the Sahel and West Africa Club and the European Union to develop the methodology of “Ecoloc” studies. A quick analysis of the economy of each city and its hinterland was first required, which highlighted several interesting facts.

The methodology
In each city, ten “decision-makers” were contacted, whose activities whether modern or informal, had a significant impact on the daily life of the greatest number. During very free discussions, they each gave concrete expression to their visions of the workings of the economy of the city and the region.

The concerns and strategies of poor and middle groups were addressed via the decision-makers, for the groups closest to them (whether professional, ethnic, national, or religious, etc.), and through surveys targeted on specific communities.

The different activity complexes making up the local economy were analysed, then situated in the context of local history and broadly consolidated in terms of turnover based on the available data.

This first approach identified sometimes unexpected driving (and braking) forces, proposed a few guidelines for municipal action and pinpointed specific issues to be clarified by the Ecoloc study.

Some observations
“Money from outside”
The general opinion is that “a crisis is when money stops coming in” and “development is when money comes in”. In this respect, it was shown that in both regions, the real driving forces were not necessarily related to the most emblematic exports and that other flows from outside could play a major role:

- external wages and remunerations (expatriate crews and residents in San Pedro, foreign students in Aboisso, government employees in both cities),
- expenses on services incurred by cross-border traders in transit and local levies on their legal and illegal transactions,
- tourist expenditure,
- international aid,
- migrant worker transfers,

“Rinse-offs”
In the local colourful image, a “rinse-off” is a local spin-off from business (both the amount of the turnover spent in the region and its “dissemination” among the population). It is the timber sector that “rinses off” the most. More than two-thirds of its shipment value is constituted after felling, which means through urban activities such as transport, handling, processing, storage and waste reclamation. No doubt this fact, together with steady prices, plays a major part in the survival of San Pedro where half the residents live in precarious neighbourhoods, in a fringe economy. The consequences of the reduction in timber exports are one of the municipality’s major problems. Cash crops “rinse off” better because they are scattered, artisan activities. For instance, in both cities, the economic impact of the nearby enormous agro-industrial complexes is much lower than that of coffee and cocoa. Producers and employees obtain their supplies through the Companies, which make sure that all their needs are met. Most of them are immigrants and not many of them have their own homes built there. There is consequently little urban expenditure by these complexes.

Conversely, coffee and cocoa plantations, which are more scattered and less accessible than the rubber, palm and banana tree plantations, mobilize local operators extensively, particularly for collection, groupage and dispatch to Abidjan. The presence of processing plants (San Pedro, in the past, Aboisso) obviously increases local spin-offs in the form of wages for the workers and taxes for the town.

Schooling, an economic driving force
Every other Aboisso resident is a primary or secondary school pupil. The town has always been considered by the Abidjan middle classes as a good place to send their children to school. Nearly all pupils at secondary schools and many at primary schools come from other parts of the country, mainly from Abidjan.

The overall volume of transfers generated by housing, food and transport for these young people is comparable to that of local spin-offs from coffee and cocoa. But acute overcrowding of the secondary schools is jeopardizing academic quality and may make Aboisso less attractive to parents. One of the local economic priorities is therefore to improve the capacity of the middle schools and the grammar school.

Municipal economic policy
This quick analysis also highlighted a number of other interesting facts which, if better known, could improve the efficiency of municipal initiatives as well as those of central government and foreign aid. Of course, this will not replace the investigations required to gauge flows in the various sectors of activity, the values added at each stage, and the volume and destination of the spin-offs.

But in our opinion, it shows the relevance of a generalistic, responsive approach using quantities and methods...
that are approximate but accessible to all. For virtually all the stakeholders, development is not complicated and involves:

- “attracting money from outside” by supporting the local supply of products and services that meet foreign demand, and/or
- “keeping money inside” and “putting it to work” in the region by supporting the local supply of products and services that meet domestic demand.

This “grassroots” perspective enables actions to be identified in various areas that may be far-removed from the usual fields of economic intervention. And it shows that the municipalities have considerable flexibility in their economic development, even when financing cannot be a major lever for action.

The local economic development challenge in South Africa
Valérie Hindson, Local Development Consultant, South Africa

Or how to reconcile the pursuit of economic growth with the essential goals of reducing inequalities and poverty.

Responding to the dualism of the economy

For more than eight years, South Africa has been endeavouring to promote local economic development in response to the dualism of its economy inherited from apartheid, the increased pressures exerted on local economies by globalization and the continuous pauperization process of the black majority of its population.

Despite the success of macro-economic stabilization policies and the considerable efforts devoted to the provision of basic infrastructure, housing and municipal services since 1994, entire areas of the country are still economically and socially marginalized (very low levels of economic activity, high unemployment rates and insufficient income for residents).

This failure to keep up with the country’s economic growth, to reduce inequalities and poverty, is partly due to the fact that up until now, the implementation of local economic development has given rise to partial strategies often carried out along independent or even conflicting lines.

This fact recently made people realise that local economic development must pursue multiple goals such as production growth, employment, equity and poverty alleviation, which have a mutually strengthening rather than a conflicting effect.

The municipalities’ responsibility

Further to the decentralization trend which began in 1994, municipalities were given the responsibility of providing a “favourable” environment in terms of economic growth and job creation, besides engaging in specific skill areas such as marketing to promote investment, supporting services for small firms, assistance to targeted growth sectors, and the adjustment of training and placement activities to conditions on the employment market.

For this purpose, they were provided with a planning instrument – Integrated Development Plans – which defined local, mainly economic, development objectives over a five-year period, including detailed, budgeted programmes and projects which stipulated that local residents should be involved in defining needs, identifying projects, monitoring their implementation and assessing them.

In practice, the integrated planning process has not so far led to strategic economic development programmes and the projects themselves have often proved unsustainable with little impact on poverty reduction and growth. As for democratic participation, although it has given rise to a public consultation process for the identification of needs, it has subsequently been limited to consultation of the main actors.

Although it is helpful to differentiate the integrated planning process according to the sizes of cities and their human and financial capacities when making an assessment, it must be stressed that all municipal authorities, including in metropolitan areas, have found it difficult to capture the complexity of the various aspects of development. They have also tended to exclude other development actors such as the private sector and civil society organizations, thus reducing opportunities for development.

More recently, local economic development became the concern of other governmental spheres, which expressed their intention to bring the different national, provincial and local policies into line through integrated planning. This was first instanced by the pilot agencies for local economic development, which the Ministry of Commerce and Industry created to accomplish objectives for growth, job creation and economic and social equity more efficiently in the field.

Another example is the implementation by the Ministry
A consensus already seems to be emerging around the principles of local mobilization of people and resources, the concept of the competitive advantage and human and institutional capacity-building with a view to regenerating local economies. This new framework should encourage multi-sectoral, partnership approaches, integrating education, crime, health and the development of cooperatives, and should strengthen the convergence of policies at the different levels.

It should also clarify the local government’s specific role as a development “facilitator”, more particularly dedicated to human and institutional capacity-building, and should rehabilitate private sector involvement and civil society organizations.

Lastly, the principle of local mobilization of people and resources should be better met by participatory development approaches and techniques for quick assessment of requirements and opportunities for the growth of local economies and the mobilization of the actors, placing emphasis on the implementation of sustainable projects.

All these are new guidelines that give hopes of more coherent, efficient local economic development practice.

2. Accelerating growth: an integrated manufacturing strategy
3. Their implementation began in 2001. 21 areas are concerned to date.
4. Concept developed by Michael Porter in the 1980s. Unlike a comparative advantage, it is possible for a competitive advantage to be created.
5. Particularly the “PACA” method (“Participatory Appraisal of Competitive Advantage”) which was developed and tested out in both developed and semi-industrialized countries, such as Brazil.
Latin-American cities in a context of municipal atomization
Yves Cabannes, Regional Coordinator, Urban Management Program

This short article will examine how municipalities and Latin-American cities are joining forces to meet the challenges and difficulties posed by decentralization and globalization. The experience of the “missionary cities” network in southern Brazil will illustrate one of the region’s outstanding innovations.

Cities excluded from globalization

Merger processes, internationalization of financial markets, privatization of public services and accelerated movement of goods, capital and people have completely changed the urban map in Latin America and the Caribbean. Financial and economic movement is concentrated in a limited number of “globalized” cities. These “global cities”, which resemble their sisters in developed countries when they have economic growth, are nonetheless experiencing profound exclusion. It will be up to the municipalities to provide solutions for communities left out of global growth.

Apart from a small number of cities that combine growth and exclusion, the great majority of the 16,000 Latin-American municipalities, half of which have more than 10,000 inhabitants, are in a survival situation. And it is mainly in municipalities with between 10 and 500,000 inhabitants, that the effects of political decentralization without budgetary resources combined with the perverse effects of globalization tend to be concentrated.

What is happening is much more like atomization than municipal decentralization, making cities relatively powerless when negotiating their future with potential investors. How are municipalities and cities to cope with these problems?

Micro-regional and inter-municipal recomposition

In response to these challenges, there is a marked tendency towards the recomposition of municipal areas by the municipalities themselves or by regional authorities.

- In metropolitan areas, municipalities are joining together and working in partnership with the private sector to create jobs and attract investments. The industrial core of Sao Paulo, called the ABC region, which groups together six municipalities, formed an inter-municipal consortium in 1990. In 1997, this consortium created a regional chamber and a local economic development agency financed by public private sources.

- The concept of the “city-region” used in Argentina or in the coffee region of Colombia refers back to the same regional idea, that of small and medium-sized towns and cities grouping together around the economic basis of their region.

- On a smaller spatial scale, municipalities are tending to group together around joint interests to defend their survival.

- The second priority for municipal recomposition is service management and particularly urban waste management.

An original experience, the network of “missionary cities” in Brazil

In the “Missions” region, in the far south of Brazil (25 municipalities with 270,000 inhabitants), the transition to monoculture farming of transgenic soja has led to the impoverishment of small-scale farmers. Poor municipalities are unable to meet the demands of a population reduced to poverty as a result of export-oriented monoculture farming.

To cope with this situation, the State Government, the Association of Missionary Municipalities and the Urban Management Programme (UN Habitat) have decided to implement a plan for economic development and the fight against exclusion supported by Cities Alliance1. It is based on the assumption that a region’s development involves the strengthening (or creation) of city networks. The “ingredients” of this system can be summed up as follows:

- The first step consisted in raising the awareness of all the actors and dynamic forces around the idea of a Plan based on projects desired by everyone.

- The second step was to gather together the projects that had the support of the actors. Besides the usual public and private partners in this type of exercise, other voices made themselves heard. This intense participation of actors representing the interests and voices of the poorest was decisive.

- An important stage was the organization of projects around five backbone commissions who were able to facilitate dialogue: a) formal sector, b) informal sector, c) municipality as promoter of economic development, d) the environment as a job-creating opportunity and e) gender and race equity. In each of the commissions, the projects were discussed, consolidated and then selected on the basis of common criteria. Fifteen were finally adopted.

- The next step was to find out where to obtain the
Coping with municipal atomization

Micro-urban networks and intercommunality form a priority area for the recomposition of regions excluded from globalization. As shown by the Missions initiative, these agro-ecological city-regions are a strategic tool for tackling regional and social exclusion and for providing an alternative to the dominant economic model. Solidarity between municipalities and participation of all the dynamic forces in decision-making are two of the indispensable keys to reviving the economies of impoverished regions.

The role of civil society in urban environmental management in Vietnam

René Parenteau (University of Montreal) and Nguyen Quoc Thong (University of Architecture of Hanoi)

The following article is based on the first partial research findings under the ongoing urban development research programme (PRUD/ISTED-GEMDEV) which aims to assess the role of Vietnamese civil society in urban environmental management (UEM) for the purposes of urban infrastructure projects and basic infrastructure rehabilitation programmes.

The civil society concept

Civil society consists of grassroots popular associations, professional or trade associations, non-governmental organizations, minority, religious and village groups, local neighbour-hood community groups and ordinary people speaking for themselves.

Civil society in Vietnam

Before 1945, the communes had an important role and the behaviour codes of local societies were well developed. Environmental responsibility was public, incumbent upon civil society and intergenerational. Between 1945 and 1975, a sophisticated regime came to replace the traditional systems and Vietnamese civil society emerged as a system of obligations giving access to rewards. This found expression in social forms in which the Party, the Government and Society merged into one. From 1975 to 1986, this regime strengthened and pervaded the whole of society. During this period, Vietnamese civil society was built up on a day-to-day basis and this image was subsequently construed as an obstacle to the modernization of Vietnam. After 1986, urbanization and modernization became

1. Cities Alliance is a UN Habitat and World Bank initiative. One of its focus areas is the financing of City Development Strategies (CDS).
2. For further details on the tools and the method, see background information in Portuguese and English, pgu@pgu-ecu.org

A full-length version of this article is available from ISTED and the UMP (Urban Management Program).
the concern of civil society. Urbanization, within an urban pattern inherited from the 1945 – 1986 period, created new environmental problems which were to overwhelm the State. Below the level of communes and districts, a social and administrative vacuum increased the impacts of urbanization on the environment. New forms of organization of civil society emerged from this vacuum, which partly drew on pre-1945 models.

Civil society in a context of urban projects

We can already say that the participation of civil society in the projects we studied was neither systematically planned nor organized and it was not financed by any special funds. The project-based management approach was predominant. In the case of Nam Son (solid waste transfer project), there was an exodus of informal sector workers who had no opportunity to make themselves heard. In the road junction reconstruction project in Hanoi, they all found themselves in a situation of confrontation and conflict. For a water supply project in a district outside the Hanoi Dyke, public participation was quite extensive and was encouraged because this was a pilot project which enabled the Water Company to test out a replicable process in other districts.

In all three cases, there was a vacuum in civil society and an excess of the regime’s intervention structures. We also think that the project logic was partly to blame. We still have to examine some areas of uncertainty: the role of foreign partners closely involved in some projects, the capacity of evicted groups of citizens to take proceedings against the commune, and details on the participation processes in all three cases.

Thành Xuan community development project

Through case studies of community development projects, we sought to evaluate lengthy processes that do not obey a project logic. We selected the Thành Xuan district of Hanoi for a rehabilitation programme that had a clear public participation objective. It raised new questions on civil society, such as the distinction between socio-political organizations and humanitarian organizations or the vertical and horizontal structure of civil society. Here are a few preliminary observations: local organizations have a relative autonomy and have initiative capacities; the actors of these organizations have acquired new technical skills; the organizations obtained small subsidies for the projects they initiated and were able to manage this funding autonomously; the participation of civil society has been long-standing, systematic and continuous since 1997. However, it appears that the many different guidelines for civil society substantially reduce its degree of autonomy with respect to the lines of the Party and the Government.

What is interesting in the case of Thành Xuan is that local community organizations participated in a neighbourhood environmental rehabilitation project and therefore in something completely new compared to their traditional activities. In this case, the traditional guidelines seem to have been either relaxed or overstepped.

Infrastructure and basic environmental services in Triệu Khúc village

Triệu Khúc which specialises in the informal economy of recycling was to give us an insight into the problems raised by the pressures of urbanization and the market economy on a traditional urban village. We discovered a traditional village organization (religious groups, informal workers’ groups), which were not so easy to find in highly urbanized areas. This rich, complex social make-up raised questions about its efficiency in the face of major environmental problems.

The village does not form an urban administrative unit. It does not receive the environmental services provided for communes. The studies enabled us to describe the local governance system, assess environmental management responsibility-sharing between actors and evaluate their financial resources. There now remains to explore the role of religious groups and recycler groups.

These two key actors are specific to this village and in principle do not have a specific place in the regime’s socio-political structure. The full results of this research will be published in a final report in December 2003.

Conferences

- 7th International Congress of APSA (Asian Planning School Association) **“Creating better cities in the 21st century”**
  - This congress, which will be held at the Hanoi Architectural University in Vietnam from 12 to 14 September 2003, proposes to examine urban management solutions in Asia and will focus on the task of meeting the increasing needs of city-dwellers in a context of degraded urban conditions and increasing polarization. The congress will aim to provide a forward-looking image of the Asian city of the future.
  - Contact: www.hku.hk/cupem/apsa-apsa@hku.edu.vn

- World Congress “Cities & markets, shifts in urban development”
  - This 47th IFHP World Congress (International Federation for Housing and Town Planning) which will be held from 5 to 8 October 2003 in Vienna, aims to focus attention on human and economic conditions and on the strategies required to achieve a balance between liberalization and deregulation on the one hand, and the requirements of sustainable urbanism on the other hand.
  - Contact: www.ifhp2003.at

- “Marges et Interfaces” Seminar
  - This seminar is organized by CEGUM (Centre d’Etudes Géographiques de l’Université de Metz) and will take place on 13 and 14 November 2003. It will aim to identify, explore and explain the concepts of fringes and interfaces applied to different contexts (regional, infra-urban, rural-urban, border areas, etc.). It will present the theoretical bases, a methodological approach and case studies.
  - Contacts.de.ruffray@zeus.univ-metz.fr or meddahi@zeus.univ-metz.fr

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The Villes en Développement CDI (Documentation and Information Centre), open daily from 13.00 to 17.30, makes available a large number of reports, publications, maps, slides, videos and CD-ROMs. Studies and reports can also be sent in to our centre to be brought to the attention of the public.

The document resulting from the 2002 one-day workshop on “La Ville face aux Grands Investissements” (The City and major investments) has just been published. It is available from the “Villes en Développement” Documentation and Information Centre at the price of 15 euros to be paid to ADP. The next one-day workshop will address the theme “La Ville, les urbanistes et les aménageurs urbains: quels métiers? (The City, urbanists and town planners: what skill areas?) and will be held on Friday 5 September at ENPC, 28, rue des Saints Pères – 75006. All information on registration can be obtained from Nathalie Stanisière: nat.stan@wanadoo.fr http://www.adp.asso.fr

**UN-HABITAT**

A presentation of UN-HABITAT was made to the French Administration by Daniel Bian, Director, Regional and Technical Cooperation Division, on Thursday 24 April 2003 at the Ministry of Public Works premises. He insisted on the fact that further to the Habitat +5 Conference held in June 2001, the United Nations Centre on Human Settlements has become a United Nations Programme in its own right since 1 January 2002, called UN-HABITAT, with its headquarters in Nairobi. He presented its missions, programmes and new activities.

The general objective of UN-HABITAT is to eradicate urban poverty through appropriate policies and institutions, and more specifically, to upgrade slum areas. For this purpose, the programme has implemented global campaigns on the safety of residential and land use tenure and on good urban governance. Besides its ongoing programmes (urban management, sustainable cities, Cities Alliance, post-conflict reconstruction, safer cities, training and capacity-building, and studies on urban indicators), UN-HABITAT is endeavouring to implement new activities such as regional programmes for slum upgrading, housing and AIDS, women in the slums, the creation of a world fund to help finance a housing programme, expertise in decentralization and the preparation of annual reports on the situation of human settlements and the world’s cities. At present, UN-HABITAT has ongoing projects in 160 countries. Contact: www.unhabitat.org