

Global **URBAN** market-based Livelihoods in Oxfam GB

Lessons and Experiences from Kenya, Bangladesh,
Guatemala, Colombia, Haiti, and Russia

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Acknowledgements

The research team would like to thank all those individuals who gave us their support and opened up their knowledge and experiences during the course of the study for their contributions to this report. In particular we would like to thank the Oxfam staff in Bangladesh, Guatemala, Kenya, and Russia; our external support group; and, most importantly, David Bright, Thalia Kidder, and Amonah Achi. Thank you for your patience and encouragement on what has been an exciting and challenging journey.

This report written by Sheilah Meikle, Tim Chambers (Oxfam), Alex Frediani, and Tom Goodfellow. It was jointly commissioned by David Bright, Business and Markets Team (PPT) and Michele Bruni, LAC.

Graphic design by Alexis Bartrina.

Published in April 2012 by Oxfam GB
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EXECUTIVE SUMMARY

Background to the report

More people in the world now live in urban areas than in rural areas. It is estimated that as many as one billion people, 15 per cent of the world's total of seven billion, currently live in urban slums, and this number will likely double within 20 years. Until recently however, Oxfam, like other development agencies, focused primarily on rural poverty.

Following the publication of Oxfam's Aim 1 Strategy 2010–2015, which incorporated poverty and urban-rural linkages as a core aim, this study was undertaken by an independent research team to determine the extent to which Oxfam's rural livelihoods experience – focused primarily on enterprise development – is transferable to urban contexts. The research for the study, undertaken between January and June 2011, draws on extensive collaboration with Oxfam global, regional, and country teams in Bangladesh, Guatemala, Colombia, Haiti, Kenya, and Russia.

Urban market-based livelihoods (MBL) in context

'Rural' and 'urban' are extremes on a continuum with many in-between stages, varying from small towns to peri-urban areas, and with a dynamic set of spatial and sectoral flows between them, creating interdependencies. While rural and urban poverty can be seen as related aspects of a common condition, urban contexts do not simply replicate rural contexts and urban poverty is substantively different from rural poverty.

All aspects of urban contexts – political, economic, social, technological/ infrastructure, and environment – are typically more complicated, diverse, and dynamic than those found in rural areas. Furthermore, urban dwellers tend to engage in very different economic activities than people living in rural areas. While the majority of rural dwellers are engaged primarily in agriculture and related activities, most urban workers are likely to be engaged in the informal manufacturing or service sector.

There tends to be a higher number of female-headed households in urban, compared with rural, areas. Women are concentrated in the lower-paying and more risky segments of the informal economy while also delivering a disproportionate share of family care and household services. Urban areas tend to have a youthful demographic with a large proportion (for example, 75 per cent in Kenya) of the population under 30 years old. Many of those under 30 are unemployed.

Oxfam's rural market based livelihoods programmes

A review of background documents relating to sustainable rural livelihoods (SRL) initiatives undertaken by Oxfam reveals several common trends. Firstly, Oxfam pays attention to the improvement of poor producers' positions through market development approaches, across multiple channels centred around a supply chain or wholesale market, in accordance with the MBL approach. A value chain focus is evident in various programmes that link smallholders to agribusiness and to national and international markets. This attention to value chains often goes hand in hand with attention to rural-urban linkages. Secondly, a related focus of Oxfam SRL initiatives is on producers' organisations and thirdly, critical to many (though not all) SRL initiatives, there is a focus on ensuring that women capture the benefits of market systems and value chains.

Oxfam's urban market based livelihoods programmes

Oxfam currently does not work with an explicit urban livelihoods framework. It does work on projects with clear urban livelihoods impacts in some countries, but in many cases these are framed in terms of food security, emergency relief, disaster risk reduction (DRR), or community empowerment rather than in terms of livelihoods. The market system model is, therefore, not generally used and the enterprise development that does happen is often a by-product of other concerns. The most obvious exceptions are the Russia and Colombia programmes, which were specifically set up to promote markets and enterprise.

Many existing (SUL) initiatives originate in post-crisis and food security and cash transfer initiatives from which enterprises have emerged: for example, an indoor sanitation facility and recycling micro-enterprise in Kenya. Existing SUL initiatives range from programmes that are primarily focused on microfinance (e.g. Russia) to ones focused on advocacy around labour rights (e.g. Bangladesh), to ones closely linked to DRR initiatives (e.g. Guatemala) and the idea of 'feeding the city' (Colombia).

The 'rural/urban' and 'urban' scenarios

As a result of the links between rural and urban areas, it is anticipated that two scenarios, one focusing on promoting rural/urban linkages akin to the Colombia 'feeding the city' model and a second focusing specifically on urban contexts, will both contribute to improving the food and income security of the urban poor, as well as having a positive impact on rural poverty. The nature of these two scenarios is summarised in the table below.

Oxfam has a wide range of relevant assets and capabilities that will contribute to the effective development of these two scenarios: partnerships and alliances, advocacy and brand influence, expertise, knowledge, and experience developed in the course of extensive rural activities. However, urban and rural programmes are in general not integrated and there is a capacity gap in urban livelihoods programmes, particularly with regards to markets. Staff with specific urban experience are rare and staffing generally arises from transferring responsibilities of existing (and very capable) staff.

NATURES OF THE RURAL/URBAN AND THE URBAN SCENARIOS

Category	Rural/urban scenario	Urban scenario
<p>Principles</p> <p><i>A basic foundation for all rural/urban and urban initiatives</i></p> <p><i>Risk awareness and management</i></p>	<ul style="list-style-type: none"> • Gender sensitivity and commitment to women's economic leadership • Climate and environmental sensitivity • Commitment to working with producer organisations and other small and growing enterprises • Working as a facilitator and broker between the private sector and government • Commitment to a market system approach • Attention to the impact of interventions on household assets • Integration of key urban interventions, including DRR • Developing intermediary and service enterprises that enable rural/urban linkages that benefit the rural poor 	
<p>Aims</p> <p><i>Evaluate how product or service sectors can create better livelihoods for the urban poor</i></p>	<ul style="list-style-type: none"> • To ensure economic justice for the rural and urban poor by helping feed the city in ways that also benefit rural producers • To contribute to social enterprises that build on rural/urban linkages in ways that benefit the rural poor • To build rural/urban linkages that enhance rather than undermine environmental sustainability • To increase gender equity and women's economic leadership through rural/urban exchange • To improve farm capacity to produce the basic food basket for urban consumers • To improve intra-household dynamics and women's economic leadership through rural/urban exchange 	<ul style="list-style-type: none"> • To contribute to sustainable market-based livelihoods for the urban poor • To contribute to/support social enterprises for the urban poor • To increase gender equity and women's economic leadership through urban enterprises • To enhance disaster risk prevention and climate change adaptation through urban market-based enterprise development • To contribute to a reduction of risk for vulnerable women and youth • To encourage public and private investment and improved regulation
<p>Oxfam's role</p> <p><i>Experience with rural work means that staff for rural/urban initiatives should be readily available</i></p> <p><i>Staff with urban experience are in short supply, therefore there is a need to recruit</i></p>	<ul style="list-style-type: none"> • Facilitate investment, services, and trade towards smallholders, particularly women, and businesses that supply affordable food • Broker, managing a group of stakeholders with varied interests in a specific objective(s) to achieve an outcome beneficial to the rural and urban poor • Intervene to incentivise the private sector and government to take on new roles; build market and farm and infrastructure and assets; in remote and thin markets fund producer organisations (PO's) or others to fill necessary functions that do not exist, e.g. market intermediaries 	<ul style="list-style-type: none"> • Facilitate investment, services, and trade towards smallholders, particularly women, and businesses that supply affordable food • Broker, managing a group of stakeholders with varied interests in a specific objective(s) to achieve an outcome beneficial to the urban poor
<p>Oxfam's approach</p> <p><i>Undertake careful analysis to determine which role is most appropriate in a given context</i></p>	<ul style="list-style-type: none"> • Broker improved relationships with the private sector and advocate for government support on: <ul style="list-style-type: none"> ○ Household and farm assets, women, and adaptation ○ Improved smallholder representation and market governance ○ Developing new smallholder-based markets • Improve the organisational capacity of POs and other businesses to provide services and access to urban markets 	<ul style="list-style-type: none"> • Effective and transparent governance influenced by smallholders and women • Public and private investment in pre-commercial infrastructure, adaptation, and women's assets • Support innovation in services to smallholders and women • Links to commercial buyers and wholesale markets through new business models
<p>Priority entry points and nature of initiatives</p> <p><i>One size/type of initiative does not resolve all problems</i></p> <p><i>Pay particular attention to gender analysis and issues</i></p>	<ul style="list-style-type: none"> • Rural producers selling in the cities • Rural POs advocacy for urban consumers to 'buy local' and support small-holder agriculture • Bringing urban services to rural hinterlands e.g. branchless banking 	<ul style="list-style-type: none"> • Holistic/integrated approach to researching the nature of urban programmes across household and market system levels • Determine the types of interventions and entry points to address problems that are diagnosed e.g. through using a variety of tools – with the following key entry points identified: <ul style="list-style-type: none"> ○ Apply livelihoods and market analysis to other urban approaches e.g. DRR, WASH, gender ○ Social enterprises identify the catalytic event that can enable change e.g. urban disaster or social issues, new municipal government, new business in sectors such as retailing ○ Improve market system for key sectors such as retail or construction ○ Land/housing/enterprise sites-tenure rights and finance ○ Develop effective representation organisations ○ Social enterprises deliver solutions to social issues for youth or women e.g. women's transport, sanitation
<p>Impacts</p> <p><i>Whatever the focus of the initiative, ensure that neither context experiences negative impacts as a result of Oxfam's intervention</i></p>	<ul style="list-style-type: none"> • Positive local economic outcomes • Positive social outcomes • Positive environmental outcomes 	

The market system model

Our analysis of the differences between the rural and urban contexts indicates that, a market systems approach to key sectors or services will work well, but a value chain approach will not. A focus on analysis in the (dis)enabling environment, together with increased focus on market services for any system selected, will require different areas of focus rural market mapping. This will mean a greater focus on advocacy, with a potential entry point around developing representative organisations, while social enterprises offering innovative or affordable services for critical functions such as sanitation could equally be a good entry point. This study has used PESTLE (political, economy, social/cultural, technological/infrastructure/services, legislation/regulations, and environment) analysis to restructure understanding of the (dis)enabling environment because it is our understanding that this more closely represents the character of the urban context than the existing version. In addition to the market services detailed in the existing model, we include greater scrutiny around information transfers, with development of innovative information and communications technology (ICT)-based information or financial services potentially being a good entry point.

Due to the complexities of multiple livelihoods and therefore market chains, focus on individual chains would limit scale. Rather than intervening in these market chains directly, the most productive use of a framework would be systems mapping of key sectors such as construction or retailing to understand how more small and medium enterprises (SMEs) can be created. Interaction between household assets and systems will also be critical for women's and men's ability to 'step in' or 'step up' in the market. At the same time, risks – including violence, criminality, and disasters – seem to be higher, which requires greater integration with governance or DRR approaches or diversification strategies. The diversity, complexity, and volatility of urban markets compared with rural ones challenges Oxfam to identify the optimal points of intervention and demands a flexible approach as a facilitator.

Conclusions

There are differences between rural and urban poverty and the contexts in which they occur. All aspects of urban areas are more complicated, diverse, and dynamic than rural areas. The differences between rural and urban poverty mean that it is not simply a case of applying Oxfam's rural experience and templates to the urban situation. Oxfam can, however, draw on, adapt, and benefit from experience from its rural and urban livelihood work, and learn from the experience of other NGOs and donor agencies.

Two scenarios have emerged from this action learning project: the 'rural/urban' and the 'urban' will both contribute to improving the food and income security of the urban poor and will also have a positive impact on rural poverty. At all stages, **gender** is central to the process, and there is a need to address this directly by asking specific questions. An adapted market system model, with a flexible facilitator role for Oxfam interventions, would be relevant, while combining household analysis with market analysis will be critical to ensure that marginalised

people and women develop sustainable livelihoods. The complexity of urban situations and their narrow geographic focus will require multi-disciplinary teams capable of applying different approaches, such as DRR and governance, in a single programme intervention.

Recommendations

In order to move forward with developing and undertaking Oxfam's urban livelihoods work focused on markets and enterprise development, we recommend the following four step action plan:

- 1. Raise the awareness of all relevant Oxfam staff** to the nature and characteristics of urban poverty and its differences from rural poverty by providing relevant, concise, and practical information and guidance on processes and good practice. This includes the elaboration and continuation of the current research and development process into urban market-based livelihoods to facilitate the emergence of clear global and regional strategic guidelines that promote dynamic, relevant, and innovative programmes.
- 2. Recruit and train urban facilitators and brokers** to ensure an adequate level of flexibility and the application of a multi-dimensional approach to urban markets-based livelihoods that the contexts require. This includes the integration of regional and global market-based livelihood support to cover urban programmes and the internal promotion of innovation in urban interventions.
- 3. Disseminate and use the 'rural/urban' and 'urban' scenarios** to emphasise the differing nature of these two approaches and to support and develop existing and new urban market-based livelihoods programmes to model MBL initiatives, and capture the impacts of these initiatives through a co-ordinated global action process over a three - to five - year period, ensuring that care is taken to incorporate robust monitoring and evaluation.
- 4. Bring together key programmatic dimensions of Oxfam's urban programmes**, including market-based livelihoods, gender, adaptation, and risk reduction campaigns to ensure a maximisation of efficiency and effectiveness of urban programmes that generate synergies where possible, overlap across communities and geographies and, most importantly, share a common objective. This process should be initiated at both global and regional levels and also through programme integration at country level through the collaboration of advisors and programme co-ordinators.

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GLOSSARY

Acronyms

CARE	An international development organisation
CBO	Community-based organisation
CSUDP	Civil Society Urban Development Programme
DFID	Department for International Development
DRR	Disaster risk reduction
EAG	External Advisory Group (for this study)
GDP	Gross domestic product
HI	Homeless International
GULP	Global Urban Livelihoods Project
ICT	Information and communications technology
IIED	International Institute for Environment and Development
IUPF	International Urban Poor Fund
LAC	Oxfam Latin America and Caribbean region
MBL	Market-based livelihood
MFI	Micro-finance institution
NGO	Non-government organisation
OGB	Oxfam Great Britain
PESTLE	Political/economy/social/technical (infrastructure)/legal/environmental
PO	Producer organisation
RUAF	Resource Centres for Agriculture and Food Security
SPM	Strategic process map
SRL	Sustainable rural livelihood
SUL	Sustainable urban livelihood
UNDP	United Nations Development Programme
WEL	Women's Economic Leadership
WWF	World Wide Fund for Nature
YBR	Youth Business Russia

Definitions

Urban programme: A systematic integrated set of activities/policies etc. that have been incorporated as a policy and planning document which is formally adopted by the relevant country, as for example in Kenya when an urban programme was established and incorporated in the country's change policy in 2008.

Urban initiatives: All of Oxfam's other urban activities.

Urban interventions: A generic term that covers both of the above (i.e. both systematic programmes and more ad hoc project-based activities).

1. INTRODUCTION

1.1 Background

More people in the world now live in urban areas than in rural areas. This is the result of rural-urban migration, small regional towns developing into cities, and population growth in cities. The rate of urban growth varies across continents and regions, but the proportion of people living in urban areas is set to continue growing. By 2030, it is predicted that nearly all of the world's estimated growth will be absorbed by the cities of the South; by 2050 around 70 per cent of the world's population will live in urban areas. It is estimated that as many as one billion people, 15 per cent of the world's total of seven billion currently live in urban slums, and this number will likely double within the next 20 years.

Until recently, despite the scale and growth of urban poverty, most of the world's development attention was focused on addressing rural poverty. Oxfam GB (OGB) was no exception. As late as 2009, the urban/rural ratio of Oxfam's sustainable livelihoods work was 20:80. Absolutely urban and absolutely rural contexts are, of course, extremes on a continuum which includes a range of part-urban and part-rural situations. It is simplistic to suggest that there are exclusively urban or rural versions of poverty or livelihoods, or indeed completely separate analyses or prescriptions; and there are important household and market links between urban and rural areas. But, historically, urban contexts have been relatively neglected.

With the publication of its Aim 1 Strategy 2010 – 2015, Oxfam's priorities are shifting to include 'urban poverty and rural-urban linkages' as one of its four main themes. However, Oxfam has rather less existing work to draw on in relation to this theme than its other three themes. Research is therefore needed to determine the extent to which experience and approaches from Oxfam's rural livelihoods work is transferable to urban contexts, as well as to learn from its existing, although limited, urban work and the urban livelihoods work of other development agencies. In response, the Global Urban Livelihoods Project (GULP) was initiated.

1.2 Objectives

Oxfam GB's Global Urban Livelihoods Project aims to assess whether a market-based livelihoods approach can be effective in an urban context by developing a new and innovative analytical framework for its urban livelihoods work – a framework upon which OGB country, regional, and global centres will be empowered to build their strategic policy and programmatic approaches.

The project examines how OGB's assets and capabilities, developed over many years working on rural livelihoods, enable (or disenable) it to operate in the urban context, and aims to identify sectors for intervention and the key enabling factors for those sectors to generate social, environmental, and economic benefits for vulnerable urban communities. The project aims both to inform and to be informed by parallel research on Women's Vulnerable Livelihoods.

1.3 Research approach and focus

This action research drew on a great number of primary and secondary sources of information, including a large archive of Oxfam documents and an extensive literature search which allowed an in-depth review and discussion of current, relevant, and successful frameworks, analytical models, and tools and approaches for urban livelihoods and local economic development, as well as an analysis of OGB's resources, assets, and capabilities.

Primary sources incorporated in-country and tele conferencing collaboration with country teams from Bangladesh, Guatemala, Kenya, Colombia, and Russia. The study team was able to share, discuss, and test, through a series of in country workshops, the learning and knowledge it developed.

1.4 Report structure

This report describes the outcome of the Global Urban Livelihoods Project. It comprises six chapters: this introduction; an examination of Oxfam's current focus; an analysis of the characteristics of urban contexts; an analysis of the study's findings in relation to existing OGB and non-OGB interventions; a discussion of the way ahead; and conclusions and recommendations. It also includes a number of appendices and a bibliography.

2. OXFAM'S CURRENT FOCUS

OGB's approach to **sustainable rural livelihoods** (SRL) has historically been rooted in an assets framework, with a particular focus on improving natural, human, and social capital. Work was thus usually targeted at the level of the small farm or household. Since around 2004, however, there has been a broadening out of OGB's approach that has resulted in production-based livelihoods interventions, with a growing focus on market-based livelihoods (MBL). This has resulted in balancing interventions between household or farm, with interventions in the market system aimed at increasing the market power of women and other marginalised people. The second shift this has brought is in applying a systems approach that relies on advocating or facilitating change, rather than direct provision of services e.g. extension or credit that increases the scale and sustainability of the impact. The MBL approach involves a focus on three core aspects of market systems: market chains, the (dis)enabling environment, and market services (discussed below). To ensure that women in particular come into the economy and that sustainable forms of agriculture are promoted, market analysis is undertaken in parallel with analysis of the household and farming system.

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While OGB's SRL work has always been and continues to be largely focused on agriculture, there is increasing recognition that agriculture 'has to be viewed in the context of increased multi-activity by poor households', including 'deepening urban-rural linkages'.¹ Innovative livelihoods work in the Latin America and Caribbean (LAC) region reflects this recognition. A continued focus on agriculture as the main aspect of SRL work has been justified in terms of its capacity to contribute not just to income development but to the ability of households to cope with shocks, facilitate food security and gender equity, and foster environmental preservation.

OGB's **sustainable urban livelihoods** (SUL) work is nascent and much more fragmentary than its SRL work. Urban issues are mentioned in some overview documents pertaining to Oxfam's overall livelihoods strategy – particularly now that urban poverty and urban-rural linkages have been incorporated as a core aspect of Aim 1. Even in the few countries where SUL programmes are in place, as yet they rarely reflect the MBL approach evident in an increasing number of rural programmes, for reasons that will become apparent in Chapters 3 and 4 below.

1. Fraser, A. (2009), 'Harnessing Agriculture for Development', Oxfam International Research Report, p.4

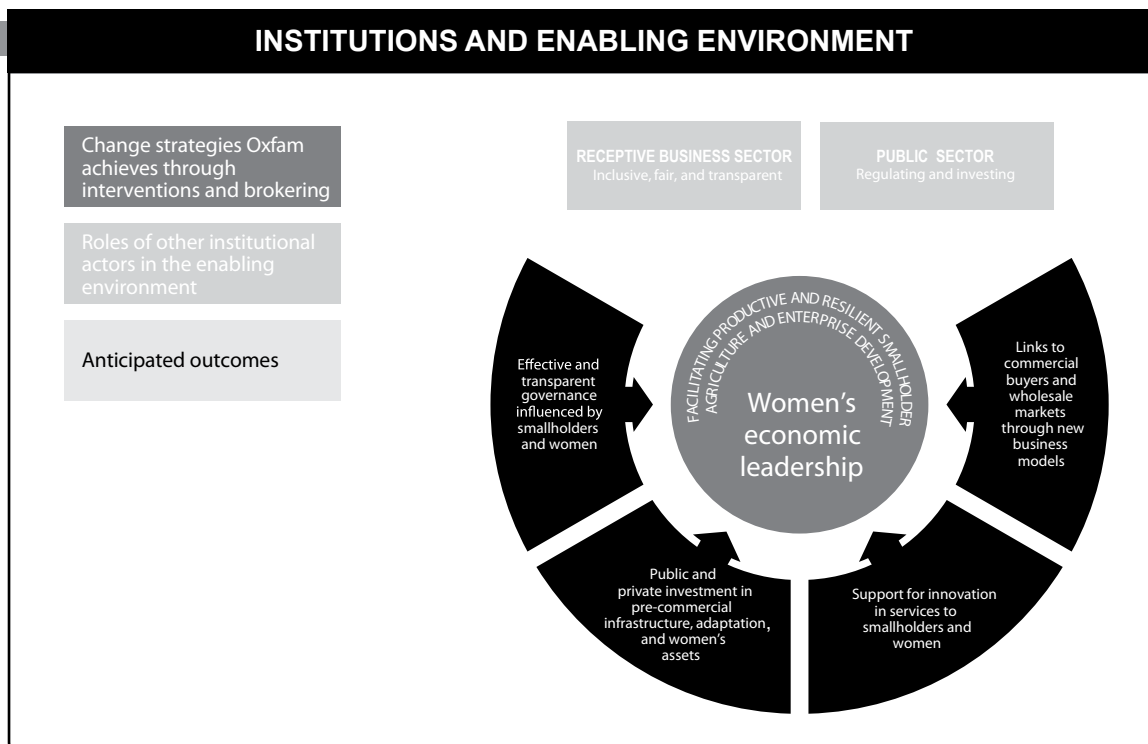
2.1 Oxfam's MBL approach and understanding of how change happens

As noted above, OGB employs a sustainable livelihoods framework that focuses on five forms of asset (natural, human, social, physical, and financial) at household and farm levels, which it considers to be a valuable holistic tool for on-the-ground programming in designing and monitoring livelihoods interventions. However, as this framework is focused on the household or farm level, it does not take account of the broader market system. Hence Oxfam has adopted an approach that emphasises women's and men's power in markets, which is now being successfully used in many programmes alongside the assets-based framework.

The rationale for a markets-based approach is that markets increasingly shape livelihoods and poor people engage in them daily as both producers and consumers. They can also be drivers of development if producers have the capacity and knowledge to engage with them to gain fair and sustainable returns. OGB believes that the shortcomings of past approaches to development can be addressed through this approach. For example, earlier livelihoods development interventions tended to focus on the farm or enterprise itself and took the form of direct interventions that tended to create dependency, rather than thinking more systemically and sustainably. Existing approaches have been weak on gender and power, requiring Oxfam to develop analysis that ensures that women and smallholder enterprises have an improved position and returns from selected markets.

Figure 1 below² presents how Oxfam understands change happens in agricultural markets to deliver improved livelihoods for women and other marginalised producers. This model reflects Oxfam's increased desire to support smallholders to aggregate and trade with formal markets. At a system level, OGB facilitates engagement between actors (e.g. buyers, service providers, and local government) helping to leverage public and private investment within effective governance systems, negotiating with buyers on how to adapt existing business models to better share benefits, costs, and risks.

FIGURE 1



2. OGB's Gendered Enterprise and Markets tool-kit and methodology (OGB 2011).

OGB believes that, before making any intervention in local enterprise, it is necessary to understand power distribution at the levels of the market and household, select the best economic opportunities, and assess the capacity of producers and their organisations, while always bearing in mind structural gender barriers. Selected economic opportunities, such as non-traditional crops, should be sustainable over the long term in the face of climate change and other risks. To guide these processes, OGB has developed a simple four-step process – assess the existing situation to identify the best enterprise opportunities that maximise development impact, particularly for women; map the potential market system to identify opportunities and constraints; assess the potential business model between producer organisations (POs) and other market actors and service providers; and design a programme – and the gendered market mapping process supports this process in programme design.

The most significant and developed of these tools is OGB's Gendered Enterprise Tool kit and methodology (OGB 2011). This outlines the analytical and strategic steps required when designing gendered market-based development programmes.

There are distinct differences between rural and urban economic activities and livelihoods. These have implications for the character of the current model if it is to be used in the urban context. Our work suggests that there is no intrinsic reason why the market systems approach cannot be used to address urban livelihoods, in combination with household analysis and potentially analysis of other systems. However, as discussed in Chapter 6, there will need to be amendments to take account of the variations between rural and urban contexts, as well as an acknowledgement that some livelihoods are partly rural and partly urban. Chapter 3 explores the key differences between rural and urban areas and some of the most important characteristics of urban areas to consider when it comes to livelihoods interventions.

3. UNDERSTANDING THE URBAN CONTEXT

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This chapter examines the particular characteristics of urban contexts and the ways in which they differ from rural ones, bearing in mind that this dichotomy should not be presented too rigidly and that in reality rural and urban contexts exist on a continuum of socio-economic and spatial forms rather than being entirely discrete categories. The chapter begins with a comparison of urban and rural contexts using PESTLE analysis, an acronym that stands for (political, economic, social/cultural, technology/infrastructure/services, legislation, and environmental) analysis. This is followed by a brief consideration of the assets, vulnerabilities, occupations, and livelihood strategies of poor people living in urban environments, after which four particularly important aspects of the urban context are examined in greater detail. These are: notions of informality; the sectoral composition of urban employment; access to assets and fair institutions; and urban dimensions of gender relations and women's vulnerability.

3.1 Comparison of urban and rural contexts using PESTLE analysis

While rural and urban poverty can be seen as related aspects of a common condition, urban contexts do not simply replicate rural contexts and urban poverty is substantively different from rural poverty. Thus it is not simply a case of applying Oxfam's rural experience and templates

to the urban situation. Rather, it is necessary to understand the differences between urban and rural contexts and livelihoods, while also noting that there are important household and market links between urban and rural areas. It is then possible to understand the relevance of the rural experience for designing and implementing rural/urban and urban interventions.

While continuing to adopt an assets framework or enterprise market approach to improving the livelihoods of the urban poor, it may, for example, be appropriate to focus on improving poor people's access to specific assets such as housing (a physical asset), rather than to replicate the rural emphasis on land. The focus on producers' organisations central to OGB's rural work may also need to be accompanied by a focus on identifying and developing networks of trade, craft, and service sector associations, given that many urban dwellers are not producers as such. The nature of urban associations often differs substantially from that of organisations in rural areas, not only because of the different scale of urban activities and greater diversity of concurrent livelihood strategies, but also because of the high concentration of political/state actors in cities, which can pose challenges for associational consolidation and autonomy. An understanding of the most common challenges facing occupation-based associations in urban contexts will be necessary if OGB is to play the role of broker between these kinds of organisation and the state and private sector, as it has often done in rural areas. Box 1 summarises the key differences, and similarities, between various PESTLE aspects of rural and urban contexts. These contexts, as discussed in section 3.3 have an impact on the livelihoods of the urban poor.

KEY DIFFERENCES AND SIMILARITIES BETWEEN IN PESTLE ANALYSIS OF RURAL AND URBAN CONTEXTS

BOX 1

*'Support to productive activities is less effective in relieving urban poverty than is changing local policy related to setting up small enterprises, investment policy, legalising settlements, and improving security of housing.'*³

Focusing on the enabling environment is thus arguably even more important in urban areas than it is in rural areas.

Political context: The urban context has a more politics- and policy-rich environment than the rural. It incorporates a large range of complicated vested interests and power relations and can be more open to various levels of corruption. Many local governments are weak and cannot address the needs of poor people or choose to exclude them. In many countries there is increased importance of NGOs and CBOs and some participatory involvement of citizens (e.g. participatory budgeting).

Economy: In urban areas the cash economy dominates. There is a dominance of informal over formal economy employment and enterprises (e.g. in Kenya, two-thirds of people nationally are employed in the informal economy and one-third in the formal economy).⁴ The service sector plays a much larger role in urban areas, given the limited space for agriculture and the fact that – particularly in the poorest countries, and most notably in Africa – industry is very underdeveloped. A large proportion of urban youth tend to be unemployed and this youth unemployment is closely linked to crime and violence. Remittances from international sources and to rural areas from urban areas are important. (e.g. remittances account for around 10 per cent of GDP in Bangladesh). The urban economy is affected by national and international forces (e.g. the availability of cheap imported goods provides strong competition for any locally produced goods).

Society and culture: There is a youthful age distribution in urban areas, with a large proportion of people under 30 years. Those under 18 years are particularly vulnerable. Urban areas tend to have child labour; there are likely to be street children and there may be child trafficking. Migration may result in gender and age imbalances in urban areas and migrants may be excluded from accessing a variety of assets and city-wide social networks. The urban population is often also diverse ethnically, and in some contexts particular

3. Aim 1 Strategic Framework: Overcoming Poverty and Suffering through Urban Livelihoods: Oxfam's Policy and Practice. 16 June 2006, p. 5.

4. See Kenya case study, Appendix 1.

ethnic groups tend to monopolise particular economic activities. There is a high proportion of female-headed households. Women are time-poor because of triple workloads (remunerated work, child-rearing, and community activity). There is less security for community, households, and individuals, in part because of fragmentation and poor social capital and in part because they are increasingly exposed to violence and crime resulting from the illicit economy and power struggles resulting from corruption, warfare, and terrorism.

Technology/infrastructure/services: Important infrastructure – roads, transport, water, sanitation, and power supply – are frequently in an unsatisfactory condition or are inaccessible by people poor. While there tends to be considerably more infrastructure than in rural areas, the critical question in urban areas is often one of access. Lack of access to infrastructure and services impacts on human capital and has a negative impact on the health and education of poor people as well as on their incomes when they are deprived of access to physical assets (e.g. water and electricity for productive activities) or access to opportunities (e.g. transport for employment and enterprise). It is common for poor people to pay 8 – 9 times as much for water as the rich, often spending around 20 per cent of their total income on water from vendors. While the importance of infrastructure and services for urban livelihoods is widely acknowledged, many NGOs, including OGB, have been hesitant about deepening their involvement in the provision of such facilities due to the greater (physical and political) challenges of doing so in urban relative to rural areas.⁵ Access to ICT is becoming increasingly important for productive urban livelihoods. Although poor families are increasingly likely to be able to access mobile phones, however, they rarely have easy access to other aspects of ICT.

Legislation/regulation: The livelihoods of the urban poor are often limited because of their insecure or irregular legal status; their insecure tenure; and because they may suffer from the difference between 'de jure' and 'de facto' application of the law and regulations. Information on legal and business requirements may not be readily available and target audiences may be illiterate. They may break the law because they do not know it exists or they may be unable to access it. In addition, recourse to the law often takes an inordinate amount of time and costs and involves corruption. The experience of OGB's urban livelihoods programme in Russia, for example, clearly illustrates how the legal environment has been one of the major constraints to enterprise development and the provision of basic financial and other services to small businesses.

Environment: Poor people suffer from poor quality of residential and working environments and from health problems associated with polluted land, waste dumps, and contaminated water sources. UN-HABITAT estimates that the number of urban dwellers in Africa without access to adequate water provision is between 100 and 150 million, or 35 – 40 per cent of the population, and even where they do have access to water, that does not mean it is safe to drink. Wastewater treatment is so inadequate in many cities that contaminated water represents an enormous environmental and health burden. Of India's 3,700 cities and large towns, only 17 have full wastewater treatment facilities.⁶ The poor often live or work on marginal land e.g. along railway lines or beside rubbish tips, or on land liable to flooding or landslides.

3.2 Assets, vulnerabilities, and livelihood strategies of the urban poor⁷

The urban poor, like the rural poor, draw on five main sets of household and community assets/capitals – natural, human, financial, physical, and social/cultural – to achieve their livelihoods. However, as indicated in Box 2, the balance of the importance of these assets is different for urban households compared with rural households. This means that interventions that improve the situation of poor households' physical assets – most importantly secure access to housing and services such as water, sanitation, and electricity (as well as education and health services) – will tend to be most productive in improving their livelihoods. Interventions to support those trying to access such rights will require the use of advocacy and other power-broking skills. Further consideration is given to accessing assets in chapter 4.

5. T. Goodfellow (2009) "Increasing urban" in Oxfam's Aim 1 Strategy: comments for discussion", July 2009.

6. UN-HABITAT (2003), *Water and Sanitation in the World's Cities*, UN-HABITAT: Earthscan.

7. See Appendix 2 for list of urban poor's generic assets.

HOW ASSETS ARE ACCESSED AND USED BY THE URBAN POOR

- Many if not most poor urban households will **live in unregulated informal areas** frequently referred to as 'slums'. This irregularity has implications for their access to a whole range of community and household assets.
- Poor households suffer from **inequitable community governance and the sometimes malign influence of corrupt officials and informal cartels**.
- **Natural assets:** Urban households make **much less use of land** for their livelihoods compared with rural households, but facilitating their access to an affordable, secure, serviced, and well-located plot for them to self-build their own houses is generally a more effective strategy (in terms of cost and quantitative/qualitative adequacy to demand) than delivering social housing built by the state or by private enterprises. Other natural assets such as **water** may have to be purchased, sometimes at 8 – 9 times the price paid by households living in formally regulated areas. Moreover, lack of natural capital in the form of water can interlink with human capital and gender considerations: for example, in some contexts it is common for girls to stay at home in order to wait for water deliveries, negatively affecting their education.
- **Housing, a physical asset**, is a very important asset for the urban poor. It is used for shelter and frequently also as a place of work e.g. when undertaking a micro-enterprise such as petty retail, or as a way of making money by sub-letting rooms. It is also used for reproductive purposes. Many occupiers are renters, not owners. Security of tenure is a crucial issue in urban areas, where high and increasing land prices render the urban poor vulnerable to eviction, which also creates disincentives for them to invest in upgrading their own housing.
- **The decision-making process and the share of household assets** are likely to be **divided inequitably** among various household members according to gender and age.

Vulnerabilities

A number of urban characteristics tend to result in marginal urban families being vulnerable to falling into extreme poverty. Vulnerable households find it difficult to cope with shocks and stresses. The former are sudden problems e.g. the death of the main earner, which affects the household's livelihood through loss of earnings, because they have no fall-back insurance in the form of financial savings or social capital such as extended family networks. The latter are continual pressures on livelihoods, e.g. when someone in the family is suffering from a chronic illness such as HIV/AIDS. Some households, for example where there is only one person earning or where there is a female head (who because she is a woman will earn less than a male equivalent and is also time-poor because of her triple responsibilities), are likely to be particularly vulnerable. Those households with a portfolio of livelihood strategies and more than one worker will tend to be less vulnerable to falling into poverty.

Occupations

Four groups of occupational activities of the urban poor – regular employment, self-employment, casual waged labour, and home-based work – were identified in a recent study in Kabul (Beall and Schütte 2006). *Regular employment* is a long-term income activity, independent of seasonal variations. Its regularity makes it attractive as it allows better planning and creates space for additional activities. Most, if not all, workers have more than one job. *Self-employment* covers a diverse range of activities. It is often characterised by low and erratic remuneration. Its

unpredictability often pushes the self-employed to also work, where possible, as casual waged labour where daily rates are fixed, even if days of work are not. *Home-based work* is also a crucial occupational activity in urban areas, especially for women, who manage household duties while also generating income. Much home-based work may be self-employment. The typical household mix of strategies using this typology varied widely in this study but it is not unlikely that these findings would, in the broadest terms, be replicated in other cities around the world.

Livelihood strategies

A wide range of research as well as findings from workshops held in Bangladesh, Guatemala, and Kenya⁸ indicate a mix of illicit and legal livelihood strategies undertaken by the urban poor. Each demographic group (young men, young women, elderly women, widows, young orphans, and street families) adopts a particular combination of livelihood strategies. Box 3 provides a list of generic livelihood strategies/activities, an indication of those undertaking them, and the assets and capacities applied in undertaking them. Urban households are likely to have a much broader portfolio of livelihood options than rural households.⁹ Some urban poor people may be linked to rural enterprises through urban markets. Some livelihoods may link urban households with rural extended families. Many rural unskilled migrants are likely to start work in urban areas as unskilled workers, for example in construction.¹⁰ As urban social assets are likely to be more fragmented than in rural areas, urban households have to work to establish livelihood support networks. This is important because such networks are likely to be the main source of information about job opportunities as well as community assets.

LIVELIHOOD STRATEGIES OF THE URBAN POOR IDENTIFIED IN FIELD RESEARCH

STRATEGIES	DEMOGRAPHIC
<p>LEGAL</p> <p>Micro business: e.g. processing, hawking, vending, transporting of goods, recycling, workshops</p> <p>Casual labour/piece working e.g. construction, textiles, domestic-laundry</p> <p>Small employment e.g. shoe-shine</p> <p>Begging and scavenging</p> <p>Migration for seasonal work</p> <p>Urban agriculture</p> <p>Renting rooms</p> <p>Reproductive activities</p> <p>Community kitchens, shared child care, mutual help (e.g. loans from friends or saving groups), family splitting, remittances from household members working elsewhere</p> <p>ILLICIT AND ILLEGAL ACTIVITIES</p> <p>Robbery and crime</p> <p>Organised criminality: drugs, arms, human trafficking</p> <p>Prostitution (can also be legal)</p> <p>Selling children into bonded labour</p>	<p>Young men, young women, elderly, widows</p> <p>Young men, young women</p> <p>Children (orphans)</p> <p>Mostly orphans and street families</p> <p>Young men and women (and sometimes children)</p> <p>Mainly women</p> <p>Men and women</p> <p>Mainly women</p> <p>Men, women, and children may be involved</p>

8. Details of each are set out in Appendix 1.

9. See, for example, Owusu (2007; 2008). Note also that even in his original study of the 'informal sector' back in the early 1970s, Keith Hart noted that 'multiple informal employment' was 'almost universal' among the urban poor (Hart 1973).

10. See Tacoli (2003; 2006) for detailed explorations of rural-urban development linkages.

3.3 Five key aspects of the urban livelihoods context

1) Conceptualising urban informality

The key essence of informality is the absence of regulation. Informality applies to forms of enterprises, conditions of employment, economic activities, and the products of these activities, e.g., housing and areas where people live. It is also possible for formal enterprises to undertake informal activities and employ people informally.

‘Informal employment refers to jobs or activities in the production and commercialisation of legal goods and services that are not registered or protected by the state. Informal workers are excluded from social security benefits and the protection afforded by formal labour contracts. The majority of them cannot opt for scarce better jobs in the formal sector. Others voluntarily opt out of the formal system. For them, the savings from being completely or partly informal – no social security contributions, no tax payments, no binding labour regulations, and more freedom for business activities – outweigh the benefits accrued through registration and compliance. The prevalence of informal employment in the developing world is striking. Even before the current crisis, over half of non-agricultural jobs there could be considered informal’.¹¹

The assumption in the 1970s, when the term ‘informal’ was coined, was that over time and with development informality would diminish or disappear. This has not been the case. Currently more than half of all economic activity in the non-agricultural sector can be considered informal. In some regions, including in sub-Saharan Africa and South Asia, the rate of informality reaches at least 80 per cent and shows no sign of declining. It should be noted that informal activity includes both informal enterprises and informal employment. Poor people often have to undertake any type of job in order simply to sustain themselves and their families. As indicated by a recent OECD paper, certain groups, such as young people and women, are over-represented among the informally employed.¹² Not only do poor people work in the informal economy; much of their housing is also ‘informal’. This means that they are living in areas that have been developed informally or extra-legally, which heightens their vulnerability to eviction.¹³

The concept of the ‘informal economy’ has been subjected to sustained criticism since its inception, for being both overly dualistic (Harriss 1978) and hopelessly ‘fuzzy’ (Peattie 1987). Despite this, its popularity has continued to grow and it has consistently been reinvented in ways that have proved relevant for analysis (Chen 2006; Meagher 2010). A review of the urban livelihoods interventions of various NGOs reveals that, on the one hand, development agencies are still encouraging local governments not to criminalise informal activities and to engage with the informal economy. If not actively supporting it, governments are being urged to at least recognise it and not create new obstacles.

On the other hand, the private sector is increasingly acknowledging the productivity and potential profitability of engaging with informality, leading to approaches that have often romanticised and overstated the ability of the informal economy to be a viable option for addressing chronic poverty at scale. Indeed, the informality discourse was embraced by many as ‘liberating’ the urban poor from the constraints of state control. Others, however, have argued that in fact the state and dominant interests benefit from having a pool of flexible informal labour and have actively sought to promote informality, leaving those working in the informal economy acutely vulnerable. In this view, informality should be ‘analysed as a social and historical process’ in which powerful economic interests play a role, rather than as a ‘sector’ (Meagher 1995: 264).

11. OECD Observer ‘Is Informal Normal? Toward More and Better Jobs’, Policy Brief.

12. *Ibid.*, p. 11.

13. For example according to Sims (2010), a conservative 11 million of 17 million residents in Cairo (63 per cent) are living in such areas, (p.91).

At the crux of these debates is the importance of recognising diversity and heterogeneity among the urban poor; informality creates both opportunities and constraints, and some people are likely to benefit much more than others from it. Research demonstrates that very often development agencies are over-enthusiastic about the opportunities of the informal economy and the potential for relying on citizens' entrepreneurial skills, when in fact initiatives based on this rationale often do not manage to reach out to the poorest people. With this in mind, it is important to analyse in much more detail issues related to **power relations** in the informal economy when examining urban livelihoods and attempting to address urban poverty.

Informality is not, of course, exclusive to urban areas. However, the informal economy is particularly important in developing country cities, which have often been subject to rapid urbanisation without industrialisation, leading to a deficit of formal sector urban employment and increasing recourse to livelihoods characterised by ease of entry, small scale of operation, family ownership, and unregulated markets. The scale of urban informality is greatest in sub-Saharan Africa: for example, a 2004 study found that 58.1 per cent of urban employment in Kenya, 67 per cent in Tanzania, and 83.7 per cent in Uganda could be classified as informal (Palmer 2004). Informality and the lack of documentation and state recognition that often accompany it can pose substantial obstacles to urban enterprises, for example in relation to accessing credit or securing property rights. In order to address the theme of 'urban poverty and rural-urban linkages' set out in its Aim 1 Strategy 2010 – 2015, Oxfam will inevitably have to engage with informality.

2) The sectoral composition of urban employment

Alongside recognition of the importance of urban informality, it is important to take into account the fact that urban-dwellers tend to engage in very different economic activities from those living in rural areas. While not wanting to slip into an over-simplistic categorisation of all rural labour being agricultural, the vast majority of those living in the countryside are primarily engaged in agriculture, which has of course been central to the way in which organisations such as OGB have undertaken livelihoods interventions. While urban agriculture is an important sector in many contexts and certainly one that OGB should consider in its approach to urban livelihoods, it only ever occupies a minority of urban residents. Depending on the urban context in question, a larger number of people are likely to be engaged in manufacturing or service sectors; particularly the latter in some of the poorest countries, where levels of industrialisation are very low.

The implication is therefore that, in order to engage with the majority of the population in urban areas, OGB needs to consider how it can best engage with informal (usually small-scale) industrial production (such as manufacturing garments from second-hand clothes) and even more importantly with informal service activities ranging from petty trade to small-scale transport, waste-picking, construction, hairdressing, and domestic work. Another critical consideration is the high proportion of youth in cities, who tend to engage in many of these service activities. This means that OGB will need expertise in working with (and helping to develop) urban service-based associations, in contrast with the producers' organisations it often works with in rural areas. Thinking about how associational forms such as co-operatives translate into the urban service sector context will therefore be critical. Within the urban service sector broadly conceived, there may be sectors that would be particularly appropriate for OGB intervention, such as the construction, recycling, or small-scale transport sectors, all of which have important linkages to other urban livelihoods opportunities. These questions of sectoral focus will be discussed further in chapter 5.

Where there is more by way of large-scale industrial production and thus more formal urban employment (as in Bangladesh, where OGB has worked extensively with the garment sector), considering how to engage with formal industry in relation to issues such as working conditions, labour rights, minimum wages, and equal pay will also provide very different challenges from rural livelihoods work. Urban POs in such contexts are likely to be very different from their rural counterparts. The way in which political organisations interact with such associations is also likely to be more complex in urban areas, and the analysis of power dynamics both within large-scale urban producers' (or service sector) organisations and between such organisations and the state may be an important process in assessing any context for intervention.

3) Access to urban assets and fair institutions

Assets have been discussed in this chapter, but in urban areas where land is scarce, infrastructure fragmented, and large proportions of the population structurally marginalised, the question of access to assets needs to be given due attention. The fact that most poor urban households live in unregulated informal areas has implications for their legal inclusion and access to power through established institutions, and thus their access to a whole range of community and household assets and rights. Physical capital in the form of housing is particularly important, as not only is it a place to live, but also, for many, a work space. Within the current market model, housing is not mentioned explicitly, but could be assumed to be incorporated within land and property rights. Because of insecurity of tenure and the proportion of tenants among the urban poor, care will need to be taken to ensure that consideration is given to all aspects of housing. This is particularly problematic given that many public authorities continue to criminalise informal housing and sometimes forcibly remove it.¹⁴

However, if the urban poor are to be fully 'included', they not only need support with accessing housing and services but also need to be empowered to tackle a maze of regulations and legislation which affects all aspects of their daily living, e.g. their right to set up a stall for petty micro-enterprise or their right to equitable employment conditions. Increasingly, this need is being acknowledged and acted on; working with local and national authorities to bring about sustainable institutional change that can facilitate the access of poor people to critical assets is increasingly viewed by many NGOs as being even more important than providing direct support to those assets.

4) Rural/urban linkages

As explained by von Braun (2007)¹⁵ 'the "very rural" and the "very urban" coexist along a continuum with many in-between stages varying from small towns to peri-urban areas'. A dynamic set of flows exists between these various spaces, creating interdependencies between them. Two types of flow can be distinguished: spatial, which includes flows of people, goods, money (e.g. in the form of remittances), technology, knowledge, information, and waste. In biophysical perspectives, flows of water, biomass products, and nutrients are relevant to the sector, and include flows of agricultural products going to urban and peri-urban areas and goods from urban manufacturing areas going to more rural areas (Tacoli 1998).¹⁶

14. One particularly stark example is provided by Operation Marabatsvina (meaning 'Restore Order') in Zimbabwe in 2005, which involved the total demolition of large informal settlements, and directly affected hundreds of thousands of poor urban residents (Potts 2006).

15. von Braun T. (2007) 'Rural- Urban Linkages for Growth, Employment, and Poverty Reduction', Ethiopian Economic Association, Fifth International Conference on the Ethiopian Economy, 7-9 June, 2007, United Nations Conference Centre, Addis Ababa Keynote, Plenary Session 1, p.3.

16. Tacoli, C. (1998), Rural-urban interactions: A guide to the literature', Environment and Urbanization 10 (1): p 147-66.

5) The characteristics of gender and women's vulnerability in urban areas

Men and women have different access to and control over resources, carry out different social roles, face different constraints and receive different benefits. Currently women are discriminated against in their access to:

- Power in the household, community, and wider society;
- Assets e.g. tenure rights;
- Opportunities, e.g. jobs and education.

In order to promote gender justice and build women's livelihoods, resilience and leadership it is essential to take account of all three women's roles.

BOX 4

WOMEN'S ROLES

Reproductive role

Childbearing-rearing responsibilities, and domestic tasks done by women, required to guarantee the maintenance and reproduction of the labour force. This includes not only biological reproduction but also the care and maintenance of the work-force (male partner and working children) and the future-work force (infants and school-going children).

Productive role

Work done by both men and women for pay in cash or kind. It includes both market production with an exchange value and subsistence/home production with actual use value and also potential exchange-value.

Community managing role

Activities undertaken primarily by women at the community level, as an extension of their reproductive role, to ensure the provision and maintenance of scarce resources of collective consumption, such as water, health care, and education. This is voluntary unpaid work, undertaken in 'free' time.¹⁷

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It has been suggested that 'women may value their reproductive role more than their productive role, e.g. they may value investment in secure housing, water or education for the well-being of their children rather than investing in a business; they may identify themselves more as mothers than as workers and get organised around the former identity rather than the latter'.¹⁸

The GLI/OGB study, on 'Building Better Lives for Working-poor Women' (GLI 2011), reveals that the vast majority of poor working women are engaged in the informal economy, as indeed are most vulnerable groups. Their lack of access to education, training, and economic

17. From: ILO, South-East Asia and Pacific Multidisciplinary Advisory Team, 1998.

18. Comments on the draft version of this report by Amonah Christele Achi, Oxfam Global Urban Advisor. However, our studies did not find evidence of this.

resources also makes it more likely that they will be working in the informal economy (ILO 2002, cited in GLI 2011: 9). Women are also 'concentrated in the lower-paying and more risky segments of the informal economy' such as waste-picking, street-vending, domestic work, and home-based, outsourced work (such as garment-making and packaging), while also delivering a disproportionate share of family care and household services (GLI 2011: 10). Gender considerations often combine with youth to produce particular vulnerabilities. In Nairobi, for example, young women aged 20 – 29 years are even more disadvantaged than young men.¹⁹ They are five times less likely to be accessing employment than young men²⁰ and female heads of households are significantly less likely to have a regular salaried job. A proportion of them operate household micro-enterprises.²¹

The GLI/OGB report recommends, among other things, that OGB advocates the prioritisation of social protection for women and develops social enterprises, particularly co-operatives, run for and by women to provide care services and social protection. It also recommends 'skills and training for enterprise and livelihoods' development, directed towards the development and upgrading of markets in services, particularly those supporting women – rather than concentrated wholly on meeting perceived opportunities in product markets' (GLI 2011: 30; emphasis added). This attention to the needs of the service sector and the different processes involved in assessing and intervening in market systems around services (as opposed to production) is strongly echoed in the present report.

There also tends, in part because there are fewer constraints on living without men in urban areas, to be a higher number of women-headed households in urban areas compared with rural areas. Such women, because of their triple role – reproductive, work, and community management – are time-poor. This raises a number of questions about whether women need more jobs, or more support from men, community, or state to relieve them from social reproduction responsibilities and thus enable them to take up paid work without working 18-hour days. In view of Oxfam's aims towards gender justice and its Aim 1 Strategy, there is little doubt that Oxfam will choose to focus on such issues.

19. World Bank (2011) 'The Impact of Population Growth on Employment', – 8 May 2011. No author cited.
http://siteresources.worldbank.org/INTUNITFESSD/Resources/Chapter3_Edited_MCMAY30_pdf, accessed 8 June, August 2011.

20. Research workshop Nairobi April 2011.

21. Oxfam, Nairobi Urban Social Protection Programme, 2011.

4. ANALYSIS OF FINDINGS FROM OGB AND NON-OGB LIVELIHOODS INTERVENTIONS

This chapter draws on findings from published Oxfam documents and reports, non-Oxfam NGO documents, and discussions with Oxfam staff in Bangladesh, Guatemala, Kenya, Russia, and the UK. It first considers Oxfam's approach to SUL programmes and initiatives (see glossary for a clarification of how these terms are used), through a comparison of OGB rural and urban livelihoods interventions, focusing on general trends in interventions and strategies for scaling up and ensuring sustainability. Next, it considers in some detail the experience of OGB Russia, with its dedicated urban livelihoods programmes. Following this, it examines selected non-Oxfam NGOs' SUL initiatives and then compares and contrasts Oxfam and non-Oxfam SUL interventions, with particular attention to existing approaches to scaling up, sustainability, and exit. Finally, it turns to Oxfam's assets and capabilities, how these can be translated from rural to urban livelihoods work, and how they compare with those of other NGOs already engaged in SUL interventions.

Together these sections explore Oxfam's room for manoeuvre when adapting its current market model for use with urban livelihoods programmes and initiatives, indicate what OGB could learn from the experience of other NGOs, and consider the skills and competencies necessary for OGB to work effectively in urban contexts. These are critical issues to consider before moving on to outline the way ahead in Chapter 5.

4.1 A comparison of Oxfam's rural and urban livelihoods interventions

It is only in recent years that some countries have begun to consider a systematic approach to developing integrated urban livelihoods programmes, a trend that has been reinforced since the publication of the Aim 1 Strategy 2010 – 2015, which includes 'addressing poverty and rural-urban linkages' as one of its four themes. Until recently, in most OGB countries, any urban initiatives have developed organically²² as a response to a specific local need rather than as the result of a policy to develop and implement an integrated planned programme; There are exceptions, however, and some OGB country programmes have had a strategic urban focus for several years, including Russia, Kenya, and Brazil. Even these, though differ very substantially from one another and perhaps only in Russia has there been a programme that is consciously both urban and market livelihoods-focused over a sustained period.

This, however, is not to deny that a somewhat wider range of OGB country programmes have undertaken urban initiatives with a livelihoods dimension; it is simply that as yet they have mainly not been schematically conceived as part of integrated livelihoods programmes. This section considers a range of livelihoods programmes and initiatives as they currently stand in comparison with the approach taken in a range of rural livelihoods interventions. In so doing, it aims to highlight the key differences between existing rural and urban initiatives and what can be learned from these differences to inform the development of integrated SUL programmes over the longer term.

Trends in OGB rural livelihoods initiatives

A review of background documents pertaining to OGB SRL initiatives reveals three particularly important trends that are common to many. One notable feature of most OGB SRL interventions is their attention to the improvement of poor producers' positions in market/value chains, in accordance with the MBL approach. While not all rural livelihoods programmes take a value chain approach (the integrated livelihoods programme in Afghanistan, for example, is more conventional and largely focused on direct support to farmers), many now do. A value chain focus is evident in various programmes that link smallholders to agribusiness and to national and international markets. This attention to value chains has often gone hand in hand with attention to rural/urban linkages. For example, the Ethiopian, a beekeeping programme explicitly aimed to transform small-scale, low-value production into a model of commercialised beekeeping, identifying profitable markets and promoting retail-packed honey for sale in supermarkets in Addis Ababa.

A second and related critical focus of OGB SRL interventions has been on producers' organisations. One aspect of this is the process of organisation itself: in Ethiopia, OGB has helped 3,500 farmers to organise into 15 co-operatives certified to produce organic coffee, and in Mali OGB has also helped POs take on new roles that benefit their members, identifying services that members need according to their own priorities and facilitating the PO to provide these independently. Another aspect of working with POs is to help them to gain more political power and thereby influence the market system more generally. OGB has played a key role in training organisations in advocacy skills, for example by helping fish pond co-operatives in India to pressure the state to adopt an inland fisheries policy in their interests, or by working with a rural PO in Bogotá in Colombia to forge a 'ground-breaking tactical alliance' between the PO and local politicians that helped meet the food supply plans of the city's mayor and benefited small farmers.²³

A third important trend relates to gender: critical to many (though not all) SRL interventions has been a focus on ensuring that women capture the benefits of these market systems and value chains, e.g. by increasing women's roles in running cotton co-operatives in Mali or promoting their role in advocacy and marketing in Colombian POs.

Trends in OGB urban livelihoods interventions

SUL interventions tend to vary more widely than SRL ones, partly because of the diverse nature of urban livelihoods but also because there are fewer programmes and, as previously noted, those that do exist have very different emphases. The SUL interventions that do currently exist range from programmes that are focused primarily on microfinance (e.g. Russia) to ones focused on advocacy around food security and the link between urban food security and rural production (e.g. Colombia), advocacy on labour rights (e.g. Bangladesh), and ones closely linked to DRR initiatives (e.g. Guatemala).

There are also programmes that have more of a direct micro-enterprise support focus such as the projects with workers in the sanitation sector in Kenya or Haiti. Even with these programmes the livelihoods focus is often implicit: many are instead framed in terms of basic services (such as many of the interventions in Kenya and Haiti), food security (as in Kenya and Gaza), or community empowerment (such as Bolivia). While essential services and food security-focused programmes often have a livelihoods aspect (in that they provide occupations for people who work in service provision or help facilitate cash transfers), they are rarely directly linked to value chains and the MBL approach at present.

23. See Appendix 2 for Excel spreadsheets comparing various dimensions of a number of urban and rural livelihoods programmes and initiatives.

As in rural areas, community organisation plays a crucial role. However, in OGB's urban work it is often focused on helping communities organise and engage in advocacy on services and labour rights, training them to respond to natural disasters, or more generally building multi-stakeholder urban platforms to bring communities and municipalities together (as in Guatemala and Colombia). It thus differs from the PO work central to many SRL approaches, which largely focuses on increasing bargaining positions in value chains.

An important point to note about many existing SUL interventions relates to their origins in post-crisis and food security initiatives, as was the case in Haiti and, initially, in Kenya. In Haiti, cash-for-work programmes and funds for enterprises to help them replace assets lost in the earthquake have clearly attempted to bridge the gap between relief work and local enterprise development.

SMALL BUSINESS DEVELOPMENT IN PORT-AU-PRINCE, HAITI

BOX 5

In Haiti, unemployment remains at 70 per cent. Oxfam saw small business successes with individual and pooled cash grants in the emergency response programme (boulangeries, tailors, mechanics) but was faced by market challenges, such as access to credit in order to expand and training in order to improve quality. A group of 108 micro-entrepreneurs was identified by Oxfam in its post-earthquake emergency response programmes who had feasible businesses to develop or who had good ideas for new small businesses and who could contribute to job creation if given the opportunities they did not receive from the market.²⁴ Oxfam's humanitarian programme now uses a credit and technical assistance facility to provide these small and growing businesses with the capacity they require to develop.

In Guatemala, a key aim has been to link DRR and livelihoods in the context of increasing urban flooding, while in Kenya the programme of cash transfers emerged from the political and food crises of 2007-08. In Gaza, small-scale urban agriculture programmes have also been developed to deal with chronic urban food insecurity. In Kenya, the cash transfers initiatives emerged initially from the political and food crises of 2007-08. As described in Box 6, this initial initiative was followed by the incorporation of an urban programme in Kenya's national change strategy of 2008.

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THE KENYA URBAN PROGRAMME

BOX 6

The scale of urban poverty indicated by Oxfam's understanding of Kenya's national political, economic, social, technological, environmental, and legal context, and in particular the **urban food and political emergency**, led to the incorporation of an urban programme in Kenya's national change strategy of 2008.

During the **first year, 2008-09**, the team undertook research to understand the nature of urban poverty. It aimed to identify interventions where Oxfam could use its various strengths, including its national and international linkages; its good reputation with local and international organisations; its experience in implementing programmes in the rural context; its ability to support advocacy campaigns; its capabilities in research and information sharing and its knowledge of market-based livelihoods in a rural context; and its experienced staff to add value and leverage change. The objective of the urban programme is to provide opportunities for people to make choices about their lives, and to engage with private and government sectors to lead development of their communities.

24. Insert provided by Philippa Young, EFSL Programme Co-ordinator.

Since 2009 the urban team has been implementing the programme. To date, implementation has involved engaging with the 'urban forum', which provides a platform for different Kenyan NGOs to participate around urban issues. Further, through the Civil Society Urban Development Programme (CSUDP) the team is looking at partners it can work with to strengthen advocacy on urban issues, including, for example, the Ministry of Local Government.

The current programme came out of the research undertaken during the first year of the urban programme in 2008-09 but funding constraints have put limitations on what can be addressed.

Source: Global Urban Livelihoods Project. Discussions with Oxfam's urban team, April 2011.

In general, SUL interventions rarely reflect the focus on value chains evident in increasing numbers of rural programmes, partly due to the limited applicability of value chains to the urban activities with which they are engaged and partly due to the ad hoc, post-crisis nature of urban interventions. Nor in most cases are urban interventions focused on the broader market system even where, as in the case of Haiti discussed above, enterprise generation has been central to urban interventions. For example, considering the Haiti case through the OGB market model, there has not yet been a clear focus on advocating for improvements in the (dis)enabling environment for small business or providing ongoing market services, *even* though there has been some direct enterprise support.

Having said this, there are a few urban programmes that do engage with market systems, through, for example, helping improve the enabling environment by means of advocacy work with municipalities (as has happened to a degree in Kenya) or through facilitating the provision of market services such as micro finance and legal aid (as in Russia). In many respects the Russia programme is the most market systems-based urban intervention that OGB has made to date. This is in some respects unsurprising, because the constraints on market systems are very clearly among the primary developmental challenges in Russia's post-command economy, so have been an obvious target for intervention. Most of the other SUL interventions, working either in contexts of crisis and relief or in sectors based on wage labour, have not been so conducive to a systemic approach.

THE RUSSIA URBAN PROGRAMME

Russia is an enormous country; in many cases it has been possible to achieve institutional change in particular localities, though the overarching national framework is much more change-resistant. This raises questions about what scale is meant when talking of the (dis)enabling environment. In some respects, the localities in which OGB works are 'self-selecting' from a systemic perspective e.g. Voronezh region was chosen for the OGB/Youth Business Russia (YBR) programme partly because the municipality was already committed to small enterprise development and associations of entrepreneurs there were already strong. This, however, is unsurprising and not necessarily a problem; indeed, it is one of the reasons why the programme has been so successful.

In general, OGB Russia's urban livelihoods approach is already deeply rooted in OGB's market systems approach, at least to the extent that urban enterprise work (which tends by nature to be more focused on petty trade and services) can be. There has certainly been sustained attention to the key (dis)enabling factors impacting on the enterprise environment and to the market services that are needed. Work on improving poor people's bargaining power in value chains has been limited, but this is not so much a fault of OGB's as a feature of urban work, which often does not feed into value chains in the same way as work with rural producers. Finally, the most apparent weakness of the programme has arguably been the limited degree to which interventions are tailored to specific groups of urban beneficiaries selected according to clear criteria.

Trends in rural/urban livelihoods

Experiences from the *Mercados Campesinos* project in Colombia have been important in shedding new light on the role of smallholder farmers in urban food security. This project is currently being scaled up in the south-west of the country, and explorations for replication in other Latin American countries are ongoing, including in Guatemala.

This approach has focused on the idea of 'feeding the city' and has emphasised the role of smallholders in providing for the needs of urban dwellers, sensitising consumers and collaborating with local authorities to create urban farmers' markets as well as a range of other public policy-related initiatives.

Beyond the immediate example of Bogotá in Colombia, a territorial approach to rural/urban livelihoods has been applied in northern Haiti, where economic corridors have been identified to facilitate the trade of goods from rural areas to urban areas; this continues to be an area of work of great interest to Oxfam.

Linking rural producers with urban markets in Colombia

BOX 8

Colombia is the third most unequal country in Latin America and the ninth most unequal in the world. Inequality between urban areas and the countryside gives rise to a the sense of it being a country of two realities: almost half the population lives in poverty and the armed conflict has displaced more than 3 million people. In the last year, more than 1,000 mass graves have been found containing the bodies of people who have disappeared, and been murdered.

The conflict has had a brutal on the lives of millions of people in rural areas, but in the cities it is possible to live completely unaffected, except for the news bulletins which every day report dozens of deaths and corruption scandals. Public opinion is saturated by this type of news so that it no longer generates the indignation that it would provoke in other contexts.

To help address these problems, Oxfam decided to strengthen the links between rural and the urban areas, with the aim of making the problems and solutions of the rural sector those, of everyone, in the city as much as in the country, and to generate a broad movement of people interested in tackling poverty and inequality.

Source: Oxfam (2011) *Small Farmers, Big Change*

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Working from the idea that small-scale producers are essential to feed nearby cities, Oxfam is challenging the commonly held perception of city dwellers that the countryside is something alien to their lives, and is aiming to encourage mayors and governments of major cities to incorporate smallholder production into their food supply chains.

Scaling up, sustainability, and exit strategies in OGB urban livelihoods interventions

In most examples of SUL interventions there is some attention to exit and sustainability. Exit and sustainability strategies can be thought of as having three potential elements, which exist to varying degrees in the different country programmes.

The first is where the government is expected to step in, as noted above. For example, in Russia the hope is that state authorities will become more involved in the provision of business incubation services over the longer term. A second potential aspect of an exit strategy is where the private sector is expected to increase its role in place of OGB: for example, in both Russia and Kenya it is hoped that domestic financial institutions will start to play more active roles in providing market services.

Finally, there are cases where the community itself is expected to take on OGB roles after skills have been transferred. In Kenya, for example, one exit strategy involves youths taking control of recycling plants that OGB has helped to set up, and the introduction of user fees to support community water and sanitation services once OGB resources are withdrawn. In work on labour rights in Bangladesh, too, the aim is to shift advocacy roles and responsibilities from Oxfam and its partners to the community itself.

4.2 Urban livelihoods interventions of non-Oxfam NGOs and donors

This section considers a range of interventions by other major international NGOs and donors including CARE, Practical Action, UNDP, and DFID, as well as the broader literature on urban livelihoods interventions.²⁶ Through a study of the urban livelihoods interventions of these organisations, a range of different types of intervention in urban areas have been identified. These include urban agriculture, informal waste management, the construction industry, and financing for urban housing and livelihoods. We focus on these because it became apparent through a review of the NGO and donor literature that they were particularly important areas of intervention for the organisations reviewed. They also reach large numbers of urban poor people, a large proportion of whom tend to work either in waste management/recycling, construction, or urban agriculture.

Table 1 sets out the relationship between the first three sectors and different occupational activities. Financing for urban housing and livelihoods was chosen because access to finance is clearly among the greatest constraints for all urban poor groups, both in terms of obtaining a secure home and establishing a viable micro-enterprise.

TABLE 1

RELATIONSHIPS AMONG SELECTED SECTORS AND OCCUPATIONAL				
	Regular employment	Self-employment	Casual labour	Home-based work
Urban agriculture	Unlikely	Participants are usually self-employed	Employment is often influenced by seasonality	Activities can be on-plot
Small scale waste management	In more consolidated systems it can be a source of regular employment	Common as individual or collective enterprises	Daily paid workers supporting the collection, sorting, or processing of waste	Sorting waste
Construction	Possible with formal contractors	Common for tradesmen/skilled workers	Common for all types of construction labour but particularly unskilled workers	Self-build

None of this is to suggest that other critically important urban sectors are not worthy of intervention, particularly urban service sectors, which occupy very large numbers of the urban poor – especially women – as noted previously. The areas discussed here simply reflect the focus of a large number of existing SUL interventions in the NGO and donor community. Because of the experience available from the literature and the practice of development agencies working with these sectors, they have some valuable lessons to offer to any portfolio of urban interventions. Moreover, all have something to contribute to the development of the urban market model and two are used to illustrate the adapted market model in Section 5.2. Put differently, it is easier to apply value chain analyses to livelihoods involving urban agriculture or recycling waste than to some urban service sectors, because they can involve elements of productive activity and value addition in the way that services (such as hairdressing or domestic work, for example) do not. What follows below is a summary of some of the main insights from a review of NGO, donor, and academic literature on SUL interventions in these four areas. It highlights some of the opportunities and challenges of intervening in these sectors.

Urban agriculture

Opinion on the value of urban agriculture for improving the livelihoods of the urban poor is mixed. Resource Centres for Urban Agriculture and Food Security (RUAF) argues that urban agriculture can reduce poverty in urban areas, support food security, generate employment, stimulate participation in urban governance, address social exclusion, and improve environmental management. RUAF's network has intervened in a variety of ways in the value chain of urban agriculture with the objective of enhancing benefits for the urban poor. Dubbeling, Hoeskstra, and Veenhuizen (2010) define RUAF's approach as one that 'looks not only at the activities implemented by a single actor, but at the linkages between the direct actors in the value chain: the organisation, coordination and power relations between them' (p.3). From this perspective, these authors identified four different existing strategies of intervention in the value chain of urban agriculture:

- Developing the value chain by adding value through processing, focusing production on market niches, and intervening in other parts of the value-chain;
- Strengthening producer organisations, which increases the negotiation capacities of farmer groups or organisations with local authorities and service providers;
- Facilitating policies to promote the necessary conditions for urban agriculture to be viable and profitable (such as urban poor people's access to capital and marketing venues);
- Securing access to financing, as small-holders find it difficult to comply with the necessary requirements from financial institutions, particularly due to their lack of collateral.²⁷

Construction sector

In the developing world, construction is typically second only to agriculture in terms of its value of output and employment. It is labour-intensive and often provides an entry point to urban employment for unskilled rural migrants. Most construction employment is under informal conditions, with informal enterprises, or on informal building projects, often all three. In rural areas, most work is undertaken without official permission and often using traditional natural materials; in urban areas, most residential building and much non-residential work is informal by some definition. What is

27. This discussion relates to more formal, larger-scale urban production. Urban farming also includes opportunistic use of 'vacant' land and the keeping of small livestock – chickens and rabbits on roofs, in backyards, and even in doors, as well as growing plant in oil drums and other containers.

built, in terms of materials and longevity, is often dependent on the security of tenure of land and buildings—the less secure the tenure, typically, the less permanent the materials and structures.²⁸

Construction not only provides work on-site but also offers other employment opportunities in the manufacture and distribution of building materials. Work on building projects is usually small-scale, short-term, and site-based, and employment is often casual and informal. Working conditions on-site are notoriously dirty and dangerous and injuries and deaths are not uncommon. The production and distribution of building materials, however, are more akin to manufacturing and retail, albeit small-scale and craft-based, and provide opportunities for value chain interventions. Examples include brick and block making and the manufacture of doors and windows; the latter is often linked to on-site assembly and installation.

Informal waste management

Waste-picking, reuse, and recycling, i.e. informal waste management, is supported as a means of generating income for the poor and, at the same time, is a highly efficient activity in terms of waste management in urban areas.²⁹ In some contexts, where the formal waste sector has been consolidated, social enterprises have been established, opening opportunities for regular as well as casual wage labour (e.g. ASMARE in Brazil, see Nas and Jaffe 2004). Meanwhile, home-based work has also been generated in the sorting stage of the chain.

Research done by Medina (2009) concludes that globally, there is an increasing demand for recycled materials and that recycling supply chains are also globalising. He also acknowledges the significant role that scavengers play in these chains, which affect the dynamics of industrialisation, environmental sustainability, and poverty reduction. Waste-picking is located at the bottom end of the recycling industry and is the first step for the recovery of waste, followed by the separation of materials and their processing, packaging, storage, and transportation to the purchasing industries which transform recycled raw materials (Gonzales 2003). However, the importance of this activity for economic, social, and environmental processes is widely underestimated. Scavengers are usually associated with dirt and criminality and are one of the most excluded groups among the urban poor. Different initiatives suggest that this is an important group to include when considering sustainable livelihoods and processes for poverty reduction in urban areas.

The cases examined of interventions in informal waste management revealed a series of skills and professional advice to increase the impact of interventions. Lawyers and health specialists were seen as particularly important: lawyers to understand regulations and to offer advice regarding matters such as access to land (dump and waste sites), ownership of waste, and rights to labour; health specialists to assess the risks associated with working with garbage and to recommend possible treatments or programmes. Value chain analysis was seen as an important tool to identify the stages where processes gain value and to support the advancement of scavengers into more profitable activities, using their knowledge and experience. Skills highlighted in the different cases as important in contributing to scaling up successful processes for waste-pickers were related to business management, associative processes, solidary enterprises, and networking. Leadership and advocacy were also seen as important skills, while investment in human capital was also highlighted, considering the conditions of weak health and low literacy defining waste-pickers.

28. See Appendix 2.

29. The Kenyan case study provides a very good example of this, where young men are earning income by collecting and sorting solid waste.

Finance for housing and livelihoods for the urban poor

These activities have also become a prominent area of research and intervention by international agencies. The literature on access to funding for the urban poor explains the entwined relationship between physical, financial, and political assets shaping their livelihoods. Mitlin (2008), for example, argues that centralised systems of housing and service provision have been inefficient and exclusionary in their attempts to improve the quality of life of such people.

Authorities unpacking the role of collective action in addressing increasing pressures for land and privatisation of services (see e.g. Mitlin, 2008; Mitlin and Satterwaite 2007) argue that mobilisation capacity and collectivisation of the urban poor are at the crux of addressing their ability to influence decision-making and ensuring that housing and service interventions are responsive to their needs. These authors have suggested that recently the urban poor have been able to acquire access to finance in a manner that increases their ability to influence the contested political arena in cities (Mitlin and Satterwaite 2004).

The study team's³⁰ examination of a series of initiatives that have been working with grass-roots organisations to scale-up community-based management financial management systems - as a means not only of improving access to physical assets (i.e. responsive housing and access to services), but also of strengthening the negotiating power of the urban poor in dialogues with key urban stakeholders - concluded that the case studies reviewed showed some common characteristics and challenges related to projects addressing livelihoods in the urban context:

- They all emphasised the need to strengthen the assets of the urban poor in the process of supporting livelihoods. Specifically, they all drew attention to the process of enhancing social and political capital of poor people through the provision of financial opportunities. The case studies supported access to finance by the urban poor not merely as an end in itself, but as a means of strengthening networks of solidarity, and bargaining positions with stronger actors and enhancing their room for manoeuvre in claiming and realising rights.
- Case studies by Homeless International (HI) and IIED had interesting similarities and divergences: while both MGOs position themselves as brokers interested in getting funding transferred directly to poor people's organizations, HI's initiatives emphasise the need to engage with the formal financial sector, if interventions are to have the scale and scope needed to address demand from cities in the global South. IIED's International Urban Poor Fund (UPF), on the other hand, does not articulate such a priority and is achieving results at scale without having to base its actions on the profitability or viability of donors' investments.³¹
- Nevertheless, all cases stress the need for a long-term strategy that establishes and consolidates institutional arrangements linking organisations of the urban poor, thus enhancing its scope and capacities. Such arrangements take time to form and foster, and are not necessarily in line with the pressures of the current architecture of aid.
- In terms of scale, such initiatives have substantial potential due to the numbers and the complex structures that have evolved through many years of organisation and capacity building.

30. Working paper: 'Urban Livelihoods: From Enabling Markets to Fair Institutions that Work for the Poor'. - See Appendix 2 for a fuller description of the construction sector and an illustrative market chain.

31. Both described in Appendix 1.

4.3 Comparison of urban livelihoods interventions by Oxfam and other NGOs

OGB currently does not work with an explicit urban livelihoods framework, and until 2010 its sustainable livelihoods strategy was almost entirely focused on rural areas. It does, however, work on projects with clear urban livelihood impacts in some countries; but, as discussed earlier, in many cases these are framed in terms of food security, emergency relief, DRR, or community empowerment rather than livelihoods. The market model is therefore not generally being used, and the enterprise development that does happen is often a by-product of other concerns. The most obvious exception is the Russia programme, which was specifically set up to promote small enterprise development (as already discussed). Furthermore, while some assets are addressed by OGB's work, there does not appear to be a deliberate or strategic use of an asset framework in relation to its urban livelihoods-related interventions, even though OGB's sustainable livelihoods framework is embedded in an assets approach in principle.

Other while also often not directly articulating a livelihoods framework in their urban work, do tend to frame this more in terms of access to assets and how it affects people's bargaining power. This focus on assets, and sometimes also on value chains and producers' bargaining power within them, in some respects has more in common with OGB's rural livelihoods interventions than anything OGB is currently doing in urban areas. These assets-based approaches are, however, accompanied by an understanding of and engagement with the particularities of the urban context.

- **Assets:** OGB made a conscious decision around 2004 to move from an assets framework towards a market systems approach in their rural livelihoods work. While in theory OGB has retained an assets approach, this is less evident in OGB SUL interventions than in those of some other organisations, many of whom are using assets frameworks in their urban interventions. This attention to assets encourages greater attention to physical capital such as housing and basic infrastructure. These approaches also tend to include a focus on the question of access to assets, which is currently not explicitly addressed in OGB's market systems model.
- **Market systems:** Because of their focus on agriculture and recycling, many other NGOs are already using a value chain and market analysis in their urban work, and these approaches tend to be embedded in wider urban-focused assets frameworks and in a concern with access and bargaining power in relation to issues beyond markets, such as housing, essential services, and land tenure security. Many of Oxfam's urban market-based livelihoods programmes lack a robust (if any) utilisation of the market systems approach.
- **Institutions:** OGB's market systems model tends to consider the role of institutions largely only with respect to how they affect markets and market systems. Other NGOs tend to view institutional development and improving state society relations as an end in itself and a means to empower citizens in relation to a range of issues, rather than conceptualising it more narrowly as a tool to influence the bargaining power of economic actors in markets. In practice, many current OGB urban programmes are also focusing on institutions and empowerment in this broader sense; this is not, however, reflected in the current OGB market model (which was designed with rural areas in mind). Because of the complexity of state society relations in urban areas, in revising the market model for SUL it may be worth considering how the institutional enabling environment affects other aspects of livelihoods (such as access to housing and basic services) rather than just the market chain.

4.4 Oxfam's assets and capabilities: migrating from rural to urban

Oxfam has a wide range of assets and capabilities: partnerships, knowledge and experience, and skills and competencies developed in the course of extensive rural and, more recently some urban activities. Box 9 details those capabilities.

BOX 9

OXFAM CORE CAPABILITIES AND VALUE ADDED

Rural

Oxfam has worked at local, national, regional, and global levels. At all levels it has sought to build capacities, raise awareness of rights, support alliances, coalitions, and networks, and insist that the interests of people living in poverty are not ignored nor trampled on.

Oxfam has advocacy skills and the ability to influence government at all levels.

Linked to the above, OGB has acted as a broker, bringing together stakeholders from government with POs to develop initiatives based on their common interests.

Oxfam has chosen to engage with and has extensive experience of engaging with many donors, such as the World Bank, the EU, and DFID, and has sought to influence their approaches and policies through such engagement.

Oxfam has experience and international credibility for its research and advocacy in a number of fields. Two subject areas - land, and water and sanitation - are key to Oxfam's work.

Oxfam has also been involved in many land campaigns, in post-conflict restitution and peace-building, in publications, and in translations into local languages.

Urban

Given the extreme diversity of the urban context and Oxfam's current interventions, it is hard to point to a generic skill set in its existing urban work. However, two strengths in particular, advocacy and skills as a broker (as discussed later in Chapter 5), are seen by the team as key to servicing Oxfam's future urban work.

The following skills are clearly important in different cases. Some of them are very similar to those noted in rural areas, while others differ significantly.

- Advocacy at national and local levels, with an emphasis on political analysis skills needed for work in complex urban settings;
- Brokerage: linked to the above, OGBs' urban activities are likely to bring together stakeholders from the public, private, and community sectors to develop initiatives based on their common interests.

As stated in Figure 1 above and further discussed in Chapter 5, we anticipate that Oxfam's urban staff will be primarily facilitators or brokers. If this is the case, we do not anticipate that staff will be directly or immediately transferable from rural to urban work. This is because these staff will need a mix of three types of skills: soft skills (personal (tacit), character /tacit knowledge); technical skills and knowledge; and experiential knowledge and exposure. While many, if not all, rural staff will have the former they will, in all probability, lack the mix of technical skills and knowledge and experiential knowledge needed in undertaking an urban role. This means that Oxfam will need to consider recruiting or retraining for many, if not most, its their urban posts. Detailed consideration is given to this issue in Chapter 5. However, many of the established partnerships and associations at international and national levels will still be of value. Further more, many offices have already started building an urban stakeholder platform which is incorporating a whole range of public, private, and community sector partners and associates, who will enable Oxfam to work with the urban poor in specific urban areas.

4.5 Comparing OGB and non-OGB urban livelihoods skills and competencies

As the information for figure 3 was taken from only an indicative and limited number of non Oxfam NGO projects and Oxfam projects it is probably dangerous to draw overly certain conclusions. However it should be noted that other NGOs are already using value chain approaches in urban areas more extensively than Oxfam. These skills are particularly present in their urban agriculture and recycling initiatives. It may be that when engaging in the urban context, Oxfam would benefit from a strategic approach towards influencing urban policy and planning and recognising its influence on urban livelihoods, and that Oxfam would also benefit from addressing assets and institutional processes that shape access to land, housing, and infrastructure.

BOX 10

COMPARING THE CAPABILITIES OF OXFAM and other NGOS³²

Foci of Oxfam's urban livelihood initiatives

- Financial services
- Recycling and waste management
- Food security:
 - Rural/urban food industry linkages
 - Cash transfers
- Advocacy around labour rights
- DRR and adaptation

Skills used by other NGOs not evident in Oxfam's current urban livelihoods programmes

- Policy and planning analysis
- Market system and value chain analysis and identifying market niches
- Knowledge of urban land tenure issues
- Housing and infrastructure expertise

Shared key skills and competencies

- Marketing and business development skills
- Organisational development and training
- Advocacy
- Labour rights and legal expertise
- Social mobilisation and community capacity building

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5. THE TWO SCENARIOS FOR URBAN MARKET-BASED LIVELIHOODS

This chapter summarises how Oxfam can improve the food and income security of urban populations living in poverty through using markets and enterprise development as mechanisms that trigger the creation of decent urban jobs and local economic development. Our work has led us, because of the frequent interdependence of rural and urban areas in terms of livelihoods of the urban poor, to consider two scenarios, the rural/urban 'feeding the city' scenario and the wholly urban 'market system' scenario.

While the focus of this study is Oxfam's urban programme, because of the economic and social links between urban and rural areas, it is anticipated that the rural/urban scenario will also contribute to the well-being of the urban poor (largely through improving food security) as well as having an impact on rural poverty.

OGB has made more progress in many countries in building rural/urban linkages than it has on urban livelihoods. However, to make a sustained impact on urban poverty and livelihoods development, it is critical to recognise that focusing on rural/urban linkages alone will not be enough and that the urban scenario must receive attention in its own right. For this reason, and given that rural/urban work is already more developed in many cases, this report has focused largely on the urban scenario.

5.1 Urban/rural and urban scenarios

- **'Feeding the city'**: the rural/urban scenario

The Colombian *Mercados Campesinos programme* provides an ideal example of how rural/urban aims can be achieved that build on the commonalities between rural producer-focused programmes and urban food security issues. There is a wide range of opportunity to replicate this model and to build on it to suit differing contexts where the model may vary but the principles are the same: i.e. providing locally produced foods to urban consumers, with the objective of ensuring good markets for producers and good supplies for consumers.

However, while programmes in the rural/urban mould, such as those in Colombia and Guatemala, are valuable for rural producers and urban food security, they do little in terms of the development of urban market-based livelihoods. Thus, while the rural/urban scenario can help feed the city and improve market-based livelihoods for the rural poor, it rarely improves market-based livelihoods for the urban poor.

At the same time, the differences between the structure of poor rural and urban societies and their livelihoods and needs mean that Oxfam's rural experience has to be adapted to match urban needs and structures. It is not sensible merely to replicate rural initiatives in the urban context.

- **'Urban market systems'**: the wholly urban scenario

Beyond the strong links with rural livelihoods, there are demands for wholly urban-focused programmes that are both relevant to Oxfam's work and contribute to achieving its goal of reducing poverty and suffering. The diversity and heterogeneity of the urban poor are considered in much greater depth in this scenario, and the capabilities, approaches, and tools that would be required build strongly on those already held by Oxfam but which require variations in their application.

Figure 2 below provides a comprehensive overview of the components of the two scenarios: principles, aims, the role and contribution of Oxfam, the approach, and the potential impacts. The overview is elaborated upon further below.

NATURES OF THE RURAL/URBAN AND THE URBAN SCENARIOS

Category	Rural/urban scenario	Urban scenario
<p>Principles</p> <p><i>A basic foundation for all rural/urban and urban initiatives</i></p> <p><i>Risk awareness and management</i></p>	<ul style="list-style-type: none"> • Gender sensitivity and commitment to women's economic leadership • Climate and environmental sensitivity • Commitment to working with producer organisations and other small and growing enterprises • Working as a facilitator and broker between the private sector and government • Commitment to a market system approach • Attention to the impact of interventions on household assets • Integration of key urban interventions, including DRR • Developing intermediary and service enterprises that enable rural/urban linkages that benefit the rural poor 	
<p>Aims</p> <p><i>Evaluate how product or service sectors can create better livelihoods for the urban poor</i></p>	<ul style="list-style-type: none"> • To ensure economic justice for the rural and urban poor by helping feed the city in ways that also benefit rural producers • To contribute to social enterprises that build on rural/urban linkages in ways that benefit the rural poor • To build rural/urban linkages that enhance rather than undermine environmental sustainability • To increase gender equity and women's economic leadership through rural/urban exchange • To improve farm capacity to produce the basic food basket for urban consumers • To improve intra-household dynamics and women's economic leadership through rural/urban exchange 	<ul style="list-style-type: none"> • To contribute to sustainable market-based livelihoods for the urban poor • To contribute to/support social enterprises for the urban poor • To increase gender equity and women's economic leadership through urban enterprises • To enhance disaster risk prevention and climate change adaptation through urban market-based enterprise development • To contribute to a reduction of risk for vulnerable women and youth • To encourage public and private investment and improved regulation
<p>Oxfam's role</p> <p><i>Experience with rural work means that staff for rural/urban initiatives should be readily available</i></p> <p><i>Staff with urban experience are in short supply, therefore there is a need to recruit</i></p>	<ul style="list-style-type: none"> • Facilitate investment, services, and trade towards smallholders, particularly women, and businesses that supply affordable food • Broker, managing a group of stakeholders with varied interests in a specific objective(s) to achieve an outcome beneficial to the rural and urban poor • Intervene to incentivise the private sector and government to take on new roles; build market and farm and infrastructure and assets; in remote and thin markets fund producer organisations (PO's) or others to fill necessary functions that do not exist, e.g. market intermediaries 	<ul style="list-style-type: none"> • Facilitate investment, services, and trade towards smallholders, particularly women, and businesses that supply affordable food • Broker, managing a group of stakeholders with varied interests in a specific objective(s) to achieve an outcome beneficial to the urban poor
<p>Oxfam's approach</p> <p><i>Undertake careful analysis to determine which role is most appropriate in a given context</i></p>	<ul style="list-style-type: none"> • Broker improved relationships with the private sector and advocate for government support on: <ul style="list-style-type: none"> ○ Household and farm assets, women, and adaptation ○ Improved smallholder representation and market governance ○ Developing new smallholder-based markets • Improve the organisational capacity of POs and other businesses to provide services and access to urban markets 	<ul style="list-style-type: none"> • Effective and transparent governance influenced by smallholders and women • Public and private investment in pre-commercial infrastructure, adaptation, and women's assets • Support innovation in services to smallholders and women • Links to commercial buyers and wholesale markets through new business models
<p>Priority entry points and nature of initiatives</p> <p><i>One size/type of initiative does not resolve all problems</i></p> <p><i>Pay particular attention to gender analysis and issues</i></p>	<ul style="list-style-type: none"> • Rural producers selling in the cities • Rural POs advocacy for urban consumers to 'buy local' and support small-holder agriculture • Bringing urban services to rural hinterlands e.g. branchless banking 	<ul style="list-style-type: none"> • Holistic/integrated approach to researching the nature of urban programmes across household and market system levels • Determine the types of interventions and entry points to address problems that are diagnosed e.g. through using a variety of tools – with the following key entry points identified: <ul style="list-style-type: none"> ○ Apply livelihoods and market analysis to other urban approaches e.g. DRR, WASH, gender ○ Social enterprises identify the catalytic event that can enable change e.g. urban disaster or social issues, new municipal government, new business in sectors such as retailing ○ Improve market system for key sectors such as retail or construction ○ Land/housing/enterprise sites-tenure rights and finance ○ Develop effective representation organisations ○ Social enterprises deliver solutions to social issues for youth or women e.g. women's transport, sanitation
<p>Impacts</p> <p><i>Whatever the focus of the initiative, ensure that neither context experiences negative impacts as a result of Oxfam's intervention</i></p>	<ul style="list-style-type: none"> • Positive local economic outcomes • Positive social outcomes • Positive environmental outcomes 	

Principles and aims for urban market-based livelihoods interventions

The principles and aims included in the two scenarios take account of Oxfam's Aim 1 Strategy 2010-2015 and other relevant Oxfam documents. The principles provide a basic foundation for all rural/urban and urban initiatives, and are common to existing programmes, but are also the result of the particular market opportunities identified and specificities of the context in question.

The role of Oxfam

Oxfam has two potential roles in the rural/urban scenario: to improve rural smallholders' position in value chains and to improve the organisational capacity of producers' organisations to provide services for their members and access to urban markets. These roles extend Oxfam's work in rural areas.

In the urban scenario Oxfam has three potential roles: market maker; supporting established enterprises; and supporting those excluded from the market through the creation of social enterprises that enable entrepreneurship and mobility for women's and men's livelihoods. Oxfam's rural experience suggests that all three roles are possible. For example, OGB has arguably acted as 'market maker' in relation to the Ethiopia beekeepers' programme, which aims not only to improve the position of rural producers in value chains relating to honey production, but also to bring them into new global markets for higher value-added products such as beeswax and royal jelly. Support to established enterprises is also clearly evident in OGB's rural work, for example with regard to the support given to cotton POs in Mali. In terms of the third role, supporting those excluded from markets altogether, OGB's work in Russia is already indicating ways forward through the creation of a number of social enterprises to provide livelihoods for single mothers and remote communities, in some cases linking enterprise development to environmental imperatives supported by organisations such as WWF. These kinds of collaborative endeavour may indicate a way forward in terms of enterprise development for those who otherwise could be marginalised by market processes.

Contributions by Oxfam

Chapter 4 describes the resources, partnerships, and experience available to Oxfam country offices. Some of these, although they have been used with rural work, will be transferable and useful for Oxfam's MBL urban work. These include:

- Partnerships and associations established for rural work, at international and national levels;
- Knowledge, experience, and skills in a range of relevant subjects, including:
 - Micro-finance and expertise on financial services;
 - Labour rights and legal expertise;
 - Experience with WATSAN;
 - Urban agriculture;
 - Mentoring and community work, particularly in relation to youth groups and youth entrepreneurs;
 - Recycling and solid waste management;
 - Telecommunications and mobile phone technologies;
 - The ability to provide training in relevant issues e.g. marketing and other business development skills.

Staff to work on rural/urban initiatives should be readily available as they will, in the main, require the same skills as those working on established rural initiatives.

Table 2 details the key skills and competencies required by urban market-focused livelihood officers. From this, it can be seen that such officers require a mix of three types of skill: soft skills (personal/tacit), technical knowledge, and experiential knowledge and exposure to urban work.

TABLE 2

KEY SKILLS AND COMPETENCIES OF URBAN MARKET-BASED LIVELIHOODS OFFICER(S)^A

- Needs mix of three types of skill: soft skills (personal/tacit), technical knowledge, and experiential knowledge and exposure to urban work
- Needs a balance between facilitation and brokerage and administrative skills
- Needs good project management skills
- Ability to facilitate and promote connections among different stakeholders involved with value chains.
- Key focus is poverty reduction

A. Level of experience and qualifications dependent on seniority of the position
 B. A facilitator supports processes rather than being a 'doer'

Soft skills: personal (tacit)	Technical skills/knowledge	Experiential knowledge/ exposure ³³
<ul style="list-style-type: none"> • Articulation and positive community skills • Interpersonal skills • A people person • Negotiation skills • Team player (leader) • Helps to generate creativity • Collaboration • Networker • Relationship builder • Conflict resolution • Strong self-motivation: • Vision, establish common goals, mobilisation, work under pressure, self-management • Passionate • Ability to listen well to every stakeholders • Ability to work with stakeholders with diverse and shifting aims • Desire to learn • Not too hands-on • Not an advisor 	<ul style="list-style-type: none"> • Social science/economics/urban development/technical training/business administration <ul style="list-style-type: none"> ◦ BSc or MSc depending on position ◦ Technical training relating to variable job requirements • Technical skills can be provided by a consultant • Able to manage time and resources • Understanding of: <ul style="list-style-type: none"> ◦ Tools and techniques that are available e.g. participatory tools ◦ Which tools to use when ◦ Markets and business ◦ Proposals/fund raising/people managing ◦ Impacts of interventions on livelihoods ◦ Research and M&E ◦ Budget and report writing • Brokerage skills are important for sustainability and for negotiating around power and finance 	<ul style="list-style-type: none"> • Minimum (depending on seniority of post) of three years knowledge of livelihoods • Relevant experience/exposure • Knowledge and exposure of urban poverty context of 3-5 years • Project administration and management • Experience in managing internal and external boundary teams • Experience in managing multi-sectoral work • Experience in managing multi-stakeholder groups
	<p>Public policy →</p> <p>Community development →</p> <p>Local knowledge →</p> <div style="border: 1px solid black; padding: 5px; display: inline-block;">All necessary for Oxfam</div>	

33. Bartholomew, D (2008) *Building on Knowledge*.

Oxfam's research case experience, practical approaches, and suggestions

The approach for the development and implementation of rural/urban initiatives will be the same as that currently adopted by Oxfam's rural initiatives.

As far as the urban scenario is concerned, thought has been given to two models: the holistic (integrated) and the sectoral. Both present possible approaches for researching the nature of urban programmes and determining the types of intervention and entry points needed to address problems that have been diagnosed. The first acknowledges that the city is a system comprising interrelated components or sectors and has a population with complex livelihoods. The latter focuses on specific sectors. In these cases the individuals involved with an intervention may work in isolation and fail to take account of the interlinked nature of the problem that is being addressed, and are therefore less likely to take account of interlinked impacts.

However, as explained in a paper for Oxfam '[Adopting a holistic approach] does not necessarily imply that interventions also have to be holistic. A helpful analogy is the "acupuncture approach": an acupuncturist uses an holistic diagnosis of the patient, but the treatment is specific and focused' (Ashley and Carney 1999).³⁴

We recommend adopting a holistic or integrated diagnosis of city needs. This would then be linked to a treatment of specific problems through focused interventions.

This approach has a number of advantages. It allows:

- Account to be taken of local, variable and national conditions and priorities;
- Adoption of a value chain approach that can be embedded in wider urban-focused assets;
- Frameworks (including access and power-related issues); and
- The development of 'fair institutions' that affect formal/informal markets of goods, services, labour, land, etc. and, in a broader sense, permit the enfranchisement of the urban poor and ensure their security of housing tenure and equitable access to services.

Priority entry points and nature of initiatives

The team suggests that priority should be given to four urban entry points:

- **Finance for housing and livelihoods**, including savings and insurance. This entry point could be associated with business development support and technical assistance for housing. Housing is a good target issue because, as demonstrated in Chapter 3, it has a high added value for general reduction of poverty and vulnerability. 'Having an address is a precondition for becoming a citizen, taking part in processes of governance, and having a voice in improving public infrastructure such as water supply.'³⁵ Housing and land tenure are 'a precondition for becoming a citizen' and for 'having a voice in improving public infrastructure', 'to carry out economic activity' and for 'the stability for community groups to be formed'.³⁶
- **Governance/fair institutions**: for informal enterprise workers, access to assets, and citizenship. Prioritisation of initiatives concerned with improving governance and establishing fair institutions is very important for the urban poor because of the density and complexity

34. Overcoming Poverty and Suffering through Urban Livelihoods: Oxfam's Policy and Practice, 16 June 2006.

35. Nick Hall, cited in Overcoming Poverty and Suffering through Urban Livelihoods: Oxfam's Policy and Practice, 16 June 2006.

36. Ibid., p. 9.

of the regulatory environment, and the frequency of need for contact with officials to tackle the maze of regulations and legislation that affects all aspects of poor's daily life is much greater in urban areas than in rural areas. At the same time, access to those in power (government, community, or private sectors), because of the complexity of process and frequent corruption, is particularly difficult for the urban poor. When addressing governance and fair institutions, OGB should consider the extent to which it wants to work in accordance with a 'formalisation' agenda, i.e. whether its objective is to bring certain activities within the formal, regulated economy or simply to maximise livelihood outcomes for the urban poor. There may sometimes be a trade-off between these two objectives, particularly in the short term. Initiatives concerned with governance and fair institutions will, in the main, be focused on the level of the (dis)enabling environment in the market model.

- **Social enterprise based on collective organisations and/or social/environmental objectives, with a specific focus on essential urban services:** for example, waste, water, sanitation, and transport. These initiatives are focused at the level of the market chain. In this case Oxfam would be the 'market maker' or would support existing 'market chains'. While we have advised against an overly sectoral approach to sustainable urban livelihood development at the strategic level, these significant urban services are critical issues for the poor and so merit inclusion as priority areas for livelihoods' intervention.
- **Land:** tenure rights, land planning, land regulations, and land market. Initiatives focusing on these entry points would again be at the level of the (dis)enabling environment. These are significant concerns in that they link to the critical urban asset of housing, which is emphasised repeatedly in this report. They are also critical because land use planning and regulations affect where people can or cannot operate commercial enterprises and the functioning of urban transport, and also help determine where in the city poor people live, which has enormous knock-on implications for the kind of enterprises they are able to engage in.

In designing urban initiatives, Oxfam can draw on, adapt, and benefit from experience accumulated from its own rural and urban livelihoods work and the work of other NGOs, as discussed in chapter 4. In terms of existing urban work, specific cases such as Russia and Kenya have valuable lessons to offer.

Impacts

Care should be taken to ensure that none of the three contexts - local economic, social, or environmental – experiences a negative impact as a result of an Oxfam intervention.

In terms of the activities that help bring rural produce to urban markets, the rural/urban scenario can be expected to have a direct impact on rural poverty and to have a broader and more direct impact on urban medium-term food security and environmental sustainability. This impact could be greatly improved with additional intervention strategies, such as strengthened advocacy for urban consumers, links to Oxfam's GROW campaign, and food chains in the city e.g. for example, public purchase for schools or street vendors, or packaging. Urban and peri-urban agriculture can be part of this approach, which stresses market access and improved value chains as well as production.

The priority urban initiatives can be expected to have a direct impact on the livelihoods of the urban poor by:

- Improving their security of tenure both to housing and land;
- Helping them negotiate the maze of regulations and processes which face them when attempting to undertake their daily livelihoods;
- Aiding their access to a variety of community assets such as education, health facilities, and where they can live; and
- Providing the opportunity to obtain a livelihood by participating in market and social enterprises as well as, where they are in need, receiving support from services provided by.

5.2 The market model

In Chapters 3 and 4 we discussed the differences between the rural and urban contexts and the nature of urban experience drawn from initiatives by Oxfam and non Oxfam other NGOs. These analyses highlighted the distinctions between rural and urban economic activities and livelihoods and the nature of the skills used by Oxfam and other NGOs to undertake a variety of urban interventions. In this chapter we re visit these our findings to consider how they will affect Oxfam's market model, which takes account of women's economic leadership (WEL) dimensions. We conclude that an adapted version of Oxfam's market model approach can be used to address urban livelihoods.

The current market model has three components: the(dis)enabling environment, the market chain, and market services. We assume that in order to add value to urban market chains, as with its work on rural market chains, Oxfam will undertake interventions either to bring about change in the (dis)enabling context or will provide support to the market chain in the form of market services. In some cases it may prove necessary both to undertake interventions both in the (dis)enabling context and provide market services. As a result of our analysis of the differences between the rural and urban contexts we recommend changes to both the (dis)enabling environment and to market services.

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Further, we agree with the conclusions of an earlier Oxfam document,³⁷ who noted that (rural) markets are complex and volatile. Urban markets are no different; indeed they are even more so. The diversity and complexity of the urban compared with the rural market challenges Oxfam to identify the optimal points of intervention; as with that earlier paper, we recommend that Oxfam should operate as a facilitator, or broker.

The (dis)enabling environment

We have used PESTLE analysis to provide a structure for the (dis)enabling environment because our understanding is that this structure, as indicated by the following summary of key issues, more closely represents the character of the urban context than the existing (dis)enabling environment.

Political: The urban context has a more politics- and policy-rich environment than rural areas. It incorporates a range of complicated vested interests and power relations and may be open to various levels of corruption. Any interventions to enable or facilitate change will therefore require careful and realistic assessment of Oxfam's room for manoeuvre. The complexity and diversity of urban markets means that there is a need to involve numerous partners to address specific

37. Oxfam 'Designing Market and Enterprise Development Programmes', no cited author or date.

value chains or wider market issues. Such partners, who may be drawn from the public, private, or community sectors are likely to have a variety of disparate aims and will therefore pose challenges for Oxfam as a broker.

Economy: Urban households are likely to have a broader portfolio of livelihood options than rural households. Some urban poor people may be linked to rural business enterprises through urban markets, and their livelihoods may link their households with their rural extended families. Most urban poor people (women and men as well as youth) will be working in the informal economy as casually employed waged workers largely concerned with providing services rather than producing goods. These workers are disadvantaged because they frequently lack the benefits and security of those working in the formal economy. Many urban poor people would benefit from funds and training to establish or strengthen a small-scale market business enterprise.

The nature of sustainable urban economic opportunities will typically be very different, and considerably more diverse, than that of opportunities in rural areas. Consequently, market mapping for urban areas will be less straight forward and more complex than for rural areas. We anticipate that the opportunities for intervening at points in the (dis)enabling environment and market services parts of the market system will be more diverse at all levels (national, municipal, local) in the urban compared with the rural context.

Social/cultural: The heterogeneity and socially fragmented nature of urban areas mean that there is a range of cultures and attitudes that have to be considered when undertaking interventions in urban areas. Particular attention needs to be paid to the cultural requirements and attitudes of women, youth, and a variety of migrant and ethnic groups. This means that it will be essential to take care in understanding the nature and nuances of urban gender roles and behaviours of other groups and the character of norms and informal networks. One size/type of intervention will definitely not satisfy all needs.

As urban social assets are likely to be more fragmented than in rural areas, urban households have to work hard to establish livelihood support networks. This is important because such networks are likely to be the main source of information about casual job opportunities. While continuing to adopt an enterprise market approach to improving the livelihoods of the urban poor, it may, for example, be appropriate to identify and develop networks in urban areas, such as trade or craft associations, that are equivalent to rural producers' organisations, and to establish networks (e.g. employment bureaux) that will enable urban poor people to access waged work of various kinds.

Urban communities are less secure than rural ones because of the fragmentation of urban society and the resultant poor social capital. They are increasingly exposed to violence and crime. In addition, there are a number of personal hazards and insecurities - inadequate housing, unsafe shelter, lack of access to basic services, vulnerability to disease, and environmental hazards - which together create vulnerability for poor urban residents. In order to contribute to the achievement of decent urban livelihoods, it will be necessary to focus on reducing these. Some will be easier to address than others. Many, including insecure tenure and disenfranchisement, relate to insecurities which are linked to lack of legal registration and protection and may best be addressed by interventions that bring about change in the national or local administrative contexts.

Technology/infrastructure/services: The urban poor, living as they often do in informal areas, usually lack access to satisfactory infrastructure – roads, transport, water and sanitation, and power supplies. This has negative implications not only for domestic life, but also for any attempt to establish enterprises. Many enterprises are, for example, dependent on mobile/diesel generators to supply power, and the cost of such power is significantly higher than for that supplied from a local or national grid. Such infrastructural shortcomings pose problems for enterprises. Equally, access to mobile phones demonstrates how access to infrastructure can have a positive impact on MBLs.

Legislation (and regulations): The urban poor like the rural poor, have a range of rights. These include, for example, rights to somewhere to live, access to water and education, and voting rights. Two main sets of regulations and rights are important for the urban poor: the domestic and the work-related. Poor urban residents are much more dependent on their main physical asset, their house, which they are likely to rent and which may be the base for their livelihood, and on their access to a range of other assets, - e.g. education, water, and health facilities, which will be dependent on their legal registration in the urban area in which they are living, - than the rural poor, who are more reliant on the land and are more likely to own their house. Most importantly, they often lack security of tenure and the help to ensure that they are legally registered, which would allow them to access a whole range of other domestic assets and rights. They also lack employment rights and are disadvantaged as far as employment regulations are concerned. Frequently, poor urban regulations (or the lack of them) and by a lack of rights. There is therefore ample opportunity for Oxfam to intervene to improve their rights.

Environment: Poor people suffer from poor quality of residential and working environments; they often end up on marginal land and have health problems associated with polluted land, waste dumps, and contaminated water sources. Increasingly, urban areas are accommodating poor migrants who are escaping from natural disasters in rural areas. There is scope for Oxfam to work with re locating migrant groups.

Market services: In addition to the market services detailed in the existing model, we include a further group clustered around the subject of information and knowledge. This is because of the lack of readily available information about the complex requirements that those who wish to establish or run an urban enterprise have to negotiate. We have also changed the term ‘extension’ to ‘technical services’ which more accurately represents urban needs.

5.3 Designing urban market based livelihood initiatives

In 2007 Oxfam’s livelihoods strategy ‘restated a vision that includes poor [rural] people coming out of poverty by accessing, influencing, and transforming the markets they operate within as consumers or producers’.³⁸ Since then, the Global Market and Enterprise Advisor has supported the development of various tools to be used in connection with adopting a markets-based approach to rural development.

The two most significant of these are the market model and the Methodology for Value Chain Development and Private Sector Engagement: A gendered framework for programme analysis and development – hereafter referred to as ‘the Methodology’. We have reviewed the nature of the market model in Chapter two and explained in 5.3 how this model can be adapted to take account

38. ‘Designing Market and Enterprise Development Programmes’, Oxfam document with no accredited author or date.

of the differences between rural and urban contexts and how it can be used to identify the nature of Oxfam interventions in one or more components.

We now consider the nature of a possible set of tools equivalent to ‘the Methodology’: in this case an analytical framework (AF) comprising a strategic process map (SPM) and a set of questions which, together with guidance notes, provide an initial basis to support the design of urban markets and enterprise development, which may trigger the creation of decent urban jobs and local economic development programmes or initiatives that will contribute to the food and livelihood security of urban populations living in poverty. We anticipate that these tools will be refined and developed as they are tested through practical experience.

The **SPM** provides a route that can help to identify a range of urban interventions. It can also help specifically to identify robust MBL interventions. With answers to the questions, and the activities indicated in the guidance notes, Oxfam staff should be clear about:

- Who they will work with;
- Who they will support;
- For MBL interventions, which of the three market-based roles they will play;
- What development strategies they should adopt;
- The nature of any intervention(s) they might undertake; and
- Whether this is an appropriate intervention as measured against e.g. Oxfam’s global and local policies and priorities and local needs.

As the set of questions and the SPM are **operational** tools, the starting point in identifying interventions will depend in part on local knowledge – tacit and explicit – that is already available. We do not anticipate that it will be necessary to undertake exhaustive data collection. Instead, it is necessary only to collect enough information to address the following questions:

- **Where should Oxfam intervene?** Where can Oxfam staff achieve the best value for their efforts? There may be more than one intervention point. To answer this question, there is a need to address at least two further key questions and a number of subsidiary questions.
- **What is changing in the local urban context?** – What things are changing now and what is likely to change? What are the contextual threats and opportunities that are likely to affect the successful achievement of Oxfam interventions?
- **Who are the actors in the process of change** and which actors should Oxfam need to work with when it intervenes?

To find answers to these three questions, it will be necessary to explore a wide range of information and to obtain answers to other questions along the way.

In some situations, local knowledge may mean that the local Oxfam team has an existing understanding both of the challenges posed and a ‘gut feeling’ for the nature of the intervention that could best be made. They may, in other words, be in a good position to spot opportunistic interventions. However, wherever the team chooses to start on the strategic process, it will be necessary to obtain specific knowledge to ensure that they have identified a robust point of intervention.

At all stages, **gender** is central to the process and there is a need to address this directly by asking specific questions. Care should be taken to consider not only female-headed households but also the additional loads carried by women living in poor households. In other words, there is a need for gender analysis. This may open a variety of intervention points that are specific to women.

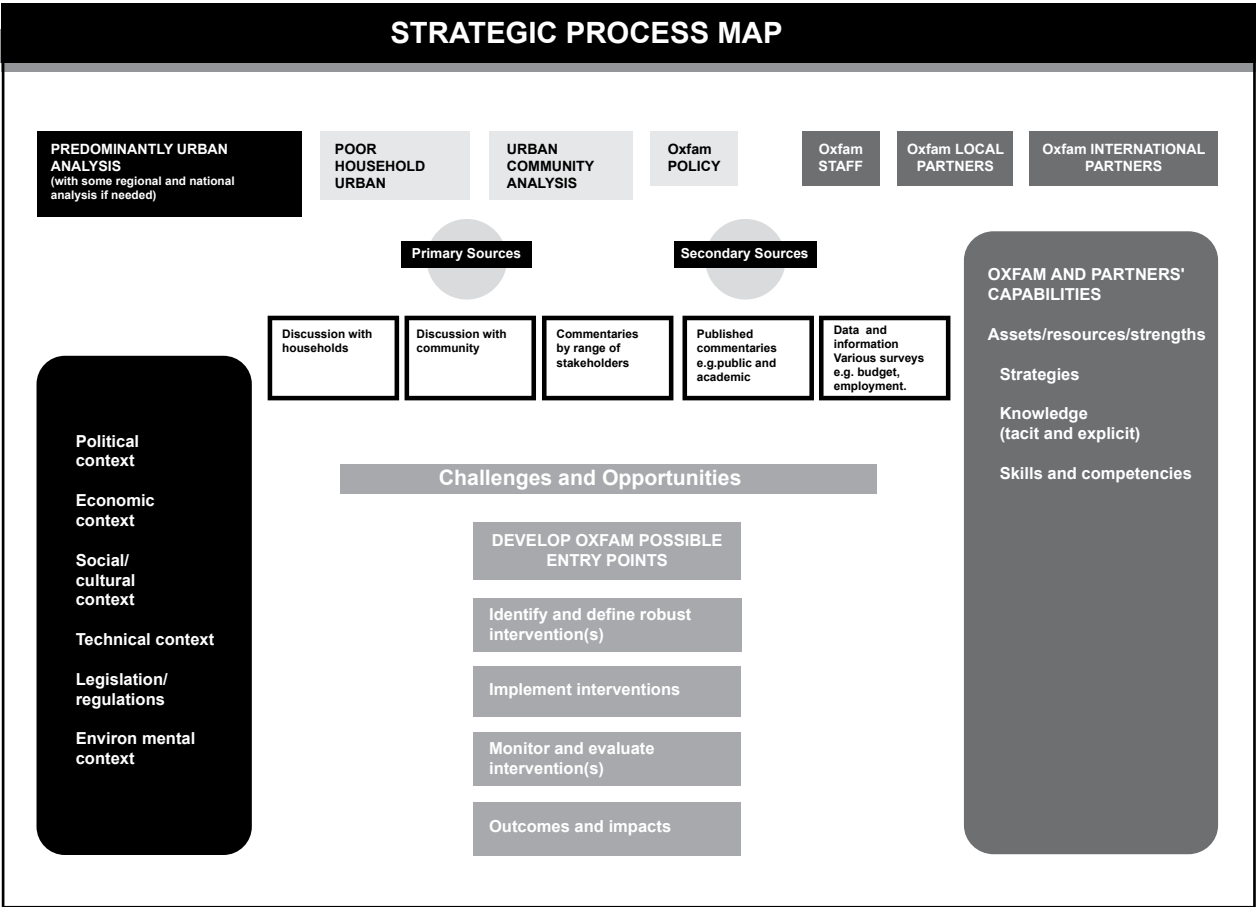
Strategic process map (SPM) and set of questions

Figure 3 summarises the content of the strategic process map and provides a set of guidance notes on how to use this tool. By using the tool, it will be possible to answer the set of questions listed here which, together with the SPM, comprise the Analytical Framework. The Figure 5 SPM indicates how the questions can be addressed.

Set of questions

- Who is the target group that Oxfam’s specific interventions are intended to benefit?
- What are the current vulnerabilities of this group?
- What is their current situation regarding livelihoods?
- How does their current situation need changing? (in the main, because of the focus of this work, this assumes changes in market-based livelihoods)
- What are the barriers to changing their situation?
- What opportunities exist to change the current situation?
- What resources are needed e.g. skills, knowledge, funds, etc., to bring about this change?
- What new opportunities could be established to improve their situation?
- Who, among public and private sector, NGOs, and residents, are needed to bring about change?
- What would threaten efforts to bring about change?
- What interventions could be undertaken by Oxfam to improve the situation of the urban poor?

FIGURE 3



6. Conclusions and recommendations

6.1 Conclusions

There are **differences between rural and urban poverty and the contexts** in which they occur. As discussed in Chapter 3, all aspects of urban areas are more complicated, diverse, and dynamic than in rural areas. This urban heterogeneity and dynamism have implications for the focus and content of urban programmes and initiatives. Further, five key aspects of urban livelihoods – the nature of urban informality, the sectoral composition of urban employment, access of the urban poor to assets and fair institutions, and the characteristics of gender and women’s vulnerability, together with the demographic structure of urban areas – challenge Oxfam’s initiatives to improve food security and economic conditions for poor urban residents.³⁹ Thus while rural and urban poverty can be seen as related aspects of a common condition, **urban contexts do not simply replicate rural contexts and urban poverty is substantially different from rural poverty.**

The differences between rural and urban poverty mean that it is not simply a case of applying Oxfam’s rural experience and templates to the urban situation. However, Oxfam can **draw on, adapt, and benefit from experience acquired from its rural and urban livelihoods work**, some of which is described in this report. Oxfam can also learn from the **experience of other NGOs** and donor agencies.

Because of the links between rural and urban areas, it is concluded that **two scenarios, the rural/urban and the urban**, will both contribute to improving the food and income security of the urban poor, as well as having a positive impact on rural poverty. However, despite the fact that Oxfam has made more progress in many countries in building rural/urban linkages than it has on urban livelihoods, it is critical to recognise that focusing on rural/urban linkages alone will not be enough and that the urban scenario must receive attention in its own right.

Our research leads us to conclude that an adapted version of Oxfam’s **market model** approach can be used to address urban livelihoods. This will involve using PESTLE analysis to restructure the **(dis)enabling environment**, and extending existing **market services** by including a further group clustered around the subject of information and knowledge. Because **urban market chains** tend to be less linear, involving a broader range of inputs, actors, and outputs, and the inter linkages between different market chains can be very extensive, rather than intervening in these market chains directly, Oxfam should, in order to achieve an optimal initiative, operate as a **facilitator or broker** and intervene in the (dis)enabling environment or market services or, in some cases, undertake joint interventions.

Oxfam’s rural experience leads us to conclude that, in addition to adapting the market model, which incorporates WEL dimensions, a number of tools are needed to support the design of urban programmes and/or initiatives. Accordingly an analytical framework (AF) comprising a **set of questions and the strategic process map (SPM)**, together with guidance notes, has been designed to undertake this function. These tools will be refined and developed as they are tested. The set of questions together with the SPM provide a route that can help to identify a range of urban interventions.

³⁹ See section 3.3.

Our analysis leads us to conclude that, at all stages, **gender** is central to the urban MBL process and that there is therefore a need to address it directly by asking specific questions. To this end, the market model incorporates WEL dimensions. Care should be taken to take account not only of female-headed households but also of the additional loads carried by women living in poor households. In other words, there is a need for gender analysis. This may open a variety of intervention points that are specific to women. In addition, the urban demographic will require specific, tailor-made initiatives to ensure improvement of the livelihoods of various different groups, including people under the age of 30.

Finally, as staff with urban experience are in somewhat short supply in Oxfam, we conclude that there will be a need to seek out, recruit, or train individuals who can fill urban posts as facilitators or brokers.

6.2 Recommendations

In order to move forward with developing and undertaking Oxfam's urban livelihoods work focused on markets and enterprise development, we recommend the following four-step action plan:

- 1. Raise the awareness of all relevant Oxfam staff** of the nature and characteristics of urban poverty and its difference from rural poverty by providing relevant, concise, and practical information and guidance on processes and good practice. This includes the elaboration and continuation of the current research and development process into urban market-based livelihoods to facilitate the emergence of clear global and regional strategic guidelines that promote dynamic, relevant, and innovative programmes.
- 2. Recruit and train urban facilitators and brokers** to ensure an adequate level of flexibility and application of a multi-dimensional approach to urban markets-based livelihoods that the contexts require. This includes the integration of regional and global support to cover urban programmes and the internal promotion of innovation in urban interventions.
- 3. Disseminate and use the two 'rural/urban' and 'urban' scenarios** to distinguish between the differing nature of these approaches and to support and develop existing and new urban market-based livelihoods programmes to model MBL initiatives. Capture the impacts of these initiatives through a co-ordinated global action process over a three - to five - year period, making certain that care is taken to incorporate robust monitoring and evaluation.
- 4. Bring together key programmatic dimensions of Oxfam's urban programmes**, including market based livelihoods, gender, adaptation and risk reduction and campaigns to ensure a maximisation of efficiency and effectiveness of urban programmes that generate synergies where possible, overlap across communities and geographies and most importantly a common objective. This process should be initiated both at global/regional level but also through programme integration at country level through the collaboration of advisors and programme coordinators.

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Appendix 1

Case studies

Bangladesh, Guatemala, Kenya, and Russia

Sheilah Meikle, Tim Chambers, Alex Frediani and Tom Goodfellow

Case studies

URBAN Market-Based Livelihoods
in **BANGLADESH**

Sheilah Meikle, Tim Chambers, Alex Frediani, and Tom Goodfellow

1. NATIONAL CONTEXT

With an estimated population of 150-165 million, Bangladesh is the seventh most densely populated country in the world¹. Though a parliamentary, democracy, it is ranked as one of the most corrupt countries. Recent Government of Bangladesh estimates suggest that the poverty level has dropped to 39 per cent. In 2010 it was estimated that 28 per cent of its population was urban. Between 2000 and 2010 it had an annual urbanisation rate of 3.5 per cent, meaning that on average 13,000 people migrate to urban areas daily. Urbanisation is predicted to decline between 2010 and 2015 to 3.1 per cent². Nearly half (45 per cent) of the working population are farmers, almost a third (30 per cent) work in industry, and a quarter work in the service sector.³ Although nearly half of Bangladeshis are farmers, agriculture accounts for only 18.4 per cent of GDP. Garment exports and remittances from overseas, together accounting for 25 per cent of GDP,⁴ and the garment industry alone accounting for three-quarters of export earnings,⁵ are critical/significant elements of the economy. The garment industry began attracting foreign investors in the 1980s due to cheap labour and low conversion costs. The industry now employs more than three million workers, 90 per cent of whom are women.⁶ Remittances sent by Bangladeshis living in countries such as Saudi Arabia, Kuwait and Malaysia were estimated at \$10.9 bn in 2009/10.⁷ Major obstacles to growth include frequent cyclones and floods, and political infighting and corruption.

2. DRIVERS OF POVERTY AND VULNERABILITY⁸

Political and governance factors

Political power is concentrated in the hands of the two major opposing parties, the Awami League and the BNP. Bitter rivalry between the two groups has led to frequent confrontations in the past, often resulting in street protests and violence. Political **patronage** is dominant at all levels of public service, with spoils and privileges parcelled out to different clientele groups as an essential tool of political management.⁹ Poor governance, lack of transparency, and inadequate enforcement of the rule of law provide an ideal breeding ground for **corruption**. In spite of an incremental improvement in Transparency International's Corruption Perception Index in 2009, Bangladesh continues to be ranked as one of the most corrupt countries in the world. Levels of corruption in most government departments are notoriously high. Another reality in Bangladeshi politics is the growing influence of business interests over national politics. Parliament is dominated by businessmen who are committed to protecting commercial interests ('unity of convenience') that either conflict with or de-prioritise pro-poor policies and incentives. Given the lack of a political voice for poor women and men, coupled with weak institutions of political accountability, those living on the fringes of the economy and of society remain marginalised and duty-bearers remain unresponsive.

All of these factors impede equitable delivery of services and the potential of socio-economic progress, particularly for marginalised populations.

1. See further comment under social and demographic factors below.
2. <https://www.cia.gov/library/publications/the-world-factbook/geos/bg.html>
3. *Ibid.*, p. 2.
4. *Ibid.*, p. 2.
5. <http://en.wikipedia.org/wiki/Bangladesh#Economy>
6. *Ibid.*, p. 5.
7. *Ibid.*, p. 2.

8. Information in this section is taken from Oxfam International, Joint Country Analysis and Strategy 2011 - 2015. The current authors are responsible for the highlighting.
9. 'Economic Reforms and Governance: The Political Economy Aspects of Bangladesh's Development Surprise', Commission on Growth and Development, (2008)

Economic factors

Overall poverty levels in Bangladesh have declined from as high as 57 per cent in the early 1990s to approximately 39 per cent in 2007. This improvement has been a result of respectable growth in GDP during the past 10 - 15 years, led predominantly by the private sector, an increasing flow of international remittances, and growth in export industries.

However, with over 60 million people living in poverty, inequitable development patterns, fluctuations in basic food prices, and regular shocks to the livelihoods of millions as a result of changes in climatic conditions, sustaining poverty reduction and cushioning the impact of shocks remains an enduring challenge. There is a widely perceived belief that national economic and trade policies and practices do not protect the interests of the poor, but rather tend to serve the vested interests of the politically connected and economically powerful. Budget allocations for social services (particularly for women's education and health) remain low at 2.4 per cent and 0.93 per cent of GDP¹⁰ respectively, with significant rural/urban disparities in allocation and quality of service.

The country remains in the grip of a heavy international debt, with approximately 26 per cent of the national budget allocated to interest payments alone. Moreover, the government has been unable and/or unwilling to negotiate more preferential treatment at the WTO or in regional trade agreements.

The private sector consists of a **huge informal sector** and a relatively smaller formal sector. The latter is dominated by a few big conglomerates¹¹ (roughly 80 per cent of the market), while most other companies consist of small to medium-sized enterprises (SMEs). Although the present government's stated focus on the promotion of industrialisation is intended to increase employment, the majority of the population are still rural (despite growing urbanisation trends)¹² and depend on agriculture-related livelihoods. Investments in agricultural and the national agriculture policy, however, do not favour smallholders or the rights of landless farm workers. The prospect of temperature and rainfall variability is expected to adversely affect agricultural productivity. This will be especially harmful to poor farmers unable to afford improved crop varieties and irrigation systems to offset the effects of changing climatic conditions. With limited means of increasing income to stave off the effects of rising food prices and inflation in general, there is an urgent need for poor Bangladeshis to expand and diversify their livelihood options.

Poverty is most prevalent among daily agricultural wage-workers and subsistence farmers, while the relatively better-off tend to be engaged in salaried employment or non-farm self-employment. With a significantly large number of agricultural labourers, but without an agreed national minimum wage level, many are barely making a subsistence living. Moreover, not only is women's participation in waged work low (only one woman in seven is engaged in waged employment), women also earn significantly less than men in the same types of job. Unfortunately, there is little legal recourse for agricultural labourers to demand justice.

The principal threats from the international economy are sustained changes in demand for Bangladeshi garments and the possibility of decreases in remittances from the Middle East (75 per cent or \$5.25bn of total remittances comes from expatriate Bangladeshis in Gulf states).

10. Education figure from Bureau of Statistics (2006), health figure from WEMOS website; also quoted in OGB National Change Strategy. Also see South Asia comparison below: Public expenditure as a percentage of total government expenditure Source: Human Development Report 2009.

11. Ready-made garments, raw jute and jute goods, frozen foods (mainly shrimp), leather and leather products.

12. Although UN figures contradict this and suggest instead a decline in urbanisation rates from 2010 onwards. – See UN-Habitat Report on Human Settlements 2009.

Social and demographic factors

Bangladesh is a densely populated country, with a population of between 150 and 165 million.¹³ Despite reductions in fertility rates (presently 2.7), it is estimated that the population will double over the next century and will become predominantly urban in about three decades. With a population density of more than 2,000 people per square kilometre in certain parts of the country,¹⁴ there is tremendous pressure on and competition for natural resources. More than **17 million people are living vulnerable lives** in the marginal char areas, with insecure livelihoods and being highly vulnerable to seasonal flooding. Another 10 million people live in the five most storm- and cyclone-prone coastal districts. The need to increase income opportunities to support the burgeoning population has resulted in **growing rural-urban migration** trends that, in turn, place additional burdens on limited urban infrastructure and municipal services. As domestic migrant workers generally tend to be men, more and more rural women are taking on roles as heads of households, leading to changes in social relationships but also increasing their vulnerability in a variety of social and economic ways (see section on urbanisation and rural-urban migration below).

Not only do **women constitute the majority of poor people** in Bangladesh, but political and social barriers to women's development continue to limit opportunities for advancement. The UNDP Gender Development Index (GDI) for 2004 ranked Bangladesh 110th among 144 countries, an improvement of 13 positions since 1999. This improvement reflects a closing of the gap between men and women in terms of life expectancy, and significant gains have been made in female enrolment rates in primary and secondary education, due to targeted government policies and the support of NGOs.¹⁵ However, women continue to suffer from extreme violence and poor health: the rates of acute malnutrition and child mortality are higher among girl children than boys, and high maternal mortality rates persist due to poor nutrition, poverty, and lack of access to quality health information and services. Almost half of all adolescent girls aged 15 - 19 are married and half of all adolescent mothers are acutely malnourished.¹⁶

National legislation protecting the rights of women is, weak and poorly implemented. Women face structural and institutional discrimination on a daily basis while the power or quality of their political participation or opportunities to have their voices heard are restricted. Despite public campaigning efforts, violence against women (VAW) is on the rise¹⁷ and socio-cultural norms across all classes restrict their mobility and acceptance in public spaces, including in formal employment, education, and the entrepreneurial sphere. The growing influence of conservative religious mindsets places further challenges on the ability of women to participate in decision-making that would elevate their status in society.

Along with poor women, Adibashis (who number at least two million people, belonging to various different indigenous groups) and other minorities, such as Biharis¹⁸ and Rohingyas¹⁹, are also disadvantaged and marginalised from the mainstream population. They lack basic health and educational services, face discrimination, and lack access to and control over resources such as land, markets, and livelihood opportunities.

13. The higher number comes from the UNFPA report (2010), and it should be noted that the Bangladeshi government has strong difference of opinion about the report and the calculation methods used. Despite the dispute over actual numbers, however, both the UN and the government agree that a booming population would directly affect food security.

14. According to UNICEF (2009), the population density in many urban centre is already 200 times higher than the average for the country.

15. United Nations, Bangladesh Common Country Assessment 2005. <http://www.un.org.bd/bgd/index.html>

16. Ibid.

17. Although the occurrence of VAW is undeniable, reliable figures on national trends and causes are difficult to come by. 'A UN study into domestic violence in 2007 showed that 4 out of 10 women suffer from physical forms of abuse (violence and sexual) while figures rise to an incredible 8 out of 10 when emotional and other forms of abuse are considered.' OGB Bangladesh National Change Strategy 2009 - 2014 (source not cited by OGB)

18. Bihari is the term given to an estimated 160,000 non-Bengali residents and citizens of former East Pakistan, most of whom originated from the Indian state of Bihar. Most are now stateless and live in refugee camps in Bangladesh, as they remained loyal to Pakistan during the Bangladesh Liberation War in 1971.

19. An ethnic and linguistic minority forced out of their homeland by Myanmar's military government in the mid-1980; there is a population of more than 20,000 Rohingyas is living in two dilapidated border camps in Bangladesh. An estimated 200,000 more are living in make-shift shelters elsewhere in the Chittagong Hill Tracts.

Education is fundamental to human development in Bangladesh. Although overall gains have been made in primary school enrolment, discrepancies exist in equal access by boys and girls, and drop-out rates for the latter remain high.²⁰ The existence of different modes and standards of education between urban and rural areas remains a huge challenge, and accessibility to schools and teachers in remote or marginalised areas such as the Char and Haor is even more problematic. To address this, in 2009 the government introduced a common evaluation system, the Primary Education Terminal Examination. Students from all forms of education system participate in the exam. According to media report, however, a total of 2.81 lakh (281,000) students out of 24.88 lakh (2.488 million) did not present for exams in 2010. Most of these students were from rural areas and the Madrassa education system. This indicates that the present state of the education system has failed to prepare such students for further studies.²¹

According to Education Watch, most non-enrolled children belong to socio-economically disadvantaged households and illiterate parents. Significantly, however, the quality of education continues to be a bottleneck. Teachers are poorly paid and trained with sub-standard materials and teaching methods being applied, especially in government schools.

Climate change and environmental factors

Climate change represents one of the greatest threats to progress in Bangladesh. It is the poorest people who are most vulnerable and the hardest hit by more frequent flooding, increased river erosion, cyclones, and storm surges, as well as droughts. A further rise in sea level will make large coastal areas of the country extremely vulnerable to tidal surges damaging infrastructure and squeezing or displacing large numbers of people, with serious implications for livelihoods and the natural environment. It is estimated that by 2050, floods could affect over 70 million people annually and up to 8 per cent of the low-lying lands may become permanently inundated (USAID 2009). A further eight million people may be affected by drought. Already salination of land and drinking water (in the south) and falling water tables and erosion (in the north) can be attributed to the effects of climate change. In a country where the rural poor and the landless are traditionally the most dependent on natural resources for their livelihoods, any incremental change in the natural balance can be devastating.²²

The likely impacts of climate change will not be gender-neutral. Tribal and poor women who depend on the natural environment for water, fuel, fodder, and food will be the most affected by climate-induced changes. In times of drought, they will also have to spend more time performing typical female responsibilities of carrying, purifying, and supplying the household's water. Rural women are also disproportionately affected by natural disasters. Social exclusion, and cultural and behavioural norms restrict women's mobility, while economic inequality, such as lack of assets, shelter, and resources, makes them more susceptible to disaster-related physical impacts. Effective adaption strategies supported by Oxfam would need to address these fundamental gender disparities.

Although trends are difficult to predict, increased flooding, sea-level rises, and prolonged drought will accelerate urbanisation, while reducing the abilities of families, communities, and government to plan for and manage the process. An example of this was the large-scale migration by whole families following Cyclone Alia to different towns and cities in May 2009.

20. According to UNICEF (Situation Assessment and Analysis of Children and Women in Bangladesh, 2009) as many as half of primary school children drop out before completion.

21. '2.81 lakh absent in primary exams, Poverty seen as key reason', *The Daily Star*, 1 December 2010.

22. The people of Bangladesh have a historical dependency on the floodplain system for their livelihood security. An estimated 70 million rural households rely on food and income from the wetlands to survive in one of the world's poorest countries. Around one million people are estimated to fish full-time, and 11 million are involved part-time – and four out of every five rural dwellers are dependent to some extent on aquatic resources. These resources are estimated to supply between 60 per cent and 80 per cent of the animal protein needs of the country, as well as being a key source of essential minerals, vitamins, and fatty acids, which are vital factors in child development and adult health. Sustainable management of bio diverse natural capital is, therefore, central to poverty reduction in the Bangladesh context (source: USAID website).

The government has developed considerable experience in disaster management and risk reduction and Bangladesh is one of the first developing countries to develop a National Climate Change Strategy and Action Plan (NCCSAP). It has also created a Climate Change Fund using its own resources, has set up a Multi-Donor Trust Fund for Climate Change (renamed the Bangladesh Climate Change Resilience Fund from mid-2010), and is expected to benefit from resources committed during the ongoing international climate negotiations. However, poor governance and lack of institutional capacity to adequately co-ordinate or manage land degradation and water and forest resources are further marginalising the poor and increasing their vulnerability to climatic shocks. Sectoral policies to address these issues lack integration, with overlapping responsibilities and inefficiencies government agencies.

Water issues are a key theme across Bangladesh. Approximately 93 per cent of all water flowing through the country's rivers comes from China, India, Nepal, and Bhutan. Bangladesh has little control over the flow of this water and depends on benevolent trans-boundary water management by its neighbours to control seasonal floods and erosion. Historically, as a result of conflict over proper water management and sovereignty issues, no water sharing treaty has endured.

In addition, all major rivers in Bangladesh are experiencing heavy pollution from untreated domestic, industrial, and agricultural waste that is causing severe damage to the riverine and coastal ecology. Human sewage is a major problem, particularly during both regular and exceptional floods, and contributes to serious health issues.

Urbanisation and migration

During the period 1970 - 1990 the average annual urban growth rate in Bangladesh was 6.5 per cent most of which (three-fifth to two-thirds) was accounted for by urban-rural migration.²³ The propensity to migrate is influenced by a combination of push-pull factors and is likely to differ with respect to levels of poverty or debts, unemployment, age, sex, marital status, education, or other socio-economic, demographic, and cultural factors. The adverse impact of natural hazards, exacerbated by changes in climate, as noted above, has increasingly serious implications on migration trends as more and more environmental refugees flock to major cities seeking alternative livelihood options.

Urbanisation is an ongoing and irreversible global trend and, as poverty migrates, urban programming will become an increasingly important element of understanding and addressing it.

The gender dimension of migration is also significant. As noted above, young men are typically more mobile and leave vulnerable areas in search of employment, resulting in social disruption. The absence of male members of the family may add to already existing barriers to accessing public services and health-care facilities, which are often located at a distance from local villages. In the event that they do move (only 3 per cent of migrants are women), migrant women workers are extremely vulnerable without the protection of the family. Also, given the usually extreme levels of poverty in which they live, the average indigenous household has at least one migrant member (male 72 per cent and 27 per cent female)²⁴. However, migration can also affect gender relations positively.²⁵

23. 'Rural-Urban Migration in Bangladesh: A micro level study', M.Z. Hossain, Associate Professor, Shahjalal University of Science and Technology, 2001).

24. OGB Bangladesh National Change Strategy 2009 - 2014

25. Movement can affect gender relations at home. When women move, this can change traditional roles, especially those surrounding the care of children and the elderly. When men migrate, rural women can be empowered by their absence: field studies conducted in Ecuador, Ghana, India, Madagascar, and Moldova all found that, with male migration, rural women increased their participation in community decision-making. Norms adopted in a migrant's new home - such as a higher age of marriage and lower fertility, greater educational expectations of girls, and labour force participation - can filter back to the place of origin. (Excerpt from UN HDR Report 2009, 'Overcoming Barriers: Human Mobility and Development')

26. UNCTAD (2009) 'Environmental Pressures of Rural-Urban Migration: The case of Bangladesh'.

Although environmental refugees are seeking improved livelihoods, the short to medium-term effect has been redistribution rather than a reduction in poverty. Household-based poverty estimates show that while between 1996 and 2006 rural poverty levels decreased by 2 per cent (from 55 per cent to 53 per cent), they increased in urban areas by 8 per cent (from 29 per cent to 37 per cent).²⁶ Poverty reduction efforts must, therefore, take into account shifting poverty patterns, coping mechanisms or skills requirements of migrants, social impacts on households, implications on gender roles, and changing livelihood patterns in rural areas from migrants originate.

It is important also to understand the increasingly complex nature of migration, which includes internal and transnational migration and significant elements of seasonal and family/individual migration.

Due to this complexity and the changes in patterns, there is an ongoing need to research the causes and consequences of migration at household level in particular programme regions to gain a better understanding of why some families, or elements of families, participate in the migration process while others do not, and to what degree climate change and other factors play a role in these decisions.

3. OXFAM'S ROLE IN BANGLADESH²⁷

Oxfam's presence in Bangladesh to date

Oxfam has four affiliates in Bangladesh – OGB, Oxfam Novib (ON), Oxfam Australia (OAus), and Oxfam Hong Kong (OHK). Its joint programme has been developed in isolation, and will be shaped in part by its existing and historical presence in the country. The four Oxfam affiliates have a history of operation in Bangladesh dating back to the early 1970s. Collectively they support a broad range of poverty reduction and rights-based programming targeting gender relations, minority rights, government, and social change at local and national levels, with the help of diverse partnerships across civil society, government, and other development networks.

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All Oxfam affiliates have worked exclusively through local implementing partners in recent years, but in general with a much higher level of direct support and guidance from OAus, OHK, and OGB, generally through Oxfam staff enabling sharing of organisational culture and international approaches as well as effective relationship and capacity building. With a slightly different approach, Oxfam Novib generally brings in skills within Bangladesh using external consultants and other organisations, with a much less direct role for Oxfam staff. This has advantages in terms of linking in to Bangladeshi civil society. Both approaches can be complementary, and under the joint strategy a combination of direct and consultant support will be used.

It should also be noted that while OGB, OAus, and OHK have tended to work with partners to develop proposals that are then submitted to donors, Novib has supported partners to develop their own proposals (within Novib guidelines) in much the same way that donors do, which may mean that projects managed by Novib do not necessarily fit perfectly within the wider Oxfam strategy. However, the broad themes will remain the same, and all Novib programme will contribute to the joint strategic goal.

26. UNCTAD (2009) 'Environmental Pressures of Rural-Urban Migration: The case of Bangladesh'.

27. Information in this section is taken from Oxfam International, Joint Country Analysis and Strategy 2011 - 2015.

Like most INGOs, all Oxfam affiliates have focused on ultra-poor people in disaster-prone and excluded, areas with a specific focus on women and girls.

The future – country operating plan April 2011 - 2014²⁸

Based on its analysis and experience, Oxfam anticipates programming in Bangladesh **for the foreseeable future**, measurable in decades. Even as the country becomes richer, aiming for mid-income status by 2021, it anticipates that there will remain huge work for NGOs like Oxfam and many millions of people in situations of poverty and suffering. Overwhelmingly, these people **will continue to be women and girls**.

Oxfam [is planning to] move away from a broad-based and wide-ranging program to a much more focused, one with **two core themes** driving through all its work. This will enhance its particular added value in the civil society space in Bangladesh, will recognise and complement the roles being played by other stakeholders, and will allow it to focus on maximising its impact. The two core themes used to guide its programming priorities are **Women's Leadership** and **Resilient Communities**, which are key areas of intervention in order to achieve its strategic aim.

Overall Oxfam's strategic objective is that by 2015 its programme will make a more significant contribution to creating **empowered, resilient communities where women and men contribute jointly to good governance and leadership** across Bangladesh. It will do this by continuing to demonstrate, support, and encourage a transition from the predominantly service delivery approach adopted by most NGOs in Bangladesh to a **rights-based focus** that aims to **empower the poor and strengthen or enable government institutions to provide services**. Oxfam aims to do this through building the capacity of partners and supporting change. Where it funds service delivery activities, it will do this with the objective of building better models for the delivery of essential services.

Oxfam sees a **continuing shift in its programming towards taking a larger strategic view** and towards identifying sustainable mid - to long - term solutions to drivers of poverty and vulnerability in Bangladesh. This will see Oxfam continuing to develop its work on issues such as **climate change, urbanisation, population growth, and migration** as they relate to the two core themes.

In terms of operational areas, Oxfam will retain a **broadly national focus**, ensuring that it is able to respond to humanitarian disasters wherever they occur in Bangladesh, but will focus on smaller geographical areas to ensure that it demonstrates impact effectively, allowing this to be observed, verified, and replicated by both communities and large-scale stakeholders on a broader scale.

4. GLOBAL URBAN LIVELIHOODS PROJECT (GULP) 2010/11

The GULP Mission to Bangladesh had two major objectives: to contribute to the on going discussions of the local Oxfam GB office in developing an urban programme, while also testing the strategic process map (SPM) designed by the GULP project. The research in Bangladesh took place at the end of March and beginning of April 2011. During that time, a one-day workshop was held with representatives of Oxfam and the LAC Regional Business Skills Adviser representing the GULP research team. The objective of the workshop was to share and consolidate information and knowledge; generate creativity and ideas; and build clear scenarios and plan ahead. The workshop focused on urban market-based livelihoods and was therefore able to highlight a wide range of issues relating to the urban context; in doing so it revealed many issues that have not been covered in the broader discussions explored earlier in this case study.

PESTLE analysis

The issues identified in the course of the PESTLE analysis are summarised in Figure 1.

FIGURE 1

PESTLE ANALYSIS		
POLITICAL ISSUES	ECONOMIC TRENDS	SOCIAL ISSUES
<ul style="list-style-type: none"> • Lack of power in local government • Lack of essential service provision for the poor • Investment decisions • Lack of safety nets for urban poor • Slums as powerhouse for political mobilisation 	<ul style="list-style-type: none"> • Growth of service sector and industrial sector • Decline of agricultural sector • Lack of economic opportunities in rural areas • High demand from urban areas for services • Value chains oriented towards urban areas 	<ul style="list-style-type: none"> • Liberated environment for women in urban livelihoods

FIGURE 2

STAKEHOLDERS ANALYSIS

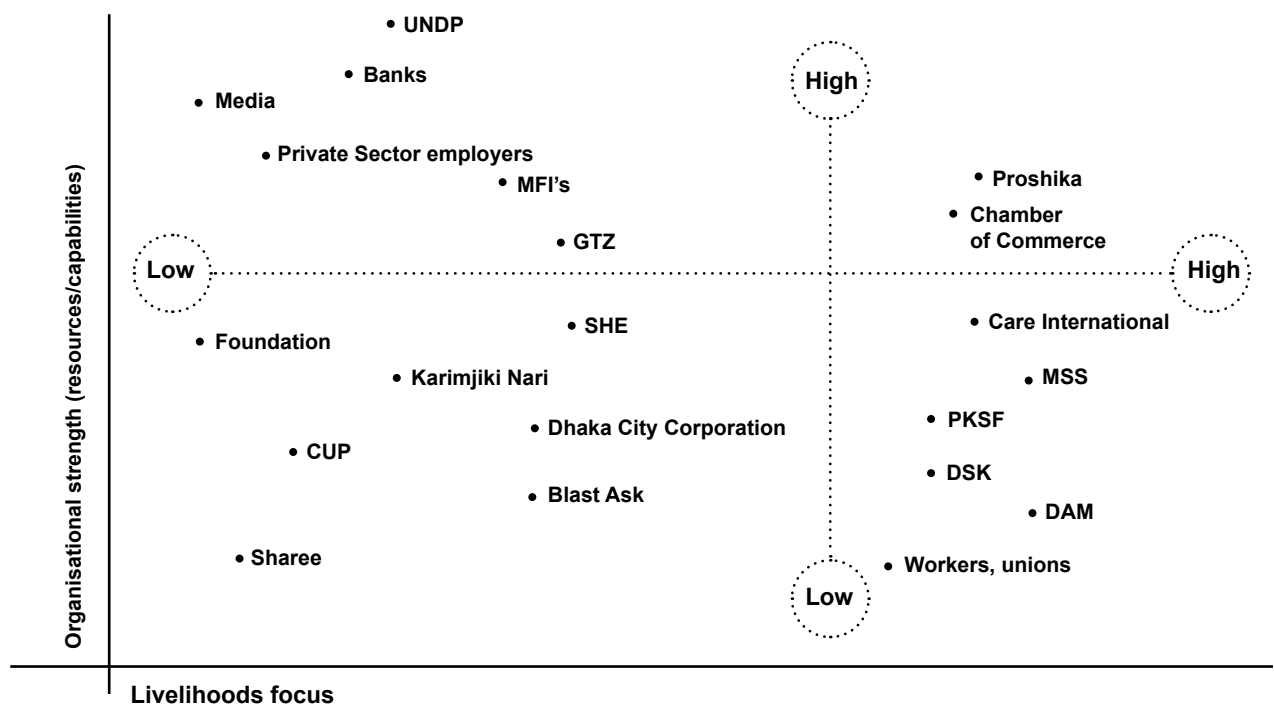
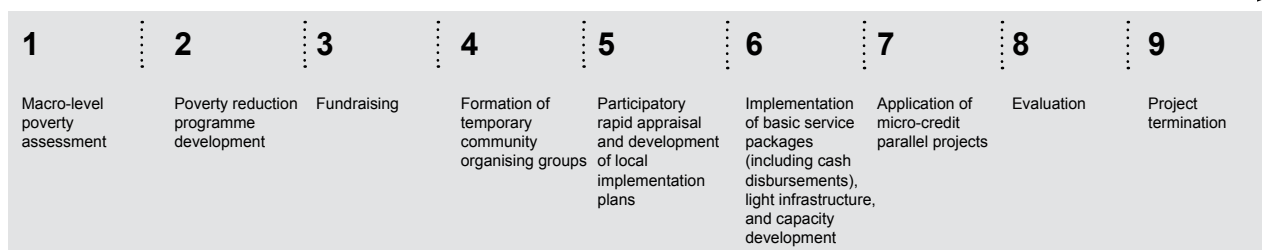


FIGURE 3

INTERNAL OXFAM VALUE CHAIN



Critical review of common approaches:

1. Deals with immediate need of broad sector of urban poor in poverty reduction.
2. Rational and logical approach that assumes cause-effect link from asset transfer and skill building to poverty reduction.
3. Lacks consideration of long-term sustainability or transformational (policy) change to address structural problems.
4. Multiple application of similar processes across stakeholders and a lack of partnership and collaboration leads to duplication of efforts and limits innovation.
5. Lack of research and development outside of the established development paradigm limits innovation.
6. Social networks and social capital are not linked into those approaches nor their links to rural links and family members
7. People are already doing something, and the question of how do we add value to that is not asked

FIGURE 4

LIVELIHOOD STRATEGIES OF THE URBAN POOR

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SLUMS	PAVEMENT	PERI-URBAN
Garment workers (skills) Rickshaw (bike, social capital) Domestic worker Child labour (restaurant, welding, day labour, collectors) Small vendors (stock, micro-finance) Construction (skills) Cobbler (shelter, tools) Recycling	Beggars Street vendors Sex workers Drug sellers	Garment workers Industry labour Day labour Vendors Small-scale producers and processing Transport (rickshaw)
Major assets applied in these livelihoods <ul style="list-style-type: none"> • Associations and networks • Skills (basic business skills) • Social capital • Stock • Micro-finance 		
Issues: <ul style="list-style-type: none"> • 62 types of livelihoods in slums • Urban poor can't use 100 per cent of earnings as they need to pay rents and other collectors • Many rickshaw drivers do not live in the slums but live in owners' rented accommodation 		

FIGURE 5

INTERNAL OXFAM VALUE CHAIN

Core activities of Oxfam	Gender analysis	Resilient livelihoods programmes	DRR and response (cash and asset protection – links to land rights)	Policy and advocacy	Market-based livelihoods programmes	Partnerships and alliances	Access to both public and private actors
Key resources applied by Oxfam	Global and regional staff Quality local staff Unrestricted funding Brand strength Ability to bring in expertise Influence						
Key capabilities of Oxfam (what we do well)	Women's Economic Leadership, Gender Justice Link between programmes and communication/advocacy messages Support change Bring in expertise Link programmes and communication support Ability to bring in high-level expertise Fundraising capability Organisational flexibility arising from unrestricted funding M&E and learning Diversity Oxfam federation						
Constraints	Flexibility and broad focus have costs Not fully plugged into Oxfam system Burgeoning systems Risk-averse Scale-averse No urban partners						

Discussion on internal and external assessments of urban markets-based livelihoods

Are livelihoods strategies of the urban poor well supported by the existing approach of key stakeholders, or does it reinforce the idea that these strategies are not dealing with livelihoods?

Creating ideas: linking strengths and opportunities

Four sets of ideas arising from discussion:

1. Citizenship, services and safety nets, rights (land, shelter)
2. Migration, vulnerability/resilience, rural/urban linkages (people, cash, trade/agricultural products)
3. Organisation and enterprise development, power in markets and value added
4. Private sector/employer engagement

‘ I was struggling all morning with how we can work in urban areas and how we can do things differently to make an impact on people’s lives. I am now very happy with the final scenarios, the way all the components fitted together enabled us to focus on our strengths’

Md. Badi Akhter

FIGURE 6

CORE STRATEGIES OF OXFAM: RESILIENCE & ECONOMIC EMPOWERMENT & GENDER		
Urban livelihoods approach	Climate risk, gender justice, and rural/urban linkages (people, trade, money)	
Specific approach to urban livelihoods and level of action	Citizenship and rights in safety nets for resilience Advocacy level: voice of poor urban women	Enterprise development, shared value, and power in markets (rural/urban value chain) Project -and programme- level and advocacy/relationship with private sector (supply/value chain links/technology/employment/services)
Relevance (value added) to Oxfam strategy, other stakeholders, and context (macro level/community level)	OGB: Aim 1, Aim 5, JCAS, regional strategy (EE and rights in crisis) Stakeholder partner: CSRL; key actors: CUP, CARE/ILO/DCC/GOB, PS: BGMF, PKSF Macro context: social security policy, slums as political mobilisation Community level: informal sector lack of safety nets and poor regulation	OGB: EJ, Aim 1: FJ campaign, regional EE strategy, programme (REECALL), JCAS Stakeholders: PRAN, SKS, MSS; key actors: chambers of commerce, business associations, women’s chambers, CARE BRAC, CAB, Proshika, Catalyst, ILO/UPPR/ CUP Context: economic growth, employment/ economic opportunities.
Action points/resources going forward FY11/12:	To develop a position paper: 1. TOR: Afroz to be completed before 15 May 2011 2. Commission work: Akhter by end May 3. Delivery period: three months 4. Finish: end August Resources: RALF, REECALL Share report and get feedback from affiliates	To host a multi-stakeholder workshop and develop research report: Workshop to include a range of expertise to investigate: Programme links to urban MBL strategies Private sector links and influence Value chain links, rural/urban, climate change adaptation, and WEL Financial services sector/other existing programme e.g. CARE Research workshop and report preparation and delivery: 1. TOR: Jannat and Norul by 15 April 2011 2. Prepare and host workshop: Amit during last week of May 3. Report: Amit and Afroz to be completed by 15 June 2011 Resources: REECALL or from region

Lessons learned and the way ahead

As a result of undertaking the GULP workshop, Oxfam staff felt confident in taking the knowledge and skills gleaned from it to undertake the action points detailed in the last exercise relating to building scenarios.

Case study

URBAN Market-Based Livelihoods
in GUATEMALA

Sheilah Meikle, Tim Chambers, Alex Frediani, and Tom Goodfellow

1. NATIONAL CONTEXT

Guatemala is one of Central America's largest economies, and has been making considerable progress in setting up the necessary institutional mechanisms for democratic governance since the end of its 36-year civil war. The signing of the 1996 Peace Accord assured the stability needed to undertake key reforms in the areas of governance and transparency. Meanwhile trade agreements have also been signed, such as the Dominican Republic - Central American Free Trade Agreement (DR-CAFTA), which entered into force in July 2006. However, according to key stakeholders interviewed during the research, Guatemala's macroeconomic and political reforms have created a system that perpetuates inequalities and at the same time forging clientelistic relationships between the state and its citizens. Three key laws and processes are reviewed in Box 1 below, demonstrating some of the arguments presented by interviewees.

In an urban context, Guatemala is experiencing a rapid process of urbanisation, with an annual rate of change of 3.4 per cent. Remittances²⁹ have been an influential driver of this process, especially in the smaller municipalities in the western part of the country. Urban growth has been followed by land speculation and by inequalities in incomes in urban areas. According to UN-Habitat, Guatemala City is one of the most unequal cities in the world, with a Gini co-efficient of 5.0, which puts it away above the international urban inequality alert line of urban Gini coefficient of 0.4. Furthermore, unlike most other Latin American countries, Guatemala's urban Gini co-efficient rose by 4.1 per cent between 1998 and 2006. As a result, approximately one-third of the country's total urban population live in slums (UN-Habitat 2011).

In Guatemala City, the urban divide indicated by these figures is reflected in a series of challenges identified by key informants during this research. The main issues include:

- **Insecurity** caused by organised crime and drug trafficking (particularly by street gangs known as maras);
- Gender and ethnic disparities caused by a lack of recognition of the social-cultural characteristics of the urban population. One of the major mentioned is the limited amount of research in this field, especially research focusing on low-income groups;
- Lack of **economic opportunities** caused by unemployment as well as by a lack of affordable credit for low-income populations;
- **Vulnerability** to natural disasters caused by factors such as inefficient waste management systems, which cause drains to be blocked and hillsides eroded; occupation by low-income residents of areas at risk, due to a lack of affordable housing in inner-city areas; and continued extraction of natural resources (such as sand) in urban areas by large private companies.

29. In 2005 remittances topped \$3bn. Remittances now exceed Guatemala's total annual volume of exports or income from tourism.

REFORMS, INEQUALITY, AND CLIENTELISM

Law of Urban and Rural Development Councils: This law was aimed at implementing a participatory process of decentralisation, by creating three different levels of governance (community, municipal, and regional). At each of these three levels, citizens would be represented by elected leaders. The objectives of the councils are to assess and prioritise projects submitted to them and to submit those selected to the central government, which makes the final decision according to national development priorities. The type of project selected normally involves short-term assistance, addressing infrastructure and service improvements, but leaving the root causes of inequality unchallenged.

DR- CAFTA and liberalisation: Such policies have been encouraged to attract foreign direct investment (FDI to Guatemala, but they have created new challenges for the urban poor. Encouraging the production of grain for bio fuels has resulted in less grain entering the food market, which has pushed up the price of maize flour, a major source of food for low-income families. Furthermore, the lack of price controls or subsidies for motor fuels has led to fluctuations caused by the international market, which have also pushed up prices.

Social programmes: Guatemala has been proactively implementing a series of social programmes, such as the Bolsa Solidaria, which distributes basic food baskets to low-income residents in urban areas. Beneficiaries (which, according to the government, amount to 300,000 households) have to comply with conditions of co-responsibility imposed by the national government. While this project and other social programmes have been valuable attempts to redistribute wealth, the lack of state presence in ensuring equitable provision of services and opportunities has raised fundamental questions about the ability of governments to affect inequalities systematically.

2. OXFAM'S CONTEXT/FOCUS

OGB's current work in Guatemala is mostly linked to economic justice, strengthening of social movements, and adaptation and risk reduction in urban areas. The economic justice work is mostly concerned with supporting small producers' organisations, fostering direct relationships between producers, intermediaries, and consumers to improve the conditions of negotiation. The aims of such initiatives are to change the existing unequal market system and to improve the bargaining power of small producers, especially women, in the value chain. One of the major objectives is to 'assure that indigenous and rural women enhance their control over the use, tenancy, care, and benefits of natural resources, both in public and private spaces' (OGB website: http://www.oxfamblogs.org/lac/?page_id=537).

Recently, OGB has been exploring the potential of supporting rural/urban linkages as a means of opening new markets for rural producers while also creating economic opportunities in urban areas for the processing and marketing of rural products. Substantial progress has been made in consolidating initiatives of this kind in the municipality of Quetzaltenango, and its partner organisation and the local municipal government.

The work focusing on strengthening social movements aims to support women, young people, and indigenous populations in the process of developing their livelihood plans and institutionalising these in the government's policy and planning procedures. In a similar approach, OGB has been working with CBOs in urban areas to enhance their capacities in preparing for and responding to natural disasters. This initiative has been particularly important in mitigating some of the effects of natural disasters, such as the recent Tropical Storm Agatha, which affected 163,000 people. This initiative has also allowed OGB and its partners to work collaboratively with local municipalities, which fostered relations that have the potential to open up avenues to stream the advocacy work of Oxfam GB. An interesting recent OGB initiative aimed at consolidating the relationship with municipal government and exerting some influence on the underlying causes of urban vulnerability is the municipal urban platform on disaster preparedness, which involves governmental actors as well as representatives from civil society organisations.

3. GULP MISSION

The GULP Mission to Guatemala had two major objectives: contribute to the on going discussions of OGB’s local office in developing an urban programme, while also testing the strategic process map (SPM) designed by the GULP project. The research in Guatemala took place from 6-12 April and from 26 April to 3 May and consisted of 15 interviews with key informants,³⁰ two site visits, and a focus group discussion with the OGB Guatemala team working on urban initiatives. This section summarises the main issues addressed in these discussions.

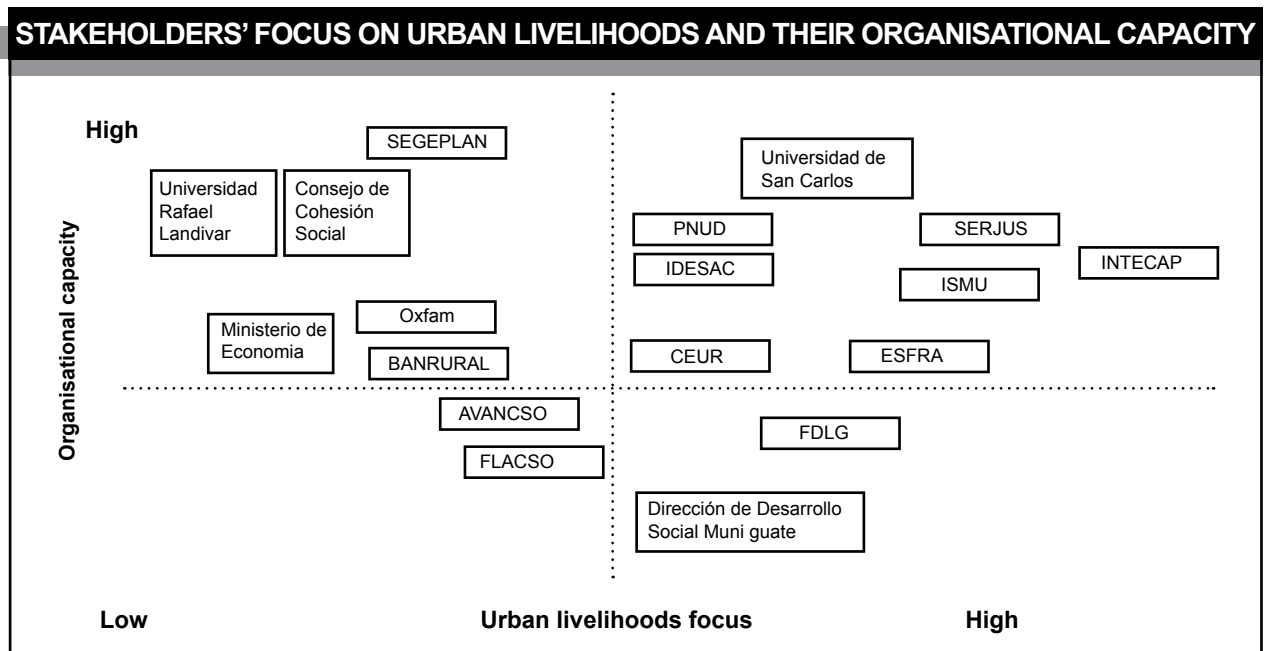
PESTLE analysis

The context analysis using the PESTLE methodology revealed that, in addition to the issues already, the high cost of living for the urban poor is a major barrier to enterprises being formed and evolving. Such costs include access to water and waste collection; lack of quality and quantity of state schools, which pushes families to invest in private schooling; ‘taxes’ imposed by the Maras gangs; and high prices for fuels such as petrol, diesel, and wood. One of the major reasons for the devolution of responsibility for and cost of public goods to individuals has been the inability of central and local government to increase national or municipal budgets. The interviews revealed that only 10 per cent of GDP is captured by the government. One of the major factors here has been strong lobbying from Guatemala’s business elite. Meanwhile, from this fund just 10 per cent is devolved to municipalities to support them in covering their own costs.

Stake-holders analysis

Figure 1 below indicates the level of focus on urban livelihoods by different stake-holders and their organisational capacity to pursue such a focus. It is interesting to note that OGB’s current partners, ISMU and ESFRA, have been identified as organisations with great knowledge and experience in working on issues related to urban livelihoods (for more on this, see interview notes on ISMU and ESFRA in Appendix 2).

FIGURE 1



30. For more details on interviews, see Appendix 2, which outlines list of key informants and ‘notes from field visits’ summarising discussions from interviews and site visits.

Livelihoods strategies of the urban poor

Discussions on the major sources of livelihoods of poor people identified a number of activities and assets utilised to carry out livelihoods strategies (see Table 1). One of the major issues discussed was the complexity of livelihoods strategies, often involving formal and informal types of relationship. Also discussed was the exploitative nature of formal employment, especially the textiles-based tax-free industrial zones known in Guatemala as Maquiladoras or Maquilas.

TABLE 1

LIVELIHOODS STRATEGIES OF THE URBAN POOR

Urban livelihoods	Selling non-qualified labour (low skilled labour) e.g. washing clothes, maquila, construction; clothes industry; businesses benefiting indirectly from social processes (church, football matches, etc. recycling; informal markets; security industry; adding value and selling products supplied by rural areas; neighbourhood shops; door-to-door selling; workshops (mechanics, carpentry etc.) formal employment by service companies (e.g. cleaning services); domestic work; individual and family-based service providers (e.g. electrician); beautician; home-based pastry and cooking).
Assets utilised	Family networks; institutional spaces; neighbourhood organisations; river basin areas; solid waste; vocational courses, e.g. INTECAP; social networks (e.g. schools and churches); non-qualified labour force; informal economic activities; remittance; financial capital (credit).
Potential urban livelihoods	Production of building materials; recycling of solid waste; 'urban shops' – tiendas urbanas; internet-based social networks; flower market; urban agriculture; distribution and commercialisation of rural products; tourist industry; transient markets.

Based on this discussion, the group outlined a series of crucial pieces of information that are needed to generate a better understanding of urban livelihoods Guatemala. The following activities were suggested to obtain these:

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- Map urban economic activities, in terms of both demand and supply;
- Analyse public investments according to urban territory;
- Identify where different ethnic groups are located in urban areas;
- Examine the aspirations of diverse groups in urban areas and their implications for urban processes and planned interventions;
- Establish the actual and potential role of the private sector working in the urban environment and how it could support OGB's work;
- Assess how far insecurity impacts on small-scale enterprise development;
- Analyse the relationship between energy issues (such as access to fuel and electricity) and urban livelihoods;
- Map relations already established between urban and rural populations and assess the opportunity for business;
- Generate knowledge on how urban livelihoods initiatives can have an impact on citizenship.

Internal OGB resources, capabilities, and constraints

This workshop stage aimed to identify OGB's existing room for manoeuvre in addressing urban issues, based on its existing resources, capabilities, and constraints.

Participants in the workshop identified the following major resources of OGB in terms of working in the urban context:

- The experience of working on disaster preparedness in urban areas, due to its ability to open up avenues for collaboration with actors working in the urban sector, such as research institutes, civil society organisations, and government bodies;
- The close relationship to active community-based organisations and NGOs with experience of working in the urban context;
- Existing knowledge and capacities to develop an advocacy strategy that would be applicable to urban programmes;
- A group of advisers at a regional level who would be able to support the development of urban strategies;
- Financial resources to support initiatives in collaboration with other partners.

In terms of key Oxfam-GB capabilities, the participants of the workshop identified the following issues:

- The capacity to generate alliances with a variety of players (including academic, public, and private sectors) and to act as a broker in such processes to foster partnerships and collaborative action;
- Existing know-how in working in the urban context in Guatemala;
- Ability to transfer knowledge and experience gained by OGB offices in other countries working on urban projects;
- Existing interest from other actors in working in this sector;
- Ability to implement integrated practices, looking at the linkages between livelihoods and disaster and risk reduction programmes;
- Capacity to manage financial resources.

Finally, the constraints faced by OGB in implementing urban livelihoods programmes included:

- Lack of knowledge about economic, social, and political processes taking place in the urban context, including a refined power analysis of urban actors;
- Limited experience in working in the field of urban livelihoods;
- Lack of strategy, programme, and financial resources in this field;
- High levels of violence in working areas;
- Fragility of the state, due to corruption and clientelism which constrain OGB's ability to exert political influence.

Lessons learned and the way ahead

The workshop identified key areas of work related to the political, economic, and knowledge generation contexts in which OGB could be building on its existing expertise and experience.

In the political context, OGB could be:

- Strengthening spaces for participation and representation;
- Acting as an urban broker to reduce mistrust;
- Looking for synergies in urban livelihoods initiatives and enhancing relations with other urban actors;
- Lobbying for thinking at the regional level and emphasising the importance of planning interventions that go beyond the municipality of Guatemala City;
- Co-ordinating initiatives that simultaneously address different agendas (e.g. economic, advocacy, gender, and DRR).

In the economic context, OGB could be:

- Introducing a livelihoods dimension to DRR work in urban areas;
- Bringing its experience on commercialisation and value chain analysis in rural environments to the urban environment;
- Strengthening rural/urban linkages.

In terms of knowledge generation, OGB could be:

- Supporting initiatives to generate better understanding of urban livelihoods and to fill in knowledge gaps (identified in section 3.3) with the objective of contributing to public policies and social mobilisation.

With these potential areas of contributions in mind, workshop participants suggested two specific initiatives:

- Action research initiative to carry out and stimulate knowledge production in mapping out the economic activities of the urban poor in Guatemala:
 - Work in partnership with local knowledge production organisations to conduct debates, forums, and investigation into urban problems;
 - Carry out research in neighbourhoods with different characteristics (e.g. consolidated settlements, manageable levels of violence, where local organisations have some relations with public institutions, where there are a significant number of initiatives and actors operating) to identify viable areas of intervention;
 - Following up from the research, implement pilot projects to strengthen livelihoods and generate lessons on intervening in urban contexts.

- Advocacy in the urban arena:
 - Map urban policies and actors and establish a strategy of advocacy for urban areas, which would include the promotion of strategic themes through entry points in civil society initiatives and institutional spaces;
 - Map discourses by different parties approaching the elections and analyse the political scenario to identify possible entry points.

TABLE 1

LIST OF INTERVIEWS CONDUCTED

Institution	Description	Person
Alianza: ESFRA and ISMUA	OGB partners in disaster preparedness programmes	ESFRA: Olga; ISMUNA: Dona Elvira
Fidecomiso para el Desarrollo Local de Guatemala (FDLG)	Micro-finance institution working in the urban context	Lourdes Teresa Nowell Maldonado (architect) and Eberto de Leon (trustee and consultant)
SEGEPLAN	National government planning department	Luis Bolanos (head of team on aAnalysis of international cooperation of the International Cooperation Unit)
Universidad Rafael Landivar	University carrying out relevant work in the urban context	Ruth Piedrosa (lecturer and researcher on impacts of remittances on urbanisation)
Universidad de San Carlos de Guatemala (USAC)	University carrying out relevant work in the urban context	Eduardo Antonio Velasquez Carrera (Professor of Urban Economics)
Instituto para el Desarrollo Economico Social de America Central (IDESAC)	NGO working on livelihoods in urban areas as well as housing and democratisation	Concha Ajmaz (Executive Secretary)
Servicios Juridicos y Sociales (SERJUS)	NGO supporting the work of CBOs and co-ordinator of Urban Platform	Manolo Garcia (Political Analyst), Martin Catalan (Partnerships), Laura Pealto (Food Sovereignty), Maria Eugenia (Political Formation)
Oficina de Desarrollo Social de la Municipalidad	Works to identify social development projects in urban areas	Onelia Roca (Sub-director of Social Development) and Emma Garcia (Project Officer)
Facultad Latino Americana de Ciencias Sociales (FLACSO)	Research intitute carrying out work on urban areas	Marcel Arebalo (Co-ordinator of area of studies about poverty and migration)
Centro de Estudios Urbanos y Rurales (CEUR)	Research intitute carrying out work on urban areas	Dr. Oscar Pelaez (Director), Rafael Villares (lecturer) and Amanda Moran (lecturer)
Asociacion para el avance de las ciencias sociales en Guatemala (AVANCSO)	Research intitute carrying out work on urban areas	Clara Arenas (Co-ordinator)
Instituto Tecnico de Capacitacion y Productividad (INTECAP)	Institute providing training courses on urban livelihoods activities	Pedro Antonio Cisneros Ortiz (Head of the Planning Division); Hilda Maria Robles de Franco (Technical Investigator of the Planning Division)
UNDP	UNDP has been involved in a series of urban development initiatives	Julio Martinez (Programme on Crisis Prevention and Recovery)
Consejo Cohesion Social Urbano (CCSU)	National government department co-ordinating social programmes in urban contexts	Lorena de Azevedo (Advisor to the Council of Social Cohesion)
ADAM	Discussion about experiences from Quetzaltenango	

Case study

URBAN Market-Based Livelihoods in KENYA

Sheilah Meikle, Tim Chambers, Alex Frediani, and Tom Goodfellow

1. NATIONAL CONTEXT

Kenya is the largest economy in East Africa and is a regional financial and transportation hub. It is a member of COMESA (the Common Market for Eastern and Southern Africa) and had, until December 2007, been considered a point of relative stability in the region.³¹ In December 2009, following a disputed presidential election when, Odinga and his supporters accused Mwai Kibaki, the incumbent president, of rigging his re-election, the country was plunged into chaos.³² Although much of the violence which resulted was along tribal lines, it has been acknowledged that it was as much about extreme poverty and inequality as about tribal identity.³³

In the turmoil that resulted, it has been estimated that as many as 1,300 people died and several hundred thousand were internally displaced, severely disrupting trade and threatening to split the country apart.³⁴ It led to UN-sponsored talks headed by the then UN Secretary-General Kofi Annan, and these resulted in a power-sharing accord that brought Kibaki's rival, Odinga, into the government. On 28 February 2008, Kibaki and Odinga signed a power-sharing agreement called the National Accord and Reconciliation Act. This established the office of prime minister and created a coalition government. The post-crisis settlement set out a reform agenda to address the underlying causes of the post-election violence. This agenda focuses on constitutional, electoral, land, and institutional reform, as well as increased accountability for corruption and political violence. As a result, local administration is in the process of change; the reforms include devolution of power to 47 counties and the creation of a second legislative chamber.³⁵

The crisis that followed the post-election chaos was political, economic, and humanitarian.

The **current political context** means that there is a lack of clarity concerning the nature of the democratic process and the locus of power, both in terms of what powers are delegated from central to local government and the individuals that are empowered. This confusion continues to be further compounded by the issue of corruption at all levels of government. As a consequence of this, legal processes can be painfully slow. Furthermore, there is a marked difference between policy and programme implementation.³⁶

Kenya's economy suffers from a high population growth rate, rampant corruption³⁷ and reliance upon a number of primary goods whose prices have remained low. In 2006, the World Bank and the IMF delayed loans pending action by the government on corruption. The international financial institutions and donors have since resumed lending, despite little action on the government's part to deal with corruption. The post-election violence in early 2008, coupled with the effects of the global financial crisis on remittances and exports, reduced GDP growth to 1.7 per cent in 2008, but the economy rebounded in 2009-10 with growth of 5.4 per cent.³⁸ The formal economy employs 1.95 million people (public sector 30 per cent and private sector 70 per cent) and the informal economy accounts for a further 6.4 million workers. About 75 per cent of the work-force is engaged in agriculture, mainly as subsistence farmers. The services sector accounts for 59

31. Stratfor Global Intelligence http://www.stratfor.com/theme/kenyas_political_crisis, accessed 8 June 2011.

32. Wikipedia. http://en.wikipedia.org/wiki/2007%E2%80%932008_Kenyan_crisis

33. Oxfam. <http://www.oxfam.org/en/programs/emergencies/kenya-political-crisis>, accessed 8 June 2011.

34. CIA World Fact Book. <https://www.cia.gov/library/publications/the-world-factbook/geos/ke.html> accessed 8 June 2011.

35. Ibid, p.4.

36. GULP workshop, Nairobi, April 2011.

37. Economy Watch. http://www.economywatch.com/world_economy/kenya/ accessed 8 June 2011.

38. Ibid, p.4.

per cent of GDP, followed by agriculture at 23.8 per cent and industry and commerce at 16.7 per cent.³⁹ Remittances are Kenya's single largest source of foreign exchange and a social safety net. According to the Central Bank of Kenya, recorded remittances totalled about \$640m in 2010.⁴⁰

Kenya's **population** of nearly 40 million³⁹ is divided unequally between urban and rural areas, with twice as many Kenyans living in rural areas (68 per cent) compared with urban areas (32 per cent).⁴² While macro-economic conditions between 2003 and 2008 helped improve the welfare of Kenyans, rural and urban poverty remains a challenge.⁴³ Moreover the fast rate of urbanisation (2.9 per cent over the, 2000-09 period)⁴⁴ is changing both the distribution of population and, as explained by Oxfam, the face of poverty in Kenya.⁴⁵ However, the drought crisis of the past three years and the conflict arising from the national elections has resulted in an urban emergency for the poor. In January 2009, the Government of Kenya (GoK) declared the country's food crisis as a national disaster.⁴⁶

Kenya has a youthful age distribution, with 75 per cent of the population (28.7 million) under 30 years old.⁴⁷ This large cohort is experiencing very high rates of unemployment. In 2005 almost half of youth aged 15 - 29 were unemployed or not in school. Along with the economic ramifications, high unemployment can have significant social consequences; a recent World Bank report showed that the majority of violent acts during the post-election crisis were perpetrated by underemployed youth.⁴⁹ Young women aged 20 - 29 are even more disadvantaged than young men.⁵⁰ They are five times less likely to be accessing employment, and female heads of households are significantly less likely to have a regular salaried job. A proportion of them operate household micro-enterprises.⁵¹

There are over 70 distinct ethnic groups in Kenya, ranging in size from about seven million Kikuyu to about 500 El Molo. Together, the five largest - Kikuyu, Luo, Luhya, Kamba, and Kalenjin – account for 70 per cent of the total population. While no ethnic group constitutes a majority of Kenya's citizens, the Kikuyu make up about 20 per cent of the nation's total population and are disproportionately represented in public life, government, business, and the professions.⁵² Ethnic diversity contributed to the political conflict after from the elections in 2007 and continues to contribute to lack of security in urban informal areas, as well as underpinning the various cartels which are linked to economic opportunities and which pose challenges for any Oxfam intervention. At the same time, the tribal affiliations provide social capital and support in both agricultural and urban areas. Most city residents retain links with their rural, extended families and leave the city periodically to help work on the family farm.⁵³

39. Ibid, p.4.

40. Ibid, p.4.

41. World Bank mid-year estimate, 26 April 2011. http://www.google.com/publicdata?ds=wb-wdi&met_y=sp_pop_totl&idim=country:KEN&dl=en&hl=en&q=total+population+kenya, accessed 12 June 2011.

42. Kenya Population Census 2009. <http://www.scribd.com/doc/36672705/Kenya-Census-2009>, accessed 12 June 2011.

43. TWB data from the 2005 to 2006 Kenya Integrated Household Budget Survey (KIHBS) indicated that national absolute poverty declined from 52.3 per cent in 1997 to 46.1 per cent in 2005-06.

44. Unicef. http://www.unicef.org/infobycountry/kenya_statistics.html#79, accessed 12 June 2011.

45. Oxfam Press release. <http://www.oxfam.org/en/pressroom/pressrelease/2009-09-10/kenya-threatened-new-urban-disaster>, accessed 12 June 2011.

46. Nairobi Urban Social Protection Programme, Oxfam 2011.

47. Central Bureau of Statistics (2004).

48. IGC International Growth Centre (2011). <http://www.theigc.org/article/vocational-education-kenya-human-capital-and-infrastructure-and-urbanisation-programmes>, accessed 12 June 2011.

49. The Impact of Population Growth on Employment, 8 May 2011. No author cited.

http://siteresources.worldbank.org/INTUNITFESSD/Resources/Chapter3_Edited_MCMAY30_pdf, accessed 8 June 2011.

50. GULP workshop, Nairobi, April 2011.

51. Oxfam, Nairobi Urban Social protection Programme, 2011.

52. African Studies Centre, University of Pennsylvania, East Africa Encyclopaedia. <http://www.africa.upenn.edu/NEH/kethnic.htm> accessed 8.6.2011

53. Ibid, p.4.

Much of Kenya's infrastructure is in an unsatisfactory condition. While the country's modernised ICT sector means that 90 per cent of the population is within range of a GSM cell phone signal, there is ample need for improvement in other infrastructure, especially roads and power. Roads are mostly unmaintained and in many places have deteriorated to the point where they are unusable. Access by households to services is a major concern. Nairobi slums, as explained below, experience particularly poor living conditions.⁵⁴

While Kenya has an established, codified system of law, weak governance and the lack of an enabling environment that permits access by all members of the population mean that there is frequently a difference between the 'de jure' and 'de facto' approach to the application of legislation and regulations.

Kenya faces profound environmental challenges brought on by high population growth, deforestation, shifting climate patterns, and the overgrazing of cattle in marginal areas in the north and west of the country. Significant portions of the population will continue to require emergency food assistance in the coming years.

Urban context

As of 1999, one-third of Kenya's population lived in urban settlements, with 50 per cent of the country's population predicted to be living in cities by 2020. This rapid urbanisation is outstripping any corresponding improvement in infrastructure. More than 50 per cent of this urban group live in unplanned informal settlements, which lack basic services and are not included in mainstream urban planning. Fifty per cent of slum dwellers have no access to safe and affordable drinking water and 18 per cent have no access to sanitation at all. This contributes to the high morbidity and mortality rates of urban slum dwellers. According to the World Bank study of 2010, although over two-thirds of adult slum dwellers are economically active, the unemployment rate is high and stands at 26 per cent. Disaggregating by gender, women were found to be almost five times more likely to be unemployed than men. Unemployment amongst young adults in Nairobi currently stands at around 2.5 million and is held to be one of the key factors behind the increasing levels of insecurity and violence in informal settlements. In Nairobi, it is estimated that between 50 per cent and 60 per cent of the city's people are crammed into 5-6 per cent of the city's total land area. Rates of chronic malnutrition are higher in Nairobi's informal settlements compared with national rates – almost one in two children compared with one in three nationally. High levels of chronic malnutrition are a reflection of household food insecurity, lack of social care, and the public health environment. Urban areas are typically dense and heterogeneous. Social networks can be fragmented and community cohesion may be loose or dominated by conflict. Large numbers of people are engaged in the informal sector. According to UNHCR (2010), Kenya is home to 374,000 refugees. Official statistics suggest that there are 46,000 refugees in Nairobi alone, although unofficial figures put the number at close to 100,000. This has had implications for Oxfam's projects in terms of how we target beneficiaries and the use of national identity documents in the selection process.⁵⁵

Characteristics of urban vulnerable populations

The livelihood strategies of the urban vulnerable poor are summarised in Table 1 below.. They are similar in nature to their counterparts in most developing countries. The nature of these activities makes people particularly susceptible to the impacts of the national drought.

54. Kenya- Economy and Infrastructure. <http://kenya.rcbowen.com/economy/>, accessed 12 June 2011.
55. Oxfam, Nairobi Urban Social protection Programme, 2011.

TABLE 1

LIVELIHOOD STRATEGIES OF THE URBAN VULNERABLE POOR

Demographic	Activities	Resources and capacities applied
Young men	<ul style="list-style-type: none"> • Micro-business • Hassling • Casual employment • Robbery and crime • Prostitution 	<ul style="list-style-type: none"> • Micro-savings • Personal skills, networking • Basic equipment, material, labour
Young women	<ul style="list-style-type: none"> • Micro-business • Casual employment (washing, baby sitting) • Reproductive activities • Prostitution 	<ul style="list-style-type: none"> • Labour, micro-savings, investment, skills, informal lending skills • Skills • Housewife skills
Elderly women	<ul style="list-style-type: none"> • Micro-business 	<ul style="list-style-type: none"> • Savings, investment, experience
Widows	<ul style="list-style-type: none"> • Micro-business 	<ul style="list-style-type: none"> • Business loans and skills
Young orphans	<ul style="list-style-type: none"> • Scavenging • Begging • Criminal activities • Self-employment e.g. shoe-shining 	<ul style="list-style-type: none"> • Labour and time • Training, business skills; access to organisations offering them beneficial skills
PWD	<ul style="list-style-type: none"> • Micro-enterprise 	<ul style="list-style-type: none"> • Business skills, safety nets
Street families	<ul style="list-style-type: none"> • Begging and scavenging 	<ul style="list-style-type: none"> • Safety nets, business skills, time

Source: GULP workshop, Nairobi, April 2011

The three-year national drought resulted in a water crisis that has had an impact not only on the cost of food in urban areas but also, at the same time, a negative impact on the livelihoods of the urban poor. The former was the result of lack of water and the increased cost of farm inputs, while while the latter was the consequence of women from informal areas whose income came from washing clothes losing their livelihoods. At the same time, many male labourers lost their jobs because many industries were dependent on hydro-power and the lack of water meant that they had to close. This meant that many people had no money for food. In early 2009, it was estimated that residents in 50 per cent of urban slum areas were living below the poverty line and that 19 per cent of urban residents were very, very, poor. As many as 4.1 million of 11 million people in urban areas were short of food.⁵⁶ Oxfam has predicted that there will be a food crisis in urban and rural areas for many reasons – global and local. It is not yet clear what the extent of such a crisis will be and just how it will affect the livelihoods of all Kenyans, but especially the rural and urban poor.

2. OXFAM'S STRATEGY

National focus

In 2008 Oxfam set out its national strategy as having a three-pronged focus: firstly, to work in arid and semi-arid lands; secondly, to start an urban programme (which is examined in detail in Table 2; and, thirdly, to solve urban poverty by 2023.

Background to the programme

The scale of urban poverty indicated by Oxfam's understanding of Kenya's national political, economic, social, technological, environmental, and legal context, and in particular the urban emergency, led to the incorporation of an urban programme in to Kenya's national change strategy of 2008.

56. GULP workshop, Nairobi, April 2011.

During the **first year, 2008-09**, the team undertook research to understand the nature of urban poverty. It aimed to identify interventions where Oxfam could use its various strengths, including its national and international linkages; its good reputation with local and international organisations; its experience in implementing programmes in the rural context; its ability to support advocacy campaigns; its capabilities in research and information sharing and its knowledge of market-based livelihoods in a rural context; and experienced staff to add value and leverage change. The objective of the urban programme is to provide opportunities for people to make choices about their lives and to engage with the private and government sectors to lead development of their communities.

Since 2009 the urban team has been implementing the programme (see Table 2), implementation has involved engaging with the 'urban forum', which provides a platform for different Kenyan NGOs to participate around urban issues. Further, through the Civil Society Urban Development Programme (CSUDP), the team is looking at partners it can work with to strengthen advocacy on urban issues, including, for example, the Ministry of Local Government.

The current programme came out of the research undertaken during the first year of the urban programme in 2008-09, but funding constraints have put limitations on what can be addressed. The Oxfam team is concerned to have a wide discussion around possible change models and, in particular, changes in governance and, the legal framework and establishing integrated urban programmes and projects. Core to these discussions are understanding what already exists; how to improve private sector relationships; and how to identify and improve value chains and enterprises. The team has identified four main gaps on which they intend to focus and which require extensive exploration and development. These are: how to engage women; how Oxfam can develop a facilitator approach to urban interventions; how pilot innovations can be developed into more concrete fundable linkages; and the nature of rural and urban linkages.

The Kenyan urban team's work is organised into **six main strands**:

- Working with small traders. Most urban dwellers are engaged in petty business or are involved in harmful survival activities e.g. prostitution. Oxfam's governance work with small traders aims to empower the community by accessing and demanding justice through facilitating small traders to work with the Ministry of Labour to e.g. ensure regulation of ownership of enterprises;
- Working with the informal economy. In order to address the fact that small businesses tend to die after 1-2 years, Oxfam aims to provide funds to enable them to grow and to encourage them to work together to maximise markets;
- Oxfam aims to work with government to ensure that it buys in with policy and governance to ensure the sustainability of enterprises that will contribute to sustainable livelihoods;
- Working with a range of stake-holders to develop the urban programme;
- Currently Kenyan ministries and Nairobi City Council see small traders as a nuisance rather than as a source of tax generation. Oxfam is aiming for a brokerage and advocacy approach to encourage the participation and integration of central government and the City Council in a positive attitude and approach to working with small traders;
- Lastly, Oxfam aims to influence and enlighten policy makers and to target parliament to ensure that they understand the reality of urban areas and the nature of the employment opportunities that exist in them and the impact of climate change on urban areas.

CONTENTS OF URBAN PROGRAMME

Programme focus		Programme objectives
<ul style="list-style-type: none"> • Food poverty • Co-ordinate policies on poverty of different actors with government sectors and policies • Insecurity/crime – political tensions • Voice poverty – people who lack ability to engage in processes that affect their lives 		<ul style="list-style-type: none"> • Essential services and social protection programmes to support minimum standard of living • Economic environment for sustained and dignified living • Humanitarian issues - co-ordinated response to crisis in urban areas
Project approaches	Specific projects	Pilot projects
<p>1. Governance Urban governance (policy change – create an enabling environment with City Council of Nairobi, Ministry of Labour and Local Government). Support co-ordination in advocacy arena. Internal mechanisms of civil society – issue of accountable organisations of local civil society. How to maintain governance.</p> <p>2. Sustainable livelihoods Food security. Income security. Water and sanitation. Household expenditure. Mainstreaming of governance, how to ensure gender equity, cross-cutting of co-ordination.</p> <p>3. Disaster preparedness and risk reduction (DRR) Conflict (peace-building and security in urban areas bring learning from rural to urban contexts. Crime is very serious in urban areas. Also political tensions – how to engage, especially with youth. Also links with governance. Lack of contextual analysis – study will be out in six months). Climate change and how this is affecting urban communities. How vulnerable are they and how is government planning to adapt? Emergency response indicators for urban areas, especially with regard to food – how are the needy reached?</p>	<p>1. Community empowerment to access justice A project targeting three informal settlement areas. Empowering communities to be integrated into existing systems. Currently communities have a weak voice – ensure there is co-ordination for alliances to impact on the city.</p> <p>2. Small-scale traders Currently small traders lack information on rights. Oxfam has: Enabled traders to form associations to lobby for change; Enabled partnerships of private sector and civil society at community level; Brought together individual traders and Ministry of Labour; Established project steering committee with multi-stakeholder group of public and private sectors, civil society and independent traders. Through the steering committee, able to implement Oxfam activities including: Capacity building Raising awareness of city council staff to rights of traders; Providing information for civil society organisations to activate advocacy; Community sensitisation including meetings on a monthly basis – so far have reached 800 small-scale traders e.g. sensitised on City Council by laws e.g. re business permits, amendments about where businesses trade. Research – base-line research of traders e.g. corruption etc. Campaigns around specific areas e.g.: Micro – and small enterprises bill and cost of licensing – worked with Ministry of Labour to ensure bill is compliant with Constitution; Site management regulations for micro – and small enterprises. Worked with traders to ensure micro – and small enterprise fund is operationalised. Main challenge political rather than legal. Fund is in its second year – now awaiting three focused campaigns around this.</p>	<p>1. Sanitation began late March 2011 Working with existing partners. Exploring alternative ways of providing toilets to households in informal areas. Portable buckets – prototype designed but not yet rolled out. Feedback on new trial after one-month pilot. Aim to get private sector to run with it.</p> <p>2. Solid waste management: self-created employment Opportunity to clean up the community, with residents now facing frustration trying to work with Nairobi City Council. Exploring how the community can express their voice; how to work with City Council; how to involve youth groups; and how to market products made from solid waste.</p> <p>3. Plastic recycling: this project aims to: Create employment opportunities for youth; Consider how to engage with women (but women may not be interested in this); Look into household sorting (but not yet more than an idea). There are serious constraints on funds for this.</p> <p>4. Bio-centres to harvest methan gas for use for cooking</p> <p>5. Cash transfer: Nairobi Urban Social Protection Programme Cash transfer through private sector. A response to humanitarian need. Initially six months of cash transfer then certified training etc. of school drop-outs. Micro finance linkages. Some would need longer-term social protection. Cash transfer programme continues and also advocacy with government and pilot agenda. Ministry of Gender mandated to carry this forward – various NGOs will carry out the pilot. Also considering exit interventions. How to make credit accessible to poorest of the poor. Even micro-finance (20 per cent per year) is unaffordable – how to start with existing clients and then scale up to other beneficiaries. How to package various innovative activities e.g. insulation and micro-insurance. Service provisioning – how is this an opportunity for projects e.g. food/laundry/nanny etc. All would involve private sector.</p>

3. GLOBAL URBAN LIVELIHOODS PROJECT (GULP) MISSION

The GULP mission to Kenya had two major objectives: to contribute to the on going discussions of the OGB visitors in developing GULP and to systematically explore the urban work undertaken by the Kenyan urban team. The mission took place on 11 - 15 April 2011. It consisted of briefings by the Kenya urban programme team on its Urban Livelihood Research Project and by Oxfam GB on the purpose of GULP; meetings with Amina Abdulla of Concern and ???? of UN OCHA; two field visits, one to the Umande Trust Project and one to the Maguru Slum Development Project; and a one-day workshop to share and consolidate information and knowledge, generate creativity and ideas, build clear scenarios, and plan ahead. This section addresses the main issues examined.

PESTLE analysis

The workshop started with a context analysis using the PESTLE methodology, which demonstrated the disadvantages experienced by urban residents of slum areas in Nairobi resulting from their lack of individual and community voice to influence the nature and quality of their livelihoods, their lack of access to services, and their lack of employment opportunities. In large part this is the result of weak governance and corruption.

Stakeholder analysis

Table 3 outlines the results of the discussion on the level of focus on urban livelihoods by different stakeholders and their degree of organisational capacity to pursue such a focus. The table describes the strengths and weaknesses of these organisations in addressing urban livelihoods.

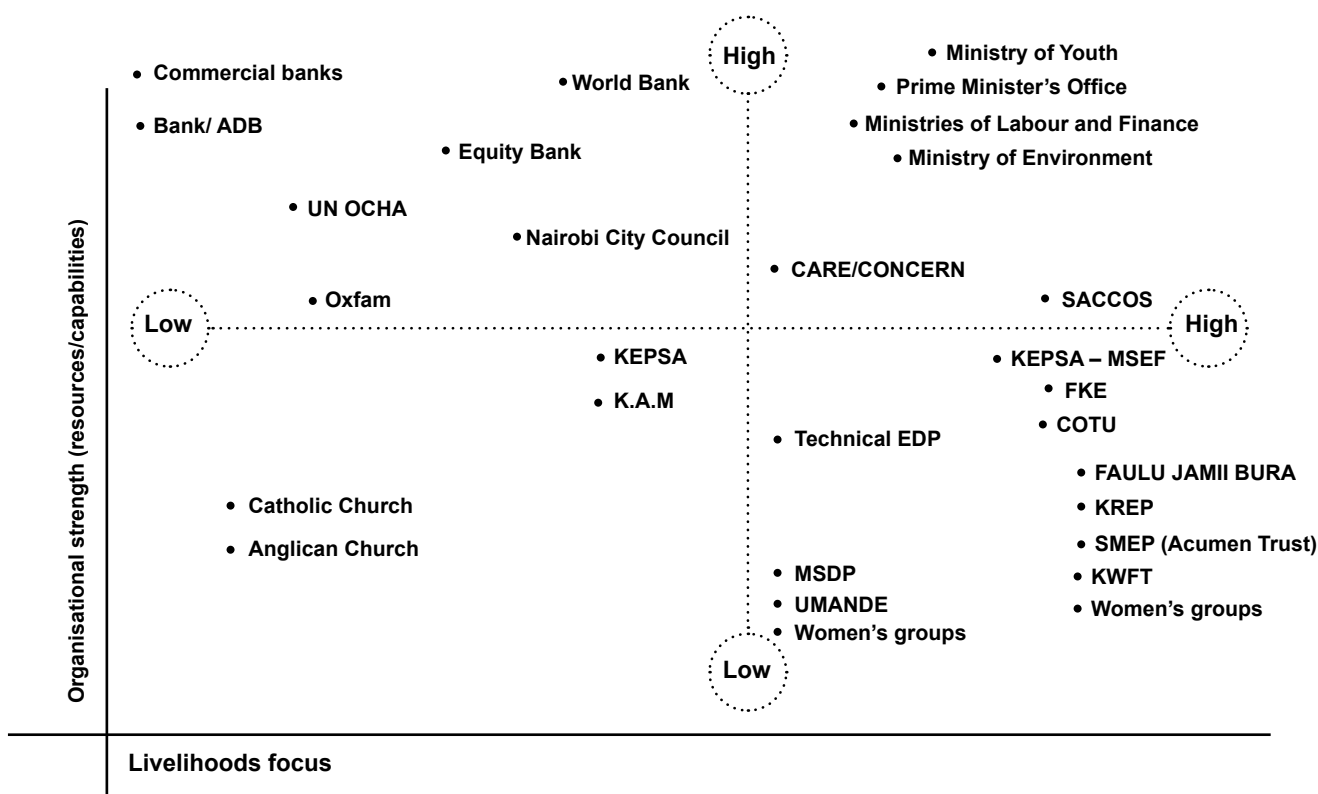
TABLE 3

CAPACITY OF STAKEHOLDER ORGANISATIONS TO ADDRESS LIVELIHOODS

UN OCHA	Has capacity but is generalists
Oxfam	Ability to leverage funds; well respected; incorporates specialists
KEPSA/K.A.M	Profit-driven
Catholic Church/ Anglican Church	Wide reach on livelihoods/ weak focus on livelihoods
Prime Minister's Office/ Ministries	Able to leverage funds and specialists; co-ordination mechanism for policies and programmes
Nairobi City Council	Has capacity; not (very) focused on livelihoods; lacks adequate expertise; external funds; keen on revenue but limited ability to leverage generation
CARE/CONCERN	Have experience and capacity
KEPSA – MSEF	Tracker association
COTU	Good capacity and reach
Women's groups (on the right)	Weak geographical capacity; financial impact; management problems; have wide reach on livelihoods
Women's groups (on the left)	Weak capacity (geographical scope, financial and HR); blurred focus on livelihoods; limited specialists; limited funding; institutional politics

FIGURE 1

STAKEHOLDERS ANALYSIS



The group then further considered the qualities and capacities of Oxfam. These are summarised in Table 2 and will provide resources for developing urban market-based livelihoods.

The participants then considered the common market-based livelihood strategies in development that are being undertaken by organisations in Kenya. These are summarised in Table 4.

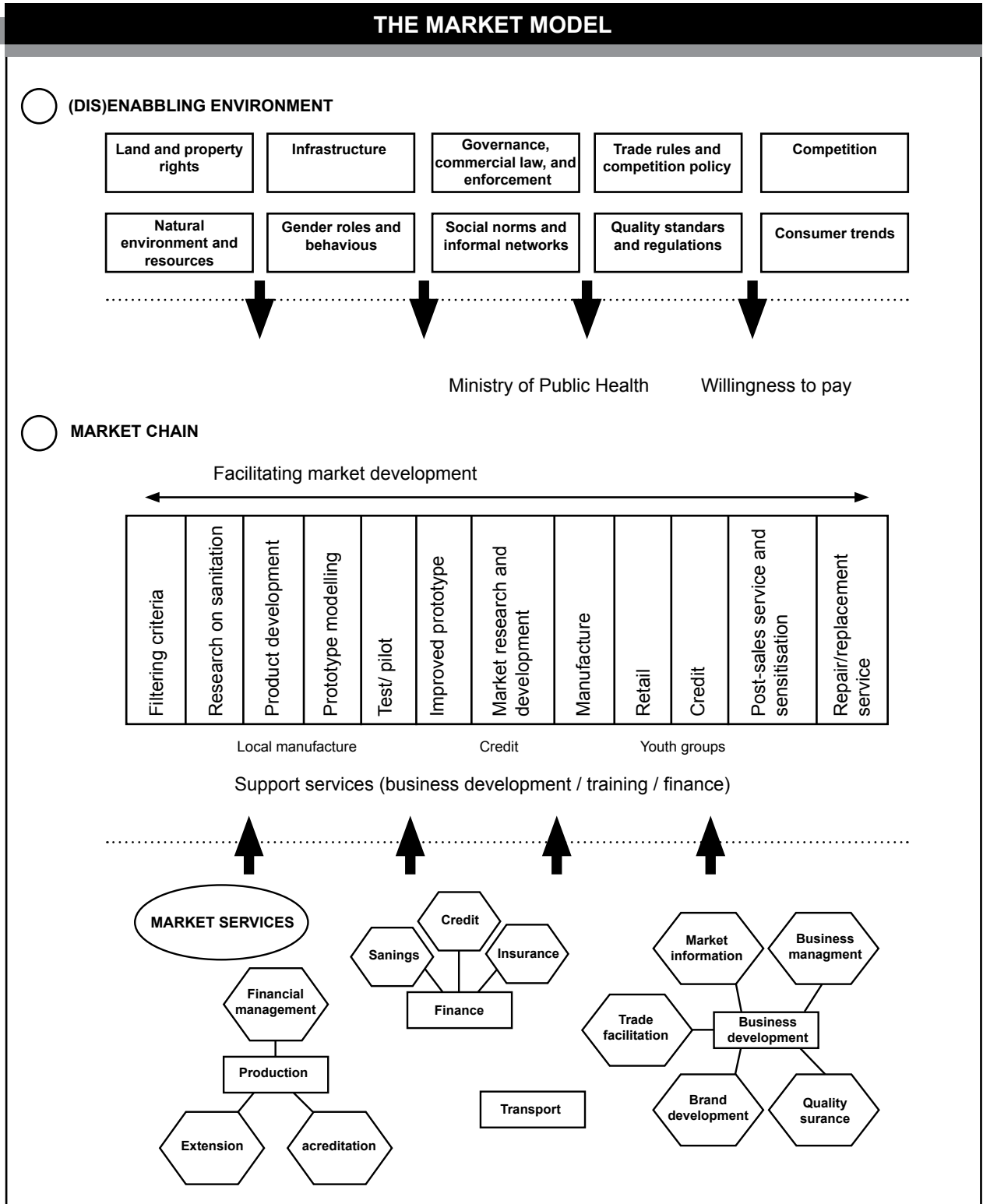
TABLE 4

MARKET-BASED LIVELIHOOD STRATEGIES

Type of programme activities	Types of outcomes achieved
Micro-credit products for small enterprises targeting informal settlement communities	Communities are aware of the options, they can choose to benefit from the micro-credit products, improved lifestyles have been achieved, and financial, independence
Cash transfer and cash-work through mobile transfers	Communities have had their lifestyles improved individually and as households = MUKUM
Kazi Kwa Vizana – cash for labour	Dependency on hand-outs reduced as communities have become financially independent by investing in small-scale business which later grow to large-scale projects. specifically dealing with environmental sanitation needs e.g. in Kibera have been implemented through partnerships with local organisations – bio-centres, plastic recycling involving youth groups who earn a living from it
Environmental sanitation and recycling of garbage	Reduction in disease outbreaks/increased awareness of disease issues, jobs for youth
Sanitation and water services	Petty business and food security at household level
Community-based savings interventions e.g. 'merry-go-round' women's self-help groups	Empowerment of men and women
Community-level informal sector industry or Cottage industries e.g. food, soap, Jug Kali	Increased and improved skill base available to communities. Trained youth in employment
Advocacy and awareness raising	Empowerment of women and establishment of micro-enterprises
Capacity building (various types of training) Apprenticeships – KEPSA and Ministry of Youth Enterprise fund	
Women's fund and micro-enterprise fund	

The participants then developed a market-based urban value chain for an on going project on the Jitegemee (sanitary bucket) and discussed how this related to Oxfam’s market system approach. The outcome of this discussion is summarised in Figure 2.

FIGURE 2



The participants then developed an urban market-based strategy for Nairobi. This produced three outputs: underlying principles for an urban market-based livelihoods programme; strategic axes of an urban market-based livelihoods programme; and a core facilitator approach to urban market-based livelihoods programmes. These comprised the various elements listed below.

Underlying principles for an urban market-based livelihoods programme

1. Development of a clear market-based programme package that responds to primary stakeholders (communities, partners, and donors).
2. Safety nets⁵⁷ as a core of urban market-based livelihoods programmes that are linked but clearly differentiated from humanitarian interventions.
3. Existing groups that are built around economic or market-related opportunities as a key point of entry for market based programmes in urban areas.
4. Comprehensive and multi-skilled teams (generalist facilitators and specialist technicians).
5. Build advocacy and policy linkages between relevant organisations.
6. Work within markets systems and between market actors; no direct service provision.

Strategic axes of an urban market-based livelihoods programme

1. The core facilitator approach and principles.
2. The safety net and micro-insurance.
3. SME and value chain development.
4. Other components of mobilisation around common objectives (e.g. employment and skills).
5. Other cross-cutting Oxfam priorities: links to humanitarian and DRR; link to campaigns; climate change adaptation; Women's Economic Leadership

A core facilitator approach to urban market-based livelihoods programmes

1. Build links into the community through community-based organisations and mobilise around shared objectives and common opportunities or challenges.
2. Facilitate linkages between actors and organisations that provide services, resources, support, or representation for poor and vulnerable.
3. Broker the most effective and appropriate support services that facilitate pathways to growth and sustainability for small and growing enterprise.

The participants concluded by examining the nature of women's economic leadership.

57. Safety nets are understood in this context to be mechanisms to prevent poor and vulnerable urban citizens from falling below the poverty line as a result of localised or global crises that can be applied before, during, or after a crisis event.

Case study

URBAN Market-Based Livelihoods
in **RUSSIA**

Sheilah Meikle, Tim Chambers, Alex Frediani, and Tom Goodfellow

1. NATIONAL CONTEXT

The Oxfam Russia programme began in 2003, when Russia was still emerging from its severe economic crises of the 1990s and 35 per cent of the population were classed as living in poverty. From Oxfam's perspective, Russia was not a 'developing' but a 'misdeveloped' country, with most of the features of developed countries (such as high levels of urbanisation and education, a strong, highly institutionalised state and a largely formalised economy). Most were therefore 'working poor', often employed by the state but with low wages. Unlike in many other 'emerging markets', including the other BRICS, a developed (if clunky) welfare state was in place and the state's formal regulatory powers were highly developed. However, people's ability to improve their own lives through developing and diversifying their livelihood options was a clear constraint in this context. Oxfam therefore set out to design interventions that focused on the structural marginalisation of certain parts of the population and on the reduction of obstacles to entrepreneurship: an aspect of development that the state was particularly ill-equipped to promote.

At the time of Oxfam's entry into Russia, around 11 per cent of all employees were working in small businesses – a low figure by any standards. Oxfam therefore saw a potential role in helping to provide opportunities for self-employment. While SMEs were developing fairly rapidly in Moscow and some other large cities (and have continued to do so at an even greater rate since), Russia's small towns – particularly 'mono-industrial' towns subject to factory closures – suffered disproportionately from the collapse of the command economy, and here conditions for helping to facilitate entrepreneurship were particularly lacking. Given that the federal government was undertaking some major initiatives to tackle rural poverty, it was therefore in small town environments – and specifically with regard to small and micro-business development – that Oxfam felt most able to make an impact.

2. CENTRAL ASPECTS OF OXFAM RUSSIA LIVELIHOODS PROGRAMME

The core of the livelihoods programme: the five town project

The Oxfam Russia programme began by focusing on two towns, but this quickly increased to five (Rybinsk, Aleksin, Schekino, Vishniy Volochek and, Ostashkov). Most of the activity from 2003-07 was focused on a number of key activities in each of these towns.

a) Microfinance: In 2003 commercial banking was extremely undeveloped and it was virtually impossible for small entrepreneurs to get a loan. The Russian Microfinance Centre (RMC; see Section 4 below) had been established in 2000 to lobby for the small (5 - 10 employees) and micro (under five employees) enterprise sector, but there was clearly room for other actors to become involved. Oxfam helped various microfinance institutions (MFIs) to establish themselves in the project towns, including the Women's Microfinance Network.

b) Consulting services: Oxfam facilitated the provision of legal aid, which has been a critical service in a context where the legal framework is changing substantially every year and bureaucratic obstacles are a major constraint. This was by far the most important of the consulting services provided, though Oxfam also provided assistance with marketing and taxation advice.

c) Training: This, by the team's own admission, was the least successful aspect of the programme. Despite setting up training sessions at very low rates, most established micro-entrepreneurs (many of whom were small-scale traders) were not at all interested in business development models and few attended, preferring instead to exchange information with other small entrepreneurs. Eventually, however, Oxfam managed to tailor some very basic training (on issues such as business registration) for start-ups in the service sector, which was much more successful.

d) Improving the policy and institutional environment: This was approached through two main activities. The first was working with the small business programmes of municipal governments. Municipalities have budgets for small business development but are constrained by limited skills and resources, and also by their dependence on regional governments, which are very powerful players with close links to central government. Consequently municipalities are more focused on upward accountability than on the communities they are supposed to represent, and have little interest in micro-enterprises, which pay virtually no taxes. Oxfam has undertaken various activities to persuade municipalities that small enterprises are good for social and economic development, and has helped to change mentalities and increase funding for municipal small business programmes. A second activity was facilitating the establishment of unions of entrepreneurs in each of the towns. Oxfam has helped the unionisation process and has helped to improve lobbying skills.

The intention of the five town project was to capture learning from it and to use it as a best practice model to influence the federal government on the importance of local enterprise development. This has proved challenging because the real decision-makers are so difficult to access. Meanwhile, Oxfam has continued to build new partnerships and to work towards improving the enabling environment for businesses.

Towards a more systemic approach since 2007

While the five town project ran up to 2010, from 2007 onwards the programme has shifted from a geographical focus towards an institutional approach based on developing a wide range of partnerships (highlighted in Section 4), alongside advocacy on key issues such as taxation and banking regulation. The government justifies its very heavy regulations on banking in relation to the prevalence of fraud on a massive scale; but the counter-argument is that 60 million people remain without access to finance, partly due to the nature of these regulations. This has therefore been a focal point of advocacy for Oxfam, working alongside the RMC, and there have been a number of successes such as the adoption of a law on micro-finance institutions.

In terms of partnerships and working towards institutional change, among other activities Oxfam has helped to consolidate the Women's Microfinance Network and some other small funds into a non-banking deposit and credit organisation (NDCO), a completely new legal form that integrates the network into the national financial system. This enables it to attract much more investment, without being subject to some of the standards and constraints of becoming a bank. There have, however, been enduring problems with this legal form (of which there are still only two examples in Russia) and the promised deregulation has still not occurred. Oxfam has also established an important partnership with Forus Bank (see Section below).

Alongside this, Oxfam has been closely involved in a few other geographically focused projects, including in Voronezh and Kaluga regions, where it partnered with Youth Business Russia in a flagship project targeting recently established and start-up micro-enterprises among urban youth.

It has also worked alongside the WWF in Tuva, a remote and very poor region on the border with Mongolia, on a social project with an environmental angle that has a much clearer impact on the poorest sectors of society than the five town project. These partnerships are discussed further below. In addition, as part of a drive to bring the idea of social enterprise onto the agenda and provide best practice examples, Oxfam has helped set up a social enterprise in Rybinsk (outlined in Section 8).

3. SUMMARY OF MAIN ACHIEVEMENTS OF THE PROGRAMME

As of 2010, in the seven years since the programme began around 10,000 micro-entrepreneurs from 15 Russian regions had obtained access to financial and non-financial business support services and improved their businesses. A total of 380 people had started their own businesses and 62 per cent of the beneficiaries were women. Three social enterprises created 20 jobs among disadvantaged groups. More than 1,500 people from disadvantaged groups, such as single mothers with many children, the disabled, and the elderly, also directly benefited from social services conducted by local NGOs supported by Oxfam.

Additionally, Oxfam helped to establish seven new non-governmental organisations, and improved the capacity of a further ten to provide social services to disadvantaged groups. 'Branchless banking' (see below) was established in six regions of Russia. The capacity of local authorities in five small towns to support local entrepreneurs was improved and their funding for small businesses at least doubled. Oxfam has also worked with partners to achieve important changes in legislation with regard to the micro-finance sector.

4. KEY PARTNERSHIPS

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'Strength of partners is one of the key aspects of successful intervention. Either you have a strong partner already or a programme to develop this partner, otherwise you will fail.'

Some of the most important partnerships of Oxfam Russia are highlighted below. Note that these are partnerships relating specifically to Oxfam's domestic livelihoods programme; this is not an exhaustive list of Oxfam Russia partners and does not include its involvement with, for example, the Global Call to Action against Poverty in Russia.

Forus Bank

Oxfam's partnership with Forus Bank (originally Fund Fora, a USAID-backed fund created in 2001 to support entrepreneurs that began operating as a bank in 2006) has been a consciously innovative aspect of its programme. Forus operate in small and medium-sized cities throughout Russia, but arguably the most innovative aspect of its work has been its shift towards small towns of 20,000 inhabitants and below – which in Russia are classified as 'semi-rural'. Many such towns, which had previously had no financial infrastructure, now have ATMs and many others are served by Forus in partnership with Oxfam through a system of 'branchless banking'. Oxfam supported Forus to establish six 'mobile offices', which travel to small towns and villages and

provide loans. Oxfam and Forus have also undertaken work at a more systemic level, finding novel approaches to working with businesses run by poor people that are facing problems in achieving formal registration, as well as promoting micro-finance at federal and municipal levels of government. Forus has been quite pioneering in this respect and has had a considerable impact on the institutional environment.

Russian Microfinance Centre (RMC)

Founded in 2002 (again with USAID support), the RMC has been the main vehicle through which Oxfam has lobbied for improved legislation, regulation, and transparency with regard to the micro-finance sector. It also directly provides credit for MFIs. One of the main objectives from an advocacy perspective was helping to achieve a balance between over-regulation of the sector and having sufficient measures in place to protect the rights of clients. An important success was achieved in 2010 in the form of new legislation (drafted in accordance with best international practice) on micro-finance that provides normative rules for MFIs. In the Russian micro-finance sector generally, there is a strong focus on urban micro-enterprises in trade, services and small-scale transport. Most beneficiaries are already established entrepreneurs; a target has been set of 20 per cent of MFI support going to start-ups, but at the moment the actual figure is probably around 4 per cent. This is largely due to the high risks of working with start-ups, but the new legislation is helping to address this.

The RMC is also working with Oxfam to promote the idea of social enterprise, defined as enterprises that are operationally sustainable but which reinvest all profits and are set up to solve a specific social problem. At the institutional level the partners are lobbying government and working on the enabling environment for this, and the government is starting to show interest. The former 'mono-industrial' towns, characterised by high unemployment, are key potential sites for the development of social enterprises, but any geographically based initiatives are at an early stage.

NDCO

As discussed above, Oxfam helped the Russian Women's Microfinance Network and some other MFIs to consolidate into an NDCO. Unlike the previous two partners mentioned, with whom Oxfam works as an ally, in this case Oxfam takes a clear capacity-building role. It provides support to the NDCO through formal training in central bank rules and regulations, improving ICT systems, developing the governance structure, assistance with attracting investment, and marketing.

Youth Business Russia

In partnership with the International Business Leaders Forum Russia (IBLF-Russia), Oxfam is a joint funder of the Youth Business Russia (YBR) programme in Kaluga and Voronezh. YBR facilitates the development of youth entrepreneurship by offering low-interest business starter loans, consultations, training, and support from mentors. As of 2010, YBR had disbursed more than RUB 10 m (\$325,000) in Russia, helped start 71 businesses, and supported the creation of 200 new jobs.

The programme, which began in 2008, is unique in Russia in terms of the support it provides to start-ups. It is also unusual in that it provides loans at lower than commercial rates and does not ask for any collateral or guarantee. Risk in these conditions is minimised by the intensive mentoring scheme the programme provides, which is dependent on the enthusiasm and goodwill of experienced entrepreneurs who opt to support the scheme, but which produces a high rate of successful enterprises. YBR firmly believes that its mentoring works better than collateral or guarantees and provides fewer obstacles to poor individuals. The training, mentoring, and follow-up also mean that the programme is much more effective than other funds for small enterprise support, such as those that were disbursed from the federal government to the regions in the wake of the 2008 crisis. These were widely associated with corruption, and even when they did reach entrepreneurs there was no follow-up.

Oxfam was the first partner in this programme and its support remains critical. The types of enterprises that the scheme supports are generally services e.g. engineering, property repair and reconstruction, decoration, car repair services, hairdressers, sewing and clothing repair, curtain-making. The target age group is 18–35, though most beneficiaries are at the higher end of this range. YBR takes a ‘responsible banking’ approach, with a maximum loan of RUB 150,000 (around GBP 3,000) in order not to saddle participants with unmanageable debt. Rates of repayment are extremely high – almost 100 per cent, though YBR realises that will probably drop as the programme ages.

OXFAM/YBR SUPPORT TO SMALL ENTERPRISE IN VORONEZH

Two young entrepreneurs in Voronezh who had taught themselves to carve wooden ornaments and redecorate furniture were granted a loan by YBR to develop a business. They used the loan to purchase four vital pieces of equipment. Now, two years on, they have a large workshop space and a business that employs eight people, and they sell their goods both through a number of gift shops in Voronezh and to individual purchasers. What was just a hobby previously has become a sustainable and expanding business, for which the loan and other aspects of the YBR scheme were critically important. The entrepreneurs meet with their mentor twice weekly and speak virtually every day.

Voronezh State Foundation

There are 68 state foundations in Russia, mostly corresponding to its geographical regions (known as ‘Russian Subjects’), of which Voronezh is one. Voronezh State Foundation has worked closely with Oxfam and YBR in Voronezh, and this relationship has proved to be a rare example of a successful public-private partnership in relation to micro-finance. In many regions the state fund is much less responsive and this kind of partnership has not been possible. Within Voronezh region, the State Foundation oversees eight municipal funds and 13 informational centres. The YBR programme is only one part of the State Foundation’s broader work. In 2010 it gave out 850 loans to 583 entrepreneurs.

WWF Russia

Oxfam is working with WWF Russia on an environmental/livelihoods project in Tuva region. Hunting and poaching from national parks have been a cause of concern for WWF in this region, so Oxfam teamed up with WWF to develop alternative livelihood strategies that would both minimise environmental risk and reduce poverty. After market research, they identified options such as fish and milk processing, building saunas, and eco-tourism, and have developed a business incubator consultancy to help people develop enterprises in these activities.

5. METHODOLOGY FOR PROGRAMME AND PROJECT DESIGN

In terms of Oxfam Russia's strategic focus in its livelihoods work, there was a conscious decision not to opt for a programme focused on labour rights or public sector employees due both to political constraints and to the urgency of helping people access finance and become self-employed. In order to make an impact with limited resources, the emphasis has always been on how to create economic opportunities for people who are motivated to improve their livelihoods, rather than attempting to reach the poorest or widest possible group of people. In many respects the philosophy is well reflected in a quotation from one of Oxfam's close partners at YBR:

'We want to help the people who would like to get help but can't elsewhere. They are not necessarily the poorest, but they are low-income and vulnerable.'

Geographically, Oxfam and its partners have undertaken research to identify market gaps and to find out which areas are especially marginalised. This was central to the methodology for selecting the original five towns in central Russia. In terms of the more recent work with YBR, towns are being selected according to both geographic and other criteria. Kaluga was chosen on the basis of its strategic location in central Russia, and Voronezh because of its proximity to southern Russia - but also, critically, because of the strength of the Voronezh State Fund relative to those in many other regions. Three strong associations of entrepreneurs were also important in the decision to choose Voronezh. Future locations for expansion of the YBR programme include Vladivostok (in order to provide services for people in Russia's Far East) and Novosibirsk (to bring the programme to Siberia).

With regard to social enterprise, Oxfam has supported the RMC to conduct workshops with MNCs in Russia with the aim of identifying the best social enterprise opportunities in different regions. The RMC is also in the process of developing a methodology for designing social enterprise business plans. In due course these geographic and institutional foci should come together to provide a clear rationale for developing projects and programmes in social enterprise.

6. CORE OGB SKILLS AND COMPETENCIES

A number of skills and competencies have clearly been central to the Oxfam Russia livelihoods programme, in addition, of course, to an in-depth understanding of the Russian context.

- **Business/enterprise development:** General expertise in enterprise development has obviously been essential, for example with regard to human resources, marketing, accounting, etc. More generally, the ability to identify gaps in the market and to conduct research on market opportunities has played a significant role.
- **Finance:** Knowledge of Russia's complex financial sector and banking regulations has been absolutely critical, alongside an understanding of financial risk.
- **Legal:** Understanding the legal environment more generally has been very important, with regard to issues such as taxation and business registration, as well as the financial sector.

- **Advocacy:** The ability to work with government agencies at all levels has played a crucial role. In Russia's complex and often overbearing political environment, achieving leverage with government is an ongoing challenge and has been central to Oxfam's efforts to facilitate enterprise development.
- **Brokerage and partnership building:** It is clear that the ability of Oxfam staff to help bring together diverse actors – such as established entrepreneurs, state bureaucrats, local unions, banks, and international organisations such as the IBLF – into shared programmes has been very important.
- **Working with youth:** In relation to the YBR programme especially, an understanding of the challenges facing young people and the difficulties of navigating Russia's business environment as a young entrepreneur has been central.

7. EXIT STRATEGIES AND SCALING UP

The team admits that the five town project would be very expensive to scale up, hence the decision to shift towards a different approach in recent years. In many ways the point was never to scale up geographically, but to strategically build the micro-finance sector. This sector has indeed grown very substantially in recent years, with Oxfam playing a significant role in bringing it to the forefront of the agenda and facilitating its expansion. Oxfam hopes now to play a similar agenda-setting role with regard to social enterprise.

Given the high levels of state 'reach' in Russia and the dense regulatory environment, the Oxfam teams believe that overall sustainability must necessarily come through government recognition, which may be manifested in new government programmes, the production of new legislation, changes to regulation, and so on. As such, institutional sustainability rather than geographic 'scaling up' is the central concern, and achieving leverage with the government is a crucial means of facilitating this.

The geographically based direct enterprise support programmes work with a clear exit strategy, as exemplified by the YBR scheme. Each enterprise they support always begins with a three-year plan. Central to this is that after three years they will have paid back the loan. A club is created for alumni of the programme, bringing together former beneficiaries with current beneficiaries and mentors. Therefore, even after the three years of direct support, the entrepreneurs can continue to attend the club. When YBR holds open trainings, they can also come. They cannot, however, take out further loans after the three-year period has ended. If the mentors and mentees want to stay in touch, that is fine, but YBR is not involved.

8. WOMEN AND VULNERABLE LIVELIHOODS

Women in many of Russia's small towns have been highly vulnerable since the collapse of the Soviet Union, and while some factories have re opened and absorbed the male population in some of the mono-industrial towns, many women remain unemployed. The beneficiaries of the five town project were therefore mostly women, who very often were market traders. More recently, under the YBR programme the gender split is about 50/50. This is because at the level of youth entrepreneurship, there is not considered to be a significant gender problem to tackle (unlike among older communities in the mono-industrial towns).

However, several of the more recent developments in the Oxfam programme have specifically benefited vulnerable women in different ways. The Merry Felt social enterprise in Rybinsk that Oxfam helped establish in 2006 has had a clear impact on vulnerable women. It produces innovative handicraft products and employs 15 women who are mostly single mothers of large families. The workshop co-operates with local farmers and a number of local companies, and Oxfam is working closely with its founders to develop a business model with potential access to international markets, including the UK. Moreover, the Forus Bank 'branchless banking' initiative has also impacted strongly on women, who comprise about 75 - 80 per cent of the people taking out loans under this scheme.

9. FUTURE DIRECTIONS

Oxfam Russia's domestic programme is currently being redesigned. The value of the work that Oxfam has undertaken in relation to enterprise development is not in question, but many of the activities and organisations it has helped to are now developing their own momentum, and a distinctive role for Oxfam in future domestic poverty reduction needs to be articulated. Most of Oxfam Russia's resources will now be focused on advocacy relating to Russia's global role, but it is clear that domestic poverty is an enduring problem that is widely ignored in much of the discourse on development in the country, and livelihoods work can still play an important role in tackling this. Oxfam has built an impressive range of strategic partnerships and has played a pivotal role in relation to small enterprise development. The challenge is therefore to move forward with a domestic poverty programme that carries the momentum of the past and retains key partnerships, while making a clearer and more communicable difference with regard to Russia's 15 million people living below the poverty line. This needs to be done in a way that both enhances leverage with the Russian government and chimes with Oxfam's major global campaigns on poverty reduction. The plan is to undertake a series of research projects in 2011 to help define Oxfam's future domestic poverty/livelihoods work.

TABLE 1

SWOT ANALYSIS

<p>STRENGTHS</p> <p>Facilitating financial inclusion: this has been at the core of the Oxfam programme. Its ability to help those who are motivated and whose ability to succeed has been constrained by lack of finance and business support is a key strength.</p> <p>Supporting start-ups: there has been widespread institutional neglect of start-ups even as support to established entrepreneurs has grown, so this is an important area of Oxfam's value added.</p> <p>Partnership-building: Oxfam has developed an impressive and enduring array of organisational partnerships at different levels and with varying objectives.</p> <p>Municipal capacity-building: the changes achieved in local governance are an important part of the programme's success.</p>	<p>WEAKNESSES</p> <p>The Oxfam team acknowledges that it does not reach (and does not target) the extreme poor. Many of the poorest people in Russia need rehabilitation or psychological support and livelihoods interventions will by and large not be effective for these groups.</p> <p>Oxfam is also not creating lots of waged jobs through its focus on micro- enterprise and has not managed to improve on this much, despite aspiring to in the 2006 mid-term review. It does not work with public sector employees, even though many of them are very poor.</p> <p>While the more recent aim has been to ensure institutional sustainability, scaling up many of the experiences from the five town project was not feasible.</p>
<p>OPPORTUNITIES</p> <p>There are opportunities to build on existing Oxfam skills to impact more on the poor e.g. through social enterprises that incorporate a stronger focus on social objectives or find new ways to ensure the employment of vulnerable people in larger numbers.</p> <p>The climate in Russia is in some ways clearly becoming less restrictive in terms of enterprise development.</p> <p>The fact that many donors are now pulling out of Russia may actually provide Oxfam with new potential roles and opportunities.</p> <p>The programme has taken a more 'market systems' direction since 2007, which accords with Oxfam's emerging urban MBL agenda.</p>	<p>THREATS</p> <p>There are still many threats to small enterprise in terms of informal payments to authorities, insecurity of property and assets, etc.</p> <p>The perception of Russia as a rich country and a 'global player' creates difficulties in making the case for a domestic poverty programme.</p> <p>Some of the more successful aspects of the current programme, such as the YBR scheme, are generally focused on direct support to enterprise and not very scalable or systemic in nature.</p>

PESTLE ANALYSIS

<p>POLITICAL ISSUES</p> <p>More often than not, the state tends to be an obstacle to enterprise development. Hence the comment by one Oxfam staff member that:</p> <p><i>'A success in terms of engaging with the state in Russia is when they leave you alone... and don't give you negative publicity.'</i></p> <p>The federal government is especially hard to influence and rarely acknowledges the problem of poverty, preferring to think of Russia in terms of the G8.</p>	<p>ECONOMIC TRENDS</p> <p>Increasing wealth poses both opportunities (in terms of investment, banking infrastructure) and threats (in terms of defining a clear role for the Oxfam programme).</p> <p>Growing inequality is an important trend and one that Oxfam should seek to engage with, particularly given that this is a common problem among all the BRICS.</p>	<p>SOCIAL ISSUES</p> <p>Social exclusion and the 'flat' welfare state: Social services are not means-tested and many people are structurally marginalised.</p> <p>Migrants: Many of the poorest people in Russia may be economic migrants, which is something that Oxfam could try to engage with more directly.</p> <p>Alcoholism and rehabilitation: Many of the poorest people in cities are begging on the streets and are not motivated to move beyond their dependency on handouts. Does Oxfam have a role?</p>
<p>TECHNOLOGICAL</p> <p>High levels of industrialisation set Russia apart from most countries in which Oxfam works. Yet the de-industrialisation in the 'mono-towns' is a potential focus area.</p> <p>Despite being technologically advanced, the potential for mobile phone banking is highly constrained relative to e.g. Africa due to heavy regulation. This looks unlikely to change soon.</p>	<p>LEGAL</p> <p>Heavy regulation is a problem in terms of access to finance by poor people, the registering of MFIs and banks, the use of mobile phone and other technologies for finance, etc.</p> <p>Fraud and corruption on a massive scale are enduring problems and also exacerbate the problem of over-regulation.</p>	<p>ENVIRONMENTAL</p> <p>Russia's increasing strength as a global player provides a role for Oxfam in lobbying the government on climate change; the question is whether this could also be linked to domestic livelihoods work.</p> <p>The Tuva project has shown how a dual social/environmental focus can work in certain regions of Russia, though as yet this is a stand-alone project with few links to the other work.</p>

10. EVALUATION OF OXFAM RUSSIA'S LIVELIHOODS PROGRAMME IN RELATION TO OXFAM'S MARKET SYSTEMS APPROACH

While the Oxfam Russia livelihoods programme has for much of its life focused considerable attention on project-based direct enterprise support, it has also in many respects been working with a market systems approach throughout. Below the main features of the programme are considered in relation to Oxfam's market systems model, taking the three core elements – the (dis)enabling environment, the market chain itself, and market services – in turn.

(Dis)enabling environment

Constraints to the enabling environment for enterprise are among the greatest challenges to livelihoods development in the Russian context. These problems have particular characteristics in Russia that differ in many respects from those in developing countries. In particular, the complexity of regulation in the financial sector, the lack of an enterprise culture and lack of government interest in fostering small businesses, and the systemic nature of corruption are enduring problems. From the outset, the Oxfam Russia livelihoods programme has been working to improve the enabling environment on a number of fronts. During the five towns project that formed the core of its programme for the first four years, it worked with the small business programmes of municipal governments to improve skills, increase resources, and increase the interest of municipal government in the concept of micro-enterprise development. As such, Oxfam has helped to both change mentalities and increase funding for municipal small business programmes. In this period Oxfam also helped to facilitate the establishment of unions of entrepreneurs in each of the towns by helping with the unionisation process and improving lobbying skills.

From 2007, work at the systemic/institutional level has intensified, particularly with respect to advocacy on key issues such as taxation and banking regulation. With its partner the Russian Microfinance Centre, Oxfam has lobbied for improved legislation, regulation, and transparency with regard to the micro-finance sector. The main objective from an advocacy perspective was helping achieve a balance between over-regulation of the sector and having sufficient measures in place to protect the rights of clients. An important (and relatively rare) success was achieved at the national level in 2010 in the form of new legislation (drafted in accordance with best international practice) on micro-finance that provides normative rules for MFIs.

The aspects of the (dis)enabling environment that Oxfam has most engaged with in Russia have been those relating to financial sector regulation, governance, commercial law and enforcement, social norms and attitudes, and business registration. As in most country contexts, corruption is an issue that is extremely difficult for Oxfam to address. Unlike in many other contexts where Oxfam works, there has not been the same need to engage with 'enabling' issues such as infrastructure, gender roles, land issues, tenure security, and basic services provision. If Oxfam's work in relation to the enabling environment were to be summarised in one phrase, it would perhaps be: *achieving government recognition of the importance of local enterprise development and the main obstacles facing it.*

Market chains

Most of the small enterprises that Oxfam has worked with directly have been in petty trade (particularly in the five towns project) or the service sector (as in the more recent work with YBR). As these are not businesses engaged in production, the market/value chain approach is quite difficult to apply – a problem that is arguably common to many urban livelihoods more generally. The kinds of service enterprises supported in Oxfam's more recent work include businesses engaged in engineering, property repair and decoration, car repair, hairdressing, sewing and clothing repair, and curtain-making. There are of course market chain aspects to working with some of these enterprises, and certain businesses (such as those engaged in carving and redecorating wooden ornaments) are engaging in production of a sort, or adding value to existing products to reach new markets and to sell in more lucrative outlets. They are supported by the Oxfam/YBR programme in terms of support from their mentors, training in marketing, etc. Some of Oxfam's activities can therefore be thought of as intervening directly in the market chain.

The more embryonic work that Oxfam has been engaging with in terms of social enterprise also has an important market chain element. The Merry Felt social enterprise in Rybinsk that Oxfam helped establish produces innovative handicraft products and co-operates with local farmers and a number of local companies; moreover, Oxfam is working closely with its founders to develop a business model with potential access to international markets, including the UK. Merry Felt is a social enterprise in that it was set up to employ women who are single mothers of large families and people from other disadvantaged groups.

Oxfam's work alongside the WWF in Tuva region also involves directly engaging with market chains, as it is basically rural and akin to working with agricultural processing; so far it has involved developing enterprises in areas such as fish and milk processing. There are also enterprises involved in building saunas and developing eco-tourism, which link to a wide range of national and international consumers. However, as Tuva is a very remote location and this is a small project with few direct links to Oxfam's other work, it is not particularly linked into its efforts at the more systemic level.

Market services

The Oxfam Russia livelihoods programme has done a huge amount in terms of providing (and facilitating the provision of) market services to small enterprises. The primary market service it has engaged with has been micro-finance. As well as the important advocacy role highlighted above, it has helped to establish MFIs such as the Women's Microfinance Network and, through its partnership with Forus Bank, has co-funded mobile offices to facilitate branchless banking in many small towns and rural areas.

Other market services that Oxfam has helped provide include legal aid, marketing and training in relation to business registration, and broader business development skills. The business incubator it has developed in its work with WWF in Tuva region, while the least urban aspect of its livelihoods programme, also provides a bundle of market services. Overall, as of 2010, in the seven years since the Oxfam programme began around 10,000 micro-entrepreneurs from 15 Russian regions had obtained access to financial and non-financial business support services and improved their businesses.

Conclusions

In conclusion, while Oxfam Russia's work began with a strong geographical focus on particular towns, with relatively small-scale projects playing a significant role, it has also been working effectively on a systemic level. However, in recent years, some of the most successful elements of the programme have arguably been the less systemic ones, such as the partnership with YBR providing support to youth enterprises, the establishment of three small social enterprises, and the work in Tuva. While Oxfam has continued to work hard at a more systemic/institutional level, it is at this level that some of the greatest challenges lie. Achieving sustainable institutional change in Russia is an extremely difficult and sometimes risky business for Oxfam.

Russia is also an enormous country; in many cases it has been possible to achieve institutional change in particular localities while the overarching national framework is much more change-resistant. This raises questions about what scale we are referring to when talking of the (dis)enabling environment. In some respects also the localities in which Oxfam works are 'self-selecting' from a systemic perspective; for example, Voronezh region was chosen for the Oxfam/YBR programme partly because the municipality was already committed to small enterprise development and the associations of entrepreneurs there were already strong.

If there are ways in which the Oxfam Russia programme could work in a more systemic manner, these perhaps relate to a keener focus on power analysis, identifying the multiple actors in a market chain (where relevant), and a clearer sense of who exactly are the intended beneficiaries of the programme. It may be that there are particular obstacles to enterprise development among certain particularly disempowered groups – such as migrant workers from Central Asia or elsewhere – that could be considered in more detail when thinking about how to improve the whole market system for those most in need of support.

In general, however, Oxfam Russia's urban livelihoods approach is already deeply rooted in Oxfam's market systems approach, at least to the extent that urban enterprise work (which tends by nature to be more focused on petty trade and services) can be. There has certainly been sustained attention to the key (dis)enabling factors impacting on the enterprise environment and to the market services that are needed. Work on improving poor people's bargaining power in value chains has been limited, but this is not so much a fault of Oxfam's as a feature of urban work, which often does not feed into value chains in the same way as work with rural producers. Finally, the most apparent weakness of the programme has arguably been the limited degree to which interventions are tailored to specific groups of urban beneficiaries selected according to clear criteria.

Appendix 2

Urban livelihoods projects by other NGOs

URBAN LIVELIHOODS

**From Enabling Markets to Fair Institutions
that Work for the Poor**

Sheilah Meikle, Tim Chambers, Alex Frediani, Diana Daste and Tom Goodfellow

1. INTRODUCTION

Origins: Growing disillusion with the slow progress and frequent setbacks experienced with interventions centred on sectoral and economic policy, focused infrastructure development, and project-centred activities provided the impetus for a drive to identify more holistic understandings of development. By the late 1990s, one part of that quest was gaining considerable support in the form of sustainable livelihoods approaches. DFID invested considerable resources in developing the approach and an accompanying framework, while the World Bank, UNDP, FAO, WFP, Oxfam, Khanya, and CARE, amongst others, were similarly enthusiastic participants in the articulation of sustainable livelihoods approaches (Hussein 2002).

Building substantially on the work of Chambers in participatory development (for example, Chambers 1994, 1995) and Sen's conception of entitlements (Sen 1981), sustainable livelihoods sought to present a holistic, 'people-centred' understanding of development. Considerable effort focused on a framework that made explicit the institutional context within which poor people must work, and their vulnerability to external shocks and trends (DFID, 1999a).

Chambers' influence in particular was evident in the importance to early formulations of sustainable livelihoods of rural-focused tools such as rapid and participatory rural appraisal. Indeed, the rural emphasis is apparent in elements of the frameworks that resulted. For example, the 'holism' of understandings of livelihoods tended to embrace the assumption that many poor households rely to a significant level on subsistence food production, with the result that much poverty-related data was failing to capture the detail and diversity of non-monetised strategies. Conceptualisation of the 'assets' which actors have access to in deploying specific livelihoods strategies places emphasis on erosion of agricultural land, destruction of forests, and so on (DFID 1999b, 2000, 2001).

Urban livelihoods: It is perhaps inevitable that this fairly overt focus on rural livelihoods would be challenged sooner rather than later, with examination of livelihoods approaches for their applicability to situations of urban poverty (Beall and Kanji 1999; Meikle et al. 2001). Examination of livelihoods in urban and peri-urban areas suggests a number of particularities that differentiate them from rural equivalents.

- **Household composition:** While commentators rightly counsel against easy assumptions that urban families will tend to be more 'nucleated' (Beall and Kanji 1999: 2), it does appear sensible to allow the generalisation that households will, on average, tend to be smaller in urban areas, with greater emphasis on nuclear relationships. While the correlation is not obvious, it seems inevitable that this will affect the experiences of household members by gender, age, and so on.
- **Monetisation:** In general, urban residents tend to rely far more heavily on cash for access to necessary items, from food to sanitation and shelter. Correspondingly, dependence on subsistence agriculture will inevitably be lower (although it is likely to remain important for some peri-urban dwellers and those with access to fertile ground in urban areas).

- **Transport usage:** Again, while it is unwise to generalise, it is nevertheless apparent that urban dwellers will employ different patterns of transport usage from those living in rural locations. Indeed, those living in urban peripheries will likely also display different usage patterns from those more centrally located. It is possible that the urban poor will be more likely to rely on regulated and possibly state-owned transport operators, with possible implications for price, safety, and regularity of schedule. Again, differences are likely to be evident between urban and peri-urban areas, as well as between these areas and rural areas.
- **Schools:** Fees and associated costs are likely to be higher on average than in rural areas, and it is likely that urban livelihoods options place a higher emphasis on education – especially basic literacy and numeracy.
- **Housing:** Both rents and access to building materials tend to be more expensive in urban areas, as self-collection of natural building materials tends to be less feasible. Again, this is a manifestation of the previous point that livelihoods must support a more monetised financial environment. Types of structure may also differ, with consequences (positive or negative, depending on the specific circumstance) for price, ease of building (need for specialised services), and so on.
- **Access to essential services:** Poor urban residents tend to be required to pay for access to sanitation facilities and sometimes rubbish collection, while water is frequently much more expensive than in rural areas (often 10–20 per cent of household income). While open defecation tends to be common practice in rural areas, it is more likely to be subject to cultural constraints in urban ones.
- **Health care:** It seems likely that health care requirements and usage will differ between rural and urban areas. In many instances, poor urban dwellers are subject to high levels of pollution, with consequent respiratory implications. Higher population density promotes the spread of epidemic illnesses, though, conversely, urban residents tend to have greater choice of health care facilities, albeit often at higher cost.
- **Child care:** In many poor households – urban and rural – all members able to work will be required to. However, differences between urban and rural areas are likely to exist in terms of available child care options. If the greater nucleation of urban families is a factor, then it follows that grandparents or extended family members will be less likely to be available.
- **Service access:** Patterns of service access (or denial of access) are also likely to differ in urban and rural areas. Rural dwellers frequently experience difficulty in accessing health, education, and other services as a result of distance. In the case of the urban poor, the factors limiting access are more likely to be social or financial.
- **Applicability of formal regulation:** For most urban residents, the application of formal institutions (laws, rules, and regulations) tends to be more consistent and to affect daily life more fundamentally than is the case amongst the rural poor. This again places greater emphasis on literacy and numeracy, and holds great potential to disrupt urban livelihoods, especially for those reliant on informal strategies.
- **Urban informality:** The counterpoint to the greater impact of formal regulation on the lives of poor urban dwellers is the continued importance of informality in the livelihoods strategies typically available to them. This reliance on informal livelihoods frequently places poor urban individuals in situations of conflict with municipal and other authorities. Just as sustainable rural livelihoods were intended to offer a holistic view of rural strategies reliant on subsistence food production and the like, sustainable urban livelihoods must recognise the complex reality of informality in frequently regulated urban contexts. This renewed interest

in informality contrasts with many state perspectives which relate informality with illegality, seeking to regulate and organise with a view to increasing tax revenues and 'cleaning up' cities and towns.

- **Unavailability of land as a productive asset:** For urban dwellers, pressure on land leads to increasing prices and exclusion from space from which to derive livelihoods. However, in contrast to the rural experience, in which availability of land might be compromised through erosion, speculative development, or hereditary fragmentation, in the urban situation this is more likely to manifest as exclusion from space to engage in household manufacturing activities, street-side urban agriculture, or street trade. In some sense, exclusion from space becomes a largely institutional problem, and can perhaps be seen as representing a shift in the nature of livelihoods assets: where land is unequivocally a natural asset in a rural setting, space within which to pursue viable livelihoods activities in the urban context is more likely to represent a physical asset.

Trends: sustainable livelihoods frameworks to M4P?: Within the broad area of livelihoods approaches, numerous more specific models have spawned frameworks which vary from each other in ways that sometimes are barely consequential but in other cases represent substantially altered understandings. Appendix 1 provides specific examples, including the 'classic' DFID framework, that of CARE, the urban reworkings of Beall and Schütte (2006), Meikle, Ramasut, and Walker (2000), and others.

As noted, dissatisfaction with the way in which most of these frameworks deal with linkages to macro or systemic institutional levels has prompted much of the discourse to focus increasingly on ways in which new models might embrace wider institutional arrangements. At the heart of this criticism is the fact that livelihoods frameworks tend not to disaggregate the 'Policies, Institutions, and Processes' or 'Transforming Structures and Processes' boxes (see Appendix 1). This has the effect of presenting this mass of institutional structures and processes as if it is immutable. In trying to address this shortcoming, much attention has been paid to the possibility that market regimes in particular might be adjusted to allow greater access for the poor. Such variations on the livelihoods theme often draw heavily on institutional analysis such as the Institutional Analysis for Development (IAD) framework of Elinor Ostrom (see Karmacharya et al.; Ostrom 2005).

These two shifts in focus represent recent trends in livelihoods thinking:

- Deeper analysis of macro linkages: Typically, efforts to deepen this understanding of institutional context focus on the ways in which regimes can be 'adjusted' to achieve improved social goals. These adjustments can arise from the interventions of any number of actors: states can change policy at their own instigation or at the behest of donors; bilateral and multilateral agencies equally have influence in establishing international priorities for trade and market regulation; and citizens themselves lobby for and negotiate change in the institutions that affect them.
- Greater emphasis on 'market' mechanisms: The very concept of livelihoods lends itself to an approach to development that is congruent with much private sector thinking and practice. In line with the previous point, considerable effort has been expended in recent years on understanding the ways in which institutional arrangements might be adjusted to permit poor people greater and more profitable access to market-based livelihoods. This shift rather suits the monetised nature of urban livelihoods in particular. Approaches are varied, with some considerable attention being paid to the notion that expanded choice of and return from livelihoods strategies can be facilitated through support for various

interpretations of 'social enterprise' (for a review of such approaches, see Kerlin 2010). As early as 2000, DFID produced a framework paper on 'Making Markets Work Better for the Poor' (DFID/OPM 2000) which employed much sustainable livelihoods thinking in an exploration of market structures and the roles that specific actors could play in making them more accessible for the poor. This initiative has evolved into an extended dialogue between proponents of sustainable livelihoods approaches and market-oriented development theorists. The approach is often referred to as M4P (making markets work for the poor), and considerable work has been done on synthesising market approaches with sustainable livelihoods (DFID/OPM 2000; Dorward et al. 2002; Kanji et al. 2005). The implication of this more market-friendly and institution-changing orientation is in the greater emphasis placed either on enhancing the agency of individuals and households to effect change in the institutional structures of the markets to which they have access, or else in bringing top-down influence to bear on achieving changes to those institutions on behalf of the poor. A significant sub-theme in this regard lies in efforts to utilise value chain analysis in combination with livelihoods approaches as an entry point for interventions that support the evolution of more pro-poor markets (Berg et al. 2006; Kanji et al. 2005).

Occupational activities in urban areas: Beall and Schütter (2006), conducting research on urban livelihoods in Afghanistan have, the following occupational activity areas of the urban poor: regular employment, self-employment, casual waged labour, and home-based work. Regular employment is a fixed income activity, independent of seasonal variations. Its regularity is of great attractiveness, as it allows better planning and creates space for additional activities. Self-employment covers a diverse range of activities, allowing entrepreneurial activities to take place, but often characterised by low and erratic remuneration. Such unpredictability often pushes self-employed urban workers to engage in casual waged labour, where daily rates are fixed, even if days of work are not. Home-based work is also a crucial occupational activity in urban areas, especially for women, who manage household duties while also generating income. Within Afghani cities, the typical household mix of strategies using this typology varied widely (Beall and Schütte 2006: 35). It is not unlikely that these findings would, in the broadest terms, be replicated in other cities around the world.

This report analyses four different areas of interventions in urban areas which influence directly these four types of occupational activities: urban agriculture; informal waste management; the construction industry; and financing housing and livelihoods. These four areas have been identified due to their prominence in the literature and practice of development agencies in urban contexts and their relation to urban livelihoods.

Urban agriculture has been argued to have a series of potentials in terms of not only reducing poverty but also contributing to the management of cities and food security. Due to its profitability, this sector facilitates the generation of enterprises as well as casual wage labour opportunities. Meanwhile, backyard gardening is also a form of home-based work. On similar lines, **informal waste management**, including waste-picking, re-use, and recycling, has been supported as a means to generate income for the poor, and has been a highly efficient activity in terms of waste management in cities. In some contexts, where the informal waste sector has been consolidated, social enterprises have been set up, opening up opportunities for regular as well as casual wage labour (e.g. ASMARE in Brazil: see Nas and Jafee 2004). Home-based work has also been generated in the sorting stage of the chain.

The **construction industry**, while being one of the major sources of employment worldwide, is also one of the most controversial. On the one hand, the industry offers the opportunity for regular employment as well as casual wage labour for migrants and unskilled workers. With continued growth and consolidation of informal and incremental housing, it also generates opportunity for self-employed builders. On the other hand, the industry has also been criticised due to its exploitative and unsafe nature.

Finally, **finance for the urban poor for housing and livelihoods** has also become a prominent area of research and intervention for international agencies. Financial opportunities for the urban poor created through collective savings schemes in combination with other sources have facilitated the construction of housing that supports home-based work and self-employment. Meanwhile, access to credit has allowed poor urban dwellers not only to set up or expand enterprises, but also to cover household expenditures and cope with sudden shocks. For a summary of the activities analysed and occupational activities, see Appendix 2.

Structure: This report introduces each of these areas of analysis and explores examples of interventions and initiatives that have been reviewed in current literature. Through such analysis, its findings relate to issues concerning urban livelihoods initiatives that include enabling markets and fair institutions, access to assets, and notions of informality. These issues are further examined in the conclusion.

2. URBAN AGRICULTURE: POTENTIAL AND IMPLICATIONS FOR URBAN POVERTY REDUCTION

Urban agriculture has been praised in development literature as a livelihood strategy with great potential to reduce poverty and support the resilience of cities (Zeeuw, Van Veenhuizen, and Dubbeling 2011). While most definitions of urban agriculture relate to the production phase of agriculture, recent ones have been expanded to include processing and trade, and emphasise the interactions between these aspects. Initiatives such as the Resource Centre for Urban Agriculture and Food Security (RUAF) programme, Cities Farming for the Future, argue that urban agriculture can reduce poverty in urban areas, support food security, generate employment, stimulate participation in urban governance, address social exclusion, and improve urban environmental management. However, there seems so far to be limited evidence that can be generalised in terms of how urban agriculture can meet such high expectations.

The Overseas Development Institute (ODI) has recently conducted a study that argues that potentially there are four mechanisms linking urban agriculture to urban poverty reduction: 1) expenditure substitution (by growing food for their own consumption, households would reduce food expenditure); 2) income from marketing (by selling food, poor urban dwellers would generate household income); 3) income from labour (by working on urban agriculture sites); a 4) price impacts (cheap food produced by urban agriculture could benefit urban consumers).⁵⁹ The study shows that mechanisms 1 and 4 have a weak relation to poverty reduction. As these mechanisms are the only two involving the urban poor at scale, this suggests that 'urban agriculture may only have a limited potential to transform urban poverty' (Mitchell and Leturque, 2010: 23). Lee-Smith (2010) also poses questions about the effect of urban agriculture on poverty reduction by arguing that in the context of Dar-es-Salaam none of the poor or even moderately poor have access to urban farms.

59. Although there are serious limitations to conducting study of this type due to the limited availability of data, ODI based its analysis on household surveys by FAO's RIGA programme encompassing 15 countries.

However, the picture is far from homogenous. In Kinshasa, 54 per cent of urban farmers spend less than \$0.50 per day; in Malawi, urban agriculture is the main livelihood activity of 42.5 per cent of low-income households (Redwood 2009). Urban agriculture has been argued to be potentially profitable for the urban poor, for both producers and a series of other actors involved in this sector. In Havana, for example, Monthly net income figures for small-scale peri-urban producers in a number of African cities range from \$30 to \$70, but have potential to increase to up to \$200 or more (Van Veenhuizen and Danso 2007).

In terms of gender relations, the impact is also uneven of urban agriculture. According to Lee-Smith, 'the data from Nakuru showed that poor, especially women-headed households, were proportionally less represented among urban agriculture producers than the better-off' (2010: 488). Meanwhile, Mkwambisi (2009) argues that in Lilongwe and Blantyre (Malawi) female-headed households are more represented as urban farmers and more efficient at farming. Also, according to Shillington (2009) women tend to diversify their production more, in a manner that addresses more responsively their needs and aspirations. The literature on Accra (Cofie et al. 2008) and Lima (Villavicencio 2009) shows that women are particularly present in the marketing of urban agriculture products. Nevertheless, Sanyal (1987) argues that urban agriculture, even if it is practised by women, has the potential to reproduce the conditions of social inequality that generate the need for women to engage in this activity in the first place. Havorka (2006) argues that women do not engage in urban agriculture merely to obtain resources, but also as a mechanism to improve their status, recognition, and self-fulfilment, and as an opportunity for positive change. From this perspective, Havorka's research in Zimbabwe and Botswana shows, through anecdotal case studies, that urban agriculture does facilitate the achievement of such goals.

On similar lines, Cabannes (1997) calls for measurement of the impacts of urban agriculture beyond merely analysing its direct impact in terms of income. This research shows that, in the context of a series of case studies in Brazil, urban agriculture has a strong impact on strengthening social networks through consolidation of reciprocity mechanisms among the urban poor.

RUAF has been one of the major actors advocating for urban agriculture and generating new data to further examine the potential of the sector. RUAF's network has been intervening in a variety of ways in the value chain of urban agriculture with the aim of enhancing benefits for the urban poor. Dubbeling, Hoekstra, and Van Veenhuizen (2010) define RUAF's approach as one that 'looks not only at the activities implemented by a single actor, but at the linkages between the direct actors in the value chain: the organisation, coordination and power relations between them' (2010: 3). From this perspective, the authors identify four different existing strategies of intervention in the value chain of urban agriculture:

- Developing the value chain by adding value through processing, focusing production on market niches, and intervening in other parts it;
- Strengthening producer organisations, which increases the negotiating capacities of farmer groups or organisations with local authorities and service providers;
- Facilitating policies to promote the necessary conditions for urban agriculture to be viable and profitable (such as access for poor urban dwellers to capital and marketing venues);
- Securing access to financing, as small-holders find it difficult to comply with the necessary requirements by financial institutions, particularly due to their lack of collateral.

The following two case studies illustrates RUAF programmes that implement strategies 1 and 3.

The Cities Farming for Future programme was an initial intervention aimed at implementing strategy 3, while From Seed to Table builds on this initiative and pursues strategy 1.

Cities Farming for the Future (CFF): policy and advocacy for urban agriculture

The CFF programme was implemented from 2005 to 2008 with the objective to contributing to urban poverty alleviation, employment generation, and improved food security. According to Cofie et al., 'key to this is the stimulation of participatory city governance and the improvement of urban environmental management, by creating enabling conditions for the empowerment of male and female urban farmers and facilitating the integration of urban agriculture in gender-sensitive policies and action programmes of local governments, civil society organizations and private enterprises' (2008: 9).

The programme established multi-stakeholder forums in 20 cities of 17 countries to consolidate and provide information on urban agriculture and to provide support to local stakeholders to design policies. The project is funded by DGIS (the Netherlands) and IDRC (Canada) and is implemented by the seven regional RUAF partners in collaboration with ETC (Leusden, the Netherlands).

In the context of Accra, Ghana, a Multi-stakeholder Process in Action Planning and Policy Formulation (MPAP) was set up, which compiled an inventory on different farming systems in Accra, and a land use map indicating urban agriculture sites, identified stakeholders and their potential roles, and carried out urban policy review. The group reviewed the Accra Metropolitan Assembly bylaws with the aim of decriminalising use of waste-water and regulating this in practice. Key recommendations identified by this initiative included the need for on going support for urban agriculture; closer examination of the micro-economic implications of development policies (i.e. modernisation in the capital city, decentralisation, and the Ghana Poverty Reduction Strategy Programme); recognition of the need for gender equality in urban agriculture; assuring access to land and addressing the issue of encroachment; diversification of production (e.g. beekeeping and mushroom production); and increasing access to markets by building new market infrastructure for farmers to sell their products. According to Zeeuw (2010), this initiative contributed to the recognition of urban agriculture as a livelihood strategy and to the legalisation of its practice in the cities where intervention were carried out.

From Seed to Table (FStT): supporting the value chain of urban agriculture

From Seed to Table (FStT) is a two/year programme that started in 2009, building on the CFF initiative. It aims to help 'groups of poor urban producers organise themselves, analyse market opportunities, improve their production system and develop short marketing chains for selected products through retailers or directly to urban consumers' (Zeeuw, 2010: 11). To date 18 projects been implemented in 16 different countries.⁶⁰

The project began with a series of goals and motivations, including:

- To reduce poverty through development of micro-enterprises without compromising household food security and nutrition;

60. Jordan, Yemen, Brazil, Peru, Colombia, Nigeria, Ghana, Sierra Leone, Zambia, Zimbabwe, South Africa, Burkina Faso, Benin, China, India, and Sri Lanka.

- To enhance farmers, capacity for innovation and experimental learning as they take part in market analysis and business planning to develop analytical and innovative skills;
- To interactive approach, with knowledge from outsiders supporting farmers to acquire new capacities to make informed decisions;
- Gender balance, as the project encourages women to actively take part in urban agriculture activities;

In terms of process, the project carried out the following activities:

- Capacity development of local partner organisations and work planning of RUAF partner cities through the local Multi-stakeholder Forum on Urban Agriculture and Food Security established the CFF programme;
- Situation analysis, which includes establishing the current production systems of the selected urban producer groups, generating a SWOT analysis of urban producer groups, and conducting a participatory market analysis;
- Drawing up a business plan for selected producers which includes business ideas, marketing strategy, operational plan, financial plan, and partner strategy.

One of the programme's crucial activities is to set up urban producer field schools, which have implemented a series of sessions with farmers to strengthen their production and marketing skills. Sessions involve field visits and contributions from experts. In terms of impacts, it is still too early to assess how far the programme has achieved its initial objectives, but Zeeuw (2010) identifies a series of successful initiatives that it has generated (e.g. organic mushroom production in Beijing, spring onions under olive trees in Amman, bottling of fruit juice in Freetown, and a vegetable box scheme in Cape Town).

3. INFORMAL WASTE MANAGEMENT: SCAVENGING A SUITABLE ALTERNATIVE FOR SOCIALLY SUSTAINABLE DEVELOPMENT

Collecting, transporting, and disposing of waste represent a large source of expenditure in developing countries. Waste management budgets in cities usually represent 30 - 50 per cent of overall municipal operational budgets, though the results of this investment are not always successful. According to research, by Medina (2009), on average only 50 - 80 per cent of refuse is collected for the Uncollected represents a hazard for the environment and for the health of citizens, particularly those living in low-income areas unreached by municipal waste collection systems which are not usually city-wide. As argued by Medina (2007), scavengers fill precisely this gap and cover this need. Ali's (forthcoming) study of existing waste management systems illustrates how waste-pickers reach areas that governmental institutions or private companies are unable to reach, while generating a source of income for the poor, who provide services of collection and separation of recyclable materials from manufactured products. According to CID, a social business based in Cairo, the informal waste pickers known as Zabbaleen recover and recycle 80 per cent of the materials they collect (CID 2010). This contributes to environmental sustainability as it reduces the need for new production. According to Ali, these informal systems are effective systems and recognised as a feasible solution for municipal waste management.

Research by Medina (2009) concludes that, globally, there is an increasing demand for recycled materials, and recycling supply chains are also globalising. He acknowledges also the significant role that scavengers play in these chains, affecting the dynamics of industrialisation, environmental sustainability, and poverty reduction. Waste-picking is located at the bottom end of the recycling industry and is the first step for the recovery of waste, followed by the separation of materials and their processing, packaging, storage, and transportation to the purchasing industries which transform recycled raw materials (Gonzalez 2003).

However, the importance of this activity for economic, social, and environmental processes is widely under-estimated. Scavengers are usually associated with dirt and criminality and are one of the most excluded groups among the urban poor. Different initiatives suggest that this is an important group to include when considering sustainable livelihoods and processes for poverty reduction in urban areas.

Challenges for scavengers

Scavengers face multiple challenges in terms of social and political participation. Waste-pickers are often seen as thieves, homeless and dangerous, and are among the most excluded groups in society. They usually live among the waste they collect, in dangerous environmental conditions that threaten their physical health and result in high morbidity rates and shorter life expectancy than the rest of society.

The majority of scavengers are recent migrants, children, women, unemployed people, or the elderly (Medina 2009). Children are often taken to dumps and waste collection sites at a very young age (Garavito 2006). According to Medina (2009), Garavito (2006), and Gonzalez (2003), most waste-pickers are illiterate and see waste-picking as a job that offers greater income and freedom compared with other opportunities available to them.

Scavengers see garbage as valuable and are able to generate income by recycling and selling reusable materials. A survey in Payatas (Gonzalez 2003) found that in 1996 waste-picker families earned around 20 per cent more than the minimum wage. Recently Medina has reported that, given the increased demand for materials from the waste market, incomes for scavengers have gone up, taking large numbers of waste-pickers out of poverty (Medina 2009).

However, informality and lack of recognition threaten the livelihoods of waste-pickers. In the operation of the value chain, the middle-man, who is usually the link with the waste purchasing companies, uses informality to set arbitrary prices and conditions. The monopoly of purchasing companies may lead to the same result (Garavito 2003). Politically, waste-pickers are not formally recognised and have limited guarantees that they can compete in the waste market, facing constraints, for example, to accessing the dumpsites. The assumption that scavenging and informal manufacturing processes in the recycling chain are external to the formal economy is misleading. Mansoor, Medina, Gonzalez and Garavito agree that these activities although carried out in the realm of informality, play a central role in the economy and in waste management for the cities. Ali and Medina go further to state that waste-pickers should be supported especially in developing countries, where urban poverty, industrialisation, and industrial waste are major challenges.

There seems to be an unwillingness a disregard to see in this activity a feasible alternative for reducing to reduce urban poverty and inequalities. Weak social and political capital and major

institutional constraints such as social exclusion and detrimental policies have resulted in conditions of marginalisation and exploitation of scavengers. These conditions may be a reason why waste-pickers can not scale up in the value chain, either as entrepreneurs or by engaging in higher added/value activities, or through improved labour conditions and fair prices.

Scavenging may contribute to a model of socially sustainable development and to the fulfilment of the MDGs. This livelihood strategy could generate a source of income to lift people out from poverty while contributing to efficient processes of waste management. The above arguments underline the importance of recognising and understanding scavenging, in order to shape institutions and build capacities that decrease the number of poor urban dwellers and improve their livelihoods.

Policy approaches

Policy-makers seem to be missing an opportunity, and approaches to waste-picking and informal recycling systems as sustainable for livelihoods and city waste management tend to be either indifferent or repressive.

Repressive: Policies are oriented to take scavengers out of this activity and promote their involvement in another livelihood.

Neglected: Scavengers and waste management schemes are ignored. Local governments support the entry of new firms with a focus on the provision of infrastructure and an environmental agenda. This imposes high standards in terms of equipment and investment and jeopardises the livelihoods of waste-pickers and other poor workers who do not have financial capital available. According to Ali, in many cases such firms cost municipalities more and are unable to cover them in their entirety. Waste-pickers provide this service to areas left out of formal provision. Mansoor argues that, despite their contributions, existing informal systems are ignored and lack competitiveness under conditions that favour formal firms. Given this, he advocates for these systems to have a protected operational space within the sector. Such conditions should allow informal waste-pickers to be players based on their experience and capacity, rather than being constrained by high standards for formalisation and investment.

Participatory approaches to waste management

According to the cases analysed below, collective organisation and responsive policies may be feasible solutions for poverty reduction, increased well-being, efficient waste management, and environmentally clean processes. The cases of scavengers and recyclers in Colombia and businesses in the waste industry in the Phillipines demonstrate the possibilities of scaling up successful processes for poverty reduction. The case of CID in Cairo is included to show the benefits of business for profit driven by a social cause.

The case of Colombia (based on Garavito 2006): In Colombia around 300,000 people, the equivalent of 1 per cent of the national population, rely on waste-picking as a livelihood strategy. Scavengers usually work in groups, showing some division of labour among the team, who are usually members of an extended family. In general, functions include picking reusable waste, driving the makeshift, and packing the collected material for sale. Scavengers sell the materials to a middleman, who sells them on to formal businesses. This is a common trend in recycling industries throughout the world, and demonstrates the close links between formality and informality.

The informality of the transaction with the middleman is central to waste-pickers' vulnerability to exploitative, resulting in with variable income and instability. Prices for the collected material are based on weight and vary according to the price set for the day and the waste collected. Prices may be modified by this intermediary, who is the first and only point for scavengers in this transaction, closing their exit options and forcing them to sell their products at the stated price.

Additionally, globalisation and economic opening in Colombia in 1991 brought serious threats to such subsistence. Privatisation of waste collect on systems, with a focus on investment in technology and infrastructure, was at the core of the political agenda. In this context, the risks to this group continuing to have a livelihood from waste-picking were huge. Government policies neglected the potential of waste-pickers and existing waste management systems, mainly because of their informality, and instead supported formalised firms to manage municipal waste. Informality meant that waste-pickers did not have a voice or any mechanism to express their concerns or to show their potential. At the same time, they did not have the financial capital required to reach the technological standards required or to respond to new institutional demands.

Considering the risk faced by waste-pickers of losing this income-generating activity, they were encouraged to create co-operatives, associations, and networks to increase their bargaining power, political representation, social status, and security (in physical terms as well as job security). The process of building such enterprises was led by a Colombian NGO, Fundación Social (FS), which played the role of facilitator and leader in capacity building. Relevant skills and training were offered in the areas of business, management, negotiation, and networking. FS advocated for the inclusion of scavengers and for consideration of their competitive advantages in offering services to local governments. It also encouraged the associations to advocate for the rights and political voice of other scavengers, strengthening links of solidarity between them and expanding their support base in the decision-making process.

Between 1990 and 1994, FS led an ambitious national process of establishing waste management co-operatives. During this time, the focus was on sharing knowledge of organisational and regulatory requirements for such enterprises and on the individual needs of waste-pickers within co-operatives. The National Association of Recyclers was legally constituted in 1993. The consolidation of these initiatives resulted stronger voice in negotiating with local governments. By 1999, the biggest of the co-operatives (RESCATAR) was in charge of responding to a waste management crisis in one of the largest areas of Bogotá, Colombia's capital city. The concession contract was signed by FS, which sub-contracted the work to RESCATAR. FS was willing to support this process for an initial period, arguing that such agreements should in future be signed directly between the co-operatives and local governments.

Subsequently, mistrustful attitudes were a problem and, after the crisis was resolved, the contract was not renewed. Co-operatives then diversified their partnerships and allied with companies from the private sector. FS continued supporting them through training and advocacy but not as an intermediary in signing contracts, believing that this would compromise the self-sufficiency of the co-operatives and could generate dependency.

Today the co-operatives and the national association face a struggle to survive due to a lack of resources. Having managed their project and offered its services, the national association is receiving funds from Dutch NGO Oxfam Novib for institutional training.⁶¹

Major gains from this experience included the bargaining capacity to negotiate with public and private institutions in local and international arena. An increase in social profit managed through the co-operatives has given waste-pickers access to leisure, health, and other benefits usually provided by formal employment. The co-operatives also improved waste-pickers' chances of finding more stable work, and a gender analysis shows improved conditions for women. Domestic violence has decreased following a socialisation process in the co-operatives, where issues of respect and family harmony were raised.

Payatas dumpsite, Manila (based on Gonzalez, 2003): 'For the near 6,000 families of waste pickers in Payatas dumpsite, garbage is an asset' (Gonzalez 2003). Their involvement in the waste recovery industry is mostly through sorting out reusable and recyclable materials in waste containers or at the dump and then selling them to designated 'junk shops' (equivalent to the middlemen in the Colombian case study). The chain of activities involves transporting the materials to the junk shop; consolidating and segregating the materials; cleaning the materials; storing them at the shops to attain the volumes needed to make the process competitive; and delivery to recycling companies.

Sorting out the waste at the dumpsite is the activity with the least value in the chain, and the possibilities for waste-pickers in metropolitan Manila to scale up their activities are limited by their lack of access to financial capital and their lack of voice in decision-making processes. Value increases with the separation of recyclable material, packing, storage, and transportation to purchasing companies.

To respond to this problem, in 1993 the Vincentian Missionaries Social Development Foundation started a savings and credit programme for the scavengers of the Payatas dumpsite. The programme focused initially on women, using a model that emphasised savings rather than external funding as a source of capital. The foundation was in charge of constituting the community into a legal organisation, the Lupang Pangako (or 'Promised Land') Urban Poor Association, Inc. (LUPAI), which was registered in June 1997.

The foundation provided initial seed capital of PhP 100,000 (around \$2,000). Today the organisation has nearly 7,000 members and manages a budget of around PhP15m (\$300,000) in savings accounts. The funds are oriented to the creation of waste management-related enterprises, which range from the establishment of junk shops with the goals of job creation and supporting fair negotiations for scavengers and other residents of the area surrounding the dumpsite to the development of new products from waste material that targets both scavengers and nearby residents. LUPAI has also developed a programme to facilitate land acquisition and provides funds for improving infrastructure, mainly street improvement and water and sanitation.

LUPAI works with other organisations, such as the Payatas Scavengers' Association, to advocate for better conditions at the dumpsite and for job security and access to waste. It also makes recommendations to national and local government agencies regarding livelihoods and land issues.

LUPAI focuses on enterprise development. Two successful case studies are those of Edita, who set up a junk shop with criteria of social justice and environmentally clean process, generating jobs and paying fair prices to scavengers, and Jaime, who provides an example of product innovation through waste recovery. Jaime invented a new brush for the hand washing of clothes, which is

softer on workers' hands and cheaper than any other available and also saved on transport costs to deliver this to the dumpsite residents.

The general approach of LUPAI is to use the knowledge and skills of labourers at the dumpsite and those involved in the waste management industry to continually move up the value chain of the waste recovery and recycling industry.

The challenges it faces are in terms of job security. Legislation still does not recognise scavengers' 'right to labour' and does not guarantee them access to the dumpsite, from which they can be evicted at any time.

Grassroots empowerment and development

The above cases show how supporting bottom-up processes and existing systems for waste management can increase empowerment and development for scavengers, improving their livelihoods and welfare. They illustrate also, how policies and institutional constraints can be major obstacles for sustainable livelihoods that lift people out of poverty.

There is an increasing need to understand the different actors involved in this system, including government, private companies, CBOs, and NGOs. Informal associations and groups cut across the system and are thus important in gaining a comprehensive understanding of the roles, benefits, and risks involved in its different parts.

One attempt at a systemic, inclusive analysis of waste management was made by WASTE and the Dutch government with the development of the Integrated Sustainable Waste Management (ISWM) tool (Anschütz et al., 2004). This assessment methodology and framework emerged from the Urban Waste Expertise Programme (UWEP), supported by the Netherlands Ministry of Foreign Affairs, Division for International Co-operation (DGIS). UWEP has a focus to improve waste management, livelihoods, and urban governance through the development of bottom-up, participatory processes designed in cities in the South or cities in countries classified as 'poor,' 'in development', or 'non-industrialised.' The product is a framework to be implemented and discussed with the different stakeholders involved in waste management.

CID in Egypt is another case that supports the creation of links between stakeholders for community empowerment. The rationale of this for-profit business is that development should grow from a dialogue between different actors and different systems and that the private sector is a suitable agent to reach different spheres. This includes, for example, dialogue between informal and formal economic sectors and formal and informal learning centres. This poses the need to share existing knowledge and to support processes of empowerment based on relevant skills that build on capacities and increase opportunities. For example, CID states that non-formal education links the learning process to work that is being done or is required. The objective is to build partnerships and to support processes that link local practices with income-generating activities and knowledge of business, trade, and associations, among other factors.

CID has worked as a bridge between government, private organisations, and CBOs that have achieved cost recovery. Economic independence is a requirement to protect the institution from being manipulated by the external demands of donors. CID is a consultant which provides government and the private sector with knowledge and experience of opportunities on the ground,

and charges for this service. Waste management is one of the areas in which it offers advice, working with two non-profit organisations, the Association of Garbage Collectors for Community Development (AGCCD) and the Association for the Protection of the Environment (APE). Both of these organisations have worked to offer efficient waste management services in Cairo, while advocating for better conditions for informal Coptic communities. CID participated as a sub-contractor to upgrade the city's waste management system by involving private firms. This was a controversial decision because informal waste-pickers were not incorporated on fair terms. CID argued, that it became part of the contract to bring the waste-pickers' knowledge into the system and to facilitate their inclusion on more favourable terms. Other initiatives with the government attempted to obtain official service provision in order to recognise neighbourhoods and to counter-act threats and shocks due to eviction based on informality. CID also involved private industries in CSR programmes based on informal learning for sustainable market solutions. Its goal is long-term transformation and sustainability based on a shared dialogue and capacity building.

Conclusions

In the cases described here, the main types of business were carried out through co-operatives, partnerships, and micro-enterprises. In general terms these may be defined as follows:

Co-operatives: Non-capitalist enterprises in which workers own the capital and share the benefits;

Partnerships: An alternative combining capitalist and non-capitalist industries;

Microenterprises: Micro-capitalist enterprises generating income with a small capital investment.

The same cases demonstrate the importance of skills and professional advice to increase the impact of interventions. Lawyers and health specialists are seen as particularly important: lawyers to understand regulations and to offer advice regarding matters such as access to land (dumpsites and waste sites), ownership of waste, and rights to labour; health specialists to assess the risks associated with working with garbage and to recommend possible treatments or programmes. Value chain analysis is also seen as an important tool to identify the stages where processes gain value and to support the advancement of scavengers into more profitable ways of working using their knowledge and experience.

Skills highlighted as important to contributing scaling up successful processes for waste-pickers related to business management, associative associational/processes, co-operative enterprises, and networking. Leadership and advocacy are also seen as important skills, and investment in human capital is also highlighted, considering the conditions of poor health and low literacy prevalent among waste-pickers.

The cases discussed show the potential of building solutions on existing systems and the importance of understanding these better in order to enhance waste-pickers' contributions to society and the possibilities for them to scale up their livelihoods activities and to improve their access to assets. The cases analysed illustrate various alternatives for supporting waste-pickers and waste-related informal systems as pathways for poverty alleviation in urban areas.

The importance of political and social capital to create financially sustainable enterprises is a cross-cutting message. Processes of association and inclusion provide windows of opportunity that give the urban poor voice and participation to raise their concerns and to show their potential. These processes not only contribute to scaling up livelihood strategies but also increase waste-pickers' access to other assets for improved well-being.

4. THE CONSTRUCTION INDUSTRY: A DOUBL-EDGED SWORD

The construction industry is said to be the biggest generator of employment worldwide after agriculture. In urban areas it is generally the main source of employment (ILO 2011). Construction is labour-intensive and so generates many jobs, especially where labour is cheap and little is invested in technology. In developing countries, this generates job opportunities for some of the poorest and least skilled groups (ILO 2011). 'The building sub-sector is the most labour-intensive and where most of the informal activity happens' (Goldman 2003).

The operations required by the construction industry are highly mobile and usually last for a fixed term. The need for labour varies according to the size of the project. In formal construction, most work occurs on-site. Work outside the site is related to the manufacturing of materials (Goldman 2003). The industry comprises civil engineering companies, manufacturers and suppliers of materials, and labour.

'Informal labour' in the construction sector has been defined in many ways. Usually it refers to workers who are employed, on a casual basis, without formal contracts, or to those who are self-employed individually or in groups (Goldman 2003). There is no regulation, and this results in a lack of guarantees or entitlements to social protection.

Rapid urbanisation, the need for housing, and the deregulation of economic activities have generated more competition in the construction sector as well as a need, for the private sector, to reduce construction costs. It is common that costs and time are adapted in response to the availability of resources in order to complete projects, particularly with housing that begins as a response to shelter needs without necessarily being fully planned from the initial stage. Informal firms and independent workers respond informally to this process of incremental housing. Additionally, the outsourcing of construction labour has become a common practice in formal and informal economies alike, and the overlap between formal and informal activities is very clearly seen in the sector. This is seen not only in the labour market but also in the supply market and in project management (or the 'construction system') and construction on informal land.

Informal activities and their overlap with formal activities are now the norm in the construction industry in the developing world, or at least are shifting towards it. In this respect, the informal economy cuts a cross the whole of the construction sector.

Construction activity is largely dominated by men, at least in most of Africa and Latin America. In a sample of the sector conducted by the ILO in Kenya, there were no women working on construction sites (ILO 2011). In South Africa, men comprise almost 90 per cent of the total workforce (Goldman 2003). An exercise based on ILO's 'Social Dialogue' carried in Tanzania revealed that only 6 per cent of the construction workers in the sample were female (Jason 2008).

Although in India, for example, more women engage in construction activities (Goldman 2003), in general construction workers are men who have not studied further primary than education and who frequently go into the industry due to the lack of options available in other sectors. Some studies have put the age of construction workers predominantly at 25 – 45, although involvement is diverse and there are many cases of workers older or younger than this range (Mitullah and Wachira, 2003).

Labour conditions in the industry are generally unsafe, with construction workers permanently exposed to accidents and risking their physical health. 'Data from a number of industrialised countries show that construction workers are 3–4 times more likely to die from accidents at work than other workers [...] In the developing world, the risks associated with construction work are much greater: available data would suggest 3–6 times greater' (Goldman 2003). Informal labour does not benefit equipment or safety schemes that protect workers, increasing the risks to their physical condition and bodies, their major assets in the labour market. Costs associated with poor health or incapacity to work are assumed by the family, regardless of the causes of the incapacity and even if it is work-related.

Informality in the construction sector means that it is highly unstable and insecure. In Kenya, businesses in the construction sector are small and work largely informally. They handle jobs where tradesmen and unskilled workers are hired depending on the time needed to finish a specific project and as long as the owner can buy the materials to keep them busy for a whole day. Hiring is done on a daily basis and materials are purchased by the owner, who negotiates with the tradesmen and workers on the quality of the work expected and the wage to be paid (Mitullah and Wachira 2003). There are no formal contract agreements between the parties, with no legal recourse for the workmen and with the owner bearing all the financial risks.

It is basically small, unregulated firms which engage in this type of work. The high costs associated with regulation and institutionalised standards prevent the formalisation of institutions of formalising, at the expense of benefits.

The relation between regulation, protection, and opportunities is complex. On the one hand, the lack of regulation may result in exploitation this is most frequently seen in the relation between contractor and labourers. On the other, the possibility for workers to scale up and become contractors in their own right or for small supplier businesses to grow is seen to be greater if they do not have to assume the costs of formalising.

The lack of registration means that such firms lack credibility and necessary support from institutions in order to scale up. In particular, they lack support from the government and from financial institutions to bid for government contracts or to access credit. Additionally, a significant number of small firms, and workers, do not belong to any sort of associations. Having weak or no associations limits their representation, bargaining power, and voice in public and private spheres. Subsequently, they have limited influence in the design of adequate policies or institutional arrangements that enhance their capacities and opportunities to gain better work conditions or to scale up their enterprises. In South Africa, 65,000 construction workers, fewer than 20 per cent of those formally employed, belonged to a trade union in 2000 (Goldman 2003). Union action seems to be largely impeded by the seasonality of work, the instability of income, and the mobility this may cause.

According to the ILO, the workforce of the construction sector in developing faces problems regarding such as low salaries, lack of proper training, accident rates, and large numbers of unorganised workers, among others (Jason 2008). In different participatory exercises conducted by the ILO (in South Africa, Kenya, and Tanzania), workers identified training as their major need, with an emphasis on entrepreneurial business management skills to scale up and reach the status of group leaders or to develop small businesses to supply manufactured materials (Mitullah and Wachira 2003). Potential employers usually hire employees because they have good references or because they know their work. Their selection criteria are based on reliable recommendations and networks, as well as on skills and experience. Besides increasing possibilities in the informal sector, proper training qualifies workers to move to the formal sector. On the other hand, small-scale development and incremental housing, a market covered by small firms, may represent an opportunity not only for labour provision but also for manufactured materials such as window frames or other standardised construction products, offered in the quantities required by small developments.

There seems to be a lack of information on this matter, and few initiatives addressing the construction sector in terms of training and capacity building in urban areas. According to the ILO, 'the need for training in the informal construction sector, the type of training required and the method of delivery are key issues requiring research' (Goldman 2003). There is a need for initiatives that deepen knowledge of existing working systems in order to understand their capacities and to offer suitable interventions adapted to the needs of the market, and to strengthen the voices of construction workers in order to achieve decent work and improved outcomes in terms of well-being.

The case study below focuses on the benefits and possibilities of collective action to improve the livelihoods of labourers in the construction sector.

The social dialogue

The 'social dialogue' is a mechanism defined by the ILO to include all types of negotiation, consultation, or exchange of information between, or among, representatives of different private and public institutions, governments, employers, and workers, on common interest matters. It is framed within ILO's agenda of decent work and the promotion of free associations to improve conditions, access to protection, and entrepreneurial skills (Chant and Pedwell 2008).

This case study illustrates application of the social dialogue in the informal construction sector in Tanzania, with a focus on building capacity through a multi-stakeholder dialogue. The hosting institution was the National Construction Council (NCC) of Tanzania. The project, entitled 'Support to Informal Construction Workers' was implemented in 2002 – 04 by the United Nations Volunteers (UNV) programme, supported by the United Nations Development Programme (UNDP). The ILO and the Bureau for Industrial Cooperation (BICO) of the University of Dar es Salaam (UDSM) offered technical assistance (Jason 2008).

The four pillars of the ILO's 'Decent Work Agenda' are rights at work, employment opportunities, social protection, and social dialogue through representation (Chant and Pedwell 2008). The social dialogue has been promoted to use the capacity of strong labour organisations to influence the debate and the design of policies. It has mainly been used with formal associations; however, increasing informality in economic activities in construction, motivated the use of this method to organise informal workers in the sector. The project was developed with 38 groups involved in the construction industry, labour providers, supply providers, and labour and supply providers.

The enabling conditions for a successful social dialogue are: 1) strong workers' and employers' organisations; 2) political will and 3) respect and appropriate institutional support for the rights of freedom of association and collective bargaining. Members of the social dialogue include essentially the government, employers, and workers but can also include NGOs, CBOs, or other groups of interest. The first phase of the project was the identification and mapping of the construction sector in Dar es Salaam. During this phase, the project identified a total of 26,383 informal construction workers, with 5 per cent, 1,339 workers, being members of associations. The dialogue was developed with 38 groups, of whom 6 per cent were women. Of these 38 groups, 22 supplied only labour, mainly mixed trades although some specialised in plumbing, carpentry, aluminium, glass fitting, and pouring concrete. Five groups supplied materials such as crushed stones or scrap metal, while the remaining 11 groups offered both labour and materials, mostly timber items (windows, door frames) or concrete blocks.

The groups participated in assessing problems and identifying solutions, while the project facilitated dialogue with the government and other institutions. The importance of the process lies in the inclusivity of its approach, based on a common desire to enhance the potential of the construction sector, and the involvement of local government is a key factor if it is to succeed. The findings and achievements of the project were as follows:

- All of the groups stated that their lack of recognition was denying them spaces to work with the state and in general was threatening their access to protection. They wanted recognition and the opportunity to register with the relevant official authorities. They perceived that their informal status was also due to their size and their absence of capital and expressed a desire to engage in processes of formalisation. Responding to this, the board developed a category for informal construction workers eligible to bid for contracts worth up to Tsh. 75m (about \$75,000).
- The groups identified lack of access to credit as a major constraint to improving their businesses and acquiring skills. In response to this, the dialogue included banks in Dar es Salaam which offered to waive some of their conditions for loans. As a result, groups increased their collective savings, which not only opened doors for credit but increased trust and social capital between members.
- The need for relevant training was a key concern for the different groups. As a result, VETA offered and conducted a training needs assessment. Seventy-five informal construction workers were subsequently trained with relevant skills for their occupations and certified with formal qualifications.
- Informal working premises where suppliers of materials can make and sell their goods were a delicate issue. The discussion dealt with relocation to places that were not as central or convenient, and with the regulated use of collective space. The resulting document does not describe clearly how the problem was addressed but states that some temporary solutions were found.
- To address the lack of security derived from informal terms and conditions, participants agreed that contract forms could be developed for informal construction workers, to be signed by both employer and workers when entering into an agreement. It is assumed that these forms would be accepted by state authorities, but this was not clearly stated.
- Another problem for the groups was to unionise, due to a lack of capital of the workers to pay for regular fees as required, by the "Association of Informal Construction Workers (TAICO).

This was solved through the creation of a smaller organisation belonging to the union, with reduced fees but still allowing for the benefits of association. Belonging to this union also increased workers' chances of finding secure jobs: companies have come to TAICO looking for information on groups that supply specific products or services as a safe channel to hire workers when needed.

The application of the social dialogue tool sought to make institutions more inclusive, receptive, and responsive to the sector's needs and capacities. Its use with groups working in informal contexts contributed to a greater understanding of the economy of the urban poor, especially as construction is the primary provider of employment in urban areas. This approach offered some evidence of the multiple difficulties faced by those involved in informal construction, including lack of access to adequate space, safe working conditions, appropriate training, and credit.

The benefits of the project were to support the organisation of informal workers and to build capacities for them to negotiate with different stakeholders. The benefits of association were increased representation, social cohesion, and political capital, which resulted in greater influence on policies and institutions to address their difficulties. Having a voice in these matters increased their access to other assets such as financial and human capital. The message to pursue increased financial capital with processes that enable recognition, although not necessarily formalisation, and strengthen participation is one that emerges from all the authors and case studies analysed.

5. FINANCING HOUSING AND LIVELIHOODS: LINKING FINANCIAL AND PHYSICAL ASSETS TO POLITICAL ASSETS

The literature on access to funding for the urban poor describes the intertwined relationships between physical, financial, and political assets shaping that shape the livelihoods of the urban poor. Mitlin (2008) argues that centralised governments in developing countries have been incapable of addressing the needs of the growing population of urban poor. While the scope of the task has been a major challenge, Mitlin argues that centralised systems of housing and service provision have been inefficient and exclusionary in governments' attempts to improve the quality of life for poor in urban contexts. Large-scale housing developments led by governments or the private sectors, which often involve relocating poor people to the outskirts of towns and cities, prioritise profits over responsiveness to the needs and aspirations of the urban poor. Such interventions fail to recognise the linkages between urban livelihoods and housing. While proximity to sources of income is crucial to the urban poor to reduce transport expenditure and to save time, having the space to carry out home-based activities is fundamental to the sustainability of their livelihoods.

Authors examining the role of collective action in addressing increasing pressures on land and the privatisation of services (e.g. Mitlin 2008; Mitlin and Satterwaite 2007) argue that collectivisation of the urban poor and their capacity to mobilise are at crucial to addressing their ability to influence decision-making and ensuring that housing and service interventions are responsive to their needs. Some suggest that recently poor urban dwellers have been able to gain access to finance in a way that increases their ability to influence the contested political arena in cities (Mitlin and Satterwaite 2004). This section analyses a series of initiatives that have worked with grassroots organisations

to scale up community management financial systems as a means not only of enhancing access to physical assets (e.g. responsive housing and access to services) but also of strengthening the negotiating power of the urban poor in dialogues with key urban stakeholders.

The City Community Challenge Fund (C3F)

The City Community Challenge Fund (C3F) was a DFID initiative that ran from 2000 to 2005 and provide localised funding streams targeting urban poverty-focused projects in Zambia and Uganda. The project involved setting up local implementation units (formed by representatives at parish/divisional government level, community organisations, and local private enterprises), which channelled resources to community-initiated urban development projects. This aimed to create a more responsive, effective, transparent, and accountable mechanism to fund poverty reduction projects, ideally based on a partnership between government agencies, CSOs, and the private sector. The C3F pilot projects had a total budget of £1m from DFID's Poverty Challenge Fund. External management of the pilots was assigned to Care International UK in Zambia and to the Local Government International Bureau (LGIB) in Uganda, with support from Homeless International and IIED.

According to Beall (2003), the C3F project was successful in many ways:

- It recognised that urban poverty has specific characteristics that require particular responses by implementing an institutional format that allowed projects to be conceived locally according to the diverse demands of beneficiaries.
- It targeted disadvantaged groups by addressing 'the missing bottom' in urban governance. It also had a particular focus on gender balance, including equal numbers of women among its beneficiaries and a significant proportion of women leaders.
- It optimised access to finance as a means of supporting social and political assets. One example of a housing project in Uganda that led to the formation of the Mpumudde Housing Association and a number of sub-committees to manage the planning, construction, and management of the project. This generated a series of positive outcomes, such as changes in the design of houses, better use of resources, supervision of project implementation, and the election of a local woman as a Level Three (Divisional) Councillor in the local council elections, as a result of her engagement in local issues associated with C3F.

According to Wiseman (2006), the major challenges faced by C3F were:

- Even by working within existing institutional structures, the project did not manage to mainstream C3F methodology into local council budgeting and management.
- Grants needed to be matched with 50 per cent contributions by beneficiaries to the projects (in cash or in kind). Lack of resources was a problem for the poorest urban residents and a challenge for management team.
- Despite initial positive evaluations and recommendations for extension of the pilot project, C3F came to an end in March 2005 after it failed to obtain further funding.

Self-Employed Women's Association (SEWA)

SEWA is the largest independent trade union in India, with 1.26 million members in 2009, the majority of whom come from a them belonging to low socio-economic background and work in the informal economy (Nanavaty et al, forthcoming). SEWA was the world's first trade union for informal workers, starting in 1972, and among its various services it provides micro-finance to initiate and sustain workers, activities. SEWA Sahakari Bank has 200,000 depositors and working capital of \$20.6m (Mora 2008). It provides facilities for saving accounts, credit, technical and management assistance, and in 2002 launched its own pension scheme. The SEWA Bank adopts procedures that are tailored for low-income, self-employed women, such as collecting daily savings from their places of business or homes, or providing savings boxes and giving training and assistance in understanding banking procedures. SEWA also runs a social security initiative known as VIMO SEWA that provides economic support to women in times of illness or sudden shocks.

Meanwhile SEWA's social entrepreneurship ventures aim to link producers directly to markets, improving the marketing techniques and profitability of enterprises. In the urban context, the SEWA Trade Facilitation Centre has generated employment for 200 garment workers and runs various capacity-building training programmes. Through such services and by strengthening women's economic and business organisations, SEWA influences policies and practices in local and national government and internationally. Among its successes is the National Policy for Street Vendors in India (2004) and lobbying for adoption of the ILO Convention on Home Work (1996).

Some enabling factors identified by Nanavaty et al. (forthcoming) for the success of SEWA include the fact that the majority of its leadership comes from the grassroot level; its strong mobilisation, advocacy, and campaigning focus; its collaboration with different stakeholders; and its external funding support from a variety of sources (e.g. Bill & Melinda Gates Foundation; European Commission; Japan Social Development Fund; Danish Federation of Trade Unions and Danish Confederation of Salaried Employees and Civil Servants; South Asia Association for Regional Cooperation; and the World Bank). In terms of major challenges to SEWA, Nanavaty et al. identify, among others, access to assets, unavailability of liquid cash, the need for policy reforms accepting the potentialities of the informal economy, and unfair competition from corporate producers that enjoy the advantages of state art infrastructure, technology, and management.

Homeless International financial services: Guarantee Fund, Community-Led Infrastructure Finance Facility (CLIFF), and the Bond

The motivation for the financial services provided by Homeless International comes from the recognition that grant funding is not a viable option to address the scale of the challenge of slum development globally. Though still essential, grant funding is insufficient, and alternative options need to be pursued to improve access to capital for community-led housing and infrastructure development. Banks have been targeted as the obvious source of finance to implement urban development solutions at scale.

The Homeless International Guarantee Fund was set up in 1994 and aimed to raise capital from international donors to alleviate banks' concerns about providing loans to the urban poor. In some cases, banks were asking for a 25 per cent guarantee of the total loan in case borrowers defaulted on their payments. By the end of 2006, the guarantee fund had supported three organisations in India and one in Bolivia to secure bank finance for housing schemes and had provided ten guarantees, as a direct result of which 4,000 families benefited from new or improved housing.

However, guarantees have not been enough to attract the interest of banks, which still perceive such loans as being high-risk and low-return. The successes in India are due to a highly competitive bank environment and an articulate local organisation, SPARC, which has worked in this field for many years and has acquired the trust of the financial sector. In sub-Saharan Africa, for example, it is very unlikely that the same success could be achieved.

Homeless International identified a demand for raising capital funds in volume to be used to bridge financing needs for large slum development projects. This led to a research project called Bridging the Finance Gap in Housing and Infrastructure (funded by DFID and involving Homeless International, SPARC, and partners) and to the establishment of a new finance scheme, the Community-Led Infrastructure Finance Facility (CLIFF). CLIFF provides capital grants (to enable implementing partners to provide loans for project construction and related costs; this accounts for 75 per cent of its budget) and operational grants (to cover project implementation costs, such as preparation, management, documentation, and dissemination). The capital grants are used by implementation partners who issue loans for projects. Loan guarantees are also used to mobilise funds from other financial institutions. Funding partners include DFID (£6.84m towards first phase and £15m towards the second phase) and the Swedish International Development Cooperation Agency (SIDA) (approximately £2.8m towards the first phase and £4m towards the second). Until March 2010, the Cities Alliance managed donor funding to CLIFF and supported implementation when possible. Homeless International (HI) is a co-ordinating partner, working at the international level and conducting appraisal, monitoring, and communication while also providing support on fund management and implementation. HI also uses its Guarantee Fund to secure loans from local banks (£0.7m). The implementing partners are organisations of the urban poor in India, Kenya, and the Philippines.

BOX 1

CLIFF'S IMPLEMENTING PARTNERS

Indian Alliance: Consists of Nirman, a not-for-profit company involved with CLIFF since 2002. Nirman was set up in 1998 and is made up of three organisations: the Society for the Promotion of Area Resource Centre (SPARC) and two community organisations it supports, the National Slum Dwellers Federation (NSDF) and Mahila Milan. Together these two organisations represent over 2 million urban poor people living in 72 cities in nine states. Nirman is the finance and construction arm of SPARC.

Kenya Alliance: The Akiba Mashinani Trust (AMT) and the Pamoja Trust have been implementing CLIFF initiatives together since 2005. AMT is a not-for-profit financial institution that was established by the Pamoja Trust and a network of community savings schemes called Muunganowa Wanavijiji. Muungano is made up of 58,000 households living in more than 400 slum settlements across the country. AMT is the finance arm of Muungano.

Philippine Alliance: The Philippine Action for Community-led Shelter Initiatives, Inc (PACSII) has been implementing CLIFF since 2007. PACSII (and its predecessor, the Vincentian Missionaries Social Development Foundation, Inc.) has supported the Homeless People's Federation of the Philippines, Inc. (HPFPI) since 1992, when the savings network was established. HPFPI represents 85,000 people living in 200 communities in 14 cities and 16 municipalities in the Philippines. In Iloilo City, HPFPI has joined with two other community organisations to form the first city-wide network in the country, the Iloilo City Urban Poor Network (ICUPN).

Source: Homeless International, 2010

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Due to insufficient capital to supply demand in the urban development context, HI has moved towards a strategy of providing funds directly to organisations of the urban poor. Building on its relationship with the UK social housing sector, instead of raising money to act as guarantees, in 2006 HI started fundraising to develop its Bond scheme, which lends funds directly to partners.

Lenders can receive an annual return of 3 per cent, which they can claim back or donate as a contribution towards the Bond's administrative and operating costs. Loans are disbursed by HI at an annual interest rate of 6 per cent. The loans are then managed by local partners who pass them on to families directly or through savings schemes or organisations to pay for projects.

The International Urban Poor Fund (IUPF)

The IUPF is a pool of financial assets supporting the work of the various federations affiliated to Slum/Shack Dwellers International (SDI) in Africa, Asia, and Latin America. SDI is a transcontinental network of organised communities, formed in 1996 as a mechanism to share experience and to engage in collaborative strategies. The network has consolidated a series of methodologies with the aim enhancing the bargaining power of the urban poor through savings schemes and community enumeration initiatives. There are 15 core affiliates within the SDI network, each with a community-based organisation supported by a local NGO. To address the growing demand from the savings schemes for capital to finance housing, infrastructure, and income generation activities, the federations have set up a series of collectively managed finance systems, network of localised neighbourhood saving initiatives. The capital generally comes from saving schemes, but some also comes from donor support and state contributions. The funds are independent of the state, and are managed by boards consisting of professional staff and federation leaders. In 2008, there was just under \$17m in the saving accounts of the federations.

With the aim of enhancing the financial assets of the individual Urban Poor Funds, in 2001 SDI started to raise capital funds from private donors. In 2007 the fund, now known as the International Urban Poor Fund, expanded, especially due to a \$10m provided by the Bill & Melinda Gates Foundation. These initiatives allowed the federations to scale up their work, shifting their focus from local neighbourhoods towards city-wide strategies. IIED hosts the funds and provides the necessary logistical arrangements, and it is managed by SDI's secretariat and board, which meets at least every six months. Since the fund was initiated in 2001, it has channelled around \$4.6m (£2.6m) to over 40 grassroots initiatives and activities in 17 nations. Box 2 shows the various activities supported by IUPF between 2002 and 2006.

ACTIVITIES SUPPORTED BY IUPF 2002 – 06

- Savings groups in Cambodia, Colombia, India, Kenya, Malawi, Nepal, the Philippines, South Africa, and Zimbabwe to obtain land for shelter development (in most of these nations, several such initiatives were supported);
- Slum/squatter upgrading and successful negotiations for land tenure in Cambodia, India, and Brazil;
- Bridge financing for federation initiatives in India, the Philippines, and South Africa (where government support is promised but slow to be made available);
- Improved provision for water and sanitation in Cambodia, Sri Lanka, Uganda, and Zimbabwe (usually accompanied by improved land tenure);
- Settlement enumerations in Brazil, Ghana, Namibia, Sri Lanka, South Africa, and Zambia (providing an information base for upgrading and for new land tenure initiatives);
- Exchange visits by established federations to urban poor groups in Angola, East Timor, Mongolia, Tanzania, and Zambia;
- Community-managed shelter reconstruction after the tsunami in India and Sri Lanka; and federation partnerships with local governments in shelter initiatives in India, Malawi, South Africa, and Zimbabwe.

According to Mitlin and Satterthwaite (2007), the IUPF has been successful not only in terms of improving the urban poor's access to finance, services, and infrastructure, but most importantly it has been able to 'strengthen the ability of the poor to engage with the state and secure additional resources (through redistribution) that they can control' (2007: 486). Furthermore, they argue that this success has taken place largely due to four main reasons: 1) funding is effective when it goes directly to grassroots organisations formed by urban poor groups for savings and loans; 2) IUPF funding is flexible in what it supports, thus responding to the priorities identified by local groups; 3) decisions are embedded within a wider international network facilitated through SDI, thus enhancing the commitment and support of each federations as priorities have been set collectively; 4) a more horizontal relationship between donors, managers, and receivers of funds creates collaboration that enhances the effectiveness and responsiveness of practices and procedures.

Conclusion

The case studies reviewed show some common characteristics and challenges related to projects that address livelihoods in the urban context:

- They all emphasise the need to strengthen the assets of the urban poor in the process of supporting livelihoods. Specifically, they all draw attention to the need to enhance the social and political capital of poor urban dwellers through the provision of financial opportunities. These the case studies support poor people's access to finance not only as an end in itself, but as a means of strengthening networks of solidarity and bargaining positions with stronger actors, and enhancing their room for manoeuvre in claiming and realising rights in the city.
- Approaches of Homeless International and IIED have interesting similarities and divergences. Both organisations position themselves as brokers trying to get funding transferred directly to organisations of the urban poor. However, emphasise the need to engage with the formal financial sector if interventions are to have the scale and scope needed to address demand from cities in the global South, while IIED's IUPF initiative instead achieves results at scale without having to base its actions on the profitability or viability of donors' investments.
- Nevertheless, all cases stress the need for a long-term strategy that establishes and consolidates institutional arrangements linking organisations of the urban poor to enhance its scope and capacities. Such arrangements take time to establish, and are not necessarily in line with the pressures of the current architecture of aid.
- In terms of scale, such initiatives have substantial potential due to the numbers of people involved and the complex structures that have evolved over many years of organisation and capacity building.

6. CONCLUSION

The analysis of these four areas related to urban livelihoods in the global South has identified three main issues that urban livelihoods initiatives are concerned with: fair institutional arrangements, access to assets, and integrated notions of informality.

From enabling markets to fair institutions: One of the main criticisms of livelihoods approaches is that they do not examine in detail the institutional arrangements shaping livelihoods. As argued by Tacoli and Satterthwaite (2002), in the urban context formal and informal norms, procedures, and practices play an even more prominent role in the livelihoods of poor people than they do in rural contexts. In all of the case studies examined, initiatives have been focused in particular on the institutional context with the aim of addressing the scale and sustainability of interventions. Meanwhile, the increasing support for market analysis (e.g. M4P) from donors and agencies is attempting to build on the livelihoods framework with the aim of complementing it with macro-level and systemic analysis. These initiatives aim to examine the relationship between stakeholders and to clarify the entry point for development agencies in a way that can achieve institutional change. However, the scope of analysis of market approaches seems to be limited compared with the demands illustrated by the case studies, for mechanisms to enable markets, but for fair institutions based on principles of distribution of resources and recognition of diverse needs and aspirations, while enhancing participation in the various spheres of decision-making. In all the examples analysed, interventions are praised for their ability to strengthen networks of the urban poor, improving their negotiating and bargaining power in markets and also shaping policies and practices addressing the unequal distribution of access to assets in the city.

Access to assets: The case studies echo thinking in the existing literature on the central importance of access to assets in supporting urban livelihoods. Enhancing political/governance assets is argued to be of crucial importance to enhancing the livelihoods of the urban poor. Access to adequate housing, education, water, and sanitation is also a crucial need that has been directly related to livelihoods strategies. However, the most prominent issue raised by all the case studies is the increased pressure on land in cities in the South, which has reduced poor people's ability to access space in the city in which to carry out livelihood. In a livelihoods approach, this brings to light that apart from access to land as a natural resource, it is crucial in the urban context to consider access to space as physical capital.

Notions of informality: Dualistic notions of formality and informality lead to unhelpful dichotomies that simplify the inter linkages and interdependencies between the two concepts. The case studies show that the debate remains polarised, but with a new twist. On the one hand, development agencies are still encouraging local governments not to criminalise informal activities and to engage with the informal economy, if not supporting it, then at least permitting it to function and not creating barriers. On the other, the private sector is increasingly acknowledging the productivity and potential profitability of engaging with the informal sector, leading to nuanced approaches of collaboration that have often romanticised and overstated the viability of the informal economy as an option for addressing chronic poverty at scale. At the heart of this discussion is the importance of acknowledging diversity and heterogeneity among the urban poor. Research demonstrates that very often initiatives by development agencies are over-enthusiastic about the opportunities presented by the informal economy and that, in relying on citizens' entrepreneurial skills, they often do not reach out to the poorest people. This resonates with recent calls from development agencies to analyse in much more detail issues related to power relations when examining livelihoods, as these have even greater importance when assessing and addressing urban poverty.

FIGURE 1

CARE'S HOUSEHOLD LIVELIHOOD SECURITY (HLS) MODEL

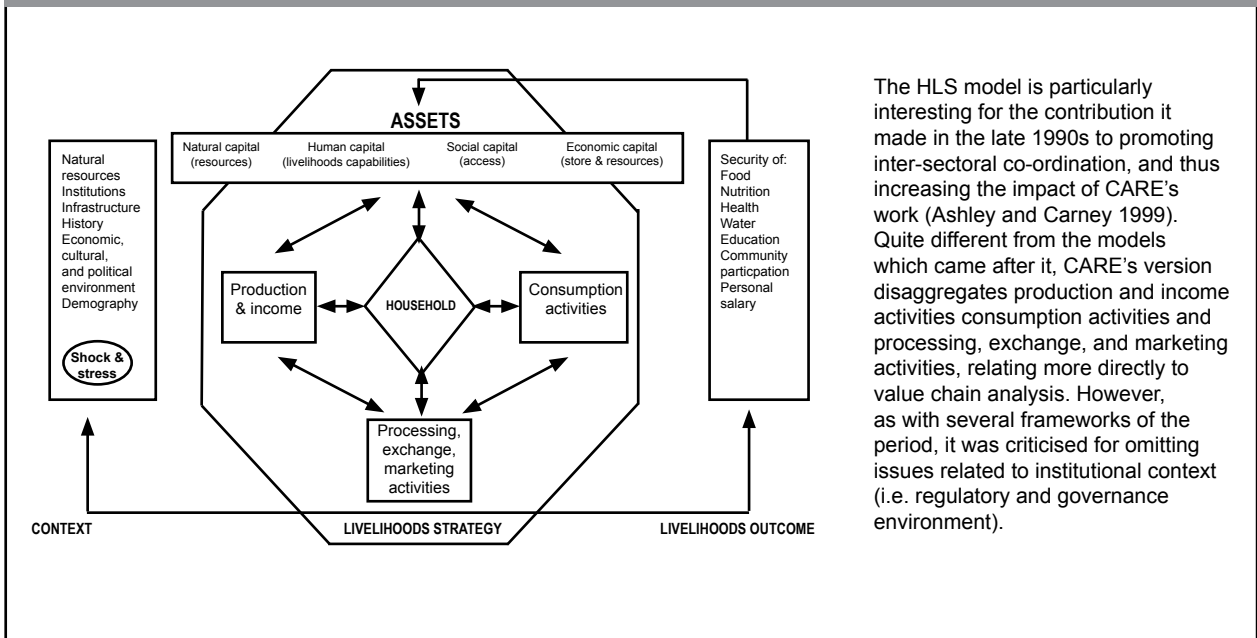


FIGURE 2

UNDP'S LIVELIHOODS APPROACH

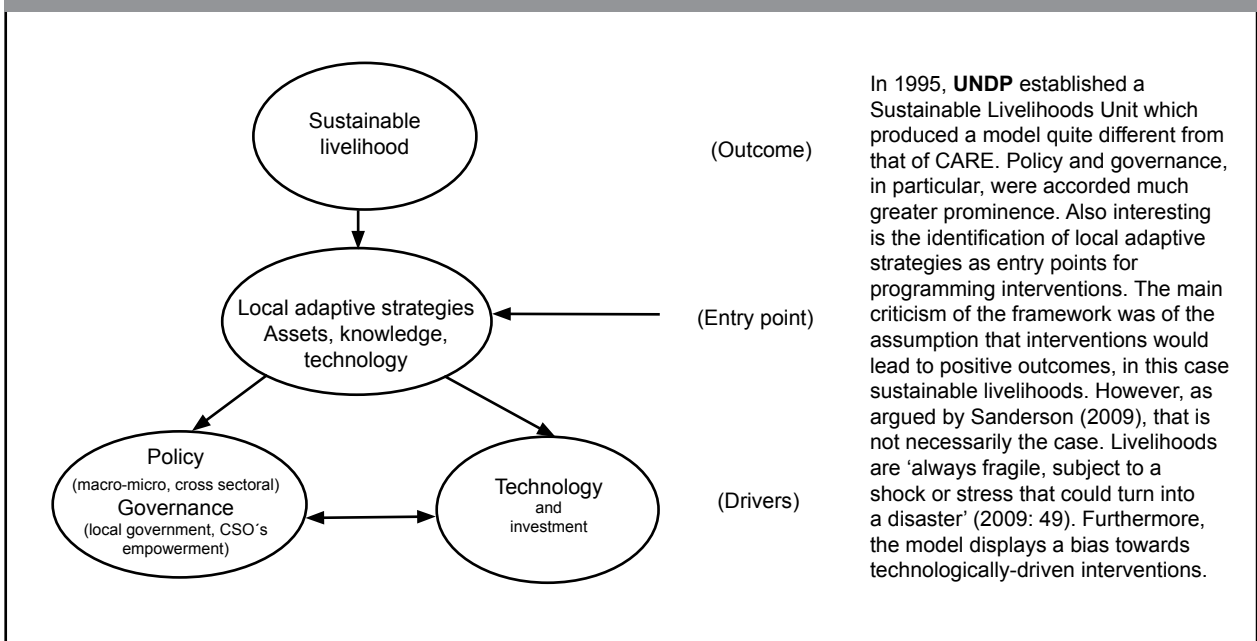
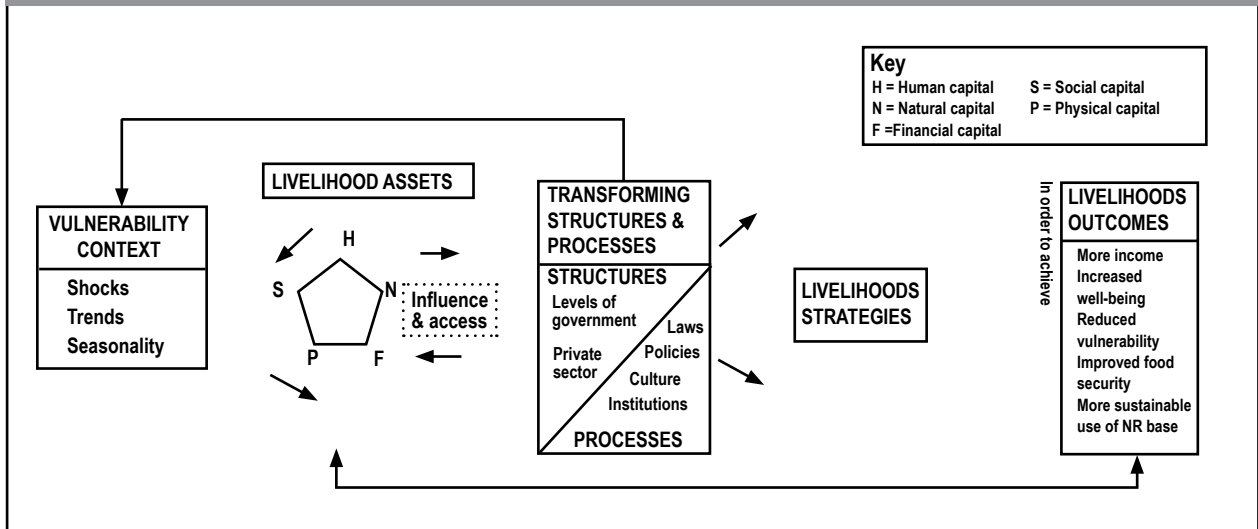


FIGURE 3

DFID'S SUSTAINABLE LIVELIHOODS



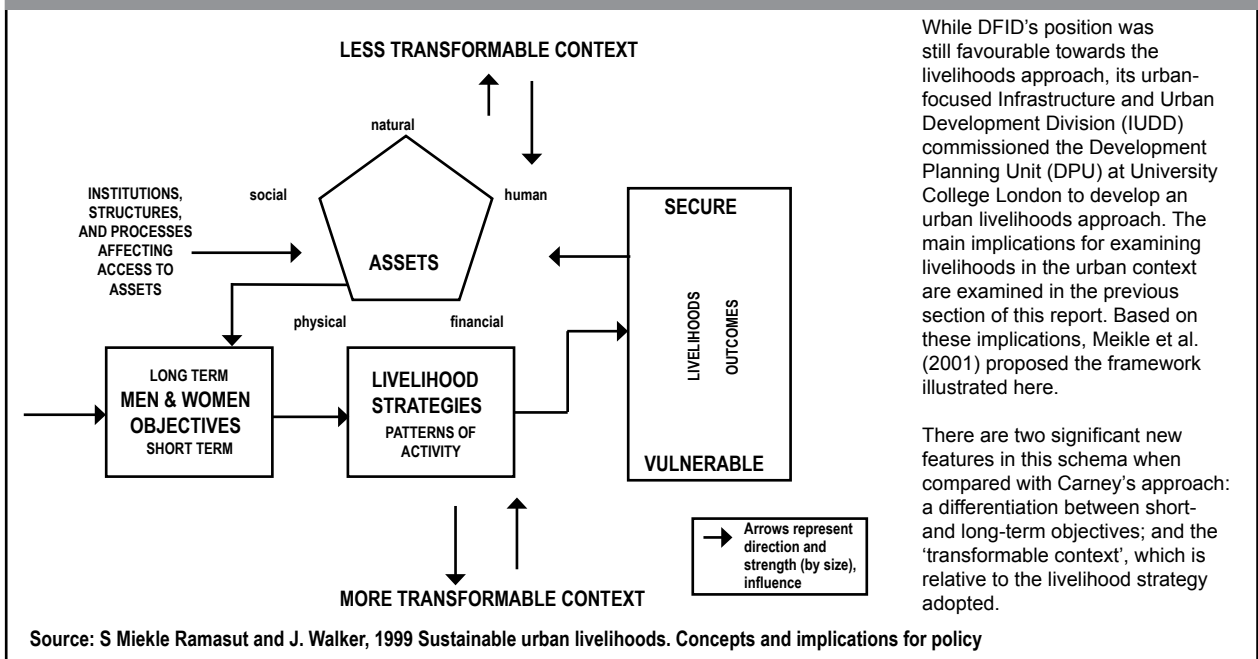
The **DFID framework** has many strengths: it is people-centred, multi-sectoral and interdisciplinary. But Moser provides two major criticisms: it does not address 'issues of politics' power and voice, and rights and empowerment' (Moser, 2008: 55) and it offers limited scope to examine micro-macro linkages.

In the late 1990s and early 2000s, Carney's model (1998) became prominent in the sector due to support and promotion from DFID. However, within five years both UNDP and DFID had dropped it as a framework, apparently for political reasons, according to Sanderson (2009). While the sustainable livelihoods framework stress the importance of acting locally, while remaining acutely aware of the context and location of those actions and retaining a focus on the people involved, moves within the Whitehall establishment were urging instead the promotion of macro-economic models of national economic growth. DFID was unable to resist this pressure, and consequently summarily abandoned the approach, in which it had already invested considerable resources.

Nevertheless, Sanderson (2009) acknowledges that, in spite of its abandonment by significant donors, the sustainable livelihoods framework continued to enjoy the enthusiastic support of a number of significant NGOs (e.g. Khanya in South Africa), along with ongoing research by interested academics (e.g. Beall and Schütte 2006).

FIGURE 4

MEIKLE ET AL. 'S LIVELIHOODS FRAMEWORK



While DFID's position was still favourable towards the livelihoods approach, its urban-focused Infrastructure and Urban Development Division (IUDD) commissioned the Development Planning Unit (DPU) at University College London to develop an urban livelihoods approach. The main implications for examining livelihoods in the urban context are examined in the previous section of this report. Based on these implications, Meikle et al. (2001) proposed the framework illustrated here.

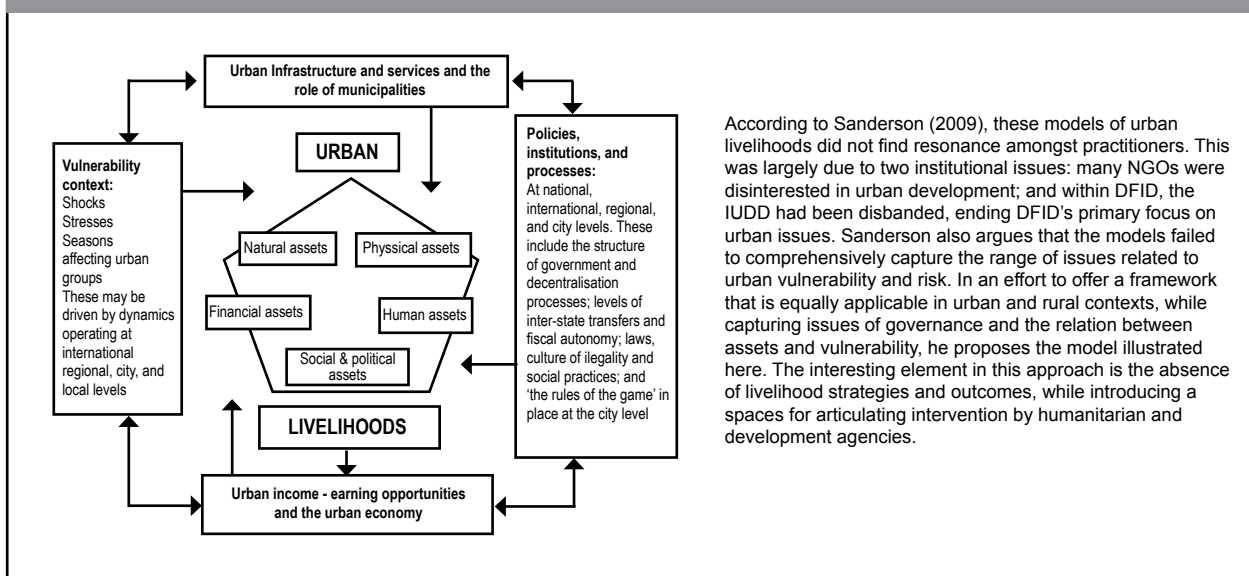
There are two significant new features in this schema when compared with Carney's approach: a differentiation between short- and long-term objectives; and the 'transformable context', which is relative to the livelihood strategy adopted.

Source: S Meikle Ramasut and J. Walker, 1999 Sustainable urban livelihoods. Concepts and implications for policy

However, the urban livelihoods model that became more prominently applied by researchers was that articulated in the book *Urban Livelihoods* (Rakodi and Lloyd-Jones 2002), later adapted by Beall and Schütte (Beall and Schütte 2006) below. This framework emphasises urban infrastructure and services and the role of local municipalities, which shapes access to assets. Also, importantly, this model places at its centre ‘access to assets’, in terms of means as well as livelihoods outcomes.

FIGURE 5

BEALL AND SCHÜTTE’S URBAN LIVELIHOODS FRAMEWORK



OCCUPATIONAL ACTIVITIES AND TOPICS OF ANALYSIS

	REGULAR EMPLOYMENT	SELF-EMPLOYMENT	CASUAL WAGE LABOR	HOME-BASED WORK
Urban agriculture		Farmers are usually self-employed	Normally influenced by seasonality	Backyard gardening
Informal waste management	In more consolidated systems, it is also a source of regular employment	Individual or collective enterprises	Daily workers supporting the collection, sorting, or processing of waste	Sorting of waste
Construction industry	Formal economy offers opportunity for regular labour	Growth of informal housing followed by increase in numbers self-employed builders	Repair and support is also a source of casual employment	Sorting of waste
Financing housing and livelihoods		Access to credit, opening up opportunity to consolidate or initiate businesses		Housing finance allows the urban poor to find housing alternatives that accommodate home-based livelihood activities

TABLE 1

CHARACTER OF INTERVENTION AND CONTRIBUTION TO ADDRESSING OGB PRIORITIES

Project	Programmes	Projects	Oxfam interventions	Notes
			Scope (number of people)	<p>Character of intervention</p> <p>Maybe this relates better to scope rather than scale</p> <p>We thought that duration of effect was clearer than scale in terms of depth.</p> <p>Would deliverable be a better word to describe this section?</p> <p>Within a similar logic of previous boxes, we thought these elements related to the role of Oxfam</p>
			Duration of effect (short, medium, or long)	
			Deliverables (goods, works, or services)	
			Focus (enterprise, employment, or partnership)	
			Role of Oxfam (broker, facilitator, or implementor)	
			Innovation	
			Gender justice	<p>Contribution to addressing OGB priorities</p>
			Climate change	
			Other reduction	
			Women's livelihoods	
			Creating fair and sustainable markets	
			Trends	<p>Contribution towards preparedness</p> <p>This is related to adaptation strategies, and other issues relating resilience and sensitivity. Preparedness seems to be a more proactive means to address vulnerability context.</p>
			Shocks	
			Seasonality	
			Physical	<p>Contribution to improving access to assets</p> <p>Assets are related to the previous section, but this would bring special emphasises to difference of interventions in terms of recovery (previous box) and development (this box)</p>
			Social	
			Human	
			Financial	
			Political	
			Distribution	<p>Contribution towards fair institutions</p> <p>This relates to the impacts of projects in the distribution of access to assets, thus addressing issues of equity</p> <p>This relates to issues of social diversity (gender, age, (dis)ability, ethnicity, class)</p> <p>This relates to the role of the urban poor in decision making/bargaining</p>
			Recognition	
			Participation	

Logic on ‘contributions towards preparedness’:

Development agencies and research institutions have closely examined the linkages between disaster risk reduction and the livelihoods framework adaptation strategies and resilience have been prominent concepts in thinking on livelihoods. In the context of urban development, there have been recent initiatives looking at these issues, such as the forthcoming a seminar organised by IIED on community-led adaptation strategies in cities. The ‘From Vulnerability to Resilience’ approach developed by Practical Action suggests that apart from looking at livelihoods and governance, a resilience focus approach needs to look at issues of disaster preparedness, such as:

- Building capacity to analyse hazards and stresses;
- Improving hazard prevention and protection;
- Increasing early warning and awareness;
- Establishing contingency and emergency plans.

More research is needed to identify the implications for the urban context, but these can be taken as initial criteria to analyse the impact of initiatives on the ability of the urban poor to cope with shocks, trends, and seasonality.

Logic on ‘contributions towards fair institutions’:

In approaches to livelihoods, increasing interest is clear in institutional analysis of development, as demonstrated in DFID’s M4P approach. Approaches of this nature have gained support due to demands from donors for interventions to be less localised and context-specific, and to achieve scale and impact in macro-economic development and thus growth. The literature demonstrates an interest in the logic of collective action based on multi-stakeholder initiatives, with participants from a variety of backgrounds. The emphasis is on collaborative strategies and consensus. This resonates with Ostrom’s institutional analysis of development (2005), which has often been referenced in this context. Ostrom identifies five main characteristics of participants that condition collective action:

- Consistency of values and behaviours;
- Shared understanding of structural relationship in decision-making;
- Homogeneity of preferences;
- Manageable size and composition;
- Extent of inequality of access to resources, including information.

It would be interesting to establish the links between Ostrom’s work and the box on fair institutions related to urban livelihoods, but this requires further research and deeper analysis. Nevertheless, it would still be necessary to define normative criteria in which collaboration might contribute towards meaningful change. Based on ideals of fairness, three major dimensions are consistently identified in the literature:

- Distribution: based on equitable distribution of goods but also hazards in society. The assumption here is that institutions are fair if they address the unequal distribution of access to assets in the urban context as well as exposure to environmental hazards;
- Recognition: based on the ideals of representation and sensitivity towards diverse needs and aspirations shaped by social identities (including gender, age, dis(ability), ethnicity, and class). Particularly in relation to the heterogeneity of urban contexts, it is crucial to assess if institutions are responding to the various needs their its constituents.
- Participation: based on the ideals of deliberation and increased capacity of the urban poor to have their voices heard and to enhance their room for manoeuvre in the urban context. Thus, this component examines the ability of the urban poor to be heard, and their ability to influence and negotiate in different decision-making spaces.

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