

APPROACHES TO POVERTY REDUCTION IN URBAN SUB-SAHARA AFRICA

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1. Introduction

Despite spirited efforts to reduce poverty in urban Sub-Sahara Africa (USSA), a high degree of absolute urban poverty still persists in these areas. Poverty in these areas manifests itself as rampant and high unemployment; hunger; decayed, unventilated, unplanned and shapeless dwellings; prostitution; numerous, unplanned, dirty and naked children who are either not going to school or are going to bad schools; fear; injustice; sickness; illiteracy; abundance of garbage and human waste; torn and tortured roads and scary alleyways; unlit streets; crime and criminals of all sorts.¹

This paper which uses cases studies from different countries to highlight the various approaches that are being used to deal with urban poverty in Sub-Sahara Africa, begins by introducing the issue, then discusses the various approaches to poverty reduction in various urban centres in SSA, and finally explores some experiences from the developed countries. The paper ends with some policy suggestions.

2. Approaches to urban poverty reduction in USSA

There seem to be three broad approaches to urban poverty reduction un USSA. These include: (i) coping mechanisms by the urban poor; (ii) poverty reduction projects by urban local governments with the assistance of donors; (iii) Export Processing Zones.

2.1 Coping mechanisms by the urban poor

The urban poor themselves are struggling to cope with their own poverty. They are doing this by engaging in various economic activities such as street vending and hawking; market vending; cottage industries such as tailoring and food processing; services such as food vending and hair dressing; metal, brick and wood works; and transport, such as *boda boda* in Uganda.² In Kampala for example, the City Council has with the assistance of the World Bank expanded markets at Owino, Natete and Nakawa to create increased opportunities for the urban poor. While some of these activities are supported by the urban and central governments, some of them have become a contentious issues between the urban poor and the urban local governments on the one hand, and the urban local governments and central government on the other hand. Thus there is a continuous tension between the street vendors or hawkers and the registered traders who operate in shops on the one hand; and the City Council of Kampala and the Central Government on the other hand. Whereas the registered traders and the central government would like the City Council to remove the street vendors from the streets and confine them to established markets, City Council is more inclined to live the street vendors on the streets since they provide the bulk of the Council's leaders' voters.

2.2 Poverty reduction projects by urban local governments with the assistance of Donors

¹ See A. M. Balihuta, *Poverty reduction strategies for urban Sub-Sahara Africa*, MDP, April 2001.

² See A. M. Balihuta, *Urban Poverty, Livelihoods and Gender*, MDP, October 2001.

Most urban local governments in SSA are trying their level best to attract multilateral, bilateral and NGO donor funding for various types of projects aimed at poverty reduction in their urban areas through the provision of infrastructural services. The following cases illustrates such efforts.

2.2.1 Diokoul-Senegal

Through community participation and support by local authorities, this project was aimed at improving the environment, hygiene and health conditions of by fighting faecal wastes and unsanitary conditions caused by solid and liquid wastes and lack of urban sanitation infrastructures. The project begun in 1990, and the initiative has provided 450 households with private sanitation, of which nearly 200 are linked to waste and water treatment plants through a narrow drainage system. It consists of 20 horse-drawn carts which collect refuse from households and take it to the treatment plants to be sorted. Waste waters and organic refuse are recycled using a process of lagooning with aquatic plants, which produces compost for urban agriculture.

Nine neighborhoods have been involved in the program. These neighborhoods have a concentration of 51,000 inhabitants, divided up among 5,225 households. Each inhabitant produces around 0.70 kg of waste per day; total production for the nine neighborhoods being 35 tonnes per day, while waste waters amount to 1,800 cubic meters per day. Statistics show that 75% of patients treated at the Diokoul community clinic suffer from diarrhoea, dysentery or dermatosis and belong mainly to young age groups. **Environment et développement du tiers monde** (Enda) which runs the project ensures practical training for all those involved, including members of community groups and associations, and cart drivers. Management committees composed of mandated community representatives (youths, women and the elderly) and municipal technical and health services have been established to ensure a continuous assessment, follow-up and prospective of actions.

The municipality is involved in different actions, and is represented at the meetings of each continuous assessment committee. It approves the establishment of the routes for the early collection of solid waste in the neighborhoods involved in the project. The committee is based in the relevant district health centre. It signs the approved contracts with those requiring private refuse collection. A contract is signed with a cart driver, who is supplied with a horse-drawn cart for which he is responsible. The cart driver ensures a door-to-door refuse collection on a determined route. The contract only requires two hours of early collection from the cart drivers and would like such a link between employment and environment not to distort the cart drivers vocation as road hauliers.

Around 450 households have been provided with private sanitation infrastructures, of which nearly 200 are linked to water treatment plants through a narrow drainage system. Up to 65% of demand has been met, which represents 15% of requirements. The population co-finances this equipment at a rate of about 70%. In the long run, the costs will be entirely covered by the beneficiaries. Cost recovery is ensured by the management committee, which counter signs the contracts for the beneficiaries of the sanitation infrastructures. The costs recovered by the program are invested into a community revolving fund (savings account), which will allow other inhabitants requesting such infrastructures to benefit from the project.

The development of private sanitation has enabled the donors to confirm the ability of the neighborhood representatives on the continuous assessment committee to administer the supply of work created by the

construction sites. Youths from the neighborhood have been trained by the project and organized into several micro-enterprises working in enhancing the value of refuse (recycling, compost and urban agriculture).

The main impacts of the project are economic (job creation, increase in revenues); social (lightening womens' workload, improvement of living conditions, home economics and especially social status of participants); environmental and sanitary (fight against the spread of faecal hazards, domestic refuse and numerous illnesses); communal (reinforcement of independence of the community and citizenship of its inhabitants).

The most visible effect on urban policy is to have shown the feasibility of inhabitants taking direct charge of their own waste collection and recycling, and the construction of private sanitation infrastructures within their community. Also, the municipal authorities have recognized the validity of this alternative solution, which is particularly well-suited to the layout of poor neighborhoods. They have accepted the need to provide incentives by exempting the collection carts from municipal taxes. The treatment of liquid waste allows the spread of a new waste management policy, which will promote a new enhanced value resource.

The other benefits of the project include: (i) 4000 meters of narrow sewerage system; (ii) 450 households benefit from private sanitation; (iii) 2 water and waste treatment plants built; (iv) 3000 households benefit from door-to-door waste collection; (v) 90 cubic meters of water recycled daily; (vi) 3 tons of refuse recycled daily; (vii) 70 jobs full-time created over 4 years; (viii) 50 people trained in recycling; (ix) 40 000 US\$ in funds mobilized within the community; (x) 40 people participate in regional exchanges of experiences; (xi) 1930 participants in the program management out of 2316 are women; (xii) 50 program decision-makers out of 90 are women; (xiii) 33% reduction in illnesses related to the environment over 4 years; (xiv) 1.8% increase in household income over 4 years; (xv) 86.2% decrease in annual facilities maintenance expenditure over 4 years; (xvi) 50% reduction in costs of private sanitation infrastructures over 4 years

2.2.2 Woreda 11, Region 14-Addis Ababa

Woreda 11, DAY-ACTIONAID - Ethiopia development area, is one of the oldest settlements of Addis Ababa city and as the city is growing, the government has not been able to provide basic services such health, and education to the community living in the area. School age children do not have access to primary education. The low economic situation of parents coupled with the need for their labor in the family has forced children not to attend school. Of 5,472 eligible school age children in the area, only 37% have access to formal education. Majority of the residents live on minor petty trading, weaving and selling firewood. Only 30% of the total eligible for work are earning some income through employment to support their family. The level of poverty in which the people are living is manifested in the high level of malnutrition, poor health, increased number of street children, high school dropouts and unemployment. The situation has been exacerbated by the lack of support from the government or any other body to assist the community in self-development processes.

Most of the kebeles do not have access roads and hence are unreachable with any kind of vehicle. During the rainy season this problem coupled with the topography of the area makes even human movements very

difficult. This has seriously affected the community from getting small services such as ambulances and fire trucks which the government can provide. Besides, quite a number of rivers criss-cross these kebeles requiring construction of bridges of various sizes for the inhabitants to have access to other places.

The baseline survey conducted by DAY in 1993 reveals that over 60% of the people in Woreda 11 live in absolute poverty, with no access to basic services such as shelter, water, sanitation facilities, health and education. The project area is shanty and congested, with 63% of houses requiring renovation and maintenance. In some cases 3 families with a total of 12-15 members live together in small houses. Most of the houses do not have kitchens. About 51% of total households in the project area do not have latrines. All waste is disposed on open places. This has subjected the people in the area to health hazards.

In order to overcome these problems ACTIONAID - Ethiopia in partnership with DAY has launched an integrated urban development project in this area. On January 1994, the two NGOs approached the communities and introduced the objectives of the project. Using participatory wealth ranking techniques, the poorest households in the target area were identified and, based on the felt needs of these households, the project intervention was designed. In the past two years, various activities have been undertaken to alleviate the problems of the people and to improve their quality of life. These include among others:

(i) Poor households with no access to any kind of income, particularly women headed households have been organized in savings and credit groups. The savings and credit schemes were designed to access poor households with a loan which would enable them to start income generating activities. By the end of 1995, 1002 poor households had been organized in savings and credit groups. Members of these groups of their own choice are already engaged in different income generating activities such as poultry keeping, sheep rearing, bee keeping and weaving, which do not require special skills. The amount of credit lent to members varies depending on the type of activity they plan to undertake. The members are eligible to borrow if they are committed to save a fixed amount of money every week. Group members hold weekly meetings to collect the savings and loan repayments. The provision of credit has created self-employment opportunities for the unemployed. A total of 847,435 birr has been disbursed in the past two years. The repayment situation is satisfactory with the rate standing at 100%. The money injected as credit is to be used as revolving fund for future income generating ventures. Training is provided to all group members and especially to leaders in management and record keeping. At the inception development agents used to assist the group leaders to keep records.

(ii) A number of health posts have been constructed and furnished with all necessary medical equipment with the aim to provide primary health care services to the community. Mothers in the project have now access to ante- and post-natal health care services, and infants to regular immunization. The health posts are run by community health facilitators, and traditional birth attendants, selected and trained from among the community. Other than providing curative services, they are responsible for sensitizing the community on nutrition and breast feeding, harmful traditional practices, family planning, sex transmitted diseases (STDS) including HIV/AIDS, personal hygiene and environmental sanitation. The establishment of health posts has helped to alleviate the health problems in the area. With respect to environmental sanitation, sanitation groups have been organized to construct individual and common latrines, to empty latrines and to dispose

off solid wastes. Waste management was a serious problem in this area. All kebeles had no access to waste collection services due to the inaccessibility of the area. Many of the houses had no toilets. Therefore organizing sanitation groups has helped much in maintaining good sanitation conditions.

(iii) Four Non formal education (NFE) centers have been established in the four kebeles in the project area. The NFE project was designed for children of age 7-14 years and with no chance to attend formal schools. Most of these children try to earn a living from the streets by selling small items or shoe-shining. Since most of these children come from very poor households, they have the responsibility of assisting their parents through their street activities. The NFE project has been organized in such a way that it does not disrupt their income generating activities. A pre-school project that prepares children of age 4-6 years for primary education is also underway. The centers provide service 3-4 hours daily. The enrollment of the small kids in preprimary schools has relieved mothers from the task of caring for their children and has given them the opportunity to engage in productive tasks. Currently, about 687 children are attending the education projects. The establishment of NFE centers has created job opportunities for some high school dropouts since they are now employed as facilitators at the centers.

The NFE project has been a success not only in this particular project but also in other of ACTIONAID-Ethiopia's projects. UNICEF and other NGOs are now planning to replicate NFE. The project has been found to be efficient, cost effective and participatory in nature. In terms of input NFE does not demand highly since classes can be conducted by facilitators with short training under sheds. Its success is also attributed to the approach followed: it is flexible in time making it possible for children to attend classes at their convenience. In terms of its outcome a lot has been achieved within a short period of time. Children have been able to acquire a lot of skills. Other than these two projects (NFE and pre-primary education) for children, functional literacy classes have been organized for adults and working youth.

(iv) Maintaining a good urban environment is mostly the role of municipalities. Due to the fact that this has not been achieved, some efforts have been made to involve the communities in constructing pit latrines and solid waste disposal mechanisms. Access roads linking one Kebele to another have been constructed involving the unemployed in cash for work projects. A fragile bridge which was a major hindrance for movement of people from Kebele 19 in Woreda 11 for years, has been rebuilt with a cost of birr 25,000. The roads and the bridge can now be accessed by ambulances, fire trucks, and waste collector trucks. A number of houses have been built for some elderly living in the target area.

Through the savings and credit schemes 1002 households have been provided with self-employment opportunities. About 5,000 members of these households benefit out of the micro-enterprises. The total population (19,541) living in the four districts are beneficiaries of the health component of the integrated development project.

2.2.4 Project for the Protection and Clean-up of the Environment in Benin

Cotonou is the economic hub of Benin and is the nation's largest urban centre. The city has 1 million inhabitants. Sainte-Rita is one of the 24 municipalities of Cotonou and consists of more than 40,000 inhabitants with a surface area of 3 square kilometers of which half is liable to flooding. Before the initiative began in 1995, there was no garbage collection or waste disposal at Sainte-Rita municipality in Cotonou. The project involves waste and urban management and ensures that there are good sanitary conditions in the community of Sainte-Rita through the sustainable management of household and medical waste that have improved revenue-generating activities. The community participates in the project as subscribers and the money paid is used to finance the initiative. Waste is transported to a recycling site and organic waste is reused for agriculture. To strengthen people's solidarity in the project, a Community Bank was opened and 602 people received credit.

The project is a partnership between the community and their leaders, the local authority, Government Ministries of Environment, Health, local NGOs and community associations. It is currently fully institutionalized and the role of each participant is well defined. The community contributed towards the establishment of the initiative and works together with the other parties to plan and make decisions on the project. The Project Committee is made up of all the stakeholders and meets regularly to evaluate progress and to identify follow-up activities. As a result, 2,400 houses (75% of its population) subscribe to the garbage collection service. Eighty-five percent (85%) of subscribers regularly pay their fees. The household waste is transported to the dumping site, where the water run-off is controlled and the organic substance is removed from the garbage and used for organic farming in other areas. The garbage is collected and sorted out daily and finally, 145 jobs have been created through the initiative and 35 permanent jobs established through the Community Bank. Today, the project is a well-known project in the city of Cotonou and in Central and West African region for its success in the management of waste in an urban environment.

2.2.3 Project of Support for Poverty Elimination and Community Transformation (PROSPECT) Lusaka

PROSPECT is a community development project which helps local people set up and run their own community councils. The councils are divided geographically into what are known as 'Area Based Organisations' or ABOs. The ABOs have their own structures and manage their own affairs with the participation of people from across the community. Their current focus is the development and management of the area's basic infrastructure and other services - all of which take into account the needs of the poorest and most vulnerable people in the area.

But the infrastructure component is but one aspect of CARE International's holistic project which sets out to empower communities and enhance the role of community-based organizations throughout the locality.

PROSPECT aims to improve the livelihoods of at least 60% of households within a target population of 600,000. This project will provide fresh water for eleven areas currently deprived of a safe and reliable water supply. It will also provide loans to support small local businesses and explore ways of developing sustainable savings and loan structures and offer training for those wishing to start savings groups and run their own small businesses. PROSPECT is supported by the British Government's Department for International Development - **DFID**.

2.2.4 World Bank funded urban projects

The World Bank in conjunction with the urban and central governments has also recently become involved in the design of City Development Strategies as well as the funding of City projects related to major civil works and upgrading of slums. The table below gives a summary of such projects in some countries in SSA.

City	Country	Project Title	Grant (US \$)
Addis Ababa	Ethiopia	CDS for Ethiopia (Addis Ababa)	249,000
Antsirabe, Antsiranana, Mahajanga and Toamasina	Madagascar	Slum upgrading and CDS in four major cities	152,000
Antananarivo	Madagascar	CDS for Antananarivo – Infrastructure development, urban services improvement and city poverty strategy	286,000
Karu	Nigeria	Scaling up urban upgrading through a CDS	254,000
Kigali	Rwanda	Kigali Economic Development Strategy	165,000

These are lumpy and expensive projects which could not be handled by the urban or central governments. As provision of urban infrastructure, these projects will certainly lead poverty reduction in the long run if only the urban local governments could put in place mechanisms to repair the infrastructure build by these projects.

2.3 Export Processing Zones

Due to the inability to develop the necessary infrastructure some central governments in conjunction with urban local governments in USSA have tried to set up Export Processing Zones (EPZs) in order to reduce poverty through increased urban employment via increased foreign direct investment; capital and technological inflows, as well as manufacturing and external trade expertise. Thus EPZs have been established by the following SSA countries: Ghana, Angola, Zimbabwe, Mauritius, Zambia, Malawi, Senegal, Cote D' Ivoire, Kenya, Tanzania, Nigeria, Mozambique, Liberia and DRC (Tekere, 2000). Mauritius has had the highest recorded success of EPZs

The experiences of these EPZs are mixed. Whereas in a few countries they appear to have succeeded, such as in Mauritius, in other countries they have mainly benefited the foreign firms that have continued to operate within protected industrial enclaves within the LDCs. By and large these EPZs have not led to the expected increased in employment, technological transfer and competitiveness. They have also not led to the industrialization spill over effects into the wider economies in the developing countries as expected. As a second best however, by and large the EPZs have been better than nothing in terms of Government revenue and foreign exchange earnings.

3. Experiences from the developed countries - Japan

In historical terms, urban poverty is not unique to SSA. There was absolute urban poverty in the now developed countries when these countries were at a similar stage of development at which most SSA countries currently find themselves. For example, Rowntree (1901) made a study of poverty in the city of York in 1899 and found that about 16% of the people were living in absolute poverty.

In these countries there appears to have been a realization by both the urban authorities and their central government officials that the urban centers and the rural areas play a complementary role in societal development and long term poverty reduction. While the urban centers acted as poles of high demand for food and raw materials from the rural areas, and also acted as centers of innovation and societal change, the country side acted as sources of food and raw materials, as well as markets for the manufactured goods from the urban centers. Indeed in some literature it has been claimed that the development of urban centers in the developed countries was to a large extent dependent on the unequal terms of trade between the rural areas and the urban centers, with the rural areas suffering from the unfavorable terms of trade vis a vis the urban centers.

Thus, during the periods of industrialization in the developed countries both the leaders and administrators of urban centers central government designed and implemented and continue to design and implement policies that put a priority of the development of urban centers. These centers in turn became stimulants of rural development. Rather than re-invent the wheel USSA can learn from the experiences of the developed countries.

3.1 Kakegawa City - Japan

Kakegawa city is located in the centre of Japan islands, in between the Oigawa and Tenryu rivers. It was a very active ancient town since 1300s, and became famous as a 'way station' between Edo (now Tokyo) and Osaka/Kyoto. After the Meiji revolution, however, its population decreased drastically to its current 77,000 - primarily due to the proximity of major cities nearby (Shizuoka and Hamamatsu), and lack of bullet train station or expressway interchanges, which made commuting difficult.

In order to stimulate the economy of Kakegawa city, it was decided to build a Bullet Train ('Shinkansen') Station and an expressway interchange. But to do this, the only way was to mobilize funds locally from citizens, to match grants from the prefectural government, since a small town like Kakegawa did not have any other sources of finance. It was therefore decided to invite 'donations' from the citizen.

A campaign was initiated that emphasized pride/attachment for the hometown. Guidelines to achieve the financial goal included the triggering of citizens movements to discuss the merits and demerits of the actions - the donations were an 'investment' in city planning. The Kakegawa campaign also emphasized the need for other neighbouring cities and towns to participate in fund-raising. The intensive campaigns highlighted the community ownership aspect of 'investing' in large public projects.

As a result of this campaigning, more than ¥ 3 billion was raised to build the Bullet Train Station (total project cost = ¥13.02 billion, the balance was raised from prefecture and national governments, and other sources) in 1988; ¥ 1.2 billion was raised for the Expressway Interchange (total project cost = ¥4.5 billion) in 1993, and ¥1.1 billion raised for the rehabilitation of the Kakegawa Castle and surrounding historical districts in 1994.

The campaign illustrated the ability of community participation to raise substantial funds for local projects - besides the traditional advantage of participation in planning, monitoring and evaluation and design. There is no doubt too that these actions also revitalized the local economy, and increased the visibility of Kakegawa city. Due to ease in commuting, the number of visitors also increased.

There are many factors that contributed to the success of the mobilization campaign. One of them is the leadership shown by the Mayor and the commitment of the city government. Clear goals were set, and the steps necessary to achieve the goals were identified. Bonus payments to city officials were cut and passed on as donations to the projects - this created an inducement for the citizens to also participate. A shared sense of 'crisis' (of population decrease and economic deterioration) enabled mobilization of citizens. Emotional attachment to the city, and pride in the success of the mobilization were also factors that contributed to the success of the project.

One of the lessons learnt from Kakegawa's experience is the realization that big projects that are usually beyond the capacity of a small city can still be implemented through 'donations'. Community ownership, and a sense of shared feeling of participation in common goods/assets by their own investments, is an important output. It also developed interest in the city's politicians and policies, increasing the dialogue between citizens and the local government.

In SSA on the other hand, particularly where decentralization is taking place, by and large urban authorities seem to be struggling on their own, and at times in competition with the rural areas. For example, in Uganda the District within which urban centers are subsumed at times seems to have revenue policies that tend to starve urban local governments. An example here is Soroti Municipality which at one time had to attach some of the District's property so as to force the District to pay property tax for its extensive properties in the Municipal area. Another example is case where the central government has developed a Plan for the Modernization of Agriculture which does not seem to take into account the role of urban centers in Uganda. This ignores the fact that agriculture cannot be modernized unless there is a market for the products of the agricultural sector.

3.2 Okinawa - Japan³

3.2.1. Promotion and Development of Okinawa

Since the 1972 reversion to Japanese administration, development and promotion in Okinawa has been carried out under the Okinawa Promotion and Development Plan. This plan which is based on the Special Measures Act outlines the policies and provision of necessary funds for development promotion. The policies based on the Third Okinawa Promotion Development Plan, whose period is between the fiscal years of 1992 and 2002, are presently being undertaken. The fundamental goals of the First and Second Okinawa Promotion Development Plans included: "correction of the disparity between Okinawa and mainland Japan and the improvement of basic conditions for self-supportive advancement while retaining Okinawa's unique characteristics." Thus, social infrastructure was improved under the First Plan and the advancement of characteristic Okinawan industries was focused on under the Second Plan.

However, Okinawa's per capita income for the year of 1991, when the Second Plan ended, was only 72% of the national average. The total unemployment rate was 7.6% (the national average was 3.4%) and represented the highest figure in Japan. It was statistically proven that further promotion for the improvement of economic development was needed. The Third Okinawa Promotion Development Plan

³ Text adapted from The Government of the Prefecture of Japan, Okinawa, Okinawa, 2000.

was adopted to resolve the above problems. The goals of the Plan included the fundamental improvements proposed in the previous Plans and new goals such as the "promotional development of regional characteristics that will contribute to the economic as well as cultural richness of the nation, and the creation of a unique cultural society which is open to the world." The Plan details projects which include the promotion of original Okinawan industries, creation of international resort areas to attract tourists, and the establishment of the prefecture as the southern international exchange hub of Japan. This will result in significant improvements in forming regional identity and achieving self-supportive economic development. Based on the acknowledgement that self-supportive economy is not likely to occur through earlier policies that were simply aimed at reaching the national standard, future policies include projects to establish originality and uniqueness which will expand social and economic activities and establish a self-supportive foundation in Okinawa.

Five years have already passed since the Third Okinawa Promotion Development Plan was instituted. Various policies under the Plan have already been enforced. While drastic circumstantial changes, including the reduction of U.S. military bases on Okinawa, have been taking place, it is expected that the search for new possibilities and countermeasures for existing issues will arise through the efforts of the Okinawan people in tackling their own problems.

3.2.2. Cosmopolitan City Formation Concept

In reviewing the social and economic changes in the world, the Okinawa Prefectural Government adopted the concept of "Cosmopolitan City Formation" in November 1996 based on the then condition of Okinawa including the progress attained by promotion and development policies. The improvement made to reach the goal set by the Third Okinawa Promotion Development Plan: formation of "the southern exchange hub of Japan" was considered as an important strategy for Okinawa's future promotion and development. Thus, the formation of the international cities or crossroads for people, goods, and information will enable Okinawa to become economically self-supportive and a region contributing to Japan's economic development. Globalization is remarkable today, and Japan shares a major part in the world's economy. Japan is expected to construct a domestically and outwardly open system in harmony with other nations, and to promote alliances as well as cooperation with foreign countries in order to resolve world issues so that global peace and prosperity can be realized. International exchanges and cooperation may be considered the driving forces in vitalizing the region. Each region is expected to play a unique role suited to its own particular character.

Okinawa is located on the southwestern edge of Japan, is rich in natural beauty and enjoys a unique culture. The Okinawan heritage is a gift from past historic exchanges with Southeast Asian countries in the fields of economy and culture. Today, Japan's role as a world leader is increasingly important especially in Asia. Based on its regional characteristics and historic background, Okinawa has the potential to not only significant support itself, but also to elevate the position of Japan in the international community, if it succeeds in deepening exchange and constructing reliable relations with foreign countries in such fields as economics, research and culture. The above idea resulted in the formation of the Cosmopolitan City Formation Concept whose basic principles are peace, mutualism, and independence, and whose basic policies are peaceful exchanges, shared technology, and economic cultural exchanges. Under the Plan,

international exchanges and cooperation in various fields will occur and an exchange network with Asian Pacific nations will be formed. The following plans are included in the basic policies:

- (i) Forming an international exchange hub;
- (ii) Forming "a model region in harmony with the environment";
- (iii) Promoting new industries suitable for the 21st century;
- (iv) Constructing attractive resort facilities;
- (v) Attaining a high standard of living;
- (vi) Nurturing and maintaining human resources;
- (vii) Promoting regional internationalization.

Realization of the above stated policies will require various projects including improvement of the traffic network and infrastructure for information and communication, construction of facilities for international exchanges, and construction of research institutes. It will also require the well-planned phasing out of the U.S. military bases and improvement of the returned land, introduction of new arrangements and systems, and other related measures. The strategic industrial promotion under a strong supportive system, whose framework may be outside the existing laws and regulations, will be vital to create new industry and develop a future self-supportive economy according to the Plan.

3.2.3 Direction of Industrial Development

After the economic collapse in Japan, Japan experienced an economically sluggish period followed by an adjustment period, and a slow restoration period. Although the economy in Japan is gradually recovering, its international competitiveness has been reduced and industrial migration to foreign lands is noticed. The drastic reformation of Japanese economic and social structures is urgently needed.

In spite of this, the economic decline in local regions is relatively small and local businesses in general remain relatively stable. The reasons include a relatively small impact from the economic collapse, relatively little reduction in the private sector's facility investment and consumption, the economy's large support by public investment and the effectiveness of countermeasures to activate economic activities through public investment. However, extensive cuts in the government budget were made due to critical financial condition, and the local economy has encountered a very difficult situation.

In comparison, the production industry is very weak in Okinawa, serious problems remain unsolved including the occupancy of a vast amount of land by the U.S. military bases, the economic structure remains weak, and the financial dependency rate is close to twice that of the national average.

Therefore, the reduction of government funded public investment as a result of the government's financial structure reforms will inevitably affect the economy in Okinawa. Thus, effective countermeasures to change the government-funded economy, which include the review of public investment such as the promotion and development fund of more than five trillion yen that have been spent since Okinawa was returned to Japan.

The production industry in Okinawa mostly depends on the market within the territory of Okinawa. However, effective countermeasures to cope with economic globalization and a high technology information systems have not yet taken. Although the key industries, tourism and resort related industries, have progressed relatively successfully, they are faced with severe competition by foreign resort areas due to a high yen to dollar exchange rate. They need to be reinforced to compete with foreign markets.

Other problems include how to replace the base related income and employment which will be reduced by U.S. military reorganization and reduction, and how to cope with employment of young workers who have picked up the bad habits of smoking and excessive drinking during extended unemployment. Solutions to these problems will require structural changes of industries in general.

The industry promotion policies heretofore undertaken have their limits in changing today's difficult situation of achieving self-supportive economic progress in Okinawa. The introduction of completely new systems as the "one country with two systems" policy is required to reform the economic structure. It is also necessary to extensively improve business surroundings and incentives by means of deregulation and exceptional tax related provisions so that the region will become competitive with many other regions in the world.

Drastic changes are taking place in regions located close to Okinawa. Upon the reversion of Hong Kong to China, various functions that were played by Hong Kong until now are expected to be dispersed among other nearby regions.

China has suggested introducing the idea of "one country with two systems" in Taiwan in order to unite with Taiwan. The actions to disperse business risks by Taiwanese enterprises may be accelerated. The concept of the "Peng Lai Economy Zone" has been suggested to tie Okinawa, Taiwan and Fuchien in China.

It is timely and necessary for us to fully comprehend the situation in these nearby regions not only to reform Okinawa's economic structure and implement new policies for industrial progress but also to raise Okinawa's economic potential and to contribute to the economic interest and activities of Japan and neighboring Asian nations.

From this point of view, Okinawa is required to serve as the hub which will attract domestic and foreign enterprises that create new industry and new business. This way, the regional economy will be stimulated and employment will become stable. Okinawa will eventually find the means to economically support its people.

We have entered an era in which enterprises select suitable countries or regions to establish their businesses in because of the high exchange rate of yen to dollars and economic development of Asian nations. Thus, mid-to-long-range economic policies which reflect an understanding of regional economic development should be implemented so that Okinawa will be acknowledged as a target for strategic investment by neighboring nations that have rapidly progressed or domestic enterprises in need of restructuring.

The Government of the prefecture of Okinawa now aims at the following:

(i) New Development of Free Trade Zone

In 1996 the "Joint Action Plan" to establish free trade and investment was concluded at the APEC Meeting held at Subic Bay in the Philippines. The plan calls for the implementation of concrete programs in advanced industrialized nations by 2010. Based on the above trend, a completely new policy, the All Okinawa Free Trade Zone will be implemented by 2001.

The policy will enable Okinawan people to enjoy true prosperity and the feeling of being a part of a country with advanced living standards. It will enable Okinawa to make an impression domestically as well as internationally as being a region with cosmopolitan cities by developing free and vital economic activities.

The policy will also increase business incentives by cuts in investment related taxes so that industrial activities will be stimulated. The basic guidelines for industrial development are as follows:

- (i) Become the model region of a unique industrial frontier;
- (ii) Serve as an option for industries considering foreign investment;
- (iii) Serve as a frontier region to introduce foreign capital and horizontal division of labor;
- (iv) Serve as a model region for the creation of new businesses and industry;
- (v) Serve as a base for high technology enterprises with large amounts of capital;

(ii) Promotion of Information and Communication Related Industry

Highly sophisticated information and communication technology brings us a new lifestyle by releasing us from the many restrictions imposed on us by time and space and will become the driving force for the economy in Okinawa by creating new industries and increased productivity. The development of new industries including writing content in the multimedia industry will create employment. As well, a comfortable life to enjoy the extra time generated by shortened working hours resulting from increased productivity will be created.

One of the major factors to improve the Okinawan economy is the "multimedia island" concept. By constructing resort areas with easy access to jobs, housing, and entertainment facilities required for the development of information and communication

industry, the standard of living of the people will be improved through high technology information and communication systems and on-line medical and educational systems connected to remote areas.

In order to realize this concept, the information infrastructure must be improved, incentive tax cuts should be introduced to attract communication industry, and highly creative and talented human resources should be developed.

The deregulation and reformation of systems including on-line medical and educational programs for remote areas and improved administrative services are expected to be realized in a developed country like Japan.

(iii) Promotion of International Tourism and Destination Type Resorts

Being geographically located in a subtropical zone surrounded by ocean, Okinawa is abundant in natural beauty and enjoys a unique traditional culture. Okinawa is highly regarded as an ideal site for tourism and destination type resorts. Tourism is a key industry of Okinawa.

Taking advantage of its uniqueness, Okinawa is geared to meet the increased demand in tourism by providing an opportunity to enjoy nature and maintain or improve health, and forming international tourism sites. It is also necessary for Okinawa to improve and expand its facilities to better attract tourists and to create an international exchange hub. To cope with the increased demand in international conferences and the information-related software industry that is attracted to the newly formed communities, there will be a need for easy access to jobs, housing, and entertainment facilities.

Policies which allow competition among airline companies and various discount systems should be introduced to lower airfares. An open sky policy for international airlines and deregulation of formalities for entry should be promoted.

Furthermore, talented human resources should be further nurtured to work in the fields of new tourism-related industries including new businesses that accept the diverse interests of tourists and health oriented visitors.

3.2.4 Description of the Policies

Based on the actual operating conditions of the only free trade zone (FTZ) in Japan, the Okinawa Free Trade Zone, and overseas free trade zones, it was concluded that special systems are necessary to provide exceptions to current laws and regulations governing customs laws and import/export regulations.

Other conclusions include foreign goods duty-free upon their importation into Okinawa and removing import quotas. The result will be decreases in the cost of raw materials and daily commodities.

When raw materials are imported into Okinawa and the resulting processed or manufactured goods are exported to other regions in Japan, there should be a lower tax rate system which eliminates either the raw materials tax or the product tax. Also, existing formalities for importation should be simplified to minimize time and labor.

The concept of the All Okinawa Free Trade Zone will include the expansion of the existing Okinawa FTZ by introducing a system which includes the following:

- (i) Abolition of trade tariffs;
- (ii) Selective system of tariffs;
- (iii) Free trade including removal of import quotas;
- (iv) Simplified customs procedures.

Prior to the creation of the All Okinawa Free Trade Zone, cuts in the investment tax rate should be introduced as exclusive tax cuts for Okinawa in order to attract industrial companies from mainland Japan and overseas and to stimulate economic activities in Okinawa.

The tax cuts will benefit industries with a large amount of capital and short facility renewal periods. Since it is difficult to predict market changes and foresee technological development and changes, and the investment risk is high, modern high tech businesses may find tax cuts helpful and advantageous factors for reducing costs.

These tax cuts will attract many modern technology industries who are active in investment, thus the industrial frontier of Japan may be created. In addition, other middle-sized service-related companies and related firms may follow the modern high tech industry. If cuts in corporation tax, real estate sales tax, and fixed asset tax by the prefectural and municipal governments were implemented, the Japanese government should award a subsidy to make up the difference.

A request for lowering the corporation tax rate was excluded from our final recommendation since it may be abused by certain corporations as a tax haven. Additionally, it may not help develop industries in Okinawa. The Committee focused on promoting investment in Okinawa by effectively reducing the tax burden with cuts in investment tax. The following is suggested:

- (i) Create a system to cut investment tax for the development of industry: Subtract 50/100 of the invested amount from the corporation tax for a maximum period of 10 years (reduction ceiling: 40/100 of the corporation tax);
- (ii) Offer subsidy for reduced tax income caused by local tax exemption or unequal taxation.

Okinawa consists of many islands, so naturally transportation affects the Okinawan people's daily activities including industrial activities. As international travel and trade increases and expands, low transportation costs become essential to the promotion of industrial and economic activities.

In Japan, there are various kinds of regulations concerned with entering the business of transportation and charging fares. Besides, labor, fuel, and charges imposed on the usage of the related facility are very costly in comparison with foreign nations, which results in relatively high transportation costs.

Therefore, the following measures are suggested to lower transportation fees and expand the traffic network by air and sea:

- (i) Treat routes between Okinawa and main islands of Japan lines as "ocean routes";
- (ii) Deregulate restrictions on entry and fares in the transportation business;
- (iii) Lower harbor charges;
- (iv) Implement an open sky policy including beyond rights within transportation rights;
- (v) Lower airport fees when international airliners land at Naha Airport.

Visa-free agreements are signed between nations to promote the smooth flow of travelers who stay in a country for a certain period of time for sightseeing or business. Japan has already agreed with more than 50 nations to allow visa-free entry.

However, the visa-free policy does not apply to many Asian nations for various reasons. The current visa requirements imposed upon visitors from neighboring countries limits and discourages the number of tourists who visit Okinawa.

Therefore, the formalities for entry into Okinawa should be simplified in order to encourage the flow of people to Okinawa and increase the number of tourists from foreign countries.

The establishment of efficient systems, airport and seaport hub creation, and a highly sophisticated information infrastructure will be required to promote industrial and economic development.

The government's Okinawa Policy Review Council is presently working on projects to promote the development of Okinawa. The following suggestions are especially vital for Okinawa's development and should be funded.

- (i) Improvement of seaport
 - a) Improvement of Naha Seaport International Hub
 - b) Improvement of Nakagusuku Bay International Hub;
- (ii) Improvement of information and communication infrastructure;
- (iii) Creation of information and communication hub for the Asian Pacific region;
- (iv) Improvement of tourism facilities;
- (v) Unified improvement of fundamental tourism facilities;

Human power is vital to industrial development in Okinawa. Talented people who are willing to start businesses, able to set goals, and become independent, are needed. Talented people should be nurtured to be able to cope with information technology and globalization through a high technique and knowledge, international art, and communication capability including language ability. Volunteer activities and regional commitment will be highly valued. A system needs to be established to expand, tie, and support educational institutions (such as universities) and vocational skills and trades schools in order to educate, train, and upgrade techniques and expertise. Furthermore, it is also necessary to establish unique educational institutions that offer diversified curriculums and provide opportunities for exchange students to go to foreign countries to nurture members of the younger generation with original identity and creativity. Therefore, our suggestions include the following:

- (i) Establish a multimedia industrial university;
- (ii) Establish a national technical high school;
- (iii) Establish a vocational talent development college;
- (iv) Establish a national tourism university;
- (v) Improve and expand educational and research programs provided by the University of the Ryukyus;

It is important to establish a high standard of living and improve urban functions in addition to industrial development in order to realize truly prosperous communities. It is also necessary to improve an integrated foundation for the smooth flow of goods and people and promote international exchange and cooperation through volunteer activities and the NGO movement. It is vital to expand various systems and lay the required infrastructure for our purposes. The following suggestions are made:

- (i) Establish an integrated system and method for utilizing released base land;

- (ii) Expand exchange with neighbouring Asian countries based on the government's development aids for Okinawa;
- (iii) Support volunteer activities for international contribution;

3.2.5 Measures Needed for "All Okinawa Free Trade Zone"

The concept of the "All Okinawa Free Trade Zone" is an epoch-making policy which will greatly contribute to industrial and economic development and an increase in the standard of living. It is also expected to play a leading role in setting an example of global economy framework formation which is one of the Japanese government's goals.

However, Okinawa's local industry will be inevitably affected by the All Okinawa FTZ policy whose territory includes all of Okinawa. Thus, new systems such as cuts in the investment tax rate should be introduced before implementing the FTZ policy so that local industry will be strengthened and people's living conditions become stabilized by the year of introduction of the All Okinawa FTZ Policy. It may be appropriate to implement other policies for a specific period of time to strengthen the ability of certain local industries to be competitive.

3.3 Waitakere - New Zealand⁴

3.3.1 Introduction

In 200/01 of the 95,387 tonnes of waste Waitakere City sent to landfill, 17% of is organic. In natural ecological systems, remains from animals and plants are used to fertilize the plants around them. By placing organic waste in landfill we loose the natural benefits of these resources.

The Solid Waste Business Unit commissioned a composting operation in May 2001 to compost organic waste using Vertical Composting Unit (VCU). Currently, all green waste entering the transfer station are composted using the VCU's. The business unit plans to undertake a food waste composting trial in the near future with the objective to divert all organic waste from entering landfills.

The Cleaner Production Team of the council is also working with The Worm Firm and Expanded Food Collection Services to widen the range of options to prevent this valuable resource from entering landfills.

3.3.2 The Worm Firm Recycling Services

The Worm Firm is a charitable business run by The Waitakere Special Needs Trust to raise funds to provide services and work skills for people with disabilities in the Waitakere area. Cleaner Production is supporting The Worm Firm to achieve environmental and social goals through supporting the development its recycling services to the residential and commercial sectors.

The Worm Firm has developed two systems for households to recycle organic waste. This includes food

⁴ Adapted from Waitakere City Council, Current Projects, Waitakere, 2001.

scraps, paper, garden waste, lawn clippings and any other organic material. The Worm Firm installs and maintains the system through regular visits to monitor the health of the system. The worms convert the waste into castings, which you can use on your garden or which The Worm Firm can harvest and take off-site. The Worm Firm are currently designing an on-site organic recycling system that is intended to be trailed by a local food manufacturer in the near future.

Since mid 1999 local restaurants, café's such as the Thai Kitchen, Tasty Thai Café, and Moka, and Westfield Shoppingtown WestCity have begun to have their food waste collected for pig food stock, allowing the businesses and farmer to save money. The Cleaner Production Team have been working with the collection service to ensure best practice is adopted by restaurants and the collector. The collection of food waste follows the recommended practices of the Pork Industry Board to ensure animal health and safety. 40 litre containers make it easy and hygienic to keep the food waste separate from other waste. The collected containers are replaced with steam-cleaned containers. The containers are sourced from local businesses no longer requiring them, keeping with the theme of 'reuse and recycling'

3.3.3 Household and commercial rubbish collection

A weekly collection service provided to all the households throughout the city, on a 'user pays' basis. The official "grey" bag cost \$1 from supermarkets, and a range of convenience stores such as service stations and dairies. Refuse collection service provided to the businesses in the City from Monday to Friday and on Sunday on a 'user pays' basis, utilizing the grey user pays bag purchased from supermarkets and elsewhere. A small recycling collection service is also available to those businesses who can utilize the kerbside green recycling bin. For business who have recycling in excess of the green bin, recycling collections can be purchased privately.

3.3.4 Costs for depositing refuse

On arrival at the Refuse Transfer Station, trailers are weighed. Staff will then be able to advise the refuse depositer of the exact cost of the refuse. An indication of the charges in shown in the table below.

Type of Waste	Origin	Disposal Charge (Aus \$)	Quantity
Refuse	Domestic	8.00	Car Boot
Refuse	Domestic	20.00	Triler/Ute/Van (mass. 300kg)
Refuse	Domestic	63.00	Tonne (min. charges apply)
Refuse	Commercial	67.50	Tonne (min. charges apply)
Greenwaste	Domestic	5.00	Car Boot
Greenwaste	Domestic	12.00	Trailer/Ute/Van (max. 300kg)
Greenwaste	Domestic	39.40	Tonne (min. charges apply)
Greenwaste	Commercial	39.40	Tonne (min. charges apply)
Cleanfill	Domestic	30.00	Tonne (min. charges apply)
Cleanfill	Commercial	30.00	Tonne (min. charges apply)
Tyres	Domestic/Commercial	3.00-14.00	Car - Tractor Tyre
Car Bodies	Domestic/Commercial	\$5-\$25	Shell - Whole Car

4. Conclusion and policy suggestions

As has been described above various commendable efforts are being made in order to reduce poverty in USSA. However, these efforts need to be redoubled and to become more sophisticated if poverty in USSA is to be genuinely and sustainably reduced.

From the experiences of the developed countries more sophisticated and aggressive policies in urban industrialization, education and training, wage and employment policies, as well urban planning were and still are the sine qua non of genuine poverty reduction in the developed countries.

On the other hand in SSA poverty reduction efforts in USSA seem to be characterized by:

- (i) Lack coordinated and integrated policies by the urban local and central government poverty reduction policies;
- (ii) Lack of the appreciation that in societal development both the urban centers and rural areas act in a symbiotic and complementary manner, with the urban centers taking the catalytic lead as centers of aggregate demand and innovation;
- (iii) There appears also to be lack of appreciation that genuine and sustainable poverty reduction in the developed countries was a results of industrialization and cooperative effort from the urban local and central governments.

This implies therefore that:

- (i) There is a need to review national poverty reduction policies in SSA countries so that urban centers are brought to the center of national development.
- (ii) Difficult as it may be, there is also need to increase efforts to encourage industrialization as the primary source of poverty reduction in USSA.
- (iii) Urban government should not leave high level education and training to the central governments. Highly trained manpower acts as one of the factors that attract foreign investment into urban centers.
- (iv) There is need to develop a culture of physical infrastructure construction and repair and involve the urban communities into the ownership and maintenance of the infrastructure and the provision of social services.
- (v) Urban local governments should work hand in hand with manufacturing and trade promotion private interest groups to raise development revenue, outside the regular fiscal contributions and also to re-focus the attention of the central governments' development efforts on the urban centers.

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