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Editorial

New global agenda must be ambitious

Paul Romer is the World Bank’s new chief economist. One of his favourite ideas is to build new, business-friendly megacities in Asia, Africa and Latin America to accommodate masses of people. The approach is interesting, but fraught with challenges.

Romer’s model is Shenzhen in China. This city is located between Guangzhou and Hong Kong, and was still a small fishermen’s village a few decades ago. The government declared it a special economic zone in 1979, and today the city has more than 10 million inhabitants with an annual per-capita GDP of about $22,000. If humanity built many agglomerations of this kind, poverty would be vastly reduced, Romer says (see interview in D+C/E+Z 2010/06, p. 260).

Alas, it is not easy to create something like Shenzhen. China’s authoritarian regime was not only determined to make Shenzhen a success, it was also unusually disciplined about doing so. Most dictatorships only serve top leaders to enrich themselves. The public interest and people’s rights are normally in better hands where governments are elected. Indeed, China’s gleaming downtowns make invisible the plight of those who were evicted for the sake of turning old urban centres into 21st century hubs. Democracy, on the other hand, means that large-scale plans always trigger opposition. Whether under despotic or democratic rule: most megacities develop in an incremental and largely unplanned way.

Many Germans feel that urban life is to stroll down Berlin’s Unter den Linden, the Sunset Boulevard in Los Angeles or perhaps Shanghai’s Bund. However, a quarter of humankind’s urban people live in slums – and to the people concerned, city life means constant fear of eventual eviction, getting stuck in the mud in the rainy season and exposure to infectious diseases because neither drinking water supply nor sanitation meet minimum standards. Simple things matter. Most Germans have no idea of how dangerous it is to live in a neighbourhood without proper street lights.

Urban poverty is a huge issue. Most slum dwellers lack public services, including electric power, health care and schools. Town planners often consider informal settlements a problem. They tend to either neglect them or plan evictions. The people who live there, however, need a place to stay and they have no alternative. Attempts to drive them away compound issues of social justice and violate human rights. As more and more people move to cities because they cannot find livelihoods in the rural areas they come from, the need to make cities inclusive will become increasingly urgent.

Today, about 3.5 billion people live in cities, and the number is set to double in the next few decades. Our urban infrastructure must therefore double in the span of one human generation. The challenge is huge. For simple environmental reasons, moreover, innovative approaches are needed. If we care about climate protection, we cannot keep using energy-intensive building materials such as steel, aluminium and concrete in the amounts that have seemed normal so far.

This October, world leaders will meet in Quito, Ecuador, at the UN-hosted conference Habitat III. The mission is to set a new Urban Agenda with global reach. Unless the Agenda turns out very ambitious, it will prove meaningless. Further urbanisation will happen, and it must be done in a smart way.
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The right kind of exports
Economists have been arguing for a long time that exports drive growth. The paradigm is still in force, but recent publications point out that the kind of exports matters very much. Clara Brandi and Dominique Bruhn of the German Development Institute (DIE-GDI) provide an overview over scholars’ ongoing debate. Page 34

Meet environmental and social standards
Development finance institutions can contribute considerably to making development sustainable. When financing investments, they must take into account social and environmental issues, and they must advise their clients competently, argue Meike Goetze and Claas Langner of Germany’s development finance institution DEG. Page 40

Torn security forces
Violence is haunting Burundi, and even members of the police and the army are fleeing, as Marc Niyonkuru, a journalist from the country, has observed. For ten years, the Arusha agreement ensured stability – but that is no longer so. Page 45
Regional integration

Far from united

Despite many attempts for regional integration in sub-Saharan Africa, things don’t look good at the moment. In several of the continent’s regional blocs, national interests outweigh joint action.

There are eight regional economic communities (RECs) in Africa, plus a number of customs unions, two monetary unions and several other structures that serve regional integration.

Arguably the strongest REC in sub-Saharan Africa is the East African Community (EAC), comprising Burundi, Kenya, Tanzania, Rwanda, Uganda and most recently also South Sudan. Claver Gatete, Rwanda’s minister of finance and economic planning, is convinced that regional integration is essential for his country’s economic success. “You cannot have a growing economy without trade and a good environment for business.” In his eyes, “its good to start from the region, then we can see how to deal with the rest of the world.”

A number of things have improved since the start of the EAC in 2000, according to Gatete, for instance:

- The number of days it takes for goods to travel from Kigali to Kenya’s port city Mombasa – or vice versa – has been reduced from 21 to a mere five days.
- Mobile phone roaming fees have been abolished within the EAC.
- Insurance companies sell the same policies in the entire region.
- The four central banks include the region’s other currencies in their foreign-exchange reserves, and the dollar is no longer needed for inner EAC-trade.

Nevertheless, inner-African trade is small. According to Bernard Hoekman of the European University Institute in Florence, inter-African trade makes up about 10% of African countries’ foreign trade, with some countries trading close to nothing within the continent. The regional organisations thus do not make a big difference.

Hoekman adds that it actually makes more sense for African countries to export to overseas markets because they mainly produce the same commodities and goods as their neighbours do. Accordingly, attempts to join forces with neighbours to deal with the big players in world trade including the EU, the USA and China have not been very successful even though, in principle, regional organisations should have more negotiating power than individual countries due to their bigger markets. A huge problem is that Africa’s trade costs are the “highest in the world”, Hoekman points out.

Appreciating the EAC achievements that Minister Gatete praises, the European Scholar warns: ‘The rest of the world has made progress too.” In his eyes, the EAC must do more to gain a competitive edge, and a lot is still missing to make regional integration move ahead.

Minister Gatete is aware of the need to act. He deprecates that the EAC lacks common infrastructure, be it railways or electric power grids, even though the issue has been on the agenda for a long time. Moreover, the private sector could show more enthusiasm, according to the Rwandan politician. He admits that there are reasons to doubt that being a member of the EAC and three other RECs has really helped Rwanda much (also see D+C/E+Z e-Paper 2016/09 p. 12).

Decisions without implementation

François Kanumba is Rwanda’s minister of trade and industry. He wants the EAC to become better at implementing rules and regulations. “We take decisions, but there is no implementation”, he said at a recent conference in Kigali. It was organised by the Poverty Reduction, Equity and Growth Network (PEGNet) in collaboration with the Institute of Policy Analysis and Research-Rwanda (IPAR-Rwanda).

Even if Rwanda does everything right, it will not advance unless the other REC members pull in the same direction. Size matters, and African countries must cooperate on creating big markets, Kanumba says: “We have to attract foreign direct investment in services and infrastructure. But they only come if they have the opportunity to trade beyond borders.”

Andreas Beckermann of Germany’s Federal Ministry for Economic Cooperation and Development agrees. Foreign investors need a large amount of goods “reliably, of the same quality, on time”, he explains. On their own, small, landlocked countries like Rwanda cannot ensure these things.

The EU has negotiated Economic Partnership Agreements (EPAs) with regional organisations in Africa, the Caribbean and Pacific. One goal is to ease trade. The EPAs grant developing countries full access to EU markets, but allow developing countries transition periods before they open up fully. There is thus some scope for protecting sensitive sectors. The negotiations went on for years, and most countries, including Rwanda, have signed the agreements. Not a single EPA, however, has been ratified yet.

The agreements with the EAC and ECOWAS (Economic Community of West African States) were meant to be signed this year, but there are problems. In the EAC, Tanzania is worried that opening up the market to European manufactured goods may harm industrialisation in East Africa. In West Africa, Nigeria has expressed similar fears. The European Union had originally set a deadline of 1 October, but extended it by four months due to the disagreements.

Dramatic situation

Helmut Asche from the University of Mainz warns: “If the EPAs fail, that’s the end of African integration in the form of the current RECs.” In this case, he expects Africa to go back to loosely connected free trade agreements instead of following the example of regional integration set by the EU. “The situation is really dramatic now,” Asche says.

Most participants at the PEGNet conference agreed that the EU is no model for
Africa because the conditions are very different. A main hindrance for deep integration is that African states are institutionally weak.

However, the EU’s current crisis and looming disintegration matter too. Britain’s vote to leave the EU matters in particular, and it has an immediate bearing on Africa: it now seems likely that the EPAs will not provide access to the important British market.

Gbenga Obideyi is a trade director with ECOWAS. He sees the region at risk of disintegration. Three of the 16 countries covered by the West African EPA (all ECOWAS members plus Mauritania), have not yet signed. Mauritania has to sign an association agreement with ECOWAS first, but that process is currently stuck in the Mauritanian parliament, according to Obideyi.

Nigeria, by far the bloc’s strongest economy, is considered the biggest problem, because it is citing serious concerns. Gambia, however, is not signing out of solidarity with its “big brother” Nigeria.

In the meantime, ECOWAS members Ghana and Côte d’Ivoire have ratified so-called interim EPAs. They are thus going their own way. Obideyi says: “If the remaining countries are not going to sign, we will have several different trade regimes.” The ECOWAS secretariat is trying to convince Nigeria and Gambia to reconsider their stance, but it cannot impose sanctions.

The continents’ south has regional integration problems too. South Africa is not happy with the South African Customs Union (SACU), explains Peter Draper, director of Tutwa Consulting, a company that specialises in trade and investment. “Plans to leave SACU have long been on the table”, he says. If it happens, Africa will have its own Brexit – the “Sexit”, as Draper dubs it. That would mean following the EU’s example in the least appreciated way.

Katja Dombrowski
Gangs as political excuse

In Central America, young men’s tattooed faces, necks and arms symbolise violence. Tens of thousands of young people are working for gangs called Maras. They are involved in drug trafficking, racketeering and robberies. They fight one another and the state security forces in what adds up to a bloody war. The governments’ “iron fist” policies have not managed to curb the violence. Nonetheless, some experts now see light at the end of the tunnel.

Central America’s so-called ‘northern triangle’ is one of the most dangerous regions in the world. It consists of El Salvador, Guatemala and Honduras. In 2015, El Salvador had a homicide rate of 116 per 100,000 inhabitants; in Honduras and Guatemala the rate slightly decreased to 60. The global average is a mere 6.2 homicides per 100,000 people.

Criminal gangs that control entire parts of the three countries are considered to be responsible for the bloodshed, but that is not the whole truth. “Political parties often use the gangs as an excuse,” says José Luis Sanz. He works for El Faro, an investigative website which specialises in the analysis of organised crime in El Salvador. According to him, the politicians’ stance serves to distract public attention from “multi-causal dynamics”. In his eyes, the high homicide rates are merely the most visible result of social conflicts that have deep historical roots and complex causes.

In this perspective, organised crime is rooted in poverty and state failure in Honduras, El Salvador and Guatemala. Gang influence has grown as a result of excessive inequality, low wages, tax evasion, inadequate law-enforcement, high corruption levels as well as the lack of prospects and social-protection systems. Maras have become powerful rivals of the state, and in many places they have infiltrated the judiciary and security forces. Corrupt police officers are known to kill as gang mercenaries.

“The great tragedy is that the gangs look like a reasonable option to many youngsters and poor people,” states Sanz. In poor neighbourhoods, residents are particularly prone to seek protection from a local gang. Otherwise, they may be killed by gangsters.

For decades, governments have been responding with state violence, but that has only exacerbated the situation. “The policies of ‘mano dura’ (iron fist) are not working,” says Ana Glenda Tager from Interpeace, a Guatemalan non-governmental organisation. “Conflicts destroy social cohesion, and people do not trust one another.”

Despite of millions of dollars provided by the USA, prevention strategies have remained largely ineffective. “The political parties want to hold on to power, and they rely on populist rhetoric for this purpose,” Tager said at an event held by Heinrich Böll Foundation in Berlin this summer, and went on to say that this attitude stands in the way of more promising policies. In her eyes, the criminal organisations should be considered part of the solution. For far too long, she argues, crime prevention measures only took simple and limited approaches such as anti-violence training for high-school students. After the training, however, the participants returned to slum areas controlled by violent gangs.

In view of persistently high murder rates, Central American governments have begun to contemplate solutions beyond the “mano dura”. Three major gangs in El Salvador negotiated a ceasefire in 2012 and started negotiations with the government. For obvious reasons, such talks are controversial, but there is no alternative, according to Sanz, since no solution can be found without gang involvement. Sanz says: “Thanks to the negotiations, preventive measures, laws and strategies are being discussed in much greater detail.” Even projects geared to reintegrate former prisoners in society are no longer a taboo. So far, prisons were generally considered “trash bins” for the scum of society. All too often, overcrowded prisons became training camps for the next generation of criminals.

Security expert Tager sees an important role for civil-society organisations. To her, it seems like “light at the end of the tunnel” that Guatemalan citizens rallied for months against government corruption and impunity last year. Corruption affects everybody, and the protests united previously isolated parties and groups. “Perhaps this will turn out to be a common base for tackling other issues together too,” Tager hopes.

Sonja Peteranderl

Gang members on trial in Guatemala City.
Women’s rights

Multi-faceted movement

Many Indian women are challenging patriarchal power structures. They question stereotyped roles and want to reduce the gender-related inequality that affects even the private sphere of the family.

In a new study, Vibhuti Patel and Radhika Khajuria offer an overview of the historical development of feminist activism in India. The social scientists see the origins in the social reform movement of the 19th century. At the time, middle and upper class women in particular fought for gender equality and against social segregation. Today, in contrast, many women’s rights activists belong to suppressed castes (“Dalits”), disadvantaged farming communities and the industrial labour force. A wide range of political parties, non-governmental organisations, grassroots initiatives and academic institutes support demands of improving women’s rights.

The study was published by the Friedrich Ebert Foundation and emphasises the joint demands raised by all constituents of the feminist movement. These demands concern society as a whole, relating to politics, economic and environmental matters, the media, education, family life and et cetera. Gender inequality is evident in the distribution of land as well as in who holds political office. In India, men and women are not equal before family law, moreover, which means that women are at a disadvantage in divorce cases for example.

From the early beginnings, the authors summarise the fight against normative gender stereotypes, which coin-
cide with patriarchal family structures. They detect the same phenomena under the surface of contemporary market-oriented modernisation, so gender roles are being perpetuated. As many feminists do, Patel and Khajuria oppose the “patriarchal control of women’s sexuality”, which ultimately results in sexualised violence, even within families. The authors express themselves in favour of sexual self-determination.

India’s women’s movement is quite heterogeneous in spite of many shared demands however. Opinions of farm women often differ from those of urban leftist intellectuals, for example in regard to the acceptance of homosexuality. Different groups have different understandings of sexual self-determination, and ideas concerning modernisation differ too. Unfortunately, Patel and Khajuria do not pay much attention to such issues.

The reality is that some women choose their husbands independently, but normally families take this decision. That does not necessarily mean that the women do not have a say in the matter. Often the choice is made with the family (also note essay on arranged marriages in Arab countries by Martina Sabra, p. 36). While many women demand more freedom to decide for themselves, other women don’t see their freedom compromised by family members’ involvement in marriage decisions. Issues like this would have deserved some elaboration in the Patel’s and Khajuria’s study.

They do not regard gender as the only origin of injustice. Faith affiliation and caste membership are relevant too. Police officers, for example, treat lower-caste women differently and do not let them file cases of rape. Muslim women are similarly discriminated against. Patel and Khajuria demand that the women’s rights movement should pay more attention to such injustice.

Lea Diehl

Source

UNICEF

Schools save uprooted children

Never since World War II have so many children suffered the consequences of conflicts, crises and natural disasters as today, according to a report that the UN International Children’s Emergency Fund (UNICEF) published recently. The authors consider investments in education and protection top priorities.

According to UNICEF statistics, one in nine children is growing up in an environment marked by violent conflict. Their total number is about 250 million girls and boys. In 2015 alone, some 16 million babies were born in conflict regions. UNICEF points out that a new kind of war has become prevalent, with civilian people suffering more brutal violence than ever before. Children are often attacked in a strategic manner designed to frighten and demoralise parents. At the same time, terror organisations preach hatred and train youngsters as fighters. Many of them even use children for suicide attacks.

Violent conflict causes make people flee from their homes. Experts reckon that the world’s refugee population is bigger now than at any point since World War II. According to UNICEF, some 50 million girls and boys are currently on the run, with about 28 million trying to escape suppression and violence, and the other 22 million driven by poverty and environmental disaster. Many of the children are traumatised by the violence they have witnessed and are separated from their families. On their journeys, they are exposed to further risks, including violence, discrimination, disease and the lack of food, UNICEF reports.

Educational opportunities are missing in situations of conflict and flight, UNICEF adds. Many girls and boys do not go to school for years. As its members grow up without formal education and a total lack of prospects, an entire generation is at risk of being lost. To build peace at a later point in time, the UN agency warns, it will be necessary to involve the young generation in education and reconciliation.

Investing in education and protection is thus a top priority, according to UNICEF. However, not even two percent of the money spent on humanitarian relief these days is used for schools. UNICEF wants the international community to reconsider matters, and do away with the conventional distinction between humanitarian aid and official development assistance (ODA). Both approaches need to become interlinked to achieve long-term results, the authors argue.

Investments in education are investments in the future, UNICEF states, confirming an earlier ODI publication (2015). The reasons are that education drives change, promotes peace and lays the foundations for a country’s economic success. Education can save children who are uprooted and traumatised after having lost their homes, with schools fostering a sense of belonging. Relevant aspects include that schools can:

- offer opportunities to learn and play in settings with a modicum of normality and security,
- provide the psychological and social support that are urgently needed by stressed and traumatised children,
- teach basic lessons concerning hygiene, health and security,
- promote social cohesion and
- inspire hope for a better future.

Children are “natural agents of change” and adapt to change fast, according to UNICEF. A better future will depend on children having a positive outlook on life in spite of war, violence and disaster. Sustainable development will certainly be impossible without their engagement. UNICEF emphasises that investing in the young generation is the duty of the international community as a whole.

Dagmar Wolf

Reference

Links
Nowadays: Embracing blackness

Across the world, black women are embracing their natural hair, rejecting the stereotype that straight hair is the accepted norm for being a sophisticated woman.

Growing up in Nigeria, girls’ hair is subjected to chemical relaxers right from childhood. It is also a class thing: girls from supposedly “civilised” families have their hair permed or jheri curled, so they don’t look like village girls.

My mother told me my hair was first relaxed at the age of two, and that I cried for the entire time the chemicals were applied to my hair. Growing up, it was normal to bear the sting of the relaxers without tears, even though it hurt. I did not want to be called a “bush girl”. Later on I switched to the painless relaxers, and so I could bear it for at least an hour – after all, the longer the application, the straighter the hair. That was not risk free, however. Relaxers should not be left on for more than a few minutes, but most African hair needs more than a few minutes to lose its kinky curls. As the years went by, I started to deal with thinning hair, breaking hair strands and a receding hairline, which I simply covered up with hair extensions.

When I became pregnant, and actually had a high-risk pregnancy, I decided to reduce my exposure to all sorts of chemicals. The relaxer was the first to go. My hair, boosted by hormones, became coarse, but I kept it in line with braids. I was planning to resume straightening my hair after weaning my baby.

Then I visited my cousin in New York and discovered that many African-American women were going natural. My cousin was one of them.

When I returned to Nigeria, I decided to find a stylist who was willing to work with natural hair. They were more expensive, so I learned to manage my hair myself.

Nowadays, more and more Nigerian women are going natural, partly because it is becoming fashionable, but also because many are taking more interest in their health.

Several studies, such as one conducted by the California-based Black Women’s Center for Wellness, are highlighting the risks of hair relaxers and linking some of their chemical components to cancer. It is, however, necessary to point out that other studies have found no link to cancer from hair relaxers and dyes.

Many Nigerians now rock their natural hair, and hair stylists have joined the train. There are salons now completely dedicated to natural hair and the styles that come with it, such as dreadlocks, cornrows, afros and others.

I now sport dreadlocks for two reasons: I have always admired the style, and it is much more convenient than trying to manage my natural hair on a daily basis.

Link
Black Women’s Center for Wellness: http://www bwclca.org/
Half of the world population is now living in cities, and its share will grow. Urbanisation has an impact on all aspects of life, including the global environment. Decisions made in the next two or three decades will shape societies for generations to come. The challenges are huge, but getting things right can boost people’s welfare. The concerns of poor people must not be neglected – their lives are tough.

The KfW supplement at the end of this e-Paper also deals with issues of urban development – please take note.
Bus on separate rapid transit lane in Bogotá, Colombia.
Experts at the Asian Development Bank argue that special economic zones (SEZs) should serve the purpose of smart urbanisation. Jong Woo Kang explained matters to Hans Dembowski in an interview.

**Interview with Jong Woo Kang**

Your work shows that the kind of export processing zones (EPZs) that drove industrial development in Asia in the 1980s and 1990s are not up-to-date any longer. Why is that so?

The typical EPZ in the 1980s and 90s was an enclave. It served employment generation and skills upgrading through export-oriented and labour-intensive manufacturing of a limited range of goods. The impact on the broader economy was limited as well. Since then, we have learned that it makes sense to build links with the domestic economy, so companies become part of global and regional production networks. Accordingly, it makes more sense to speak of special economic zones than just to focus on export processing. That kind of development must be supported by adequate institutions of course. On the other hand, enclaves tend to wither over time. The reason is that labour costs rise, so they lose their main competitive advantage. It has also become evident that governance and institutions are critical to the success of SEZs. Rent-seeking must be prevented. At the same time, an SEZ’s authorities must have adequate powers to serve investors through “single window” facilities. The most important thing, however, is that an SEZ is an economic experiment. It must be linked to a country’s development strategy and industrial policy. This was done with great success in South Korea and Taipei, China, for example.

Why were SEZs so important?

SEZs were established to accelerate development by creating an efficient business environment and encouraging foreign direct investment (FDI). They attract businesses through cost advantages and preferential treatment, and they foster skills development and technology transfer, particularly from foreign firms. Successful SEZs, moreover, source goods and services from domestic companies, and they sell to them as well. They thus contribute to transforming the national economy as a whole. It moves on from being a labour-intensive economy to a skills- and technology-intensive one. Moreover, SEZs have also been successful test beds for economic reforms.

Shenzhen, the first and largest SEZ in the People’s Republic of China, was the pioneer that led the way for opening up the economy after 1978.

Was Shenzhen a particularly well-designed SEZ?

Yes, it was – and still is. Shenzhen has become quite big and quite prosperous. It has more than 10 million people and recorded a per-capita GDP of some $22,000 in 2013. Migrants from all over China want to move there. The People’s Republic of China has used SEZs very effectively to achieve higher economic productivity and structural transformation. Shenzhen was one of the four initial zones that served to test market-oriented reforms in regard to laws, regulations, taxation, land, labour, finance, customs, immigration and other things. What proved successful was then gradually rolled out throughout the nation in diversified forms. Some zones served sophisticated agendas, such as fostering high-tech industrial parks. Shenzhen is now a centre of high-tech industry and maritime transport services.

Many critics in Europe say that SEZs really only allow companies to exploit workers without regard for social and other rights. What do they miss?

Over the years, positive effects of SEZ have indeed been observed in many countries. They concern female work, in particular. Their families benefit. Results include higher incomes, food security, health-care coverage, enhanced social status and a reduction of sex work. Fewer women, moreover, are exploited as household helpers. To achieve these things, SEZ governance matters very much. An independent SEZ governing body can enforce an appropriate legal framework, monitoring grievances and balancing the rights of investors and workers. Experience tells us that an SEZ’s sustainable success hinges upon fair labour practices. And that is not surprising. Good working and living conditions contribute to boosting productivity, after all.

What kind of special economic zones are needed today?
With the rapid advancement of service industries in developing countries, more and more SEZs will have to cater to this trend. In China, for example, the Shanghai Pilot Free Trade Zone was established in 2013. It aims to promote growth through liberalised capital-account transactions and faster trade clearance. So far, the effect has been positive. Inflows and outflows of capital have increased, and the price spread between the renminbi’s onshore and offshore exchange rates is closing. South Korea is another example. The country is setting up ‘regulation-free zones’ across the country to build hubs of industries that are considered future growth engines. Relevant buzzwords are smart devices, the internet of things, drones or bio health, for example.

But aren’t SEZs basically self-contained entities?
No, they shouldn’t be. Actually, they matter very much – and increasingly so – in terms of urban development. It is well understood that we need smart cities that make best use of high technology to improve living standards and reduce environmental damage. High-tech, knowledge-based SEZs can contribute to make that happen. They must be linked to e-governance systems, centres for research and development, educational institutions et cetera. Governments should link long-term city development to SEZs. Malaysia is doing that. Iskandar Malaysia is an interesting example of addressing various aspects of urbanisation in a coherent SEZ-like manner. The goal is to make this business corridor in the Malaysian state of Johor more competitive in terms of infrastructure, governance, connectivity, mobility, housing, environment, health and education. Ultimately, the goal is to raise investments and improve people’s quality of life.

To what extent are SEZs geared to exporting?
The function of zones depends on a country’s level of development. More traditional EPZs mostly located in less developed economies are heavily geared toward exports, while the SEZs of more advanced economies tend to emphasise structural reform. Japan launched its National Strategic Special Zones in 2013, with the aim of ‘boosting the international competitiveness of industry and promoting the creation of centres of international economic activities by giving priority to advancing structural reform of the economic system’.

What does the future hold?
More SEZs should aim for the formation of industrial clusters, both within national borders and across them. One example is the Netherlands’ Brainport Eindhoven Region, the industrial high-tech heart of the Netherlands. It covers Eindhoven and 20 surrounding municipalities. Its innovation system is based on collaboration between industry, knowledge institutes and government. Public-private partnerships are common, and multidisciplinary approaches are taken. Close proximity, low barriers and high trust help to drive innovation.

Link
Asian Economic Integration Report 2015:
https://aric.adb.org/aeir

“Shenzhen has become quite big and quite prosperous.”

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Urbanisation as opportunity

According to conservative estimates, the world’s population will grow by nearly 2 billion over the next 25 years. By 2100, the UN expects there will be 11 billion people on the planet. And most of them will live in towns and cities. The rate of urbanisation is unprecedented in human history and presents major challenges. However, it also creates special opportunities.

By Franz-B. Marré and Maria-Theres Haase

Megacities with a population of more than 10 million, such as Mumbai, Dhaka and Shanghai, will account for a comparatively small part of the anticipated increase. Small and medium-size cities with less than 1 million people will grow fastest. 90% of urban growth is expected to happen in emerging markets and developing countries, especially in Asia and Africa.

In context of rapid and uncontrolled urbanisation, poverty and inequality become increasingly urban. In the course of the next generation, one in three people will live in an informal settlement without access to affordable and adequate accommodation or being able to earn a wage that allows a decent living. Life in slums means dramatic deficits in terms of infrastructure and social protection. Educational and employment opportunities are poor, and so is health care. Furthermore, most slum-dwellers cannot afford transport. Especially the youth lack opportunities, are excluded from urban life and have no development prospects.

If urbanisation continues at the present rate, it will be necessary to construct as much urban infrastructure in the next 35 years as was built since people started living in towns and cities (see interview with Dirk Messner, p. 29). Urbanisation is complex and multidimensional, and unless it is sustainable, it will not offer chances to reduce poverty, make efficient use of resources, promote social inclusion and improve the quality of life for all urban dwellers.

Many policymakers and other stakeholders call for a paradigm shift with a greater focus on the problems of urban growth. They want the criteria for sustainable development to become more firmly entrenched, but even that is not enough. A radical change of perspective is required:

- Cities and their populations must not be regarded as “recipients”, “target groups” or “places for intervention”. They need to be perceived as responsible actors of development and empowered to play that role.
- Necessary investment needs sound financing, so cities must get access to funding from national and international markets.
- Sufficient and sustainable supply alone is not enough: equal access for all is also essential.

Mobility initiative

At the Habitat III Conference slated for October in the Ecuadorian capital Quito, the Federal Ministry for Economic Cooperation and Development (BMZ) will present a new mobility initiative designed to provide food for thought on the road to a global switch to greener transport. The initiative aims to promote the socially acceptable, innovative and climate-friendly development of transport systems in developing and emerging countries by ensuring that transport makes more sparing use of resources and improving the interaction between different transport systems and non-motorised traffic.

Infrastructure and service projects will be supported by KfW loans (financial cooperation). Flanking measures will be implemented by GIZ (technical cooperation). They will include programmes for training managers and young talents and help for municipalities to develop sound loan applications. The ultimate goal is reliable and affordable mobility for all (also note KfW supplement p. 5 at the end of this e-Paper).
The Habitat III Conference is scheduled for October in Ecuador’s capital Quito. It will matter in the sense of establishing and enforcing principles of this kind. Its mission is to adopt a “New Urban Agenda”, setting out a global urbanisation strategy for the next 20 years in line with Agenda 2030’s Sustainable Development Goals (see D+C/E+Z e-Paper 2016/07, p. 8).

Germany is involved in preparing Habitat III and is working to create a practical and verifiable global agenda. This should include:

- maximum municipal self-government with strong local capacities and reliable funding,
- holistic and efficient solutions for use of scarce resources,
- the creation of parks, social centres, cultural facilities and other things to improve quality of life for residents and
- stronger international exchange to facilitate mutual learning and exchange of experience.

One of the core responsibilities of any municipal authority is to guarantee the provision of public infrastructure and services. Affordable, sustainable urban mobility is essential. It is vital for ensuring that every member of the urban community can reach vital facilities and (job and housing) markets from their home and can participate in economic and cultural life. It also increases energy efficiency, promotes environmental protection, helps mitigate the effects of climate change and helps reduce health risks. Cities are becoming increasingly attractive for people and investors; economies grow and society develops.

For this reason, Germany specifically supports partner cities in the area of urban infrastructure development and will introduce delegates in Quito to a transformative urban mobility initiative. It is designed to support innovative mobility projects and help bring about the necessary switch to greener transport worldwide (see box, p. 14).

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The pace of urbanisation is unparalleled in human history. A slum in Cairo.

Link
BMZ, Urban Development:
http://www.bmz.de/en/what_we_do/issues/stadtentwicklung/
Better governance, better urban life

Lagos is the commercial centre of Nigeria. Once known mostly for crime and dysfunction, the agglomeration’s international reputation has recently been improving considerably. Better governance is making a difference.

By Olamide Udo-Udoma

Lagos State is a booming urban agglomeration with over 21 million people. It has 37 municipal authorities, including the city of Lagos. Since the baton passed on from the previous Governor Babatunde Raji Fashola to the present Governor Akinwunmi Ambode in May 2015, Lagos has experienced many changes. Most of them are positive.

Before Ambode took office, he seemed to be the weaker candidate. He was criticised for only speaking when he had a scripted or prepared speech, and the previous governors seemed more charismatic. Gbadamosi Bakari wrote in the Guardian, a Nigerian newspaper: ‘Mr Ambode struggles – manfully – but struggles none-the-less, to articulate or even grasp the issues pertinent to the further development of the state he professes to come from and wants to govern.” The assessment of other journalists was hardly kinder.

Nonetheless, Ambode won the election and became the governor of Lagos State. Many argue that this was due to the very popular party he belongs. His predecessor was from the same party, which is now in power at the federal level too.

Ambode certainly benefits from the previous administration’s adoption of a state-wide plan for urbanisation. To keep Lagos moving, however, he has to make competent decisions and implement the plan. So far he has done that well. From day one, Ambode’s administration has focused on "all inclusive governance". According to the governor, this term

Making traffic flow again

In April, the construction of 114 inner roads in 20 different municipal areas of the Lagos agglomeration was started. This initiative will complement the construction and rehabilitation of 300 major roads. The new municipal roads are required to have streetlights, sidewalks and covered drains. The improvement of the road network is most welcome. It should reduce congestion, improve the maintenance of cars, enhance safety and make it easier to do business.

To keep Lagos moving Governor Akinwunmi Ambode, has commissioned 434 new air-conditioned buses for the rapid transit system on the most-used traffic arterials. A water transport scheme is in the pipeline. Moreover, new funding has been allocated to an ongoing light-rail project, which is assisted by the World Bank. The goal is to make it operational by the end of this year. The light rail will decongest one of the agglomeration’s main commuter routes.

According to official records, 751 people were involved in 112 road traffic accidents in the first three months of this year. The aim is to reduce road traffic accidents by 15 % and deaths by 25 %. The safety of pedestrians as well as car passengers depends on the quality of roads. All too often, pedestrian bridges are forgotten in traffic planning and road construction. In the Lagos agglomeration, many new pedestrian bridges have been built in the past year over key highways.

Another very important infrastructure project is the Forth Mainland Bridge. It will connect Lagos Island to the mainland. The three existing bridges tend to be congested due to massive commuter traffic. Governor Ambode has signed a memorandum of understanding for the bridge, which will be designed by the Nigerian architect Kunlé Adeyemi. Its lower level will provide space for pedestrians as well as for social, cultural and commercial interactions.

The state government has introduced what it calls “mobile courts”. Members of the judiciary ride black vans on the streets of Lagos and deal with the infringement of traffic rules, such as illegally using the lanes reserved for bus rapid transit or operating busses with open doors. In the past, officers of the Lagos State Traffic Management Authority (LASTMA) dealt with these matters, and they had a reputation of harassing drivers. LASTMA has been restructured for more efficient traffic control, and judicial matters are now handled by the mobile courts.
means that no one and no segment of society must be left behind, “irrespective of colour, race, faith, status, ability or disability”. Moreover, the governor wants the people to be actively involved in decision-making.

For this purpose, he established a new Office of Civic Engagement. Other agencies of the state government have been streamlined to better serve the needs of Lagosians. At the same time, administrative costs have been reduced.

In the past, local governments tended to be weak and ineffective in Nigeria. They lacked knowledge, skills and funds. This is changing. Lagos State is empowering municipal governments to carry out infrastructure development within their jurisdictions. For example, they now play a vital role in improving the agglomeration’s traffic situation (see box, p. 16).

Security is another top concern. A campaign called ‘Light up Lagos’ has been launched. The idea is to illuminate all major highways and areas of commercial activity all night long. So far, some 20 areas have been lit up, improving safety and resident’s livelihoods.

Food production has not been overlooked. A huge metropolis needs food security, especially as food prices are currently rising fast. Ambode’s administration has signed a deal with the government of Kebbi State in north-western Nigeria to safeguard the provision of affordable rice.

Tourism, sports and culture have only recently been recognised for their economic impact. Related activities are now high on the agenda. One example was the Lagos City Marathon in February. It attracted both international and local long-distance runners. Most Nigerians wanted a Nigerian to win, but Abraham Kipton from Kenya came in first. Spanish football giants Barcelona visited Lagos to help establish a football academy. They were hosted by the governor.

Nigeria is currently struggling with a severe economic downturn (see D+C/E+Z e-Paper 2016/08, p. 43). For many people, life in Lagos is improving nonetheless. Ambode is moving the state forward without ruffling too many feathers. He deserves more appreciation that he is getting so far.

The legacy of his predecessor, Babatunde Raji Fashola, is positive too. However, he irritated many disadvantaged people because his idea of fighting poverty was often to fight the poor themselves. He wanted to improve the agglomeration’s outward appearance and tried to remove, ban and destroy all signs of poverty. His approach was absurd in an urban environment where three quarters of all residents live in areas that still lack basic amenities.

It is a breath of fresh air that Ambode acknowledges the majority of resident’s in Lagos and is aiming for more inclusive governance. The governor is not perfect, of course. He has recently put together a new task force with the job of cleaning up parts of Lagos, and they have so far done more damage than good, harassing marginalised people. Moreover, an initiative taken by the state government to prohibit hawking on the agglomeration’s roads may make sense in making traffic flow, but it has hurt the disadvantaged community of those who depend on peddling goods on the streets. Whether the state government’s track record stays as good as it currently looks remains to be seen.
More than half of the world population lives in urban areas, and the growth of urban agglomerations continues unchecked. Traffic has reached catastrophic levels in many places, and budding middle-class life is compounding problems. Results include chaos on the roads and massive air pollution. One meaningful response to the growth of private vehicle traffic are BRT systems. The acronym stands for Bus Rapid Transit. This affordable alternative to underground rail systems is gaining internationally.

By Nicholas Hollmann

It is a daily ordeal for Bangkok commuters to crawl – bumper to bumper – through clogged city streets, and the number of cars keeps rising. According to the TomTom Traffic Index 2016, Thailand’s capital is one of the most congested cities in the world. Its congestion level averages 57% throughout the day, so it is second placed in the overall global ranking. If one only considers evening peak traffic, the figure rises to an unparalleled 114%, which means that journeys take twice as long as they would without congestion.

Many working people cannot afford expensive apartments in downtown Bangkok. They live in peripheral neighbourhoods. The daily commutes are long, and people spend hours in the car. Parents look for nursery schools close to where they work so the time they spend in traffic jams is at least time they spend with their children. Family breakfasts take place in cars, and so do the day’s important conversations. Even mobile toilets are in use.

To get a grip on the road chaos, Bangkok introduced a BRT system in 2010. The main advantage is that the buses use a lane that is closed to other vehicles, so congestion does not affect bus services. Level-access bus stops help people to get on and off fast. Service quality benefits from features such as electronic displays at bus stops showing bus arrival times.

The various measures are meant to make the BRT system fast, convenient and reliable. Accordingly, it can compete with rail-based local public transport systems.

The big advantage of BRT systems is that they are considerably cheaper to set up than metropolitan railways, which need a track system to be laid out, or underground railways, which require expensive tunnels to be dug. Per kilometre, a BRT route generally costs no more than 10% of what an underground railway route would cost, and 30 to 60% of what a tram route would cost. BRT is particularly interesting for poorer regions – provided the road space is available.

China the world leader

China is the world’s leading country in terms of investment in BRT systems. In 1999, it introduced Asia’s first BRT system in Kunming, the capital of Yunnan Province. With Swiss help, separate bus lanes were built, and as a result, the average bus speed almost doubled from 10 to 18 kilometres an hour. According to the Institute for Transport and Development Policy (ITDP), 538 kilometres of busway were added to the original 14 kilometres from 2004 to 2014.

Over the same period, BRT systems spread worldwide. The ITDP reports that there are now 2,580 kilometres of BRT corridors, of which 1849 kilometres were built between 2004 and 2014. Figures continue to rise.

But the BRT was not invented in Asia. The birthplace was Latin America. Curitiba, a Brazilian city that had grown rapidly since the 1960s, first created what was essentially a BRT network in 1974. The initiator was an architect, Jaime Lerner, who was the city’s mayor at the time. The original plan was to build an underground rail system and widen the roads in order to accommodate growing car traffic. But implementing that plan would have taken decades and cost a great deal of money, so Lerner had the idea of creating special bus lanes on Curitiba’s main roads with stops in the centre of the roadway. “When you have little money, you learn to be creative,” the mayor remarked.

The BRT concept in Curitiba included suburban feeder services, connecting peripheral neighbourhoods with the downtown express bus services. All BRT bus stops had raised platforms for level access, which made the system as fast and convenient as rail-based transport systems – at a fraction of the cost.
According to a study by Leroy W. Demery, 70% of commuters used the bus system in Curitiba in 2004 even though car ownership was above the national average.

In the 1970s, significant BRT construction work was undertaken in Brazil and the United States. But the real breakthrough came in 2000 with the opening of the TransMilenio in Bogotá, Colombia’s capital with a population of 7 million people. It proved that a BRT is a serious alternative to building an underground or metropolitan railway.

Various ideas had previously been floated for tackling the city’s crippling traffic problems. But plans for an underground railway and for elevated urban expressways proved impossible to implement. Under Enrique Peñalosa, who was elected mayor of Bogotá in 1998, it was decided instead to build the TransMilenio.

The first phase of the project was completed within just three years in December 2000. Since then, the TransMilenio has been steadily extended. Originally it was 14 kilometres long; now it comprises more than 115 kilometres of busways. The number of passengers has risen to around 2 million a day. However, the TransMilenio has now reached its limits (see box, p. 20).

**South-North transfer**

In time, a growing number of OECD countries – including Australia, Canada, Germany, France, the UK and Japan – recognised the economic benefits of BRT mass transport. The introduction of BRT systems in cities of the developed world was one of the most notable technology transfers from South to North.

In Bangkok, however, the BRT system was controversial from the outset. The reason was that lanes on some of the city’s busiest roads were closed to general traffic and reserved exclusively for BRT vehicles. The buses could pass unhindered, but congestion became...
worse for other road users. On the other hand, separate bus lanes were only introduced on roads with at least three lanes, so the buses lose their advantage at certain points and must join the queues of general traffic.

After only six years in operation, the future of the BRT in Bangkok hangs in the balance. It has failed to reach the target of 30,000 passengers a day. The number of people using the service averages around 18,000, and the system has accumulated losses worth of nearly $30 million since 2010. In early July this year, the city council decided to set up a committee to make proposals concerning the BRT’s future within 120 days.

Links
TomTom Traffic Index:
http://www.tomtom.com/en_gb/trafficindex/list
Institute for Transportation and Development Policy:
https://www.itdp.org/bus-rapid-transit-nearly-quadruples-ten-years/
Demery Jr., L. W., 2004: Bus Rapid Transit in Curitiba, Brazil - An information summary.
http://www.publictransit.us/ptlibrary/specialreports/sr1.curitibaBRT.pdf
TransMilenio:
http://www.transmilenio.gov.co/en/articles/history

TransMilenio – a model for success

When Enrique Peñalosa became mayor of Bogotá, he launched a new fundamental development programme for the city. The mission was to create a ‘city for people, not for cars’. It was the cornerstone of the TransMilenio’s success.

The low-cost, efficient and comparatively environment-friendly public transport system was meant to improve the traffic situation in the Colombian capital for the new millennium. It was designed to contribute to the evening out of social imbalances. It was obvious that the poor would benefit most from the development of public transport. In the 1990s, Bogotá was a city with a terrible reputation for violent crime and traffic chaos.

Operations on the first route started with 14 buses in the year 2000. Today, the network has grown to 115 kilometres and carries more than 2 million passengers a day. It is the world’s biggest and fastest BRT system.

The TransMilenio is based on an inclusive approach. The suburbs of Bogotá are connected to the BRT system by feeder bus services. In addition, a network of cycle paths, green areas and pedestrian precincts has been created in the municipal area.

The TransMilenio is now used by so many people that it has reached the limits of its capacity. Peñalosa, who became mayor once more in 2016, now plans to invite bids for the city’s first metro line – after 16 years of TransMilenio success. But Bogotá’s BRT system has not failed – it will continue to play a major role in public transport.

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Norbert Herrmann lived for two years in Johannesburg, South Africa. Supporting knowledge management for loveLife, a non-profit organisation that focuses on raising awareness of HIV/AIDS among the youth, he learned much about life and its problems in the area’s townships.

By Norbert Herrmann

Several of my colleagues at loveLife were HIV positive. One morning, a colleague did not show up. This was not unusual. The buses that link the business district of Johannesburg to the townships are unreliable, so commuting can take more than two hours. Often there are not enough buses.

A call came in around noon. The colleague had been attacked on her way to the office from the Orange Farm Township. She was assaulted and raped by the same five men who had raped her three years earlier.

She only returned to work months later and had used up the annual ten days of sick leave allowed in South Africa. The next time she would be absent, her salary would be cut, even if her absence were due to illness.

She wore an “HIV positive” T-shirt. One of the rapists must have infected her. A first small step towards more safety would be to put street lights in the townships’ dark corners, she said. Routes people walk to train and bus stops should be made safe in particular.

The HIV rate is excessively high in the townships where my friend Nkosana and most other colleagues live. This is why loveLife runs sex-education programmes at local youth centres. This is where young people find distraction from their often dreary existence and develop personal interests. One of loveLife’s programmes promotes art and culture. It was in this context that Nkosana – whose pen name is “Skyto” – wrote his first poem years ago. He has since built the “Skyto Poetry Movement”.

Our appointment was at two in the afternoon at the old Orange Farm Community Centre. The place was not indicated on any map. Google Maps did not help either. We asked Nkosana to indicate the location on our map, but he was clueless. Map reading had not been taught at school. Barely anyone at loveLife could read a map, which is probably why I have never got an accurate answer when I asked for the exact locations of our 20 youth centres across the country.

Nkosana could only say that the Community Centre was located on the left side, two streets before the Pick & Pay supermarket. There were no signs. A colleague said there used to be one for the youth centre, but it had quickly faded under the hot African sun.

We drove there early. After a long search, and after asking many people, we actually found the Community Centre. We were the first ones to arrive. We strolled around and saw road signs stuck full of...
Soweto, the most famous township in South Africa.

Norbert Herrmann spent two years as a development worker in Johannesburg, South Africa, working for the HIV/AIDS awareness group loveLife. He recently published a collection of essays containing his impressions and illustrations by Enikő Gömöri.


Advocates for local spiritual healers, practicing in rented garages. Street barbers offered to cut our hair on the spot. We had conversations concerning dangerous animals in the surrounding highlands, but no one had actually seen a leopard. There were not even owls in the area, although there were special projects in townships in other parts of the country to breed them. Owls feed on mice and rats.

Most of the young guests who were expected for the event did not know the exact location either. A few travelled the way from Pretoria, and one even came from remote Rustenburg. All had a hard time finding the place and had to ask their way. Most arrived late.

The event started at five, and darkness set in at dusk. Development workers were always warned not to go out after dark, because that was considered too dangerous in South Africa. The streets were considered too dangerous for young people too. Depending on the season, dusk is between 17:30 and 19:00.

Had the youth at our event even wanted to get home in daylight, they would have depended on minibuses or “taxies” with irregular schedules. To go from Orange Farm and return to their apartments, they would have had to travel in stages – transferring from one means of transport to another. There was no way they could manage that in daylight.

Over 40 poetry enthusiasts were gathered and the recitation began. The young men and women knew their poems by heart and performed well. The majority was female. The lyrics were about love and pain, but also dealt with the mud that turns townships into islands one cannot leave when it rains. Some of the recitals morphed into hip-hop and beat-boxing.

We heard poetry in languages we did not understand. South Africa has eleven official languages. English is common in Johannesburg and surrounding areas, but it is normally people’s second language.

Omnipresent danger of crime

Many of the performers carried their backpacks all the time, even on stage. Nkosana told us the reason: in the townships, one must always be ready to flee in a second. The danger of being attacked by criminals is omnipresent.

Some places have particularly bad reputation. At the time, the Ponte Tower in Hillbrow was infamous and dangerous. This high-rise building was inaugurated in 1975. It was supposed to serve as luxury accommodation for rich white people, but decline set in when the government stopped funding for a peaceful Hillbrow, which was called a “gray” neighborhood due to its mixed black and white residents.

From the mid-1990s on, Ponte Tower became a centre of crime. Criminal bands moved in and set the pace. The residential tower was rehabilitated only a few years ago, with high security efforts ensuring that only residents can enter the building.

We never went to Ponte. Instead, we often went to the Carlton Centre, the tallest building in the country. As an unaccompanied white couple, we used to...
attract attention. One local guide who was escorting two Japanese women pointed at us once and said: “See, it isn’t that dangerous here. Those two are definitely Germans, and they dare to come here by themselves.”

When I told my black colleagues about our downtown excursions, I would often be warned of dangers. They never went to downtown Johannesburg. Brutal robbery was not uncommon. Three friends were mugged in Delta Park while biking. They came home without their bikes and cell phones. Another friend, a blonde woman, was bold enough to negotiate with a thief and he actually allowed her to keep her phone.

Malls and gated neighbourhoods are generally considered to be safe, although one can get robbed there too. To Nkosana, shopping malls, which are blatantly advertised as being “for the fortunate few”, are the epitome of progress and security. This is especially true of the malls in Sandton, a wealthy district.

Even the police would sometimes say it was “stupid” to stop at a red traffic light at night. Signs warning of criminality were displayed in many places, even at motorway junctions, revealing the powerlessness of the South African government. Instead of effective crime prevention, stickers are distributed.

“Smash and grab” is one of the risks. Thieves smash car windows and grab what they can get. Some people use protective stickers on the glass, but that just leads the criminals to use heavier instruments or bigger stones.

On the days the garbage was collected, streets were always busy early in the morning. The poor would go through each garbage bag searching for usable ware. This was an informal first stage of waste separation.

When the municipal disposal service went on strike for several weeks, the regular garbage man rang our friends’ doorbell. He offered to pick up the garbage for “only” 50 rands – the equivalent of three euros – and dispose of it “privately”. This episode was symptomatic of many infrastructural problems in South Africa.

Link
Poetry from the township Orange Farm:
skytoradio.blogspot.de

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Knowledge is power

Community-based data collection helps the residents of informal settlements to fight for their interests. Shack/Slum Dwellers International (SDI), a network of grassroots organisations, is promoting this powerful method.

It is tempting to see technology as the answer to every problem. But thorough analysis shows that this is not so. Some 863 million people live in informal settlements called ‘slums’. They lack secure tenure and access to basic services. It will be difficult to ensure that adequate infrastructure is built for them. Lack of knowledge is one problem, and another is that some people benefit from the status quo, making money from the vulnerabilities of others. Transforming cities in way that all citizens get the basic services and safe homes they deserve will have to involve redistribution. It will not happen unless there is political resolve.

To challenge vested interests, people from informal settlements need information. Grass-roots organisations have been working on systematically gathering relevant data. They are affiliates of SDI and based in 33 different countries.

The SDI affiliates have agreed on a standardised method to collect information. By the end of March 2016, they had completed profiles of 4,200 informal settlements. The profiles are based on a 13-page questionnaire that local residents filled in with the support of community activists. The result is a precise snapshot of a settlement’s current conditions, its history and its community life. While technology in itself is not the answer, it does have a role to play. Residents have been trained the use of digital GPS devices – the letters stand for “Global Positioning System”. With GPS they could document the facilities that exist in their neighbourhood and where they are located.

In more than 100 cities, over 85% of informal settlements have been profiled this way so far. Accordingly, it is now possible to accurately assess the living conditions city-wide.

The data is owned by the local communities and empowers them. It is fine when an academic argues that an urban master plan only indicates “open space” where an informal settlement is located or includes other kinds of “black holes”. The impact is much more powerful, however, when the community concerned provides precise data on the number of residents, the length of their residency and the ways in which they contribute to the prosperity of the city. Such data makes it much harder for local authorities to keep neglecting their community.

Jockin Arputham, the SDI president, says: “Surveys help to empower all slum communities to organise and find out more about their settlement and ward, but they must take the responsibility to strengthen their negotiating ability themselves.” It is not a technical exercise that can be left to an NGO from outside, the grassroots activist from Mumbai insists.

In the experience of SDI affiliates, community-led data collection is very useful in terms of mobilising and organising a community. The process draws people together, enables them to identify their needs and contributes to defining priorities. It helps people to understand their histories, strengthen their identities and rediscover a collective sense of purpose.

Communities have long seen professionals come in, collect data, and disappear without addressing their development needs. SDI’s data revolution is different – it begins at home. The network seeks to be the “go to” place for data about informal settlements.

According to Sheela Patel, who chairs the SDI Board, the approach of building “a global platform for community-gathered data on slums” is being taken very seriously in many countries today. “For us,” she says, “enumeration has always been central”, but officialdom rarely showed interest. That has changed.

For development agencies around the world, the SDI methodology offers a chance to work in partnership with the residents of informal settlements. This is, indeed, a chance to build cities where every one is welcome.

Links
“Music is my friend”

Ghetto Classics introduces youth from Korogocho, a major Nairobi slum, to classical music and teaches some of them to play in a symphonic orchestra. The programme is run by the non-governmental Art of Music Foundation. Founder Elizabeth Wamuni Njoroge told Isabella Bauer about her approach and experience.

Interview with Elizabeth Wamuni Njoroge

What are the goals of the Art of Music Foundation?
We primarily work with young musicians, in particular those who would otherwise not have a chance to learn formal music. Learning music gives our members vital life skills such as discipline, focus, a culture of hard work and teamwork. Moreover, we provide them with a safe space away from the dangers of their informal settlement and open up their world by exposing them to life outside the slum. Academically, our members perform better than their peers. They also increasingly assume leadership roles in their schools and beyond. This is basically our focus.

It is unusual to start a youth orchestra in a slum settlement. How did the idea arise?
I have to say I didn’t know what I was getting myself into when Father Webootsa at St. John’s Catholic Church asked me to start teaching some of his kids music some years back. In 2008, I started Ghetto Classics, the orchestra, as you see it today. We started off with 14 kids, and now there are more than 650. I was young and foolish and believed I could do anything.

How did the people in Korogocho respond?
They were very sceptical at first – for obvious reasons! This is a community raised on Reggae and Genge, Kenyan Hip Hop. The people view most non-governmental organisations with suspicion. They think NGOs want to take advantage of them. Today, you can say that one of my greatest achievements is how much the local people now appreciate Ghetto Classics. It is now the strongest youth programme in the community, and ever more youngsters want to join. The kids are very protective of the programme themselves, making sure that our equipment is safe.

What is their background?
The members of Ghetto Classics come from extremely difficult backgrounds, and dealing with those issues is an integral part of our programme. You can not teach music to a child who is hungry, out of school, being abused, does not have a home … What we do is find partners who take care of the kids’ non-musical needs. Some members are highly talented musicians. Others seem not to be that gifted, but all are welcome. We are one big family.

What does the Art of Music Foundation provide the musicians with?
We offer structure, a safe space, a whole new family. We try to broaden members’ horizons and open their worlds so that they can have dreams of success. They are surrounded by poverty and despair. We try to provide them with skills to help them escape from this misery. We have seven members in university now, and we have employed eight members to teach younger ones music. We do the best we can to make sure that every member goes to school.

Do you have anyone in mind who grasped this opportunity with particular success?
Oh, there are a few. Brian Kepher, for example, was sleeping on the floor of a church six years ago, but this year he visited the Lausanne Conservatory with the hope of becoming a student there next year. And then there is Simon Ndung’u, who was one of my first students and is now my manager on the ground. He will get very far. However, I haven’t got it right with the girls yet. So many drop out of the programme. The pressure to conform to what is expected of them by their society is so strong. Early sexual activity and motherhood are normal, and so many do not go beyond high school. It’s very frustrating and very sad.

What is the Foundation’s greatest challenge?
Our greatest challenge by far is resources. Money, instruments, staff – those challenges keep growing. Also, building a structure that can accommodate our growth. Everyone in our organisation is operating at at least 110 percent work time … On the other hand, we must not forget that kids’ lives are really hard. They face unbelievable challenges, and we have to find ways to help them so they find the strength to cope.

What is music mean to you personally?
I myself was lucky; I come from a pretty comfortable family. My university education was in Canada and the UK. That is where my love for classical music grew. I spent my spare time either studying voice or watching concerts. So music is my friend – it was and is always with me, in good and bad times. Becoming a musician was my dearest wish, but it was not an
Music for a better future

Every Sunday, children and teenagers meet in a church in Korogocho, one of Nairobi’s big slums, to play music. For many of them, the Ghetto Classics programme is the only chance to escape poverty.

Tin and wooden huts line the narrow, dusty lanes of Korogocho. A huge garbage dump close by provides a livelihood to many of the inhabitants. Whatever looks at least somewhat useful is traded and applied.

St. Peter’s Church is right next to the soccer field and the area’s only primary school. Violins, clarinets and saxophones can be heard over the din of children’s voices, athletes’ shouts and buzzing motorbikes. The young musicians from Ghetto Classics are beginning to practice.

Under the church’s roof of corrugated iron, children and teenagers meet every Sunday and play music together. Ghetto Classics is the only opportunity they have to learn how to play a classical instrument. Many of them consider music more than a mere hobby. “I love music so much. Sometimes, life here gets really tough, and music helps me to forget about that,” says Emily Onyango, who is 15 years old and plays the violin. “This project is my only chance to escape poverty,” she adds. “I cannot afford to go to school. But if I perform well here, I can join a bigger orchestra and earn money.” She is also interested in becoming a journalist or joining the film industry. In any case, she is prepared to work hard to achieve her goals.

Ghetto Classics is run by the Art of Music Foundation, a non-governmental organisation (see interview, p. 25). The idea is to provide the slum youth with other opportunities beyond the rampant crime they are familiar with. Of course, only a small share of the members will become professional musicians. However, the experience of learning something they are proud of and having their skills appreciated has had a positive impact on many lives. Musicians play at wedding parties and other events, contributing to their neighbourhood’s cultural life.

Volunteers teach the youngsters to play. Most of them are students and come from Nairobi’s better-off areas. They spend hours navigating Nairobi jams in order to teach in Korogocho on Sundays.

Etta Adete is one of them. She studies architecture and learned to play the violin at school. All week long, she looks forward to her Sunday in Korogocho. “I love to practice with the kids. It means so much to me. I am from a wealthy family, and I am going to university. I come here to give something back,” she says. „And it is a lot of fun to work with the kids here. They are so ambitious, so curious and so enthusiastic.”

It does not bother her that discipline could be stronger. All persons involved know that many of the orchestra members are pretty much left to themselves. Sometimes, they miss practice because they have to help out in the family, or it has rained, and the roads are too muddy for coming. What matters to the teachers, is that they are offering youngsters the opportunity to experience something that would otherwise not happen in Korogocho.

Isabella Bauer
option in my family, unfortunately. So I just became a singing pharmacist.

What are your future plans and dreams?
I would like to see our programme grow to a point that we are accessible to as many needy children as possible. There are also middle class children whose parents do not see the point of spending their money on something as “frivolous” as music. I’d also like us to improve our musical standards. It would be wonderful if we could give very gifted children a good enough music education to compete with any child from the west. I dream of traveling with our kids. Performing on a great stage somewhere in the world. I dream of one day producing someone like Gustavo Dudamel, the famous Venezuelan conductor.
Listen to everyone

Urban planning all too often does not work out because it is based on illusions. To improve matters, it is essential to take into account the perspectives of all segments of society. Doing so is particularly relevant in small and mid-sized towns where the scope for future development is greatest.

Urban planners tend to be experts who have a clear idea of how an agglomeration should reasonably develop. Unfortunately, they often lack an understanding of many relevant issues that should be taken into consideration. For several reasons, it is actually impossible to understand everything that matters:

First of all, urban settings foster self-organised behaviour, much of which authorities are not even aware of. Slum settlements, for example, are often beyond the reach of law enforcement and almost always unplanned. Nonetheless, people survive there, and their community life is widely self-organised. Urban planners may see informal settlements as problems, but to the people living there, they are solutions: this is where they have a home and where many of them work. Self-organisation matters in other respects too. For example, businesses network among one another, religious communities and social movements spread, traffic patterns evolve.

Cities are where change happens and political challenges arise. Technology, migration and political uprisings are just three catchwords. Cities keep transforming, so what planners consider normal today may not be obvious at all tomorrow.

Urban land is expensive, and vested interests have a bearing on development, but they are not necessarily aligned with urban planning. All over the world, the incidence of corruption pertaining to urban affairs is particularly high, which shows that urban planners cannot simply implement the common good.

Urban development is always complex, complicated and contested. That does not mean that planning is useless. It is indeed important. However, it can only make meaningful contributions if planners get rid of their illusions. Planning and building a city is not like setting up a factory according to rational principles. Cities are not machines, and opinions diverge concerning what is rational. Cities are more like biological eco-systems with in-built immune systems, surprising resilience, a potential for spontaneous developments and a propensity for conflict. Accordingly, interventions can easily prove counter-productive.

The better urban planners know their agglomeration and its diverse communities, the better they will perform. They must not withdraw into fancy office buildings to draft grand schemes, but must engage with the public. They should realistically assess why so many grand plans fail. An approach one might call “agora” planning would make sense. “Agora” is the ancient Greek word for the market places that, like Rome’s Forum, also served public debate.

To make a relevant difference, planners must take an inclusive approach. The more voices they hear and the more perspectives they share, the better they can rise to the challenges. They need to take into account inconvenient truths as well as powerful vested interests. To overcome major obstacles, they will have to forge big coalitions, involving different social forces. Top-down approaches, however, are bound to fail.

The agora approach should not only be taken in megacities like Lagos, Lahore or Lima. For several reasons, competent agora planning is at least as important in smaller towns. One reason is that smaller towns grow faster than big ones. Another one is that they are becoming diverse, and multiculturalism is becoming the norm. Unlike in megacities, it is impossible to withdraw into secluded communities.

Moreover, small and mid-sized towns are not stuck in age-old patterns. Information technology matters too. Supposed backwaters are no longer cut off from what is being discussed elsewhere. There is a great scope for innovation.

It is worth noting that Germany has a lot of urban-planning problems. Grand schemes like Berlin’s new airport are not making progress, and Cologne even lost its historical archive in 2009 when a new-dug tunnel for the underground collapsed. There are many more examples of flawed planning in German cities in spite of their lively civil society, strong institutions and comparatively small size. That planning is not perfect even here, shows how great the challenges are, and that realism must prevail over illusions.

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“Normative compass”

Urbanisation is progressing fast and shaping the lives of ever more people all over the world. Dirk Messner of the WBGU (Wissenschaftlicher Beirat der Bundesregierung Globale Umweltveränderung), the German Federal Government’s advisory council on global change, warns that the impacts are being underestimated and points out issues that matter in particular.

Interview with Dirk Messner

Why do you say that the relevance of urbanisation is not understood well?
The impacts of urbanisation are huge and affect the entire world. The trend will prove decisive for very many people’s wellbeing, for sustainability and for societal stability in general. About half of the world’s over 7 billion people are currently living in cities. Their number will double in the next 35 years, and about 7 billion of 10 billion people will be urban people. The implication is that cities must grow very fast in very short time. To make it very clear: within the next 35 years, humankind must double the urban infrastructure that has been created since the industrial revolution set in some 200 years ago. How agglomerations grow will have a bearing on the global system and not only on an agglomeration’s immediate location and surroundings.

Can things be managed in an environmentally sustainable way?
Yes, in principle it can be done, but the urban structures will have to be built differently from what we are used to. If we keep using concrete, steel and aluminium as we have done so far, the construction of cities will use up almost the entire carbon budget that is compatible with ensuring that global temperatures do not rise by more than 1.5 degrees. It would thus become impossible to achieve the goal defined in the Paris Agreement and limit global warming to 1.5 to two degrees. Bear in mind: urbanisation as we know it would use the entire carbon budget without a single car driving even one meter, any goods being manufactured or human being consuming anything. The issue of climate-friendly building materials may look boring and technical,
Porto Alegre has taken interesting approaches to involving citizens in public decision making: the Brazilian city’s historical town hall.

but is essential for climate protection. Wood, mud and innovative materials such as carbon fibers really matter.

**What are the implications?**

We must understand that urbanisation follows certain paths and is irreversible. Once urban structures and infrastructures are built, you cannot correct mistakes anymore. The future is literally being cast in concrete. Mistakes made in the next two or three decades will haunt many future generations. On the other hand, good decisions will prevent massive failure and, at the same time, drive social progress, boosting people’s quality of life. However, global awareness of these matters does not match their urgency.
Why is that so?
Well, there are several reasons. It matters, for instance, that urban scholars typically have studied one particular agglomeration. They tend to know everything about Mumbai, or Bogotá, or the Ruhr Area. This division of labour makes it difficult to see the global dimensions. Urban agglomerations are very complex systems, and every single one is special in its own way. If you study energy supply, things are much easier to grasp. There is only a limited range of ways to generate electric power, so the variety of supply systems is not great. Every city, however, combines many kinds of infrastructure: power supply, water supply, sewerage, garbage management, transport, telecommunication. And we must consider social infrastructures too: hospitals, schools, insurance systems. The local economy matters – from small-scale industries to huge manufacturing sites and hubs of trade and services. Geography makes a difference, and so does the climate. It is much easier to agree on efficiency criteria and define emission limits for the energy sector than to spell out similarly clear guidelines for urban development.

And that is why global policymaking is not making much progress?
Well, it is telling to compare the kind of mobilisation we saw ahead of the Climate Summit in Paris last year with the slow dynamics in the run-up to this year’s Habitat III conference in Quito. Climate protection depends on urbanisation following the right development path. Climate issues get a lot of international attention, but the public at large is pretty much neglecting Habitat, considering it a mere meeting of experts. This attitude is not commensurate with the urgency of sound urbanisation.

Do you have any messages that apply globally to every city?
Yes, the WBGU has drafted a kind of normative compass. It can help all people in positions of responsibility to act prudently. Three things are essential in particular:

- Inclusion, involvement and participation are essential, in business, society and politics. Where people are in a position to influence their immediate environment and shape their own fate to some extent, we get better results, higher levels of satisfaction and more peaceful communities. This is ultimately about welfare in a way that figures for gross domestic product do not reveal. Cities must be livable, and issues like education and mobility matter, as do parks and public spaces.

- Global sustainability is essential. Urban growth must happen within planetary boundaries if we want to avoid crises. Business as usual will not work. Local resources such as water, air and soils must be used prudently too or they will be depleted.

- The particular characteristics of every city are essential, we call it “Eigenart”. They must be cultivated and further developed. People’s wellbeing depends on how cities are built. Social networks, trust, security, communication, a shared sense of responsibility – none of this emerges where people live in anonymous high-rise buildings or where the wealthy hide behind walls. Public spaces are needed. Architecture has a bearing on people’s welfare. These things are very important given that 75 % to 80 % of the world population will be urban in the not so distant future.

You sound plausible, but are your three essentials really achievable?
Well, they certainly are not totally unrealistic since some cities meet the requirements. Copenhagen and Stockholm are examples, but some cities in developing countries offer interesting perspectives too. Porto Alegre has taken interesting approaches to involving citizens in public decision making; in Mumbai, slum dwellers have organised to improve their situation; public spaces have emerged in Kigali, so urban communication is facilitated. I’ll admit, however, that a metropolis is only rarely built within five to ten years without major mistakes happening. On the other hand, cases of success show what can be done – consider Brasilia, for example. One must take into account that healthy urban settings serve to facilitate vibrant neighbourhoods and strong social networks. The point is not to house and govern as many people some way or another. People must live good lives, in an as self-determined way as possible, and to what extent that is possible, depends on cities.

What implications are there for policymakers?
One implication is that local bodies should take decisions concerning public investments. We studied this matter. In Denmark, municipal bodies are in charge of about 60 % of relevant spending. In Kenya, the share is a mere 1.2 %. It is no coincidence that daily life is more comfortable in Copenhagen than in Nairobi, and the cause is not simply higher incomes. Generally speaking, many small and mid-sized towns are preferable to hard-to-manage megacities. Social inclusion and citizens’ involvement are easier to achieve in cities with 500,000 to 1 million people than in agglomerations of 5 million or even 15 million people. Polycentric patterns of settlements with many inter-linked cities, serve people’s needs better than megacities. New technologies can prove helpful.

What technologies are you thinking of?
Renewable energies and digitalisation for example, they can support decentralisation. Combined with social innovations, their smart application will open up opportunities for making humankind’s urban future liveable. The alternative is irreversible failure, environmental disaster and social disintegration.

Link

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Urban development and urbanisation in general should be at the top of the global policy agenda. Sustainable urban transformation is essential for achieving global climate goals, but it will only happen if we embrace an entirely new way of considering, planning and building cities.

By Franziska Schreiber

In 2050, around 70 % of the world population will live in cities. This tremendous urban growth necessitates that we build a city for 1 million people every week, with an average investment volume of around $10,000 per family. Time is thus a critical factor, and so is the way we build. China, for example, has recently used more concrete for construction purposes in three years than the USA in the entire 20th century. This path is neither sustainable nor keeping with the times.

Using conventional construction materials for necessary infrastructure would alone consume three quarters of the currently available CO2 budget, if we want to limit the rise in global temperature to below 1.5 degrees Celsius. The goals of the Climate Agreement adopted by the UN members in Paris last December would become unattainable, as would improvements in social welfare. In 2010, a billion people were already living in squalid and inhumane circumstances in developing countries. Without a change in trend, this number will grow to around 1.6 billion people, according to the UN Habitat 2016 World Cities Report.

The speed and scale of urbanisation requires the ‘remaking of cities’. An entirely new approach to considering, planning and building cities is needed as soon as possible. That is the key message of a flagship report published by the German Advisory Council on Global Change (WBGU) (see interview with Dirk Messner, p. 29). Only a profound paradigm shift will set the course for a sustainable urban transformation and ensure that the challenges of urbanisation are mastered.

Accordingly, a global policy framework is required. In view of the urgency, urban development and urbanisation in general must be at the top of the global political agenda. There must be a debate about, with and in cities. Consequently, the modernisation of urban governance is a key issue, according to the WBGU authors. They demand a right for cities and cities’ networks to participate in – and contribute to – relevant international negotiation processes. Moreover, they want national governments to recognise and promote the crucial role of cities in implementing international agreements, like the Paris Agreement or the UN Agenda 2030 with the Sustainable Development Goals (agreed in September 2015).

Between ambition and reality in the Habitat III process

The role of cities as central actors for sustainable development will be the subject of the Habitat III conference in Quito in October. It will remain important in future. The WBGU thus hopes that the global debate on urbanisation, which has taken place over the last two years, will continue after the conference ends, given that the preparations for the urbanisation summit were largely disappointing.

The Habitat III process lacked a convincing message as to why cities are the major agencies for the global transformation to sustainability. It lacked political leadership and diplomatic skill, good timing and the necessary attention. The topic did not seem relevant to most governments.

In contrast, the WBGU report provides a politically convincing and more progressive narrative, spelling out a vision for sustainable urban transformation. The vision translates into more than 500 pages of tangible and conceptually sound recommendations. The report should thus prove especially relevant for implementing the New Urban Agenda, the final document expected from Habitat III, as well as the Agenda 2030 (see p. 14 in this issue and D+C/E+Z e-Paper 2016/07, p. 8).

Strengthening urbanisation as a political realm

The WBGU focuses on ten areas of urgent action and expects that these areas will be the most relevant in terms of sustainable urban transformation. This is a valuable input into the policy debate. By proposing clear goals for each area and recommending specific measures, the report offers a focused concept for transformation.
One recommendation, for example, is the complete decarbonisation of all transport systems by 2070 and substituting carbon-based fossil fuels with emission-free alternatives. The WGBU also emphasises flexible designs for urban land use in order to best serve the public good and establishing the most complete circular economy possible in this century. The authors plan to draft an instruction manual for policymakers on the basis of their recommendation. It should prove important for implementing the New Urban Agenda.

The same applies to the UN Habitat World Cities Report 2016. This document reflects urban development and urban politics in the past 20 years. It discusses the greatest challenges and unresolved issues since the Habitat II Conference in Istanbul in 1996, indicating paths for a sustainable urban transformation. With its focus on housing, which is a key factor for sustainable development in cities, and the role of information and communication technologies for city innovation, the report complements the WBGU appraisal with further key aspects of future city development. “Facts at a glance” and “Political recommendations” make the report more accessible for decision-makers.

UN Habitat is the UN programme for urban planning, human settlements and housing in developing countries and emerging markets. Its future is uncertain. Many of the countries concerned, especially the African Group, favour strengthening UN Habitat as a pivotal institution for implementing the New Urban Agenda.

The authors of the WBGU report agree and recommend that, in the long run, UN Habitat should become an independent UN organisation. In the short run, they suggest reforms to improve management, strengthen UN Habitat’s capacity to act, boosting its competencies and political relevance. The EU, on the other hand, wants an UN-wide coordination mechanism (which might be called “UN Cities’) to implement the New Urban Agenda.

Cities shape global politics

Sticking to the 20-year cycle of Habitat conferences is no longer suitable, considering the momentum of urbanisation today. The WBGU and Germany’s Federal Government have proposed shorter cycles of four to 10 years, yet without success. However, cities, cities’ networks and other urban actors – including international businesses – will not wait for national governments or the multilateral system to react. They will discuss new forms of global urban governance outside the existing intergovernmental systems. The Global Parliament of Mayors, founded in September by and for cities is one such forum.

While national governments and the UN system have not yet effectively tackled global challenges such as climate change or migration, many cities have already taken innovative action to rise to these global challenges. To a large extent, cities will more and more be shaping global affairs rather than merely being exposed to them. That is what Benjamin Barber argues in his book: “If mayors ruled the world: dysfunctional nations, rising cities”. This is why the Parliament of Mayors, as a global governance institution, is supporting cities around the world to unite in policy-making and to show that brave and ambitious solutions are politically possible and viable. There are many signs that cities in the future will organise more such initiatives that demonstrate their role as trailblazers.

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Exports as drivers of growth

For a long time, the export-led growth model was considered an essential pillar of economic development. Recent expert publications tend to confirm the paradigm, but they emphasise that the sort of exports matters.

By Clara Brandi and Dominique Bruhn

According to conventional neo-classical trade theory, open markets create economic advantages. In the early 19th century, David Ricardo (1772–1823) observed that, when two countries trade, both economies benefit from an international division of labour because of differences in their comparative advantage.

The paradigm of export-led growth became particularly relevant in the 1970s and gained widespread currency, notably because of the IMF and World Bank. Both institutions frequently demanded that recipient countries remove trade barriers and liberalise markets as a condition for getting loans.

The export-led growth paradigm also spread because the outward-looking East and Southeast Asian economies often proved more successful than inward-looking economies in Latin America or South Asia, for example. Inward-looking countries wanted to achieve growth based on import substitution: they took protectionist measures to protect local businesses in the hope that local products would gradually replace foreign products. The advantages were that the effects on production and employment were felt immediately and did not depend on other economies. But, in the end, the success of Asian tigers such as South Korea, Taiwan and Singapore illustrated the opportunities presented by the export-led growth model, which consequently attracted growing support.

This view has been expressed in a large body of expert literature and empirical studies. Early studies detected a strong positive correlation between exports and economic growth, but they have been increasingly criticised for methodological shortcomings. One obvious problem was that the causality can go in both directions: exports may generate growth, but it is also likely that countries with higher growth will export more. Moreover, exports and economic growth may be mutually reinforcing or simultaneously driven by a third factor that is not included in the analysis.

Giles and Williams (2000) provided a comprehensive overview of the status of empirical literature in a much-quoted essay. Their conclusion was that there was no clear consensus on the hypothesis that exports promote growth. Studies with different methodologies, geographical focus, time frames and variables yielded different and sometimes even contradictory results.

This unsatisfactory insight prompted researchers to take new perspectives. Recent studies stress that it is not enough just for a country to export; it also needs to export the right products. The article “What you export matters” by Hausmann et al. (2007) laid the foundations for a new strand of literature. Its findings have been confirmed by many subsequent studies. Countries that specialise more in exporting high-tech products grow faster than countries that export low-tech products. The implication is that developing countries should not only export goods or services for which they have a comparative cost advantage; they should also strive to become competitive in other, more demanding areas. That said, a certain level of technological expertise is a prerequisite for such progress.

Another branch of literature looks at the impact of imports in the export-led growth model. Imports are required as intermediates for many export products, and they can lead to a positive transfer of technology and knowledge. A number of studies show that growth can actually be import-driven (see e.g. Awokuse 2008). Moreover, imports have a bearing on the magnitude of the growth effects that are triggered by exports (Riezman et al. 1996). These findings shed a new and more critical light on the conventional mercantilistic goal of generating foreign-trade surpluses by promoting exports and minimising imports.

The removal of import restrictions is becoming increasingly important because it is more and more common for the production of a good and its various components to take place in different countries and regions. In the 21st century, global value chains are considered crucial for international trade. They figure prominently in recent literature. Recent publications by the UN Conference on Trade and Development (UNCTAD 2013) and the World Bank (Taglioni and Winkler 2016) provide good overviews of the phenomenon.

Global value chains offer big opportunities, especially to developing countries. They enable a national economy to use intermediate products from abroad and take over the part of the production process that suits it best without having to build an entire industry. Integration in international production networks is thus regarded a promising growth strategy. However, global value chains are highly competitive, and there is no guarantee that the benefits that accrue to developing countries will always be sustainable.

In global value chains, goods are imported, processed or assembled and then re-exported, so in many cases only a small share of the total export volume actually reflects value added in the country itself. Adding value, however, is what boosts a country’s gross domestic product. For a long time, the importance of export volumes for economic growth was hence systematically overestimated.

Many developing countries are chiefly active in low-wage segments, so their exports only include little value that was added at the domestic level. There is a risk of competition becoming tougher
in the low-wage segment before a country advances to better paying, but more challenging roles in value chains. This is a dilemma for middle-income countries and often called the ‘middle-income trap’. Today, there is a broad consensus in expert writing that developing countries must not only participate in global value chains; they must also endeavour to upgrade their economies, engaging in higher value-added production activities or services.

According to UNCTAD (2013), countries which have increased both their engagement in global production networks and the domestic value-added content of their exports over the last 20 years registered an average of 3.4% annual growth per capita. The ratio was a mere 2.2% for countries that were involved in value chains but failed to upgrade.

The World Bank book (Taglioni and Winkler 2016) assesses how global value chains best contribute to economic growth in developing countries. Major factors for successful integration in international production networks include:

- foreign direct investment,
- a reliable investment climate,
- good infrastructure and
- low trade barriers.

Economic upgrading and profitable connections with multinational companies depend on things such as:

- skilled labour,
- compliance with international standards,
- administrative and financial resources for creating new production sectors,
- complementary services and
- capacities for innovation and research.

International development agencies could address some of these issues. Moreover, the debate on how industrial policy can relate to upgrading can offer relevant insights for policymakers (see Michael Grimm in D+C/E+Z e-Paper 2016/03, p. 33 ff.).

All summed up, international trade can still be considered a driver of growth. However, exporting in itself does not guarantee long-term economic development. The empirical evidence is growing that the nature of what is exported and its domestic value-added content are what matters. In this context, the debate is focusing on opportunities for developing countries and how to improve their position in value chains. The export-led growth paradigm thus basically remains valid – but it has changed over time and become more nuanced. In view of the adaptation of the Sustainable Development Goals (SDGs) by the UN, moreover, we’d like to offer a glimpse into the future and predict that debate will increasingly focus not only on the economic dimensions of development but also take into account environmental and social impacts.

References


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Marriage first, love later?

The number of arranged marriages in the Middle East and North Africa is decreasing. Matrimony between cousins is still widespread, but matches of this kind now account for at most a quarter of all weddings. A growing number of young people find their partners without mediation; marriage for love is their ideal. It is still normal, however, for parents and grandparents to have a say in the choice of a spouse.

By Martina Sabra

She has a good university degree, works as well-paid manager, owns her car. Kenza (all names have been changed) is a 32-year-old Moroccan and proud of her career and financial independence. Although she could have bought her own apartment long ago, she still lives with her parents. “I get on brilliantly with my mom and dad,” she explains. “I see no reason to move out until I marry.”

Kenza has recently become engaged. She and her fiancé met at a seminar and became closer chatting on Facebook. “We talked a lot, and then we clicked – outside Facebook,” the young woman says with a smile.

Kenza has fulfilled her dream of a romantic love match but conventions still matter. Her husband is Muslim, of course. She could not marry a non-Muslim under Moroccan law; there is no system of civil marriage. To get engaged, Kenza needed her parents’ consent. The families observed the traditional introduction rituals: there were reciprocal visits by mothers and aunts and discreet checks on the prospective in-laws’ reputation. Whatever Kenza’s parents thought of their daughter marrying for love, they did want to make sure the candidate had the right educational background, financial prospects and good manners.

The approval of her parents, especially her father, means a lot to Kenza. Thanks to a reform of family law in 2004, Moroccan women are allowed to marry without the written consent of their fathers or other male guardians. “I approve of this law because, after all, I’m a grown woman and can stand up for myself. But I could not imagine marrying someone my parents objected to,” Kenza says.

Arranged marriage, forced marriage

Not every arranged marriage is a forced marriage. Terre des Femmes, a human-rights organisation that campaigns against forced marriage, defines an arranged marriage as one initiated by family, friends or marriage brokers but concluded with the full consent of the bride and groom.

In a similar way, the Swiss initiative Zwangsheirat.ch distinguishes between forced marriage, arranged marriage and self-organised marriage. All three can result in forced marriage, if separation or divorce are not allowed.

Forced marriage is a violation of human rights because everyone has the right to choose the person he or she wants to live with. The key issue is whether there is any real or perceived pressure to enter into the marital union. It is therefore vital that those concerned should have the opportunity to say how they see the situation.

According to social anthropologists, elements of arranged marriage are found in nearly every culture. What differs is how much the bride and groom are consulted and how much say they have in key decisions. A distinction is made between three types of arranged marriage:

- In forced arranged marriages parents or guardians select spouses; bride and groom have no say in the matter.
- Arranged marriage with partners’ veto rights are initiated by parents or guardians, but depend on the consent of bride and groom.
- Self-selected marriage with parents’ veto rights mean that bride and groom are not entirely free to make their own choice.

The opposite of arranged marriage are autonomous or self-selected marriages, with parents or guardians not playing any role. At present, arranged marriages are preferred by the majority of the world population. Forced arranged marriages are not the norm, however, and becoming rarer. Most marriages between adults today are somewhere on the scale between arranged and autonomous marriage.
violence against women perpetrated by the terrorist militia ISIS and by forced marriages (see box p. 36).

According to UNICEF, the number of married women under 18 has indeed gone up among the Syrian refugees in Jordan. The share is now 30 %, while it was only 13 % in Syria before the war. This trend is a result of strife and displacement. Families believe their daughters are safer with husbands. Traditional social networks and control mechanisms do not work in refugee camps, and the situation of people on the run is mostly precarious. To protect the honour of a daughter and the family, girls are married fast once they reach puberty. It deserves emphasis that teenage marriage rates among Syrian refugees are not typical of Arab countries, even though western media focus on these figures. Stereotyped views, moreover, are reinforced by spectacular cases such as that of Amina Filali, a 16-year-old Moroccan rape victim who committed suicide after a court decided she should marry the man who raped her. Individual cases like this fuel the prejudice that child marriage is the norm in the Arab region and all Arab men treat their wives as prisoners or slaves. That perception is extremely exaggerated.

Religious justification of child marriage

It is true, however, that a patriarchal mentality and discriminatory legislation limit the freedom and options of women and girls in nearly every Arab country – with the exception of Tunisia. Strictly conservative Muslim scholars contend that women and men become adults when they reach sexual maturity in the physical sense (menstruation or ejaculation) and thus also have the mental maturity for marriage. This pronouncement provides the theological and ideological justification for girls as young as nine to be married in Sudan, Saudi Arabia and Yemen, three especially conservative countries.

In other countries, such as Morocco, Tunisia and Jordan, for example, the minimum age for marriage has been raised in line with international conventions. However, courts grant exceptions, so sometimes girls as young as 14 or 15 do get married, especially in rural or poor areas and strife-torn areas. According to a study by the Population Reference Bureau published in 2013, one in seven girls across the Arab world is married before she reaches the age of 18. In Morocco, the same study finds that 13% of all married women are minors, while in Jordan the figure is eight percent.

In most Arab countries, women still do not have the right to sign their own marriage contract; they need the consent of their father or male guardian (wali, mahram). Exceptions include Tunisia, Morocco and Algeria.

Another coercive phenomenon is cousin marriage, with families deciding that first cousins will marry one other. This is quite common in a number of Arabian Gulf states as well as in Lebanon, Jordan, Palestine and Morocco and affects women and men alike. Generally speaking, however, the tradition of cousin marriage is in decline. Today, it is largely confined to rural areas and conflict areas. In Morocco, around 15 % of all marriages are cousin marriages; in Jordan the figure is thought to be around 20 %.

Radical change

Legal, social and cultural constraints thus continue to mark marriages in Arab societies. At the same time, however, there are signs that the social norms, mind-sets and marital practices are undergoing radical change in the MENA region. The reasons include migration from rural to urban areas, rapid urbanisation, better access to education for girls and changing attitudes to marriage and family life.

Because of economic crises and change, moreover, many young men can no longer fulfil their traditional role as provider for the family. At the same time, many educated young women are no longer willing to bow to the dictates of a traditional role and large family. Instead, they want a romantic marriage and a small family with two to three children, following the western model. The average age at which women marry has risen to 27 in Morocco and 25 in Jordan – and it is set to rise further.
Widad is a 30-year-old engineer from Jordan and has recently found her dream partner. Unlike Kenza in Morocco, she never considered it an option, even theoretically, to stay single. The reason is that, in Jordan, a woman who does not get married remains a child all of her life: “al-bint” (Arabic: the daughter). She only becomes a member of the adult world when she marries.

Widad was still at school when the first marriage candidate turned up on her parents’ doorstep. “My father’s family belongs to a distinguished tribe,” she explains in fluent English. “In Jordan, the groom’s – or suitor’s – family sends a mediator to make the proposal to the bride’s mother.” If the bride’s family considers the candidate suitable, reciprocal visits are arranged for the families to get to know one another better. They take the form of a set ritual. Then, if everyone is happy about the match, the male heads of the two families make contract.

“In a democratic family like mine, the daughter is asked in advance,” Widad adds. “I made it clear that I wanted to finish my studies before I got married. When Rami asked for my hand, I knew straight away that he was the one” But that did not mean that she gave up control: “I had it written into the marriage contract that I would be able to carry on working after getting married and having children. It also stated that we would live in our own apartment and not in the same house as my parents-in-law.”

**Interview with Luther Dennis Nii Antieyie Addy**

**What is your motivation to volunteer?**
I want to promote sexual and reproductive health rights (SRHR) and be a role model for my peers. I also want to reach out to other young people who do not have basic knowledge on SRHR so they make well informed choices in life. We are about 500 individuals volunteering with PPAG.

The PPAG volunteers regularly organise sexual and reproductive health outreaches to rural areas. Two years ago, for example, you visited the Nkyenoa community in eastern Ghana. What is the situation like in Nkyenoa?

Generally, people in rural areas have less information on social issues than their urban counterparts. Their access to education and social amenities is more restricted. Due to poor information, they are more likely to have SRHR problems. There is a high prevalence of teenage pregnancy as well as of child marriage and school drop-out. These matters concern girls in particular. The understanding of SRHR issues is generally not adequate, and Nkyenoa is no exception.

**Why do you volunteers do the outreach programmes, wouldn’t professional staff do a better job?**
We are part of the Youth Action Movement (YAM), the youth wing of PPAG. We are trained in SRHR and life planning and thus have the skills and information needed. When we worked in Nkyenoa, we were accompanied by a certified nurse.

You stayed for five days, and the aim was to reach out to the young people of the village. How did you approach them?
We engaged the people in a lot of activities, including a variety show, sport events and a grand durbar, which is an event held at the forefront of the village chief’s palace with discussions and theatrical deployment of SRHR issues. During the first days we paraded through Nkyenoa and its neighbouring villages, accompanied by community members and a brass band, playing music and showing placards that could impact change. We gave people condoms and handouts on HIV. The idea was to bring the young people from the villages together and to disseminate our information in an open and youth friendly atmosphere. We also did one-to-one counselling and offered group discussions based on gender and age. We dealt with many topics such as personal hygiene, values, teenage pregnancy, parent child communication, self-esteem, HIV/AIDS, sexually transmitted diseases, abortion and what makes a relationship healthy.

**Sex education**

“More than family planning”

Most West African countries are struggling with high rates of HIV/AIDS, other sexually transmitted diseases and teenage pregnancies. Ghana is no exception. But the country has a good track record of prevention programmes. With an AIDS prevalence rate of 1.3% among adults, the country is at least better off than many others in the region. One of the oldest civil-society organisations dedicated to the topic is PPAG – the Planned Parenthood Association of Ghana. Luther Dennis Nii Antieyie Addy, a young PPAG volunteer, explained matters to Eva-Maria Verfürth in an interview.

**Reference**

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Were the youngsters shy?
They responded quite openly, especially during the one-to-one talks and in the gender-specific group discussions. They were especially interested in issues like teenage pregnancy and abortion, because there are a lot of myths and misconceptions about it.

How often do you do this kind of outreach activities?
Due to lack of funds, this particular rural outreach is only done once a year.

Some of the female volunteers said they also wanted to show the girls from Nkyenoa that they have the power to influence their lives and to be their own bosses.
Yes, SRHR education goes beyond family planning. When women are empowered, they are able to stand up for their rights and make good decisions in their families. When the young ladies are able to say no to early marriage and acquire skills and education instead, they will later be advocates of education themselves and better placed to help build their homes.

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Educating on sexual health issues for 49 years

Ghana currently observes an increase in teenage pregnancies and sexually transmitted diseases. Against this backdrop, the work of the Planned Parenthood Association of Ghana (PPAG) is especially important.

PPAG is regarded as a leader concerning SRHR information and services in Ghana. The civil-society organisation promotes sexual and reproductive rights and provides education, information and services to ensure that people can make informed choices. PPAG gives information in matters concerning family planning, offers treatment for sexually transmitted infections and diseases and does HIV/AIDS tests and counselling. The organisation also offers comprehensive abortion care (CAC) and minor obstetrics and gynaecology services. Confidentiality is upheld, and many people with various health issues attend PPAG clinics.

Awareness rising among young people is a special focus of PPAG work. The idea is that they must know about the repercussions of early sexual activities. They are vulnerable, but also curious about their body and what they are able to do with it. Since the association’s inception over 49 years ago, PPAG has informed young people about the dynamics of SRHR and how to avoid negative consequences of sexual activities. It is especially important that young girls learn about various family planning options, so they can make informed choices.

PPAG runs clubs in schools that support sex education. Moreover, there are PPAG youth centres called the “Young and Wise Center” across the country. They offer not only counselling and medical treatment, but also libraries and recreation spaces as well as activities such as sports and arts for children and adolescents. Through fun and play, the youths are able to learn more. The leaders of the PPAG are proud to have helped stem the HIV/AIDS pandemic as well as to have contributed to demystifying some of the misconceptions about family planning and HIV/AIDS.
Finance

Sustainability in the banking sector

Financial service providers can make considerable contributions to sustainable development if they take into account environmental and social aspects when financing investments. Development finance institutions such as Germany’s DEG help to mainstream environmental and social concerns. They assess environmental and social risks, advise clients and promote sustainability principles in the banking sector.

By Meike Goetze and Claas Langner

Development finance institutions engage in private-sector financing that has positive economic, environmental and social effects at local levels. In addition to directly financing companies in all sectors, they support financial institutions with the aim of indirectly promoting small and medium-sized enterprises (SMEs) which otherwise would not have access to long-term investment capital. Development finance providers assess the potential for environmental and social impacts, and determine ways to avoid and mitigate any negative impacts.

The most widely used assessment standard in international development financing are the IFC Performance Standards, which include guidelines on human rights and were defined by the International Finance Corporation (IFC), a subsidiary of the World Bank Group. The standards are based on the 2011 UN Guiding Principles on Business and Human Rights and spell out minimum requirements and guidelines for various industries and sectors. They also explicitly refer to the Core Labour Standards of the International Labour Organization (ILO), including for example the freedom of assembly at the workplace and the prohibition of child labour, forced labour and discrimination.

Adhering to environmental and social standards is beneficial for private-sector development in developing countries and emerging markets. Moreover, it serves the interest of financial institutions. They benefit when they oblige clients to follow international best practice. Doing so reduces reputational risks including the loss of licenses, penalty payments, asset depreciation and negative media coverage. New opportunities arise when environmental and social risks are managed competently, including access to new markets, lower transaction costs or greater chances of attracting skilled staff. Generally speaking, the companies that take account of environmental and social issues are stronger competitors than those that do not.

Through their funding, development finance institutions like DEG often mobilise additional capital. Moreover, they set standards in the financial industry by raising awareness, networking and fostering

The Kenya Bankers’ Association Sustainable Banking Principles

In 2013, members of the Kenya Bankers’ Association (KBA) agreed to develop and implement common sustainability guidelines for the country’s financial sector. Their goal was to establish a sustainable financial sector in Kenya by creating and safeguarding long-term value for banks, their clients and society in general.

This initiative towards common guidelines was initiated by the Finance Initiative of the UN Environment Programme (UNEP), co-funded by DEG and its Dutch counterpart FMO and was promoted by local banks as well as subsidiaries of international commercial banks. Close cooperation with other parties, such as the Kenyan central bank, the ministry of environment and local business associations contributed to guideline acceptance at all levels. A roundtable of chief-executive officers, where representatives from DEG and FMO took part, passed guidelines concerning:

- financial returns versus economic viability,
- growth through inclusivity and innovation,
- managing and mitigating risks,
- resource choices and
- business ethics and values.

An educational internet platform serves to implement the guidelines as well as to train bank managers and staff. The platform was developed and co-financed by DEG. By August 2016, over 13,400 staff had successfully completed the course. Many banks required employees to complete the training. Development finance institutions contributed to implementing such standards. Given the strong positive response in the entire East African Community (EAC), to expand the initiative regionally is being considered.
cooperation among their partners and clients.

DEG supports financial institutions in implementing appropriate management systems to identify and mitigate environmental and social risks. DEG provides partners with external experts. They help to develop and implement policies, procedures and specific tools, provide skills training and evaluate systems after they have become operational.

Furthermore, development finance institutions boost existing sustainability efforts and standards in a partner country’s banking sector. The idea is to ensure that minimum environmental and social standards apply to the entire private sector, regardless of the financial institution companies work with.

In promoting such initiatives, DEG draws on its long-standing experience in advising financial institutions on environmental and social risks and making them familiar with up-to-date standards. DEG itself has been applying its own environmental and social management system since 2002, assessing risks and making investments more sustainable. In addition, DEG raises awareness of environmental and social standards by offering workshops and staff training to local banks.

There is a growing number of sustainable finance initiatives in developing countries and emerging markets. Two approaches are common. Bangladesh, China, Indonesia and parts of Brazil for example take a “top-down” approach, with the central bank obliging commer-
cial banks to adhere to certain environmental and social standards in their lending business, thus creating a level playing field.

The “bottom-up” approach, on the other hand, is often taken in countries where banking associations have prior experience working with international development finance institutions. In Mongolia, for example, banking associations, the ministry of environment and development finance institutions have agreed on eight sustainability principles, a set of guidelines for lenders and a list of sectors that are excluded from loans.

DEG has supported initiatives involving both approaches. It cooperates closely with other European development finance institutions on these matters, including the FMO (Netherlands), Proparco (France) and OeEB (Austria).

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The Sri Lankan Sustainable Banking Initiative

The Sri Lanka Bankers’ Association (SLBA), of which Hatton National Bank, a DEG client, is a member, has initiated a two-stage approach to mainstreaming environmental and social standards in the financial sector.

In a first ‘exploratory phase’, which resulted in a roundtable of chief-executive officers, the SLBA granted a mandate to start the Sri Lankan Sustainable Banking Initiative (SLSBI). Upon request of Hatton National Bank, DEG participated in the coordinating and technical taskforce. In the process, 18 local banks decided to:

■ establish a forum for sustainability questions in the banking sector,
■ coordinate measures to raise efficiency and effectiveness of sustainability measures,
■ agree minimum standards regarding environmental and social issues in business operations and
■ implement the highest possible common standards in the entire banking sector.

The next step is to draft a training-programme concept for bank employees, including the preparation of case studies, training modules and train-the-trainer programmes.

DEG supported the development of the guidelines. By providing expert advice, it had previously enabled its client Hatton National Bank to implement its own environmental and social management system.
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Climate change deserves top-level attention

Our earth’s climate continues to break records – and that is no reason to rejoice. The six-month period from January to June 2016 was the planet’s warmest half-year since temperature recording started in the late nineteenth century, according to NASA data.

By Katja Dombrowski

Another sad record the space agency has for us: five of this year’s first six months saw the smallest respective monthly ice shield on the Arctic Ocean since consistent satellite records began in 1979.

World regions as far apart as Southeast Asia and southern Africa experienced the worst droughts in decades this year. According to the UN, the Mekong was at its lowest level since records began nearly 100 years ago. The waters were almost half as high as the average level before the rainy season began. It wasn’t enough to water soils, let animals drink and give people the resource they need. For 60 million people whom Southeast Asia’s largest river is the lifeline, the consequences were dire. Hunger and a lack of safe drinking water were not exceptional.

In large parts of Asia, temperatures hit record levels, and the rainy season was delayed considerably. The cycle of planting, tending and harvesting crops depends on rain. This year’s rice harvest – the main staple food of the region – was exceptionally low, so world market prices will rise. That will hurt all poor people who must buy their food, including farmers who have lost their harvests.

In southern Africa, more than 40 million people were affected by the worst droughts in decades, according to the international aid organisation Care. In April, the governments of Mozambique, Malawi and Zimbabwe declared states of emergency. In July, the Southern African Development Community (SADC) declared a regional disaster and launched an appeal for $2.4 billion to support the disaster response and fulfil the humanitarian needs of millions of people, who amount to about 14% of SADC’s total population. According to an SADC state-event, that arises every few years and comes with warmer-than-usual water in the Pacific Ocean, causes global changes of both temperatures and rainfall.

As usual, people in developing countries suffer most: people who depend on agriculture and fishing, people who live in unstable houses, people who lack savings, job opportunities and alternatives in general. But rich world regions such as northern America and Australia are affected as well.

Now, El Niño is over. We are waiting for La Niña, the opposite phenomenon with cooler-than-usual waters in the Pacific Ocean, that often follows El Niño. Typical impacts include tropical storms and hurricanes in Asia and North America and droughts in parts of South America and equatorial East Africa.

The good news is that El Niño and La Niña won’t come back next year. The bad news however is that the climate keeps changing. Unless we act, temperatures will keep rising, and weather patterns will become ever more unreliable. Climate change is not our irrevocable fate; it’s human-made. Together we can make a difference. There actually is a global agreement to do so. It is called the Paris Agreement and deserves top-level attention and forceful implementation.

It is an important step in this direction that the USA and China, the world’s leading emitters of carbon dioxide, ratified the contract at the G20 summit at the beginning of September in Hangzhou, China. Together, they are responsible for almost 40% of the global greenhouse-gas emissions. Around 30 countries, including Germany, followed shortly after, raising the number to over 60. The agreement should soon come into force. Now, tangible action is needed.
Disintegrating state

Ever more Burundian soldiers and police officers are fleeing from Burundi because of violence. In particular, former members of the once Tutsi-dominated army do not feel safe anymore. For ten years, the Arusha peace agreement had brought stability to the country, but that is no longer so.

By Marc Niyonkuru

Burundian soldiers and police officers have been deserting in growing numbers since a coup attempt failed in May 2015. Those who served in the regular, Tutsi-dominated Burundian army (Forces armées burundaises – FAB) during the civil war of 1993 to 2005 now fear abduction and extra-judicial killing. At the same time, many Burundian soldiers do not return home after taking part in international peace missions abroad.

The crisis set in when Pierre Nkurunziza, the incumbent president, declared in April 2015 that he would run for a third term. Some military leaders responded by trying to topple him. Their coup failed. According to the UN Human Rights Commission, more than 1000 people have since been killed, and more than 4000 were detained or kidnapped. According to Human Rights Watch, many of the people concerned were murdered by the security forces.

As the non-governmental International Crisis Group (ICG) bemoans, the army is split today in spite of the Arusha peace agreement having been one of the major achievements of its kind in history. Soldiers and police officers who previously served the FAB are recurrently killed by comrades-in-arms who previously fought for the Hutu-led rebel movement “Partis et Mouvements Politiques Armés (PMPA).”

Like Thiery Vercoulon of the ICG emphasises that Paragraph 14 of the Arusha agreement is being violated. It states that no ethnic group may have more than a 50% representation in the national military. Nkurunziza never accepted this quota. In his eyes, it is unacceptable that the Tutsi, who are the smaller community, should man half of the security forces. Accordingly, there are hardly any former FAB officers among the army’s top brass – except a very few who have switched sides. The Arusha agreement has been breached in other ways too. For example, young supporters of the CNDD-FDD, the ruling party, are now serving in the military, as are members of the Hutu-led FDLR militia that bears considerable responsibility for the Rwandan genocide of 1994.

For more than one year, no one has been safe from violence anymore. In the wake of the failed coup, two rebel movements have emerged. They are challenging Nkurunziza’s power. The Forces Républicaines du Burundi (FOREBU) are mostly based on deserted soldiers, whereas the Résistance pour un Etat de droit au Burundi (RED Tabara) mostly relies on the youth opposition movement. Both organisations have declared their willingness to resort to violence. Nkurunziza, on the other hand, has indicated his intention to repress the rebels. Whenever a high-ranking military officer who is close to Nkurunziza is killed, former FAB fighters get killed in revenge.

In view of human-rights infringements and the lack of ethnic balance, a check needs to be put on the security forces. That is difficult in the current circumstances however. Talks between the gov-

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Shaping urbanisation
Sustainable strategies for growing cities
“We need compact and well-planned cities”

The world has turned into a city: never before have so many people lived in cities as they do today – and this figure is expected to double over the next 35 years. In this interview Roland Siller, Member of the Management Committee of KfW Development Bank, explains why several of the major global challenges can only be overcome in cities around the globe and highlights KfW’s contribution to meeting them.

In KfW you are responsible for Asia, a region in which cities are growing particularly strongly and rapidly. What are your impressions from travelling there in recent years?

What strikes me most is that much of what happens in cities is unplanned. This creates massive transport problems and high economic losses, leads to slums and social inequality. If cities develop in a totally unplanned way, they lose a lot of their potential.

Today 3.5 billion people live in cities. By mid-century this figure will double to seven billion. How can the world’s cities take in so many people, if so much already needs to be done?

This effectively represents a major challenge. Growth forecasts are enormous and historically unique. In cities, however, risks and opportunities are closely interrelated. Densely populated areas can operate more economically, as many services can be provided at lower costs than in rural areas. They still offer a lot of potential.

What must happen so that cities can actually seize these opportunities?

Above all, they need to be intelligently managed and require good governance. To ensure that the quality and leadership of municipal administration improves, cities need to be given greater decision-making power and larger budgets. In my view, it is extremely important to make cities stronger so that they can prepare for and accompany investments more effectively.

Which investments are particularly important in your opinion?

Cities definitely have to set priorities. These priorities however vary from city to city. One thing is clear: cities must be productive and they need to draw on their economic strengths and competitive advantages. This is the only way to create jobs and perspectives. It is also the only way for municipalities to earn their own money and have taxes flow into their budgets. In addition to the public sector, the private sector also has to be more heavily involved. Money and expertise are bottleneck factors for investments in infrastructure such as roads and water supplies, as well

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**URBAN DEVELOPMENT AS A POLICY GOAL**

The Federal Republic of Germany views urban development as a decisive key to achieving the global climate protection and sustainability goals of the 2030 Agenda. It is therefore a significant field of action for German development policy. “Cities worth living in offer development prospects for all of this planet’s inhabitants, whether rich or poor. It is a question of creating living space that is fit for human beings with better city air, efficient and clean traffic systems, provision of water and energy as well as waste and sewage disposal. Such cities are places of great innovative strength, economic and social appeal,” according to Federal Minister for Economic Cooperation and Development, Dr Gerd Müller.

[www.bmz.de/en/what_we_do/issues/stadtentwicklung](http://www.bmz.de/en/what_we_do/issues/stadtentwicklung)
as in social services e.g. schools and hospitals.

What role does traffic play in the future of cities?
A crucial role. At present private transport is growing at an undamped rate, while public transport is largely under-funded. This has a strong negative impact on cities, which are losing their economic power and attractiveness. Investments made in the right places can nevertheless have an enormous impact, this does not necessarily have to entail building expensive underground transportation systems. Sometimes a bus lane, a cycle path or a walkway is enough. It is important to coordinate modes of public transport – a process that will be facilitated by digitalisation.

So should traffic be the number one topic for cities?
Traffic is a huge issue, but it is not the only one. Other services are also in short supply in many cities, including waste disposal, water, and energy – tens of millions of urban dwellers worldwide have no access to such services. Green areas, playgrounds and sports facilities, cultural offerings, education and social services are also important, because they make cities worth living in. Municipalities must take action here, but it also needs to be planned.

Cities also act as a driver of social progress. Do you agree with this statement?
Yes, absolutely. In cities in particular it is easier to involve the population in decision making – once again because the areas in question are smaller. In this respect cities can become an instrument of democratisation, and of equality between men and women and active participation of the poor.

Has the significance of cities already been recognised clearly enough?
Awareness is growing, but is still not great enough in view of their importance: many global challenges will be played out in cities. This applies to climate change, as well as to social inequality. We will only achieve the international sustainability goals jointly with and within the cities. That is why we need to considerably increase our efforts. The countryside also stands to gain in the end, because such efforts will free up more land for agriculture, which is needed to ensure that the growing world population has enough to eat.

What can KfW contribute?
We have considerably stepped up our commitment in recent years and now, on behalf of the German Federal Government, pledge over half of our funds to projects in cities. And we want to do even more in the future, because KfW can contribute its long-term expertise in many areas that are particularly important to cities, including transport, resource efficiency, boosting small and medium-sized companies, budgets, tariffs, and transparency. The topic of climate resilience will also gain importance in the future. This is another area in which cities are often heavily impacted due to their proximity to coasts or river deltas.

How does KfW offer support?
We always look at urban development under four aspects: cities should be productive, efficient, resilient, and worth living in. For us, it is always a question of not only economic but also social aspects. In Khulna, Bangladesh, KfW has funded a project on behalf of the German Federal Government, whereby an embankment and a larger street not only protect a slum with 70,000 inhabitants from flooding, but have also created access to a regional market via a new transport route. This kind of project is ideal for us because it has multiple effects.

Can humanity really succeed in mastering urbanisation and averting the potential threats created by urban centres?
I am confident about this because the issue is increasingly attracting the attention of policymakers. Coupled with an unbelievable innovative strength, which is constantly providing new solutions via digitalisation, we can achieve a great deal in cities in the years ahead. But naturally this is a race against the clock.

This interview was conducted by Friederike Bauer.
The Mozambique harbour town of Beira is suffering from the consequences of climate change. Flooding is increasingly frequent whenever there are heavy rains, and at high tide the Indian Ocean pushes seawater into the Chiveve River, which flows through the middle of the city. Thereby the settlements and markets on the river banks get flooded. With the assistance of KfW Development Bank, however, a barrage is now being built that can be closed when spring tides and heavy rains occur at the same time.

Beira is an important port on the coast of Mozambique. Large areas of the town with 500,000 inhabitants are currently barely above sea level. The course of the river, which flows through the city, has long been neglected. A bridge collapsed in the estuary area decades ago. Its ruins blocked the path to the sea, the river silted up visibly and was no longer able to drain the hinterland. The resulting alluvial deposits became a dumping ground for waste, while the pools of water promoted the proliferation of mosquitoes that carry malaria. At particularly high tides accompanied by heavy rains, the Chiveve River burst its banks and flooded large areas of the city and those settlements occupied by its poorest inhabitants.

All that is changing now: a barrage will protect Beira from flooding in the future, a practice that is frequently applied on the coast of northern Germany, too. KfW has financed the construction of the barrage on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ) since 2015 with a financial contribution of EUR 13 million. The gates of the barrage can be manually closed in a timely manner when heavy rainfall inland or particularly high tides are reported. The Indian Ocean on the coast of Mozambique has a tidal range of up to seven meters. Thanks to climate change, both rainfall and periods of drought in the Southern African country are on the rise, making it increasingly important and urgent to protect Beira from the elements.

This measure is embedded in a comprehensive plan for the renaturation and improvement of the river’s course in urban areas: the Chiveve River, which resembled more of a narrow ditch than a river in recent years, will be dredged, as will the port of Beira. This will benefit both fishermen and traders.

As part of the renaturation of the river course, a local non-governmental organisation in cooperation with KfW will take over reforestation with mangroves along the river banks. “The river will be able to breathe freely again,” explains Pascale Magin, who is responsible for Mozambique at KfW Development Bank. Fixed stands will be set up for the market alongside the river, replacing the formerly makeshift constructions. Parks will be created along the river banks and a waste disposal concept will be developed together with the municipality of Beira. This should make uncontrolled accumulations of rubbish a thing of the past.

Flooding mainly used to affect very poor areas of the city. The construction of the barrage and the betterment of the river course will particularly benefit the poorer segments of the population and the economic development of the city centre.

Charlotte Schmitz
A ray of hope for commuters in Tunis

Five suburban railway lines will be able to transport 350,000 people on a daily basis.

An economic upturn and population growth in recent years have pushed Tunisia’s infrastructure to its limits. Above all, traffic in Tunis, a metropolis of two million people, has grown significantly. Commuters who travel by car can expect long traffic jams, and the public transport network has also not been sufficiently developed.

A suburban railway system in the Tunisian capital that improves connections between disadvantaged suburbs and the city centre will ease the situation. Unlike buses and trams, the suburban railway will travel on its own line and will therefore be independent from street traffic. Another advantage is that suburban trains are environmentally-friendly.

The project will be carried out by the public company Société du Réseau Ferroviaire Rapide de Tunis (RFR), which was founded specifically for this purpose. KfW Development Bank is involved in financing the construction of the suburban railway track on behalf of the German Federal Government. Other donors include the European Investment Bank, the French development bank Agence Française de Développement (AFD), and the European Union. For the first two tracks that are currently under construction and slated to be finished by the end of 2018, the share of funding provided by Germany via KfW amounts to EUR 47 million.

Overall, there are plans for five suburban railways with a total length of 85 kilometres. They will be capable of transporting 350,000 persons per day and thus prevent major increases in car traffic. According to forecasts, this could save around 50,000 tonnes of carbon dioxide per year.

KfW also supports the RFR in managing interventions related to construction in a way that is as environmentally-friendly and socially acceptable as possible. “It is important for us that there is a serious exchange with the people affected,” explains Jens von Roda-Pulkowski, the manager leading this project at KfW. Citizen participation, compensation, and public feedback should ensure a high level of acceptance for this large project.

Katja Dombrowski

Sustainably developing cities: mobility for all

The international community intends to formulate a global urbanisation strategy for the next 20 years at the Habitat III Conference in October in the Ecuadorian capital of Quito. The Federal Ministry for Economic Cooperation and Development (BMZ) supports the German contribution implementing this “new urban agenda.” In this context the Minister, Dr Gerd Müller, announced a new mobility initiative to be launched by the BMZ that is designed to provide incentives for a global traffic turnaround. The focus of the initiative is socially acceptable, innovative, and climate-friendly development in traffic in both developing and industrialising countries. The aim is to design resource-efficient traffic flows, to improve the interaction of various modes of motorised and non-motorised transport, and to achieve safe and affordable mobility for everybody. To this end, Financial Cooperation is boosting its worldwide commitment in the field of sustainable and inclusive urban mobility and has pledged a total of EUR 1 billion to this goal for 2017 alone.
KfW offers Indian municipalities innovative financing solutions

Empty pockets – a daily problem for Indian municipalities too. Revenues from taxes and fees are low. The financial market does not grant municipalities sufficient credit due to their low credit-worthiness. Here, KfW has taken an innovative approach: it supports a fund for smaller cities and local authorities in the federal state of Tamil Nadu, which enables the financing of water, sewage, and waste disposal systems as well as road construction.

A ten-hectare temple complex looms over the city of Tiruvannamalai in the southern Indian state of Tamil Nadu. As great as the cultural references of the past may be, their present is equally problematic: as in many of India’s cities, the water supply has proven inadequate to date. Sometimes water supply is limited to three hours per day. Waste water disposal is also inadequate. But now the city – one of the smaller municipalities in India with around 145,000 inhabitants – has taken out a loan of EUR 6 million to renew its infrastructure. To this end, it is supported by the Tamil Nadu Urban Development Fund (TNUDF).

KfW has financed the fund since 2008 on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ), contributing EUR 260 million to date. Its fund manager takes two paths: firstly, municipalities are provided with direct loans and grants, and secondly, a financing vehicle enables them to issue bonds on the capital market themselves. The BMZ funds serve as credit enhancement for the bonds issued, which means that small and medium-sized local authorities can raise their own funds on the capital market. “Our partner is a pioneer in Indian municipality funding and raises funds for municipalities in an innovative way for the purpose of improving infrastructure and living conditions,” emphasizes KfW project manager Morten Koch. At the same time, local authorities can gain initial experience in the capital market and be supported in implementing their own construction projects. The challenge for fund managers is also to raise the profile of bundled municipal bonds to establish a still young segment on the capital market in India.

The fund was set up for the federal state of Tamil Nadu because around half of its inhabitants already live in cities. As in many countries in the world, urbanisation is also increasing at a rapid pace. The TNUDF has approved over 20 projects to date, which have benefited over a quarter of a million people. In the city of Tiruvannamalai alone 13,500 households benefit from improved water supplies. This serves not only to improve quality of life, but also to reduce deaths caused by diarrhoea and other illnesses, especially those affecting children.

Charlotte Schmitz

Children are less likely to suffer from diarrhoea if their drinking water is clean.
Greener, more affordable apartment construction in Mexico

Affordable, energy-efficient construction is an increasingly important issue in Mexico and is part of the government’s agenda. Here, DEG is involved through its cooperation with a medium-sized commercial developer.

As in many emerging markets and developing countries, Mexico also has a very high demand for affordable housing, with estimates indicating a deficit of almost nine million homes. Energy consumption in the up-and-coming industrialising country has also been on the rise for a long time. Private households account for around 20% of this consumption. Energy-efficient residential construction is a key instrument for limiting energy consumption and thus protecting the environment.

This is why DEG has granted the commercial developer Promotora de Viviendas Integrales, S.A. de C.V., (Vinte) from the greater area of Mexico City a long-term loan in local currency that is worth around EUR 17 million. The experienced company, Vinte, has already built over 23,000 houses and apartments and therefore has sufficient capital to be able to plan for the long term. In the years ahead Vinte aims to build around 2,000 houses that comply with high environmental standards, primarily for people on low and medium-level incomes, who can obtain low-interest loans from national development banks to purchase houses.

The CO₂ emissions of such dwellings can be cut by at least 20% compared to houses built using conventional construction methods. The energy measures deployed include solar energy systems for heating water as well as water-saving toilets and showers. Savings in electricity costs for new owners are a particularly important issue.

A total of 80% of rainwater in housing developments is channelled into the groundwater supply and waste disposal is regulated. Moreover, 35% of the areas are allocated to public use as parks, playgrounds, and schools. DEG has also co-financed an accompanying measure to develop a resource-conserving construction material composed of rice husks, among other items. In an initial phase, this construction material has already proven itself in the construction of prototypes. Its use in building a larger number of houses is now being tested.

The Mexican commercial developer Vinte has developed and implemented several environmentally-friendly concepts for integrated urban planning. The company has received several awards for sustainable architecture and energy-efficient residential construction from the Financial Times and the World Bank, among others.

Sabine Balk

DEG’s Commitment

DEG’s tasks include its commitment to climate protection, as well as funding small and medium-sized companies in developing countries and emerging markets. It has been operating in Mexico since 1966 and opened a representative office there in 2003. DEG has funded over EUR 700 million in corporate investments there to date, for example in the infrastructure sector with a particular focus on renewable energies. It is absolutely crucial to DEG that the projects it co-finances in developing countries have a sustainably positive impact. DEG is a subsidiary of the KfW Group.
Introducing Lidia Vásquez

Lidia Vásquez is one of over 90,000 people in San Salvador who formerly lived in a hut and now have a house with water and electricity.

The sewer and her children were once branded as “hut dwellers” or “champeros”. They lived in a makeshift dwelling made of corrugated iron, without any running water or electricity and a latrine for a toilet. Thankfully things have changed since then. Although Lidia Vásquez still lives in the same neighbourhood, the huts have been turned into houses, the slums transformed into residential areas, and the mud paths have given way to paved walkways. There are still corrugated iron walls here and there, but now almost everybody has running drinking water, electricity, and a toilet.

“The difference is huge,” says the 73 year-old woman whose children have now grown up and moved out. Together with thousands of other people, she is benefiting from the fact that the slums in the greater area of the capital of San Salvador have been comprehensively redeveloped. The non-governmental organisation FUNDASAL has been working on the programme since 1986 and has implemented it in around 40 urban neighbourhoods with international support. KfW Development Bank has also invested a total of EUR 53 million in upgrading the slums on behalf of the German Federal Government.

Civil war in the 1980s drove many people like Lidia Vásquez into the capital. Row upon row of huts made of corrugated iron sprang up on its outskirts, with temporary paths and water points. Electricity was illegally tapped from cables and huts were often flooded in heavy rain. The cramped conditions of these destitute slums also fostered violence and crime. Lidia Vásquez recoils at the recollection of this period.

FUNDASAL set itself the mission of transforming the slums into livable neighbourhoods according to the principle of “helping people to help themselves”. To this end inhabitants themselves paved the streets and constructed sidewalks. Support walls were built to secure the slopes that had repeatedly been damaged by rain. New water pipes brought in clean drinking water and electricity finally modernised the neighborhood.

At the same time, social facilities such as playgrounds and green spaces were created. “The community hall is the centre of the neighbourhood,” explains Lidia Vásquez. Meetings are held there that did not use to take place before as people “took no interest in anything because of their poverty and the violence of their environment.” They also lacked the confidence to speak out in front of other people. “I was always frightened if anyone asked me anything.” But that has also changed, it is now normal for regular discussions to take place in the community hall. Lidia Vásquez no longer wishes to move away from her neighbourhood: “It is lovely here now and we have to protect what has been achieved by everyone.”

Friederike Bauer