Case Study

Objectives

The basic objective of this study is to highlight some of the innovative socio-economic programmes implemented for urban slum dwellers under the Slum Improvement Project (SIP) of the Local Government Engineering Department (LGED) in Dhaka, and the lessons learned from them. Specific objectives are to assess various aspects of the project’s activities, including:

- the physical and social infrastructure activities;
- the abilities of the infrastructure to meet basic human needs;
- the capacities of basic and socio-economic services to improve the overall living conditions of slum dwellers;
- the impacts of such programmes on the common conditions of poverty;
- the innovative policies, approaches, practices and lessons regarding resource mobilisation; and
- the effectiveness and sustainability of cost-recovery techniques.

Background of the Study

This SIP was the first successful model for slum upgrading in urban Bangladesh. It was designed in 1985 to improve the quality of life for slum dwellers by mobilising community resources and improving their access to government resources.

The SIP accomplished a major breakthrough in providing a basic physical infrastructure system to the urban poor. The underlying philosophy of the project was to establish an integrated economic, social and physical development programme in urban slums through community organisation and the provision of loans for income generation. Other activities, such as health, education, sanitation and environmental improvements have been planned alongside the credit operation. Physical and human development are viewed as interdependent, insofar as the sustainability of physical development is contingent upon the success of human development.

This case study, therefore, is based on experiences in Dhaka, since slum problems here are, as in other mega-cities in developing countries, particularly acute. It is for the overall benefit of policy planners and concerned professionals that case studies are undertaken, in order to discern the inherent capabilities of the model so that it can be developed as a sustained, cost-effective and replicable model. This study should be of equal benefit to policy planners, professionals and practitioners, in discerning methods and means to solve common problems in slums.

Purposes of the Study

This study attempts to analyse the operational issues and problems relating to slum improvement interventions in mega-cities. The purpose of the study is four-fold:

1. the context within which the interventions were made are established;
2. a description of the interventions, the successes achieved and the problems and constraints encountered, are presented;
3. the lessons learned from the experience are discussed; and
4. the policy and management issues are identified.

The analysis provides a detailed description of the SIP in its origin and growth, approach, technologies adopted, institutional arrangements, costs and financing and its achievements. The achievements are discussed in terms of government progress towards a sustainable, cost-effective and replicable slum improvement programme.

Case Study Coverage and Scope

The study covers 18 slums within the Dhaka Metropolitan City (DMA), where improvement
activities have been under implementation by the LGED since 1991. The basic information on slums, slum populations, sex ratios, numbers of families and coverage under these activities was taken from the 1996 review of the SIP for the Urban Poverty Reduction Project (UPRP), commissioned by the Asian Development Bank (ADB) and LGED.

**Methodologies of the Study**

**Design formulation** – In order to arrive at sound methodologies, major considerations focused on relevance, reliability, accuracy and cost effectiveness, among other factors. The methodology was therefore developed based on recent studies and field observations. The studies consulted were primarily sources from the LGED, ADB and World Bank and included printed reports, documents, guidelines and manuals on the project components, as well as quarterly reports on the various slum activities as secondary data.Primary observations by the study team members focused on: group discussions; rapid and participatory appraisals with slum dwellers; discussions with project management and staff, professionals and practitioners in the field; and an Independent Household Survey (IHS) to assess the perceptions and opinions of the beneficiaries regarding project interventions.

**Independent household survey** – The methodology for this survey focused on specific criteria, so that unbiased opinions were polled through a set of simple, objective and relevant questionnaires. It was realistically developed and based on standard methods, including physical infrastructure interventions, social and service infrastructure facilities, economic activities, efforts on cost recovery and the participation of beneficiaries in the slum projects.

**Focus group discussions** – Five focus group discussions were arranged, with slums grouped for rapid and participatory appraisal. Specific questions were raised and discussed in these appraisals concerning the activities, the participation of slum dwellers in the activities, efforts towards sustaining project activities and resource recovery efforts. In addition, problems and suggestions for improvements were given by the slum dwellers.

**Organisation of data collection** – Each survey team member was allotted 55–70 sets of questionnaires, where each set consisted of a separate questionnaire for all of the components. There were seven female and three male surveyors in the team. The two supervisors, together with the team members, visited the survey areas to observe the work first-hand and sort out any problems in the field. The survey was conducted in April 1997.

**Major Findings of the Case Study**

**Physical Condition and Environment**

The upgrading of physical infrastructure included the development of footpaths and drains and the installation of tube wells, latrines, street lighting...
A common feature found in almost all SIP slums (bastees) is the malfunction of drains due to blockages caused by careless disposal of solid waste into house-side drains instead of the provided garbage bins. This is a very common practice found in almost all poor residential areas, market places and other congested areas, but it is severely obstructing the proper improvement of physical and environmental conditions in these areas, and causing health hazards around the city. Slums and squatter settlements, in particular, are consistently marked by poor living and environmental conditions, and by limited access to basic services through official sources.

Environmental improvement in slum areas depends greatly on the improvement of latrine facilities. The SIP has had success in providing sanitary latrines, but in some cases, due to their poor socio-economic background, slum dwellers showed limited interest in upgrading this particular utility. For many poor families, latrine prices, although subsidised, remain high. To overcome this situation, a latrine subsidy should be flexibly implemented and dependent on the incomes of the beneficiaries.

Most slums are more seriously threatened by natural calamities, heavy rainfall and subsequent flooding, epidemics and eviction than non-slum households. Women, in particular, face special difficulties, as victims of violence and sexual abuse by mastaans (touts) and others. Hence, social mobilisation, leadership training for people’s organisations and possible linkages between women and existing legal aid-related institutions need to be emphasised.

Income and Expenditure Patterns

With limited scope, the IHS (covering 18 slums in Dhaka) generated some interesting insights into the income and expenditure patterns of male and female-headed households. The incomes and expenditures of slum dwellers, from the IHS, are shown in Tables 1 and 2, which show that the predominant range of monthly incomes is between Tk1,000 and Tk3,000, which constitutes 74% of the total sample of households. Only about 13% of respondents have incomes above Tk3,500 per month, and again, about 74% of families spend between Tk1,000 and Tk3,000 per month. This implies that the lowest income group (74%) exhaust all of their earnings just on surviving in the city.

From the IHS, it has been found that, overall, slum dwellers spend 50% to 60% of their incomes on food. The second highest monthly expenditure is for housing purposes, which represents between 15% and 18% of their total earnings.

Age Structure and Labour Force Participation Rate

The compositions of sample slums are marked by the predominance of children (44%) in the overall populations, and a higher dependency ratio of about 70%. The higher dependency ratio indicates an overwhelmingly large base of active-age population (54.5%). Subsequently, poorer households are characterised by a higher labour force participation rate than less poor households. About two-thirds of men and all working women are engaged in low or no-skilled, low-paid jobs. The different occupational statuses of males and females is shown in Table 3.

The average monthly wage for female workers (Tk1,050) is less than half that of male workers (Tk2,150). The occupational history of the working population reveals that with increases in age, both men and women tend to change from more energy-consuming work (for example, rickshaw pulling, construction work, factory work, etc.) to relatively less energy-consuming work (such as petty trading, housemaid work, etc.).
However, this horizontal mobility does not necessarily ensure greater income.

**Level of Education and Skills**

The results of the IHS regarding the educational levels of the respondents are indicated in Table 4.

Table 1: Income Levels of Slum Dwellers

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Monthly Income</th>
<th>Number of Households</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>&lt; 1,000</td>
<td>20</td>
<td>3.91</td>
</tr>
<tr>
<td>2</td>
<td>1,001–1,500</td>
<td>94</td>
<td>18.36</td>
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<td>3</td>
<td>1,501–2,000</td>
<td>82</td>
<td>16.02</td>
</tr>
<tr>
<td>4</td>
<td>2,001–2,500</td>
<td>114</td>
<td>22.27</td>
</tr>
<tr>
<td>5</td>
<td>2,501–3,000</td>
<td>89</td>
<td>17.38</td>
</tr>
<tr>
<td>6</td>
<td>3,001–3,500</td>
<td>48</td>
<td>9.38</td>
</tr>
<tr>
<td>7</td>
<td>&gt; 3,500</td>
<td>65</td>
<td>12.70</td>
</tr>
</tbody>
</table>


Note: Incomes expressed in Tk (US$1 = Tk43).

Table 2: Expenditure Levels of Slum Dwellers

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Monthly Expenditure</th>
<th>Number of Households</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>&lt; 1,000</td>
<td>18</td>
<td>3.41</td>
</tr>
<tr>
<td>2</td>
<td>1,001–1,500</td>
<td>96</td>
<td>18.18</td>
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<tr>
<td>3</td>
<td>1,501–2,000</td>
<td>107</td>
<td>20.27</td>
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<tr>
<td>4</td>
<td>2,001–2,500</td>
<td>106</td>
<td>20.08</td>
</tr>
<tr>
<td>5</td>
<td>2,501–3,000</td>
<td>92</td>
<td>17.42</td>
</tr>
<tr>
<td>6</td>
<td>3,001–3,500</td>
<td>47</td>
<td>8.90</td>
</tr>
<tr>
<td>7</td>
<td>&gt; 3,500</td>
<td>62</td>
<td>11.74</td>
</tr>
</tbody>
</table>

Source: Ibid.

Note: Expenditures expressed in Tk (US$1 = Tk43).

Technologies introduced in the project were simple and had already been widely used elsewhere in Bangladesh. They included hand-pump tube wells, water-sealed pit sanitary latrines, masonry bins for refuse disposal, surface drains and footpaths. Public latrines-cum-bio-gas-plants proved very successful in improving the sanitation situation, and also provided some respite to energy conservation. Choices of technology were made by the project designers, based on their own perceptions and discussions with the communities regarding what best suited their needs. Options were determined by the budgetary constraints of the project and the availability of the technology.

For water supply, suction hand pumps were used, which can extract water from a depth of seven metres underground. In low water table areas, Tara pumps were used, which can lift water from a depth of 15 metres. This technology worked better in smaller urban centres than in Dhaka where the population density and the depth of the water table are both high. In Dhaka, women generally preferred to have piped water connections. The LGED tried to mediate the provision of this service from the Water Supply and Sewerage Authority (WASA) in Dhaka, but faced problems with the legal ownership of the holdings occupied by the slum residents. Apparently, WASA connections are made only in holdings occupied by the slum residents and only in the name of the legal owners of a land holding. Despite these rules, there are numerous illegal water connections in neighbourhoods where slum residents pay much more than the amount charged by WASA for regular house connections. These connections are operated by middlemen, who have managed to obtain them on payment of an illegal service charge.

For solid waste disposal, dustbins were constructed by the project. One large masonry bin was allotted per 100 families at a cost of Tk1,800. Also provided were: one corrugated iron dustbin for 20 families at a cost of Tk930, where users contribute Tk2 each; and one pushcart to carry refuse from the dustbins to the masonry bin. Refuse from homes is carried to the dustbins mainly by women and children. Some modifications in the designs were made to cater for local needs and for problems of waste scattering due to birds and animals.

**Social Mobilisation and Community Participation**

The SIP is basically a package programme for the social, economic and physical improvement of the community. Success in these fields of action depends largely on social mobilisation efforts. Raising health and education awareness and mobilising resources for socio-economic empowerment and physical improvement both require regular interactions (for example, meetings and discussions) among different groups of people (such as Community Health Workers (CHWs), credit groups, Sub-project Implementation Committees (SPICs), Community Organisers (COs), Project Implementation Committees (PICs) and a wide range of community people). To accomplish the organisational work, COs play a vital role: they are the main links between the communities and the project officials. All physical and social service components of the SIP are channelled through the COs. At the community level, SPICs, CHWs and credit groups depend greatly on the COs. It has been generally observed in the field that, considering their poor socio-economic background and low level of training and experience, the performance of the COs in organising slum communities has been appreciable. However, project officials at the policy level sometimes do not want to recognise the central role played by COs. Their status in the
Slum Improvement Project in Dhaka Metropolitan City

project hierarchy is very low and there is no job security. The participation of beneficiaries in the project activities can be delineated according to eight distinct categories:

1. community group formation – introduction to the community, IHS and base line surveys, group formation and group meetings;
2. slum improvement committees – formation of committees, selection of a chairman and vice-chairman from the community, participation in meetings, dissemination of training information and representation to higher committees;
3. selection of CHWs from the community;
4. selection of teachers (preferably from the community);
5. selection of group leaders;
6. savings activities, such as the establishment of savings targets for all group members, opening accounts in commercial banks and monitoring savings activities;
7. income-generating loan activities – selection of loanees, preparation of budgets and finalisation of the list of loanees to ensure full loan recovery (with a service charge); and
8. infrastructure development activities – selection of schemes for each component, establishment of implementation processes and liquidation of advances.

Sustainability

Guidelines for the SIP identify certain steps to promote sustainability. The revolving fund for the payment of COs’ salaries, however, has not yet been fully developed, although arrangements were made with UNICEF to support the COs’ positions for another five years. Arrangements for the utilisation of the welfare fund by project authorities are in practice in some slums. Regarding land tenure, it was observed in the field that tenurial security has a profound impact on the sustainability of the SIP. Once tenure becomes more secure, tenants are likely to pay more attention to improving their slums. Furthermore, the level of sustainability will not be the same for all components of slum upgrading. For example, there is a strong demand for credit, so it is more sustainable than a savings programme. Similarly, water, electricity and education are higher priorities to slum dwellers than dustbins, latrines and drains. The level of sustainability of each SIP component may also vary from one slum to another, depending on the needs of the residents and the topographical and environmental characteristics of the slum.

Credit, Savings and Recovery of Credit

Of all slum improvement components, the credit facility appears to be one of the most attractive and successful. Many poor families in SIP slums have increased their incomes and earning capacities by investing their loans in various profitable fields.

Once the tenure becomes more secure, tenants are likely to pay more attention to improving their slums.
annum), indicates that slum dwellers are some of the most successful investors. Given this situation, existing loan sizes should be increased to meet the growing demand for credit.

- Third, credit management within some SIP slums is not always fair and democratic. Management committees within or outside the slum communities should not select loanees who are not in accordance with SIP guidelines.

In parallel to credit, the SIP mobilises savings within slum areas. However, unlike credit, only a partial success has been achieved in this sector. Statistics reveal that slum dwellers are willing and able to save more money than the targeted amount. To dispel any doubt about the safety of their hard-earned savings, a strong monitoring capacity with diligent and efficient management is necessary.

Cost Recovery

The SIP did not contemplate any direct cost recovery for the operation and maintenance of infrastructure facilities. It required the beneficiaries to contribute Tk500 per tube well and Tk500 per latrine to a community fund, to be used to remunerate the CHWs once the UNICEF assistance ended. In addition, the SIP expected the community to supply labour towards other physical improvements. Unfortunately, this plan has been only partially realised.

Generally, one tube well was provided for 10 families at a subsidised price of Tk500 (approximately US$12), making the contribution per family Tk50. In some cases, dysfunctional tube wells were repaired. Here, too, the users contributed Tk500, and when the cost of repair was beyond this amount the project was subsidised. The users contributed to all of the costs for the construction of tube well platforms except cement, which was supplied by the project.

Perceptions and Preferences of Slum Dwellers

Different categories of men and women in the slums and squatter settlements perceived different causes for their poverty, as was revealed during focus group interviews conducted during the survey. The most common perceptions cited included:

- low income or lack of capital;
- low levels of education and skills;
- poor living and environmental conditions;
- high indebtedness;
- fewer income-generating family members; and
- social factors, such as insecurity, violence, desertion, polygamy and dowry.

To redress these problems, they suggested the following:

- regular income opportunities;
- access to capital and interest-free credit;
- education and on-the-job skill development opportunities;
- entitlement to land and shelter;
- easier access to water, sanitation, and electricity; and
- greater security and stability.

Achievements, Impacts and Constraints

Major Achievements

The key success factors of the SIP relate to its basis in a multitude of beneficial social initiatives. These include community participation, a democratic process of decision making, community involvement in the development of plans and implementation of activities and the positive involvement of elected representatives at every level of implementation.

The overall performance and achievements of the SIP are satisfactory, although the project has covered only a very small portion of the total slum population. Nevertheless, the model has proven...
effective and significant physical, social and economic improvements are already evident in participating slums. A brief list of major achievements of the SIP is highlighted below.

Although slum development has long been neglected in Bangladesh cities, the SIP model made a significant breakthrough in providing an integrated package of basic physical, social and economic infrastructure facilities for the urban poor. At present, the SIP is the single largest programme providing service and assistance to thousands of poor urban households in the country.

Of all SIP components, the micro-credit programme was particularly successful and attractive. Many poor households have increased their incomes using this facility.

Empirical studies show that the SIP has significantly raised the level of health awareness among slum dwellers. As a result, within SIP slums, the incidence of environmental diseases (such as diarrhoea, respiratory problems and scabies) has been reduced substantially.

A notable achievement of the SIP is the empowerment of poor women through community involvement, particularly through the savings and credit programme. The SIP has raised the overall status of women in the family as well as in the community, and thus incidences of divorce and abandonment of women has declined remarkably.

Slums and squatter settlements are usually environmentally hazardous. The SIP has significantly changed this by improving the physical infrastructure and overall environmental conditions in slum areas. People living in SIP slums have more access to basic services than their counterparts in non-SIP slum communities.

As a “pro-poor” programme, the SIP has been able to introduce notions of social development to government officials.

**Impacts of the Project**

Major impacts which have been effected by the SIP in slum areas around Dhaka are summarised in various categories below.

**The social sector** – A strong mutual respect and sense of unity among slum dwellers has been created, along with an increase in self-confidence and awareness. Respect for women within the family and the community has been dramatically enhanced, and there have been great improvements to the general law and order in the area. Non-social and antisocial activities have declined, with accompanying increases in the development and awareness of education among adults and children. There is also a growing awareness of the issues of marriage dowries, child marriages and family planning.

**The economic sector** – The encouragement of habits leading to increased savings among poor people has resulted in the creation of funds that can be put to use for the benefit of communities. The credit scheme introduced by the SIP has led to enhanced economic activity among women, as well as increased incomes for families. Facilities have also been provided for self-employment through “needs-based” training.

**The environmental sector** – Many urban infrastructure facilities have been provided for the direct improvement of slum dwellers’ environmental conditions. Such improvements include the installation of tube wells for the supply of safe water and the construction of drains to facilitate the removal of contaminated water. Dustbins have been installed to keep the area free of solid waste and bad smells, and footpaths have been built to keep mothers and their children out of damp atmospheres. Sanitary latrine facilities, for the use of all family members, have been constructed, as well as community latrine-cum-bio-gas-plants, to promote a more sustainable balance between the environment and the requirements of the population.

**The political sector** – There have been noticeable improvements in institutional consciousness among women within the project areas and also in the overall consciousness of civil rights. Methods which facilitate the creation and exposure of leadership have also been devised.

**Major Constraints and Weaknesses**

The SIP is a package programme for in situ improvements to slum communities. The programme is carried out following SIP guidelines, which, in many ways, are not flexible enough to meet the differing physical and social characteristics and needs of people living in different parts of the

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Item</th>
<th>Number of Households</th>
<th>Percentage of Households</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>Business</td>
<td>74</td>
<td>63.79</td>
</tr>
<tr>
<td>2</td>
<td>Housing</td>
<td>13</td>
<td>11.21</td>
</tr>
<tr>
<td>3</td>
<td>Land Purchasing</td>
<td>1</td>
<td>0.86</td>
</tr>
<tr>
<td>4</td>
<td>Sending Family Members Abroad</td>
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<td>1.72</td>
</tr>
<tr>
<td>5</td>
<td>Wedding</td>
<td>4</td>
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</tr>
<tr>
<td>6</td>
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<td>nil</td>
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<td>Religion</td>
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<td>nil</td>
</tr>
<tr>
<td>8</td>
<td>Illness</td>
<td>8</td>
<td>6.90</td>
</tr>
<tr>
<td>9</td>
<td>Household Expenditure</td>
<td>6</td>
<td>5.17</td>
</tr>
<tr>
<td>10</td>
<td>Others</td>
<td>8</td>
<td>6.50</td>
</tr>
</tbody>
</table>

Source: Ibid.
city. For example, under the existing SIP operating guidelines, it is difficult to reach the poorest of the poor (the “hard-core” poor), who remain virtually outside the reach of the SIP credit and savings programme. As a result, their economic conditions have not improved much, even compared to people with slightly higher incomes.

The success of slum upgrading projects depends very much on tenurial security, but land tenure issues are not comprehensively addressed by the SIP. Improvements to livelihood conditions, particularly for floating and homeless populations, cannot be achieved without solving these critical housing needs. To date, the SIP has not addressed this vital housing issue.

Numerous studies indicate that the number of slums on private lands is gradually increasing, while those on government lands are declining. Given this situation, SIP activities should spread to private slums. Unfortunately, due to unattractive or unrealistic terms and agreements, the SIP has given very little attention to private slums.

The SIP emphasises physical infrastructure development, but the slum communities also have critical non-physical needs. This emphasis reflects the traditional strengths of the LGED. Areas such as human resource development, social mobilisation and motivation and community organisation, all vital for slum improvement and sustainability, need to be developed further.

Beneficiaries and field-level organisers raised concerns over the local procedures for handling project funds. This points to serious issues concerning a lack of transparency and fiscal accountability in the SIP model.

Although the slum has become an inevitable part of urban life and its landscape, eviction is still a constant threat to the existence of slum dwellers, and thus it is a serious constraint on the improvement of living conditions in slum communities. To combat this constraint, related SIP procedures and policies for the promotion of tenurial security need to be further developed.

Lessons Learned

The proliferation of slums appears to be, at least at present, an unavoidable part of urbanisation in Bangladesh. Slum dwellers, recently arrived migrants and the very poor are all parts of the city’s population and, as such, they require infrastructure and services just like other inhabitants. At the same time, they are regarded as a potential human resource for the development of the city; a resource that requires some attention both for social and economic development and for necessary infrastructure development. The absence of basic support services saps the strength of the urban poor and denies society the full contribution they could make. The paradox is that the slum dwellers, if given a little support, can become worthy citizens and even act as a potential human resource. Furthermore, they can be profitably employed in development work, through community participation, social mobilisation, income-generating activities, skill training and adequate credit.

Urban Governance by Decentralised Decision-Making

Partnerships and consultations with local communities on major investment decisions help to increase levels of accountability, not only within city management but also among urban residents who must ultimately pay for the services they demand. Engaging community groups is effective because it puts decisions in the hands of those who are most motivated and able to ensure a good performance, and who are best placed to see a direct link between their efforts and community improvements.

There is a need for a more decentralised system with more decision-making at community levels. This essentially refers to a situation whereby decision-making and planning are not done centrally but rather at a local level.

The SIP hierarchy of management structures for project implementation is unique and is also the most interesting feature of the approach. This hierarchy has potential for ‘vertical unbundling’, in the sense that it creates structures at community levels and links them to the formal decision-making authorities. However, the management structure in
this case could not deliver the desired results, as planning decisions remained centralised, (at the PIC and CCC levels) and community level groups (especially women’s groups and SPICs) were basically carrying out what was decided at the higher levels.

**Weaknesses of Traditional Urban Financial Institutions**

The challenge for cities is to tap into the wealth they generate in order to finance the many common goods – services, such as water, power, sanitation and transportation – that are so essential to making them fit places to live in and maintaining their productive potential.

The present institutions lack the capabilities of trained and qualified staff and are incapable of the financial resource mobilisation and management necessary for the delivery of urban infrastructure and services in slum areas. The existing financial arrangements governing municipal finance cannot cope with the increasing demand for basic physical and social infrastructure, especially at low cost, for the poorest people.

**Reformations to the Transfer of Resources**

If decentralisation is to provide opportunities for more sustainable forms of urban financing, the rules governing transfers of resources between higher and lower levels of government need to be clarified.

Much can be done to install better inter-governmental finance systems. Clarifying functional responsibilities and identifying revenue sources for the provision of local services should occur in tandem. Cities should not only be given access to revenues that they are best able to exploit, (for example, service fees, property taxes and improvement charges), but they should also be given the freedom to determine the rates for these charges. At the same time, rules governing the structure of shared revenues should be stable and transparent over long periods. Regulations concerning the transfer of funds to local governments should be stable and transparent as well, and should emphasise, far more than they do, performance in financial management, efficient use of resources and mobilisation of local revenues.

Where direct beneficiaries can be identified, user charges, for services like water and sewerage, serve to make households aware of the links between the provision and the cost of those services. Such direct charges can also oblige users to re-examine their behaviour and make the tough choices that are necessary to cut back on their consumption of increasingly scarce resources like water. Where benefits go to the general public, (for instance, local roads and street lighting), local taxes are more appropriate.

**Encouragement of Private Sector Participation**

The shift to greater private sector participation brings several benefits to service delivery, not the least of which are efficiency in managing investments, reliability of services, lower costs and greater discipline in assuring cost recovery.

Authorities at national and local levels play critical roles in determining responsibilities concerning the delivery of services, the efficiency of pricing and the enforceability of contracts.

Public sector interventions to protect the poor must be carefully crafted so as not to distort prices for services and discourage private participation. Subsidised prices for services have been shown to benefit the “better-off” disproportionately and limit the capacity of infrastructure agencies to extend services to the poor. Moreover, numerous experiences have shown that the poor are willing to pay for reliable services.

**Increased Access to Credit**

To meet the service responsibilities being shifted to cities, as well as the demands for capital investments generated by the fast pace of urbanisation, city governments need to position themselves to get better and greater access to credit.

Effective institutions are fundamental at municipal level, with credible and intelligible accounting and management systems, independent auditing procedures, transparent procurement arrangements, adequate financial reporting mechanisms, appropriate administrative reforms to control personnel expenditures and accountable local officials backed by reasonably satisfied tax-payers.

The creation of credit facilities appears to be one of the most attractive and successful elements of slum improvement. This is important, as the availability of credit can act as a stimulus in motivating poor families to take part in slum upgrading programmes.

The high rate of loan recovery, along with an ability to pay high interest (15% or higher), shows that slum dwellers are some of the most successful investors in the growing urban informal sector. The potential credit market among the urban poor is large and growing very fast. The poor generally know in advance how they want to apply credit funds, so the
limit or size of credit should be flexible and based on the merit of the submitted project.

Clear strategies are needed for both communities and service providers to ensure the operation and maintenance of physical infrastructure and the continuation of group activities. Cost-sharing arrangements need to be specified. An effective process of social mobilisation is essential to create the climate of community 'ownership' necessary to sustainability.

**Skilled and Vocational Training**

The SIP tried to ensure the delivery of materials for numerous provisions, rather than arranging for their manufacture within the community. However, the service delivery package included technical training for the maintenance and repair of these provisions. Although the maintenance and repair of the tube wells, latrines, drains, footpaths and dustbins were assigned to the users, and contributions were made, no system was devised for the use of the contributions collected.

Not only in the SIP, but generally speaking, the present approach to urban sanitation seldom considers any technological options between conventional sewerage and the ‘pour-flush’ latrine. Very few urban centres can afford a conventional sewerage system due to its high cost. Yet the pour-flush variety, being an on-site option, cannot be used where population densities and wastewater quantities are high, or where soil permeability is low. With the many technological advances made in recent years, numerous alternative sewerage systems are now available in various countries, and are just as effective as conventional sewerage at a fraction of their cost. Attempts to replicate the SIP model would benefit from these technical breakthroughs in options for sanitation.

**Women’s Participation Necessary for Sustainability**

Women’s participation in water and sanitation programmes is indispensable to the promotion of safe water and safe latrines. Their involvement has increased due to their empowerment in management activities, and has thereby increased their social status. In contrast, the current domination of men in the WSS programme is not conducive to gender issues and inhibits women’s broader participation.

**References**


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