

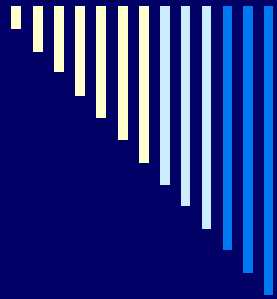
International agencies and urban development: what sort of governance is really taking place?

7th N-AERUS Conference, 2006

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Technical University Darmstadt (TU Darmstadt), Germany

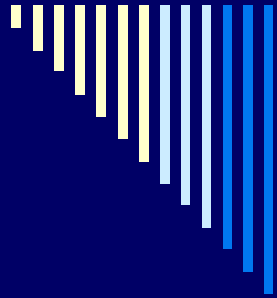
International Aid Ideologies and Policies in the Urban Sector



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Paper structure:

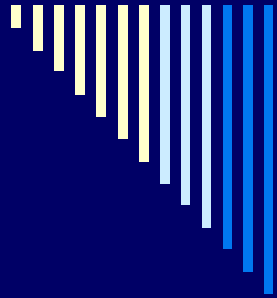
- Health warning
- Polemical statement
- Main argument
 - International agency involvement in the urban sector
 - Recent context of global change
 - Current geo-political tendencies
 - Changes in aid flow to Latin America since 1990
 - Changes in aid flow to Africa since 1990
 - Case study of Angola
- Conclusions



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Health Warning

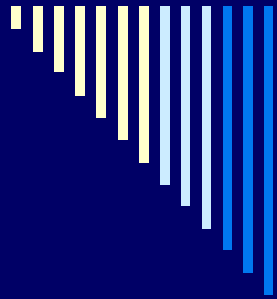
- This paper is deliberately provocative as it seeks to stimulate us from some form of round table discussion complacency
- It draws on 'rough and ready' experiential knowledge as much as any 'finely honed' academic analysis
- It probably raises more questions than it even aspires to - in the hope that through collective discussion / action we might find some answers
- It thus represents work in progress which may not have any academic 'research' objective, but is in the historically established tradition of the polemic



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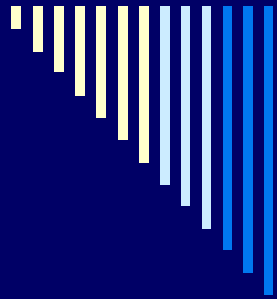
Polemical statement

- What determines international agencies' involvement in urban development is arguably either their own international political agenda or their contemporary domestic urban development agenda. This is the realpolitik of aid.
- In this context recipients of international aid inevitably negotiate whatever they can of interest, put up a show of compliance, and get on with their own realpolitik in practice. This has been so since urban activities by international agencies began in the 1950s



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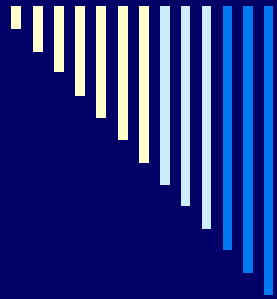
- International agency involvement in the urban sector linked to international development paradigms
 - Modernisation – urban renewal (1950s, 1960s)
 - Basic Needs – sites & services/ upgrading etc. (1970s – mid 1980s)
 - Structural Adjustment - housing finance / urban management (from mid 1980s to end 1990s)
 - Millennium Development Goals / Rights-based Approach / Good Governance - land tenure / slum eradication (2000 on)
- Less urban focussed activities yet growing importance of urbanisation in South



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Recent context of global change:

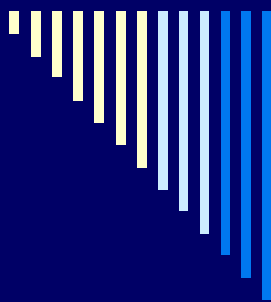
- ❑ End of Cold War / dominance of USA challenged by European late managed capitalism
- ❑ Growth of ICT and decentralisation of production – new wave of economic globalisation (with social and cultural impacts)
- ❑ Growth of macro-economic blocks with inevitable political bases
- ❑ Impact of environmental degradation and spread of (new and old) diseases
- ❑ Growing socio-economic gaps and political/ religious fundamentalism provoke new forms of instability
- ❑ Reactions in domestic politics to immigration



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Current geo-political tendencies:

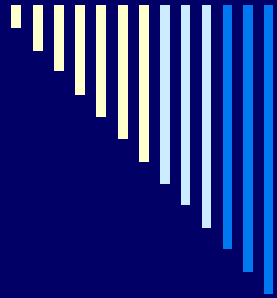
- ❑ Strategic pragmatism vis-à-vis future resource demands, especially energy ('peak oil projections' and non-domestic energy supply) and – for some – water;
- ❑ Selective trade relations, with macro-economic block competition for emerging economies (especially China)
- ❑ One possible impact on international agency engagement with urban issues in the South is increased investment in urban infrastructure without 'higher order' conditionalities - as China offers this form of assistance



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Changes in aid flow to Latin America since 1990:

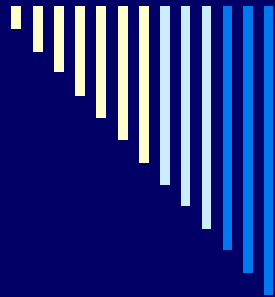
- Post-cold War shift of US aid according to perceived threats (e.g. Costa Rica ↓ USD110 million from US in 1983 to 11 million total in 2000 – Colombia ↑ USD86 million to 186 million in same period);
- New donors: European Union (URB-AL etc), diplomatic competition between PR China and Taiwan linked to aid
- China chose to start its strategy of alliances with ‘developing countries’ in the 1990s through Latin America, where many countries shared the principle of non-intervention (1 of China’s ‘5 Principles of Peaceful Co-existence’), explicitly promoting a ‘new international order’ based on North-South dialogue and South-South cooperation
- More explicitly ideologically-driven aid continues to emerge: from US’s recent creation of the Commission for Assistance to a Free Cuba, to Venezuela’s strengthening links to Cuba and Bolivia



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Changes in aid flow to Africa since 1990:

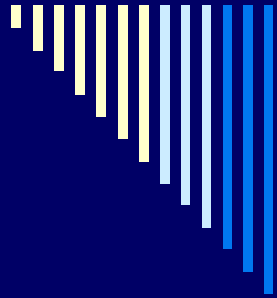
- ❑ Similar trends vis-à-vis Cold War and emergence of EU as major donor
- ❑ Up to 1990 overall value of aid increased massively but since tapering off for most countries
- ❑ Total aid 1990 = \$ 17,211 million; 2000 = \$ 12,227 million (~30% reduction)
- ❑ Recipients > 500 m \$ before 1990: Ivory Coast; Congo; Ethiopia, Ghana, Kenya, Malawi, Mozambique, Senegal, Sudan, Tanzania, Uganda = 54% total
- ❑ Recipients > 500 m \$ after 1990: Ghana, Kenya, Uganda, Zambia = 22% total
- ❑ Angola new recipient from 1980, in 2000 = \$ 307 million



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Case study of Angola 1

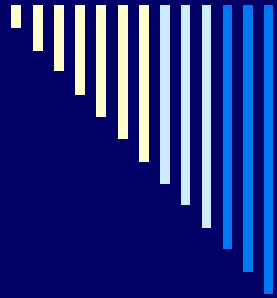
- An early site of mercantile capitalism, this degenerated under weak Portuguese colonialism, and burst apart at Independence as the site of a proxy Cold War
- With the demise of the Socialist bloc, 'wild west capitalism' continued to fuel the oil v diamond civil war until (reputedly) the paymasters of UNITA sold out Savimbi and the country entered a rapid peace process
- Angola is the world's largest non-OPEC oil producer with strong US petroleum company involvement has more impact than decades of UN-based peace manoeuvring – reinforced up by IMF and World Bank stand off on the lack of state transparency
- In the most recent period any attempt to negotiate a development programme which fits in with the more recent Western ideologies of good governance, poverty reduction and rights-based development in Angola are quickly dissipating with China's massive aid programme



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Case study of Angola 2

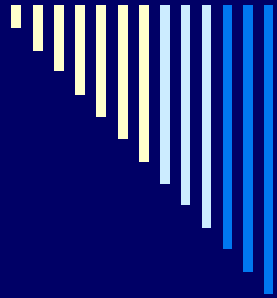
- The World Bank has estimated that the latest financial package from China to Angola is worth some \$9000 million - for more information and discussion on China's involvement in aid to Angola, see BBC websites in references
- One example of Chinese aid in Angola:
 - 200,000 new housing units are to be developed by the government in 23 localities in Angola by Chinese construction companies, coordinated by the Office for National Reconstruction
 - The overall programme includes 120,000 units in Luanda, 20,000 in Benguela and 10,000 in Huambo, with between 2500 and 5000 in another 11 tertiary urban areas
 - Of note, most of the units are planned outside of the existing primary and secondary urban areas, in line with the government's de facto anti-urban development policy



International agencies and urban development: what sort of governance is really taking place?

Case study of Angola 3

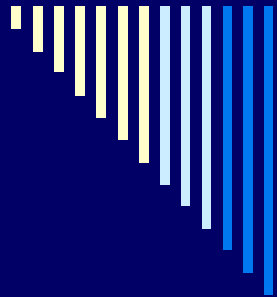
- What form of urban development can be possible in the context of continuing accelerated urbanization, extremely limited redistribution of wealth, massive urban poverty and state politicians, administrators and technical personnel all trained in top-down state-led development?
- Recent action research and negotiation on urban land rights for the poor majority have had a limited impact on new legislation, and the implicit urban policy is to 'clean up' the city of parasitic in-migrants. This is allied to new large scale state and private sector investment in infrastructure to benefit the political and economic elite and keep the enclave economy intact
- Can alternative approaches to urban land rights and management be inserted within this realpolitik by insurgent development activists? Perhaps, if they had adequate international backing. However, in practice international aid agencies continue to each push for their own agenda and interests, and local activist organizations have to negotiate what they can to survive



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Conclusions

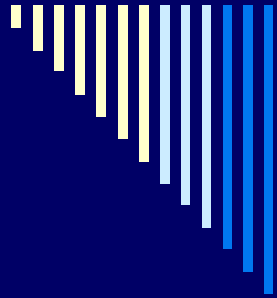
- What form of governance does this really represent?
 - Would this pragmatic self-serving approach to development be acceptable within any of the individual countries' political contexts without major negotiation with the majority stakeholders?
 - Probably not, but then that is the conundrum of international aid – the political context which matters is in the metropole not the country of activity.
 - After all international aid represents a fraction of international economic flows, even for the poorest countries.



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Conclusions:

- Perhaps China's approach is more 'acceptable' or 'honest' in this respect and what will matter more in future – for urban development as much as wider social and economic activity – is South-South negotiation on political and economic agendas (this is not to condone China's foreign or domestic development policies).
- Such South-South negotiation is growing in a context of increasing complexity in how we categorise North & South, with countries such as China, Venezuela, Brazil and possibly India adopting new roles in aid relations.
- However, this does not mean that urban policies are going to be any more proactive for the poor majority and this will probably require more strategic 'wars of position' to have an impact, rather than the reliance on current international agency 'wars of manoeuvre' (to use Gramscian terms).



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