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**The Role of Financial Institutions in Urban Policies in
Sub-Saharan Africa: The case of Senegal**

**A Thesis Presented for the
Master of Science in Planning Degree
The University of Tennessee**

**Hakizimana Kamiya
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DEDICATION

*This thesis is dedicated to my wife, my son, my parents,
my relatives and my friends who have helped me to stand the course.*

*Thank you for all that you have done to support me,
without your prayers and constant encouragements I could have not come thus far.*

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ABSTRACT

Over the past three decades, International Financial Institutions have participated constantly in urban policy making of most Sub-Saharan African countries. This intervention began in the 1970s when Sub-Saharan countries experiencing social, economic and political strains as result of dramatic change in their population trends called for the intervention of international agencies and donor countries. For many, the rapid urbanization of Sub-Saharan countries needed to be dealt with adequate urban policies in order to maintain a sustainable development.

This thesis's objective is to assess how policies promoted by international agencies have impacted on urban development by using the case of Senegal, which is considered as landmark in urban development projects and provide recommendations for future urban development. In order to reach its objectives, this thesis explores urban policies that were implemented prior to IFIs intervention in urban development of Sub-Saharan African countries. It analyzes each phase of urban policies sponsored by IFIs, from the sites-and-services to urban policies that aim to enhance urban productivity. Indeed, it draws conclusions and gives recommendations for future urban development of the region.

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PART ONE
INTRODUCTION AND BACKGROUND

Chapter One

The Topic and its Relevance

Introduction

For many developing countries, perhaps the most important transformation that has occurred in the past four decades has been the phenomenal urban population growth. “Urbanization is one of the most important phenomena in developing countries transforming them with major social, economical, and political implications” (Hegel, 1990). Indeed, it is a major challenge for most governments and it will continue to be a central issue for the next two decades, as most estimates predict that more than 50 percent of the world’s population will dwell in urban centers by the year 2020 (Tarver, 1994.) Sub-Saharan Africa is one of the regions that are affected by problems of urbanization. Clearly, sound urban policies are needed to effectively address problems associated with urbanization, to foresee their impacts, and to define the means to combat or alleviate them.

Even though Sub-Saharan Africa is considered by some standards to be the least-urbanized region of the world, its urban population is growing faster than urban populations in any other region of the world. Most nations in Sub-Saharan Africa have seen their urban populations increase several-fold over the past decades. According to the United Nations Center of Human Settlements, “in 1965 urban areas accounted for only 14 percent of the total population of the region (Sub-Saharan Africa); by 1990, however, such areas accounted for 29 percent; and by 2020, estimates point to more than 50

percent. Already, there are 27 metropolitan areas with populations greater than 1 million and one (Lagos, Nigeria) with a population of at least 10 million” (United Nations, 1998).

In Sub-Saharan Africa, the rapid increase in population is in part the result of natural increase by birth, but mostly the result of rural to urban migrations. Over the last decades, the pattern of migration has involved a large number of people moving from rural areas to urban areas, searching for job opportunities, looking for better conditions of life, or simply being pushed out of the land by urban sprawl, which incorporates villages around metropolitan areas. This trend began in the early 1960s, when governments, driven by national pride, lifted the ban on policies limiting mobility of the indigenous. As Gugler (1996) points out, during this period, “Governments provided incentives for the establishment of import-substituting and export-processing industries and the development of mineral resources.” The growth of manufacturing and export processing industries within or in the proximity of urban centers began to fuel urban growth. Thousands of hectares of agricultural land were incorporated by urban areas to accommodate fast-growing cities. Consequently, the poor people migrated to cities in hope of finding better employment and other benefits. This massive migration to urban areas increased the pressure on existent urban infrastructures. In most cities facing rapid growth, adequate public services were not provided, and today they are still not provided. This also contributed to the creation of many illegal areas—called squatter settlements, shantytowns, and slums—where people live in extremely poor conditions.

In response to the problems caused by the increase of rural to urban migrations, each country in Sub-Saharan Africa adopted different strategies to address the problems of the migrants. First, governments tried to provide public housing, but they soon realized

that it was impossible to provide housing to every household. In an alternative attempt to solve problems caused by migration, clearance or bulldozing policies was implemented as a means of re-organizing the building environment. However, such policies amplified, rather than solved, these problems, creating urban crises. The most acute crises arose in the housing sectors in the majority of Sub-Saharan African nations, since their governments destroyed more residential units than they created.

In 1972, International Financial Institutions (IFIs) and donor countries mobilized behind the central governments of Sub-Saharan African countries in an attempt to solve these urban problems. At the beginning of this endeavor, the general mandate of IFIs, led by the World Bank, was to alleviate urban poverty. Although in most instances each country set priorities individually, the IFIs provided the main policy guidelines, and the countries' central governments ensured their implementation.

The intervention of IFIS in the urban sector in Sub-Saharan African countries can be grouped into three generations of urban projects. During the implementation of the first generation of urban policies in the 1970s, little or no consideration was given to local municipalities. As it was during the colonial era, the top-down paradigm was followed: the central government laid out policies, and the local municipalities implemented them. The second generation of urban projects took place in the 1980s. Due to economic downturns following a world economic recession, the World Bank and other financial institutions advocated economic reforms and the reinforcement of public and administrative institutions in Sub-Saharan Africa. In this generation of policies, central governments were encouraged by IFIs and donor countries to give autonomy to local municipalities regarding the management of urban development. The argument behind

this policy was that the closer government institutions were to people, the more public servants would be responsible and accountable. Also, many officials believed this policy would give citizens an opportunity to participate in solving the problems facing their communities. The third generation of the urban projects was more complex because it combined the ideas and policies of the previous two generations. In this generation, IFIs and donor countries focused on developing urban policies that would create jobs and enhance urban productivity. To initiate these projects, the World Bank and the United Nations Program for Development (UNDP) financed local municipalities and small businesses via credits unions, banks, Non Governmental Agencies (NGOs) and other civic organizations. The World Bank and the UNDP also promoted the intermediary financial agencies. The most prominent of these agencies are the AGETIPs, whose role was to create employment for the urban poor by constructing urban infrastructure.

Senegal as the case study

Over the past three decades, IFIs have played a predominant role in policy making of Sub-Saharan African countries; therefore, it is relevant to assess how these policies have shaped the physical and institutional environments of the urban sector of Sub-Saharan African countries in general, and Senegal in particular. According to the World Bank's estimates, by 2020 more than 60 percent of the world's urban dwellers will live in developing countries, and 10 percent of those will be in Africa. Considering these statistics, then, the case of Senegal is particularly interesting because recent projections show a higher urbanization rate in Senegal (45 percent) compared to other Sub-Saharan African countries (34 percent). Because of its high urbanization rate, Senegal was the

first country to implement an urban project in Sub-Saharan Africa back in 1972, and it has remained at the forefront of urban development policies in the Sub-Saharan region.

The economic crises of the past decades has led Senegal to undertake macroeconomic and structural adjustment reforms, which many analyses suggest have had a major impact on urban policies. Furthermore, as the tide of decentralization of institutions began in Africa, Senegal was among the first Sub-Saharan African countries to start shifting its institutional system towards a more decentralized system. Thus, Senegal provides a venue for analyzing how major urban policies were implemented under the auspices of IFIs.

Purpose of the Study

The first purpose of this thesis is to examine policies sponsored by IFIs in Sub-Saharan Africa with regard to the urban sector. This thesis will trace the evolution of different generations of urban projects from the 1970s, the decade in which the first urban project was implemented, to the 1990s. Senegal will be used as a case study in which the impact of the interventions of IFIs in different generations of urban projects in Sub-Saharan Africa will be determined.

The second purpose of this thesis is to examine the interaction between the IFIs and the governments in the determination of priorities and policies as well as the interaction between central governments and local governments during each period.

Methodology

The research design for this thesis involves the study of literature available on the evolution of IFIs' interventions in Sub-Saharan Africa in general and Senegal in particular. Data to complete this thesis have been gathered through an exhaustive review of available sources of urban policy, statistical, and social data pertaining to Senegal and the Sub-Saharan region. The literature review also includes sources on the macroeconomics of urban areas published in journals, websites, and other sources.

The World Bank, the IMF (International Monetary Funds), the United Nations for Development Projects (UNDP), the United Nations Shelter Program, and the African Bank of Development have all collected a substantial amount of information about urban development in Senegal. Over the years, these institutions have published project reports and financed many studies of the urban development sector. These studies are incorporated into this the analysis.

Research questions

Over three decades of intervention in the urban sector by the IFIs, several relevant questions arise, including:

Primary Questions

- 1). What has been the emphasis of the IFIs in the different generations of urban projects?
- 2). What impact do urban policies sponsored by IFIs have on national urban policies in Sub-Saharan African countries?

3). How effective have these policies been in shaping urban development in Sub-Saharan Africa?

Secondary Questions

- 1). What are the issues associated with urbanization in Sub-Saharan Africa, and what socio-economic impact do they have?
- 2). What should the framework for future urban policies look like, and what might be the best means to implement such policies?

Organization of the Thesis

This thesis is organized into six chapters, which are grouped into two parts. The first part of this thesis is comprised of the first three chapters. This first chapter provides the overview of the topic, its purpose and relevance, and finally what the objectives of this thesis are. The second chapter offers a snapshot of Senegal, the subject of the case study, providing critical information to understand the context of this study. The third chapter explains the historical context in which urban policies evolved in Sub-Saharan Africa. The second part of the thesis begins with the fourth chapter, which evaluates the first generation of urban projects in Sub-Saharan Africa, focusing on shelter provisions and poverty alleviation. In this chapter I discuss the role of the public sector in the early stage of independence and focus on the main urban policies that were financed by IFIs. The fifth chapter analyzes the second generation of urban policies sponsored by the IFIs, which emphasize institution strengthening. The sixth chapter evaluates the neo-liberal agenda and its emphasis on urban productivity. It also debates the structural adjustment reforms and its impact on urban development in Sub-Saharan Africa. The seventh chapter

presents conclusions drawn from the study of the second part of this thesis and suggests recommendations for future urban policies.

Chapter Two

Description of Senegal

Location

Senegal is located on the western coast of Africa. Mauritania borders it on the north, and Guinea-Bissau borders it on the south. It is located west of Mali. It surrounds the Republic of Gambia, and its western provinces are on the coast Atlantic Ocean (See Figure II-1).

Area¹

Senegal is 196,190 sq km, of which 192,000sq km is land, and 4190 sq km is water. Its 192,000 sq km of land is divided as follows:

Arable land: 12% (Land for agriculture industry)

Permanent crops: 0% (Crops cultivated all year around)

Permanent pastures: 16%

Forests and Woodland: 54%

Other: 18%(1993 est.)

Like many Sahelian countries (countries located in or having some of their territory located in the Saharan desert), Senegal does not have permanent crops.

Permanent pastures cover only 16 percent of the usable land. The principal crops, peanuts and cotton, are cultivated on irrigated land.

¹ <http://www.newafrica.com>



Figure II-1: Map of Senegal

(Source: <http://www.newafrica.com>)

Population²

According to recent estimates, the population of Senegal is estimated at 9,987,494 inhabitants, distributed in the following proportions:

0-14 years: 45% (male 2,237,678; female 2,213,632)

15-64 years: 52% (male 2,501,649; female 2,729,412)

65 years and over: 3% (male 152,236; female 152,887)

(Source: <http://www.newafrica.com>)

From these statistics, it is obvious that children and adolescents constitute more than half of the Senegalese population. Comparing the population of Senegal of today to that of 1960, Senegal has registered a six-fold population increase. According to most literature a rapid urban population growth occurred during the 1960s to the 1970s as a result of rural to urban migration, a decrease in mortality rate, and an increase in birth rate following the political independence of Senegal. However, through the 1980s and the 1990s the urban population growth rate of Senegal slowed down, almost reaching a 3% rate due the pandemic of AIDS/HIV and economic reforms enforced on the public sector.

The population of Senegal consists of diverse ethnic groups, with the Wolof and Pular being the major ones, constituting more than 60% of the entire population. Islam is the major religion in Senegal, as more than 90% of Senegalese are Muslims. French is the administrative language in Senegal, while Wolof, Pular, Jola, and Mandika are the principal national languages.

² <http://www.newafrica.com>

Economy

Agriculture is the main industry in Senegal. Although Senegal traditionally produces maize, rice, sugar cane, and livestock, the main agricultural crops that have constituted an important source of foreign exchange income in the past decade are cotton and peanuts. The mining industry, though not large, contributes substantially to the GDP of Senegal. Another key industry in the economy of Senegal is the oil industry. Oil exports constitute the major source of foreign exchange income. There is an oil refinery in Dakar, and many of the major international oil companies have a presence in Senegal.

The international trade of Senegal is based on import commodities of technological equipment, chemical goods, and other finished materials, and the export commodities of agricultural products, raw materials, and oil products. Recently, the Senegalese government established a free trade zone in Dakar; its goal is to encourage foreign and domestic investment in export-oriented industries that would help create jobs and reduce the trade deficit. In its effort to implement structural and adjustment reforms, Senegal has recorded successes as well as failures. "In January 1994, Senegal undertook a bold and ambitious economic reform program with the support of the international donor community. This reform began with a 50% devaluation of Senegal's currency, the CFA franc, which is linked at a fixed rate to the French franc."³ Pressed by the International Monetary Fund, the Senegalese government implemented adjustment reforms intended to reduce domestic public deficit while restoring and reinforcing the country's capacity to repay its loans. These policies were intended to slow down the economic downturn that began in the 1980s and to create favorable conditions for

economic growth. “Senegal made an important turn around, with a real growth in GDP averaging 5% annually in the 1995-8. Annual inflation has been pushed below 2%, and the fiscal deficit has been reduced to less than to 16.5% of GDP in 1997 compare to 1.5% of the GDP in 1993.”⁴ Despite positive economic indicators, Senegal still faces a huge economic malaise due to its debt servicing and the divide between the well to do and the poor, especially in the urban centers. According to many economic analysts, Senegal faces deep-seated urban problems of chronic unemployment, juvenile delinquency, and drug addiction.

Socio-economic indicators

Following the economic decline of the 1980s in Sub-Saharan Africa in general, and Senegal in particular, most socio-economic indicators were in decline as well. Over the past decade, though, social indicators have improved as income has risen in certain countries. Nevertheless, a recent census of lending institutions suggests there are still some worrisome exceptions. (See Table II-1.) In Senegal, for instance, the national per capita income increased on average by 2.5% per year between 1970 and 1994, and, following the 50% devaluation of the CFA in 1994, economic indicators showed a 5% increase in the Gross Domestic Product (GDP). This improvement has not been equally distributed between the poor and the wealthy, though. Overall, the economic reforms of the 1980s and the adjustment structural reforms of 1994 have had an adverse impact on the poor. These reforms caused governments to implement austere financial policies that

³. Senegal overview, www.geographic.org

⁴. Senegal, AFRISTAT, March 2002

reduced their public spending as well as their abilities to provide basic services such as health care, sanitation, and education. Poor people have very limited access to health services, sanitary conditions are deteriorating with the rapid urban increase, and with the decrease in household income, basic needs such as education have been sacrificed.

“Concerning education and literacy, some 67% of the Senegalese population was classified as illiterate in 1995. This rate (one of the world ‘s highest) is split by sex at 77% of all females, and 57% of males” (Abdourahmane Ndiay, 2001). Yet, according the World Bank’s recent estimates, Senegal still has relatively good standing as compared to rest of Sub-Saharan African and low-income countries despite the overall decline of its socio-economic indicators of the last few decades. (See Table II-1.)

Table II-1.

Socio-economic indicators

Population and social indicators	Senegal	Sub-Saharan Africa	Low-income countries
Population mid-year 2000 (in millions)	9.5	659	2,459
GNI per capita (Atlas method, US \$)	500	480	420
GNI (Atlas method, US \$ billions)	4.8	313	1,030
Poverty (% of Population below the poverty line)	...	...	...
Urban population (% of population)	45	34	32
Life expectancy at birth (number of years)	52	47	59
Infant mortality (per 1,000 live births)	68	92	77
Child malnutrition (% of children under 5)	22	...	...
Access to an improved water source (% of population)	51	55	76
Illiteracy (% of population age 15+)	67	38	38
Gross primary enrollment	66	78	96
Male	71	85	102
Female	57	71	86

Source: World Bank Group: <http://www.worldbank.org/data>

Note: Socio-economic indicators of Senegal compare to the aggregate indicators of other Sub-Saharan African countries.

It is important to notice that, based on these data, Senegal performed well on economic indicators compared to the Sub-Saharan Africa and Low-Income countries. However, its performances varied with regard to the urban and social sectors. Life expectancy is better in Senegal than in other Sub-Saharan African countries (52 years compared to 47 years), and Senegal has a lower infant mortality (68 per 1,000 live births compared to 92 per 1,000 live births). However, other indicators illustrate that there are problems in the social sector. For instance, the access to an improved water source is lower compared to that of other countries in Sub-Saharan Africa (51 percent compared to 55 percent).

Brief History of Senegal

Senegal became independent from France in 1960, thus ending almost a century of French rule. Leopold Cedar Senghor, the first native Senegalese president, ruled as the head of state for two decades. He resigned after the country underwent a period of economic struggle in the 1970s.

The economic decline of the 1970s resulted in intense social pressure from the people, who called for more political reforms. In 1976, Senegal opened the country to multi-party politics and undertook to reorganize the political system by removing restrictions on political activities. In 1982, Senegal and Gambia formed the federation of SeneGambia, which did not last long as the political conflicts between the two countries could not be adequately resolved. Senegal has also had different periods of crisis during the post-independence era. Most of those problems came from the enclave state of Gambia and the separatist movement of Casamance. Although Senegal has subscribed to different regional and international peace treaties, its traditional policy of peaceful

coexistence with its neighboring countries has, on occasion, been disrupted by a series of disputes with countries sharing its borders. Among them is the dispute with Mauritania, in the north, and Gambia, which Senegal accused of helping the nationalist movement of Casamance.

At the international level, though, Senegal has developed good relationships with donor countries and the former colonizing country (France). Senegal has been viewed as the state pilot to implement many of the donor programs to developing countries. From the sites-and-services and slum-upgrading projects to the AGETIP projects, Senegal has carried out all pilot policies of IFIs in the urban development sector.

Political Structure

The political structure of Senegal has evolved over time. In the early years after Senegal achieved independence, political power gravitated around the central government headed by the President of the Republic. As a result of successive economic crises and pressure from political movements, the government eventually gave up some of its power. However, it is worth noting that Senegal's liberalization efforts emerged from the new paradigm suggested by the IFIs emphasizing public participation and improvement of public institutions.

The political structure of Senegal is based on the French structure, in which the power is balanced between the executive branch, headed by the President; the legislative branch or National Assembly (whose members are elected by direct popular vote); and the judicial branch. Since 1976 political parties have played a major role in the political arena. This was made possible by the decentralization policies recommended by donor

countries and IFIs who wanted the central government to release some of its power to local municipalities and promote public participation. During the 1990s, Senegal finalized its transitions by holding its first democratic elections. The political liberalization thus initiated is expected to enable civil organizations along with political parties to play a significant role in the development of Senegal.

Government Structure

After achieving independence, Senegal maintained the political organization of the colonial era. Within this highly centralized organization, decisions are made by the central government located in Dakar, the capital. Senegal is administratively divided in 10 regions: Dakar, Diourbel, Fatick, Kaolack, Kolda, Louga, Saint-Louis, Tambacounda, Thies, and Ziguinchor. Each region has its own local institutions, which function according to mandates given to them by the National Assembly. Before the decentralization process, decisions were made by the national government with little or no participation from local governments. Regional and municipal governments only implemented decisions that were handed down by the central government. During the 1980s, though, Senegal initiated a series of reforms allowing the local government to fully participate in the economic development process. A reform of institutions and strengthening of the local governments accompanied this change.

Chapter Three

Urban dynamics in Sub-Saharan Africa during the Colonial Era

Introduction

There is a general misconception that urbanization in Sub-Saharan Africa began with Africa's exposure to European civilization. The history of this region, though, reveals the contrary. Several centuries ago, before even the slave trade, the Sub-Saharan region had a number of rich civilizations organized as empires or kingdoms, such as the Mali Empire, Timbuktu and others. During this era, urban cores were developed around royal courts. As Gugler (1996) attests, the magnificent granite stelae of Aksum, the voluminous chronicles of Timbuktu, and the beautiful bronze sculptures of Ife all bear witness to the splendor of the urban civilization that emerged at various sites across the African continent centuries ago.

Urban development proceeded more quickly during the colonial era, and many new cities were created as colonial outposts or trade centers for the export of raw materials to the metropolitan colonial countries. This chapter explores how colonial cities evolved from 1885 to 1960, the beginning of the decade of independence movements in Sub-Saharan Africa. It also examines the institutional, political, economic and cultural legacies that Sub-Saharan African countries have inherited from the colonial rule. As Smith (1996) argues, "To really understand urban cities and urban systems, one must comprehend the wider economic, political and social contexts of their emergence and growth". During the colonial era, most prevailing urban policies of Sub-Saharan African

countries had their roots in colonial metropolises. Their difference is reflected in the institutional organizations, cultural and political structures, and in the design of built environments of the urban centers in colonial territories.

Institutional, cultural and political heritage of the colonial era

Today the institutional, political and cultural identities of Sub-Saharan African countries reflect the indelible inheritance of the colonial era, which spans from the 18th century to the middle of the 20th century. Although the coastal countries of Sub-Saharan Africa had been in contact with the European economic powers since the 14th century, it took about four centuries before the vast continent became colonized by the European economic powers. Before the institution of colonial rule, the exchange between the Africans was characterized by slave trade and commerce. The indigenous people were subjected to the European powers that used them as manpower to achieve the extraction of raw materials that was shifted to the metropole countries. (See Table III-1.)

European colonization of the African continent began in 1885 when the mainstream economic powers of Europe organized in Berlin to delineate country boundaries. The Berlin Conference marked the division of the African continent into different countries, each under the rule of colonial powers. Before the First World War, Belgium, England, France, Portugal, Spain, Holland, Italy and Germany were the main colonial powers in the region. As these countries delineated borders marking their respective colonial territories, their main focus was to optimize economic returns from these territories, which they considered good sources of raw material. Little or no consideration was given to preserving the identities of the ethnic groups already living in

Table III-1. Stages of urbanization between the 1950s and the independence era

Stage	The Role of European Power	The Role of Cities	Welfare of Indigenous Peoples
Stage I (15th to 18th century) Before the formation of African states, European entrepreneurs established trade of slaves and African natural resources.	The focus of European powers was on building infrastructure to enable transport and shipment of raw materials as well as on providing security to commercial activities of colonial entrepreneurs.	Earlier contact of Africa with the European powers generated an urbanization pattern following the path of trade routes. For the most part, cities are located along oceans, rivers or crossroads. Cities are places of exchange and shipment of goods to metropole cities.	Indigenous populations are subjected to the Europeans and constitute the majority of manpower. Massive displacements of indigenous populations as a result of slavery, both within Africa and across the Atlantic Ocean.
Stage II Colonization era (1885 to 1960s) The formal colonization of Africa began as the result of the Berlin Conference in 1885, when country boundaries were delineated by the Colonial powers. Institutional frameworks vary according to the colonial power. For instance, French colonies follow a highly centralized model, while the English colonies follow a federal model based on the delegation of some power to indigenous chiefs.	Colonial administrations are responsible for maintaining order and security in the colonies. Pressure on the extraction of resources increases in response to the needs of industrialization of the metropole. Investment in infrastructure is aimed at increasing efficiency in the extraction of raw materials and shipment (e.g. construction of ports, roads and railroads). Colonial policies such as location of urban centers, indigenous people and investment priorities are aimed at promoting the economic activity of colonial entrepreneurs. Emergence of a local administrative elite called "evolvee" whose role is to help with the implementation of the colonial rule.	Urbanization patterns vary according to the institutional organization of colonies. Urbanization patterns in French colonies are characterized by a strong urban hierarchy with regional administrative centers, such as Dakar for the West Francophone countries. Alternatively, Anglophone colonies follow a more homogenous pattern of urbanization, with administrative centers emerging in each country. The industrial development that followed WWII fueled urbanization in Africa. Cities become more specialized as either: ▪ Administrative centers for colonial power. These were generally the primary cities. ▪ Or, centers for commerce and shipment of raw materials to the metropole countries. These were generally the secondary cities. Cities replicated the master plan of European metropole cities, models, such as Dakar and Kinshasa.	The delineation of countries' boundaries gave little or no consideration to preserving the integrity of ethnic groups or clans. Systematic dismantling of indigenous authority. The mobility of indigenous people is limited. Only those with permission can live in cities while the rest are kept in their villages. Introduction of the European concept of private ownership of land. In some instances, the collective property rights on land remains in the hands of indigenous chiefs, but can be taken away at the discretion of the colonial power. Towards the end of colonization, a two-tier segregation was in place. ▪ Most indigenous people are excluded from cities. ▪ Those few authorized to live in cities are, in turn, excluded from European residential areas. Privileges, like access to housing and education, were given mainly to the "evolues."

these countries. In most cases, such groups ended up being driven across these borders and scattered among the different colonial territories. Policies implemented in colonized territories were aimed at promoting economic structure and facilitating the exploitation of the raw materials needed by colonial countries. There were no policies demonstrating concern for the welfare of indigenous people. As Mbaku (1999) argues:

To provide better the appropriate environment for the exploitation of the African resources for the benefit of the metropolitan economies, the Europeans brought together – through force and not negotiation – many African ethnic cleavages, each with a unique language, culture, traditions, and political and economic system, to form a political, economic, and administrative unit that could be controlled effectively by the colonial authorities.

Each of the colonial powers developed policies solely to maximize the entrepreneurial activities of the exploitation of resources in the indigenous territories. In the French colonies, for instance, all political and institutional organizations were highly centralized; a small European elite representing the colonial rule controlled the colonial administration. This administration was instructed to carry out policies of the French government in the colonies. The indigenous territories under French rule were considered to be regions of France; therefore, French governors administered them. As the French administration was centralized, its institutions followed a top-down paradigm. All power was concentrated in the hands of the governors, who resided in most cases in one capital city. Dakar served as the capital city for the western French colonies.

It is worth noting that, in the aftermath of the independence movement, the former French colonies still utilized the French governmental paradigm, in which local administrations (municipalities) were not involved in the elaboration of policies. Capital cities remained the centers of administration where national policies were created, and were, in turn, implemented by local government. However, the British colonial territories developed different policies. They allowed the division of power at different levels of administration, thus giving indigenous people the authority to decide their own destinies. For example, Ghana and Nigeria, with their federalized systems of government, reflect the institutional customs of their former colonizer, the British Empire (Hyden and Bratton, 1992.)

Despite these institutional differences regarding the level of participation of indigenous people in administration, the goal of colonialism remained the same for the colonial rulers: maximize the extraction of raw materials and promote the economic activities of the colonial entrepreneurs to the profit of the metropole country. They erected cities along coasts or railroads in order to facilitate the shipping of raw materials to the metropolises. Since these cities were intended to serve the interests of the colonial metropolises, the colonial governments instituted policies that restricted the mobility of indigenous peasants to urban centers. Moreover, colonial rulers implemented laws segregating European dwellers and the African elite from the indigenous people by dividing the cities into distinct quarters. In most cities, the movement of indigenous people was even restricted to certain areas. They could not, for instance, live in or even gain access to the residential areas where the colonizers and the African elite lived. These areas were provided with infrastructure and amenities; in sharp contrast, with the areas

where indigenous people lived were poorly served by the infrastructure. This served as precedent to the elite bureaucrats who continued to implement segregation policies in the post-colonial era. (See Table III-1.)

Two important colonial legacies noted in most urban literature about Sub-Saharan Africa are individual land ownership concepts and the location of cities. “Colonial governments needed to legitimize the occupation of the land they needed – often the best agricultural land. This meant the imposition of western concepts of land ownership, which was at odds with the traditional concepts of the kinship that promoted the idea of the community ownership” (Mbaku, 1997). Another colonial heritage, as noted by Smith (1996), were “the disparities between cities among themselves and between the urban and the rural areas in basic service provision and in connections to road and railroads; in the location of ports and industrial centers”. For the colonial rulers the location of cities was of paramount importance; the cities represented the seaports and natural crossroads that facilitated trade and communications, which were key to colonial control. The urban development of capital cities followed this pattern at the expense of other cities, some of which developed very slowly while others gradually disappeared. This was common in most African countries, where capital cities grew much faster than other cities. In some countries, the capital cities became the only destination for migrants from the rural areas, thus increasing the urban population in capital cities. As a result, capital cities expended more and became central determinant to the economic development of entire countries.

Urban Development in Sub-Saharan Africa during the Colonial Era

Before the era of European colonialism, the actual state of Senegal was part of the Mali Empire. This empire was known for its strong culture and its ancient cities. Senegal first came in contact with Western civilization during the slave trade in the sixteenth century, and again with the advent of colonialism from 1885 onward. Senegal became part of the colonial territories of the French Republic as a result of the Berlin Conference.

According to Travis (1997), the urbanization of Senegal passed through three different stages during the colonial era. The first stage was characterized by a pattern of urbanization that followed the paths of the major trade routes. As a result, different towns developed along the Senegal River. For example, according to Philippe Antoine and Gora Mboup (1996), the city of Saint-Louis was founded in 1659 on the river Senegal particularly to facilitate the rubber trade. The second stage of urbanization began with the colonization of the whole country in the late nineteenth century. This period coincided with the introduction of the peanut trade. Just as the rubber trade created an urban network along the Senegal River, the introduction of peanuts as a major commodity created another urban network, with cities and towns expanding near the railroads between 1885 and 1924. "Peanut trading led to a pyramid-like urban network composed of multiple collecting centers and three ports outlets: Dakar, Rufisque and Kaolack" (Traver, 1994). Of these three seaport cities, Dakar progressively monopolized all trade and administrative activities. "In 1930, Kaolack's port activities were transferred to Dakar. In 1958, Saint-Louis was stripped of its function as Senegal's capital to the benefit of Dakar" (Antoine and Mboup, 1994). This shift led to the third stage of urbanization of Senegal, in which Dakar became the main urban development center of

the whole country. It combined administrative and economic functions, thus facilitating continuous urban demographic growth.

Like it did in Senegal, urban development in other parts of Sub-Saharan Africa took several forms. For most colonies, sustained urban developments appeared during the last two decades of the colonial era, when the volume of export trade to the metropolitan countries increased to meet demands generated after World War II (WWII). As a consequence of this burgeoning trade, urban policies changed to accommodate a huge exodus of people from the countryside to urban centers, where most manufacturing industries and administrative facilities were concentrated. These new urban policies had a major impact on all countries in Sub-Saharan Africa, including Senegal: “Dakar and Antananarivo became the next largest colonial urban agglomerations with 180,000 to 220,000 inhabitants” (Christopher and Traver, 1994). Overall, the population of Sub-Saharan African countries increased after WWII, and the levels of urbanization also accelerated as a result of the rapid growth of the manufacturing industry (See Table III-2). As the table shows during the period from the 1950 to the independence era, some countries have seen their urban population in the capital cities double or even multiply by five, as it is the case of Maputo, the capital of Mozambique. One might wonder why the urban explosion of Sub-Saharan Africa occurred suddenly during the 1950s. In fact, as Traver (1994) mentions in his study of the urbanization of Africa, “during the colonial period, pass laws kept most Africans from residing in the white European cities in many areas of Sub-Sahara Africa.”

Table III-2. Urbanization trends between the 1950s and the Independence Era

Urban Agglomeration	Country	Date of Independence	Estimated Population	
			1950	Independence
Cape Town	South Africa	1910	618,000	160,000
Dakar	Senegal	1960	223,000	366,000
Antananarivo	Madagascar	1960	180,000	250,000
Kinshasa	D.R.Congo*	1960	173,000	451,000
Luanda	Angola	1975	138,000	669,000
Nairobi	Kenya	1963	87,000	275,000
Harare	Zimbabwe	1980	110,000	590,000
Maputo	Mozambique	1975	91,000	532,000
Dar Es Salaam	Tanzania	1961,1963	78,000	180,000
Abidjan	Cote d'Ivoire	1960	59,000	180,000
Port Louis	Mauritius	1968	65,000	135,000
Brazzaville	Congo	1960	60,000	130,000
Bamako	Mali	1960	60,000	130,000
Bujumbura	Burundi	1962	50,000	70,000
Freetown	Sierra Leone	1961	50,000	100,000
Mogadishu	Somalia	1960	50,000	70,000
Kampala	Uganda	1962	50,000	150,000
Bangui	Cen. Afr. Rep.	1960	40,000	90,000
Cotonou*	Benin	1960	40,000	60,000
Conakry	Guinea	1958	39,000	100,000
Lome	Togo	1960	40,000	80,000
Ndjamena	Chad	1960	40,000	80,000
Niamey	Niger	1960	30,000	60,000
Ouagadougou	Burkina Faso	1960	30,000	60,000
Yaounde	Cameroon	1960	30,000	70,000
Lusaka	Zambia	1964	30,000	150,000

Compiled from United Nations, 1989,1991.

Note: * Countries or capital cities that have changed names recently.

But, because of the post -WWII economic dynamics, colonial rulers had to revise urban policies in order to attract a large labor force to urban centers. The second industrial revolution in colonial countries increased the demand for raw materials; consequently, the colonial rulers expanded infrastructures such as roads and railroads in order to facilitate shipment of raw materials from the hinterland. They also built docks in seaport cities to accommodate the export of materials that were collected throughout the colonial territories. However, during this period, little attention was given to agricultural activities. With the decline of the agricultural sector, massive numbers of people were forced to move from rural areas to urban centers, seeking the jobs and adequate amenities that were available in the capital cities and other large urban centers. Hence the rural areas recorded a huge deficit in manpower.

Rural to urban migrations resulted in uneven urbanization patterns. In most instances the capital cities, which were also the primary cities, attracted the largest number of the urban immigrants because they served as administrative and economic centers during colonization. In Senegal, for instance, during this period Dakar absorbed most of country's urban dwellers. As Antoine and Mboup (1994) note, "Dakar's demographic growth rate was 5.8 percent annually between 1921 and 1951; it increased substantially between 1951 and 1961 to 8 percent." In other countries, the same phenomenon took place because of the colonial legacy. The capital cities combined administrative functions with the development of business and manufacturing; therefore, they attracted more migrants than other, secondary cities. Consequently, this increased a demographic gap between primary cities or capital cities from other cities, which experienced significantly less development. This uneven pattern of urbanization, which

most of these countries inherited at the advent of their independences, remains one of the characteristics of urbanization in Sub-Saharan Africa even today.

In fact, studies conducted in post-colonial countries have found that the uneven growth and inequality of the urban dynamic that initially resulted from colonial rule still remain the dominant characteristics of these cities. As Gugler and Flanagan (1977) state, these inequalities are noticeable at three basic levels:

1. The imbalance between life expectancy and employment opportunity in the urban and the rural sectors;
2. Among cities, the concentration of limited resources in the capitals and/or primary cities; and,
3. Within cities, the economic disparity between the masses and a small wealthy elite.

(Gugler and Flanagan, 1977:273; cited by Smith, 1996:5)

Based on the basic levels of inequality described by Gugler and Flanagan, one could suggest that the inequalities between rural and urban cities during the colonial era resulted from the roles that they played, respectively, in a country's development. For instance, before the institutionalization of the colonial power, cities were primarily important for facilitating the shipment of raw materials, so therefore cities predominantly were found along shorelines. Upon European colonization, new cities were built in the inland of the continent, serving as parts of networks that maximized the extraction of raw materials and helped to implement colonial authority. The infrastructure of cities like Dakar that combined administrative and commerce activities developed more than the infrastructure of cities that just played only a commercial role. These last cities were

considered as peripheral towns draining the resources from the countryside and shipping them to the metropolitan countries. Despite the role cities played during colonization, they benefited from having more infrastructure than rural areas. Major infrastructures such as hospitals, schools, paved roads and sanitation facilities were constructed in cities, thus enhancing conditions of life in cities to the detriment of rural areas.

Another colonial legacy that influenced the urbanization of Sub-Saharan African countries is the concept of the indigenous elite. Towards the end of colonization a small national elite, created for the purpose of maintaining the fragile economic structure, was rapidly prepared to take over the system. In most cases, the elite struggled with inefficient policies embedded in the laws left by the colonial rule. They had to amend these laws or propose new policies. Due to their lack of skills, experience, and readiness, they merely maintained the status quo. Therefore, the capital cities remained the loci of power; the small elite took control of national resources by perpetuating the same laws put in place by the colonial rule. Migrations from rural areas to urban centers continued to fuel urban growth in major cities, where most infrastructures were concentrated. The capital cities remained the primary cities during this period, ensuring the perpetuation of both administrative, city, and business functions. In addition, as Sub-Saharan African countries later engaged in the world economy, these cities continued to serve as shipment points connecting the peripheral to the metropolitan economies, exporting raw materials to industrialized countries and importing consumer goods. This also had an impact on the growth of cities as they specialized in the manufacture and distribution of goods in the global market.

The growth of Dakar

According to Mboup et al. (1994), Dakar is the oldest French-speaking city of Black Africa. In 1851, the French, who then controlled the Senegalese coast on the Atlantic Ocean, established Dakar as an urban administrative district. Because of its deep harbor, Dakar became the capital of Senegal in 1904 (Traver 1994). It is one of the biggest ports in Africa and, because its relatively close proximity to the Europe continent made it a convenient hub for European commerce and travel, it underwent rapid development. In 1914, after the construction of its port was completed, Dakar became the capital of all French territories in western Africa. Dakar fulfilled numerous colonial needs, and its population increased rapidly. According to Mboup et al. (1994), Dakar's demographic growth rate increased from 5.8 percent between 1921 and 1951, to 8 percent between 1951 and 1961. During this period, the exodus of illegal urban migrants to the fringes of the cities, where previously only the colonizers and some elite Africans dwelt, characterized the urban dynamic in Senegal. Many of these peasant migrants chose Dakar as their destination because of its prominence as the capital of the French West African countries and later as the capital of Senegal. When Dakar lost its status as the capital of French West Africa in 1958, the transfers of Senegal's capital from St. Louis to Dakar helped Dakar maintain its status. As in most Sub-Saharan African countries, the population of Dakar increased because of its role as the capital city. This phenomenon resulted from rural to urban migration. In fact, the concentration of administrative, economic and industrial activities in the capitals attracted people from small or secondary cities and peasants to migrate to capital cities. Many came to the capital cities hoping to get jobs and improve their living conditions; but they ended up living in shelters made of

cardboard boxes on the periphery of big cities, their conditions got even worse. These makeshift shelters resulted in the establishment of entire slum neighborhoods, whose origins are linked to this period in most literature of Sub-Saharan Africa.

During the colonial era, Dakar underwent an urbanization system that unevenly distributed infrastructures, providing greater infrastructure in areas inhabited by the colonial settlers and lesser infrastructure in areas inhabited by the indigenous. Cities were divided into quarters: the core of the city became the European quarter and the African quarters were the periphery. According to Mboup (1994), European dwellings and administrative quarter in Senegal accounted for 18 percent of urban areas, of which only a little more than a quarter were African elites, and the Africans dwellings accounted for the 82 percent remaining of the urban areas. As the city of Dakar expanded substantially during the 1950s, the French rulers decided to keep the indigenous population from the administrative quarter by constructing a less-equipped replica of Dakar for the Africans; this city adjoining Dakar was called Pekine. Antoine and Mboup note that Pekine was characterized by irregular land values, even though its building structures had definite qualities (Mboup et al., 1994). People did not have clear ownership on land where they erected homes because of inadequate land ownership laws enforced by the colonial rule.

It is important to reiterate that such urban policy conformed to the political and institutional organization of the colonies. However, even after the independence of Senegal, both Dakar and Pekine evolved in similar ways. The national elite, constituted of indigenous people who worked in the colonial administration, maintained the same structures left by the colonial rule. Thus urban policies were not adapted to respond to the city's actual needs. Many other cities in Sub-Saharan Africa maintained the colonialist

status quo as well and thus maintained the inadequate urban policies that continued to cause substantial rural to urban migration.

As national governments emerged from the post-colonial era the economic, institutional and urban structures of the colonial era guided the development paradigm of the newly independent states. The second part shows how urban policies implemented in the earlier 1960s by the national governments enforced policies inherited from the colonial state rulers instead of trying to correct them and adapt to countries' reality.

PART TWO

**URBANIZATION OF SUB-SAHARAN AFRICA DURING
THE POST-COLONIAL ERA**

The next three chapters of this study analyze urban policies implemented by Sub-Saharan African governments under the sponsorship of IFIs and donor countries during the post-colonial period. They focus on the policies promoted by the IFIs in the urban sector successively encompassing the period between 1970 and 2000, which coincides with the implementation of sites-services and upgrading projects, liberalization of institutions and maximization of urban revenues, and finally structural reform policies and its impact on urban policies.

Chapter Four

Major Urban Approaches and Policies Implemented during the 1960s and the 1970s

Laissez –faire approach

In the 1960s, most Sub-Saharan countries gained independence. Most historical literature refers to this decade as the “period of emancipation” in Africa, even though some countries were still under colonial rule at that time. In the newly independent countries, governments constituted by the national elite proceeded to liberalize laws that restricted the mobility of their citizens. As discussed in the previous chapter, this policy led to a massive rural-to-urban migration, which fueled rapid growth rates in major urban centers.

During the 1960s, Sub Saharan African countries adopted a laissez-faire approach toward development, as did most Third World countries at the time. This approach was based on the neoclassical economics agenda stating that, if economic development can be achieved, it will foster widespread social improvements by a trickle-down effect. Hardoy (1989) strongly acknowledges that, “the literature about development from this period was characterized by a considerable optimism that governments could create the conditions for ‘take-off’ and self-maintaining economic growth so resources should be concentrated on removing key bottlenecks.” In this way, governments concentrated their resources in the investments aimed at fostering economic growth, such as constructing roads, electric plants, harbors, etc. Although most governments believed that investments in housing were a waste of scarce resources, some governments allocated small portions

of their resources to the development of urban infrastructure such as sewer lines and housing projects. In these countries, though, housing priority was given to military personnel and civil servants. The Ivory Coast and Mali, though, were the exceptions, as they developed conventional public housing for the lower-income people. However, these housing policies were largely inadequate. Provided through institutionalized services controlled by the central governments of the two countries, these housing projects could not respond to the needs of the low-income population, which continued to flood urban areas in large numbers (Hardoy, 1989).

Before the end of the 1960s urban growth rates reached an unprecedented level, thus placing huge pressure on urban infrastructures. Throughout Sub-Saharan African countries, cities with high population density (mostly capital cities) experienced the mushrooming of slum shelters. These slum shelters first grew around cities' boundaries and then grew in the central business districts. The conditions of life in the slums became a sensitive issue to the governments, which attempted to find ways to address this problem. Eventually, the international community became more aware of the phenomenon of "urbanization" in the Third World. They began conducting assessment studies to determine how to enhance living conditions in the urban sector and how to provide shelter solutions for people living in the slum areas. As Hardoy (1989) notes, during this period "the United Nations was pointing out that most Third World nations would need to maintain a house construction rate between 8 to 12 new units per 1,000 inhabitants per year. But in most nations, only one or two new conventional houses were being constructed and in many, the average was below one." Governments did not have the resources to comply with United Nations projections; conversely, they began

complaining about sanitary conditions in the slums and the threat they posed for public health. Nearly every Sub-Saharan African government responded to these threats by imposing a clearance policy, also known as a bulldozing policy. As Njoh (1999) argues, by implementing these policies, authorities sought to discourage the development of such settlements by claiming that they brought aesthetically unappealing elements to the built environment.

Squatter settlements and bulldozing policy

Generally, the term “squatter settlement” is defined as a spontaneous shelter that has been built on illegal land or is below the building standards. According to Njoh (1999), the term “squatter” is used in Sub-Saharan Africa to refer to individuals who might have either legally bought or rented land from landowners but proceeded to illegally subdivide the land or construct housing units that do not conform to official building regulations and standards. The World Bank (1992) uses the term “squatter settlement” to refer to housing that is either the result of illegal occupation or has been developed in an unauthorized fashion. Thus, the rationale most governments use when adopting the clearance or bulldozing policy is based on principles of both aesthetics and legality; however, in reality, both definitions are based on ideas that were brought by the colonial ruler and reflect in part, the conflict between European expectations and traditional African customs concerning the built environment.

First let us consider the issue of aesthetics. Governments rationalized the bulldozing policy by stating that housing should be built based on existing housing standards and urban codes. It is important to note that these policies reflected the legacy

of the colonial rule and, in most Sub-Saharan African countries; they were not amended to respond to the realities of the post-colonial era. The lack of trained national technocrats often gave the governments enough justification to maintain colonial standards even after independence. Furthermore, Western consultant companies who came to Africa to conduct public projects applied their own building standards to their constructions. Hardoy (1989) notes, “The slum clearance was often encouraged by Western ‘experts’ or by Third World professionals trained in Western schools and universities, who used precedents both from Third World nations under colonial rule and from the Western’s own cities.”

Secondly, most Sub-Saharan African governments invoked police power to protect the health, morale and welfare of their citizens. As cities expanded to the periphery, the public authorities took possession of privately or communally-owned to accommodate private developments or to allow governments to build public projects. Therefore, whenever governments decided to clean up a slum, they claimed that they had to conduct beautification projects such as the widening of roads, or they claimed that the slum was a health hazard or a threat to the welfare of the community. These “clean up” projects resulted in the relocation of entire neighborhoods or in expropriations in which people were not even compensated for their losses. As Farvacque et al.(1998) attests, “Neighborhoods were sometimes treated in ways that smacked of harsh colonial habits: houses were torn down, or the occupants were evicted in the name of the expropriation for some planned roadway.”

Because they took expropriation measures without offering any compensation, the squatter settlers understandably regarded the governments as insensitive to their needs as

well as disrespectful of the traditional African values of land ownership. Thus they continued to create slum communities, moving around urban centers whenever their shelters were torn down. As Kanyeigamba (1972) explains it, "People who were unable to find accommodation in the accepted and legal way appropriate a portion of land usually owned by the state or local authority, but occasionally by individual proprietors for the purpose of finding or building themselves a home." This phenomenon became widespread and amplified the emergence of slums around the cities of Sub-Saharan Africa. The continued proliferation of these slums then became a major issue in urban development.

Social and economic implications

In sum, slum clearance policies had an extremely negative impact on Sub-Saharan African countries. These policies exacerbated the housing crisis by depleting the amount of available housing, since so many structures were declared substandard or illegal. Moreover, these policies further deprived the urban poor residing in squatter shelters because the squatters could not afford conventional housing, and they lacked the means to legalize their assets or even to improve their shacks. The fear of being evicted from their homes by the authorities led the squatter citizens to live in areas that failed to meet even the minimum requirements for sanitary conditions or security; and neither the governments nor private developers were interested in undertaking any projects to improve such areas. Generally, spontaneous shelters were built with cardboard or other disposable materials that varied from one city to another, since investment in permanent materials these slum areas was discouraged by the threat of eviction or bulldozing.

During the 1960s, all Sub-Saharan African countries experienced socio-economic unrest due to the slum clearance policies, which forced thousands of people to live in a state of homelessness or in permanent squatter shelters. “A significant proportion of the low income population was found to be squatting on unserviced plots or land within cities, and peri-urban areas around the cities” (Mabongunje, 1992). This was a direct result of the inadequacy of the clearance policies. In the diagram below, Hardoy (1989) provides some examples of how the bulldozing policies in Sub-Saharan Africa impacted the housing stock. (See Fig. IV-1). In most “clearance policies,” governments advanced the argument that urban development needs to be achieved with respect to aesthetic demands as well as the health

In Senegal a systematic campaign to destroy squatter areas in the center of Dakar was undertaken throughout the 1970s, and it culminated in the destruction of two well-known squatter settlements, Nimzatt and Angle-Mouse, in 1975.

In Kenya, the Nairobi clean-up campaign of 1970 resulted in a destruction of housing, which left 50,000 homeless. (This policy was inspired by Senegalese initiatives.)

In Tanzania (1964-1969), slum clearance was launched in several centers and almost as many housing units were destroyed as were built by the public housing programme.

In Cote d'Ivoire, the government destroyed the homes of 20 percent of the Abidjan population from 1969 to 1973.

In Nigeria, the major slum clearance was undertaken in Lagos during the 1950s. The later clearances, the so-called “War Against Discipline,” included mass demolition in major cities.

Compiled from Hardoy, 1989

Fig. IV-1 Bulldozing policies and its impacts on housing

and welfare of the population. These policies, however, fell short of achieving their goals. As discussed above, they created more problems to the squatter settlers than they resolved.

Eventually, some Sub-Saharan African governments began to feel that the slum clearance policies were going to result in mounting social crises and civil unrest if they were not addressed. These governments thus looked to other countries to see how they attempted to solve such housing problems. During this period, the promotion of self-help projects was becoming popular in Latin America, where slum settlements also expanded around big cities. Inspired by the writings of John Turner, international agencies involved in urban development came to realize that the self-help approach was an alternative to the housing deficit. Some governments even latched on to the idea and developed self-help projects with funds provided by IFIs. This intervention marked the beginning of a series of various urban projects undertaken from the 1970s up to the 1990s.

Intervention of IFIs in Sub-Saharan Africa during the 1970s

Worldwide, the 1970s was characterized by economic crises, which severely affected the economies of industrialized as well as developing countries. Sub-Saharan African countries were especially affected because their export industries, generally based on one commodity, contributed substantially to the Gross Domestic Product (GDP). Sub-Saharan African countries lost revenues due to the plummeting prices of raw materials produced for exportation. As the economic crises reduced the abilities of individual governments to provide continuous and appropriate services to all their citizens, rural-to-urban migration continued to fuel urban growth; therefore, political

leaders and international agencies began to feel compelled to attend to the needs of the urban poor. “The manifestations of urban poverty became increasingly visible by the 1970s, the international community began to acknowledge urban problems by launching various pilot projects” (Traver, 1990). During this period, “increasing attention on the urban sector eventually led the World Bank to initiate a programme of urban lending in 1972 at the request of members of governments” (Cohen, 1998). Later, world organizations such as the United Nations became committed to the improvement of human settlements, and their campaign to improve the conditions of the urban poor became the focus of urban development projects. Unlike the governmental urban policies developed during the 1960s, “most of the urban projects initiated by the World Bank were specifically directed at the needs of the most deprived social groups” (Mabongunje 1992). Some of these projects were implemented in slum areas; others delivered basic services to newly prepared urban land through what were called “sites-and-services” and “slum upgrading” schemes.

The literature on urbanization in developing countries refers to this first generation of urban projects in Sub-Saharan African as the “sites-and-services” approach. This phase of the urban project tried “to reform procedures of bulldozing and expropriation through rehabilitation operations that would result in organizing land tenure and providing basic services (developing roads; drainage, water and electricity networks; building neighborhood facilities)” (Farvacque, 1988). “The sites-and-services approach to urban development, encouraged the mobilization of self-help efforts and private savings for shelter construction among urban poor and low-income groups, while the public sector intervened to see physical planning” (Mabongunje, 1992).

Traver (1990) also notes, “Besides the primary objective to alleviate urban poverty, sites-and-services’ second objective was to reduce the financial burden on the public sector for shelter and infrastructure.”

In countries where governments adopted the sites-and-services approach, it was expected that the agencies and government ministries in charge of urban development would supply the serviced land and would define building standards in accordance with the technical guidance of financial institutions. “The aim of the public agencies or traditional town-planning ministries in many Sub-Saharan African countries was essentially to provide for physical accommodation of initiated investments on ad hoc and piecemeal basis to hold a ring of private actions within the bounds of some overall design concepts” (Safier, 1970). After some limited success with the distribution of serviced plots, international agencies found that it was impossible to serve the majority of the urban poor through sites-and-services only. Therefore, the IFIs involved with urban lending introduced a complementary approach to sites-and-services called “slum upgrading.” This approach aimed to provide a solution to sub-standard housing. Farvacque (1988) acknowledges that, slum improvement, also known as slum upgrading, was also intended to correct the bulldozing policy. Slum upgrading was founded on the belief that, even if shelters for the poor were built on a site without durable structures and sanitation, they should not be destroyed, thus leaving these people homeless. Instead, the public authority should provide the sites with physical infrastructures such as roads and public facilities (such as markets, hospitals, and schools), which are crucial for the betterment of the poor.

This new approach also promoted new financing methods specifically intended to help the poor. Residents of shelter settlements could apply for loans to improve the structure of their own houses and be responsible for the payment for the infrastructures provided by the governments. This option could also facilitate recovery of the costs of the project and then be applied to the development of other slum areas. Cost-recovery was imperative to the success of the slum upgrading approach because they could allow successful projects to be replicated. Overall, the slum upgrading approach was initially successful; it was well received by the governments, which felt that these projects could expand to a large scale, and by the people who, according to Cohen (1983), “considered this approach as much less disruptive approach to substandard housing.”

Most housing policies implemented by Sub-Saharan African countries in the 1970s employed the “sites-and-services” and “slum improvement” approaches. Mabonguje (1992) asserts, “Over 1972-1981, sites-and-services and slum upgrading schemes dominated World Bank project lending to Sub-Saharan African countries in the urban sector of fifteen urban projects with a total cost US\$ 449.3 million and a loan component of 243.5 million, shelter accounted for 69 and 77 percent, respectively.” These interventions made the World Bank one of the leading international agencies operating in urban development of Sub-Saharan African countries. Most importantly, the results of the World Bank’s interventions initiated broad discussions of the conditions of the urban poor and the need to provide them with basic services. “Similar concerns were reflected in the United Nations’ decision to hold a conference on human settlements including shelter provision, planning, and development of urban centers” (Cohen, 1983). By taking such a stand, the world community acknowledged that urban development

could not succeed if the issue of providing adequate living conditions for low-income people was not directly addressed during the elaboration of urban projects.

Sites-and-services and slum upgrading projects in Senegal

During the 1970s, Senegal experienced a higher rural migration due to the disintegration of the agricultural industry. Dakar captured the biggest number of the migrants, who came to town looking for job opportunities and a better quality of life, or sometimes because they were pushed off their homeland by urban sprawl. As the primary city in Senegal, Dakar, when compared to other cities, recorded the highest growth rate. Based on the World Bank estimates, “Dakar had an estimated growth rate of 5 percent from 1970 to 1975, and forty-four percent of its population were migrants of age between twenty-five and thirty-four” (World Bank, 1975). Increased attention placed on the urban sectors of developing nations led IFIs to address the problems these countries experienced in their housing sectors. Senegal was one of the first countries to experiment with urban projects that responded to the needs of the urban poor and provided them with a shelter. The first “sites-and-services” project to be implemented was the Dakar project.

In 1972, Dakar and Thies, the largest second city in Senegal, received funds from the World Bank for the development of urban projects. According to Njoh, these projects became the first ever known sites-and-services projects in Sub-Saharan Africa. These projects aimed to promote the self-help approach as a means to provide acceptable housing alternatives to the urban poor. Basically, the World Bank used these projects to show the African governments how shelter for the urban poor could be provided without taxing their meager resources. The sites-and-services project in Dakar was designed on

the premises of cost recovery and replicability. The World Bank financed the first urban project in Senegal and worked with the central government to implement it. According to the agreement the World Bank reached with the Senegalese government, the government would provide serviced land with a minimum of public services, such as sewage, street lighting, running water or standpipes, and other basic public amenities; and the squatter residents would be given loans to help improve their individual properties themselves. However, in the implementation process of these sites-and-services projects, some problems arose (See Table IV-1).

As illustrated in the table below, the sites and services projects did not work as foreseen mainly because technical problems were compounded with monetary and demographic factors. The first and foremost problem encountered in the implementation was the location of the sites. In Dakar, the project site was seven miles away from the main downtown area, which implied that residents would have to cover this distance by walking or to rely on public transportation to get to the center business district, where the majority of job opportunities exist. The second problem was that the housing standards imposed by the government were too high. Despite the general philosophy of sites-and-services projects to provide affordable housing for the low-income people, the initial building codes and standards enforced by the Senegalese government would result in dwellings priced too high for the low-income people (who were supposed to benefit from the project) to afford. Most people were not able to mobilize the necessary finances to build according to standards imposed by the government, and the designated project agencies were not able to comply with the standards, either.

Table IV-1. Implementation of sites and services projects in Senegal

Financial Institution	Goals	Problems
The overall project was financed by the World Bank	▪ Provide and prepare land for approximately 14,000 dwelling units in Dakar and about 1,000 units in Thies. ▪ Equip the sites-and services areas with roads, power, water, and sanitation systems. ▪ Construct and equip 14 primary schools, 4 high schools, and 5 health centers ▪ Provide sites for commercial, small-scale industrial, recreational, cultural and future educational facilities ▪ Lead technical assistance for project engineering, management, and training for formulation of a national sites and services program ▪ Assist the identification of squatter settlements for upgrading improvements and squatter area in central Dakar for a pilot community improvement.	▪ Location: The Dakar sites were located seven miles from the downtown Dakar. ▪ Design standards: Standards initially adopted by the government were too high to be realized by the designated project agencies and/or by the majority of low-income target families. ▪ Services became inadequate because of increased demand due to constant migration. ▪ Implementation delays in the provision of services made the sites uninhabitable for a lengthy period. ▪ Inflation raised the costs of building materials and associated project features.

Source: Note compiled from World Bank, Staff Working Papers No. 547, pp 6-9

Furthermore, during the urban population growth increased the number of people the sites areas needed to accommodate implementation stages, urban population increased the number of people the sites area needed to accommodate. Finally, the fourth problem was the delays in the services provision. In both projects the inhabitants were faced with delays due to bureaucratic procedures. “Project management was highly centralized and generally supported project units in one of the technical ministries (public works, urban affairs, and the like), which took responsibility for the entire process, from the conception and design to execution” (Farvacque, 1983). It is also worth noting here that, during the implementation process, Senegalese’s institutional organization was based on a centralized, top-down paradigm.

The projects also experienced problems in the implementation of the sites and services in Senegal due to inflation. The many delays in the execution of different phases of the project ended up significantly raising the project costs. Despite the unexpected shortcomings, however, the Senegalese urban projects were a learning experience for the involved lending institutions, and they also proved to governments that the self-help housing schemes could be used as alternatives in the provision of shelter for the urban poor. After the two projects were implemented, many other countries applied the same approach.

For instance, Zambia also implemented both the sites and services slum-upgrading projects. As the second country to implement the self help approaches, Zambia used the lessons learned from Dakar and Thies. Many scholars acknowledge that the Zambian project constituted an even more ambitious effort by the World Bank. “It was viewed as pilot venture to scale down housing standards, [while] at the same time

improving the housing conditions of nearly 40 percent of capital's population" (World Bank, Work Paper No. 547). According to the World Bank evaluation report, Zambia was successful in providing land for sites-and-services and upgrading projects, and it also met the objectives for providing basic services to these areas with little delay. Many other countries replicated the Senegalese and Zambian experience subsequently. Cohen (1983) notes that in some countries, such as Tanzania and Nigeria, "projects often included building loans, whereby households could ... borrow money from a housing finance institution."

Overall assessments of the sites-and-services and slums upgrading schemes

The sites and services and slums upgrading schemes which constituted the first intervention of IFIs in urban development of Sub-Saharan Africa have introduced new mechanisms in urbanization process and raised some issues that were never before considered either by the colonial power nor the governments which inherited power from the first. However, these new mechanisms did not fully respond to the expectations due to numerous factors that we gave earlier in this chapter. The case of Senegal illustrates that the effort to deal with slum improvement was complicated due to difficulty in implementing mechanisms such as, cost recovery and replicability of the project, coupled with the issues of affordability, land tenure, and the institutional organization.

Land tenure has always been a stumbling block in urban projects states Farvacque (1983). The issue of land ownership and land management has always been controversial in Sub-Saharan Africa, primarily due to the exclusion of the urban poor who actually have no property rights to the land on which they live. This was a major problem in the

implementation of the sites and services projects: it was difficult to motivate people to improve their shelters when these people were aware they lacked property rights. In order to solve this problem, the World Bank's Housing Sector Policy Paper (1975) established guidelines for urban lending. It included the idea that the governments should guarantee land tenure to project beneficiaries, in either slum improvement or sites-and- services projects.

In places where projects were implemented, however, recovery became complicated for various reasons. Sometimes it was due to the fact that residents did not want to pay back their loans because they were not satisfied by the basic services provided in the project, or simply because they were not forced to pay their loans back by political leaders who feared that the enforcing such payment would affect their political careers. Later some projects showed that the limited roles given to local governments to recover funds through taxation hindered the success of early urban projects. In fact, the centralization of power by the central government proved to be detrimental to a rapid implementation because bureaucratic procedures often prevented steady progress from being made on the projects. It was based on the fact that IFIs began to shy away from the sites and services and slum upgrading, using the facts that the projects did not respond to all the expectations. As said in the summary table of the chapter (See Table IV-2), an assessment conducted by IFIs and donors' countries working on the development projects suggested new mechanisms to strengthen institutional organization and provide local municipalities with tools to ensure their full participation in the development process.

Table IV-2. Urbanization through the 1960s and the 1970s

Stage	Political Framework	Economic Model	Approach to the urban sector
Stage I (1960s) The Period of Emancipation Beginning of the independence era. Most Sub-Saharan countries achieved their independence in the 1960s.	Emancipation of indigenous people from the colonial rule, as new national democratic governments were established. National elites, constituted mainly by the "evolues," become the independence leaders, filling the vacuum left by the colonial rulers but without adequate preparation. Newly formed national governments promised a better life to their citizens. The colonial model of favoritism and unequal distribution was perpetrated now favoring the local elite and their cronies. Widespread corruption prevails everywhere.	The '<i>laissez-faire</i>' approach based on the neo- classic economic model prioritizes investment in countries' economic infrastructure (i.e., transport, power, airports, etc.). The assumption is that economic development will follow once countries have adequate economic infrastructure in place. Economic growth is expected to "trickle down" to all layers of society, bringing wealth for all.	Cities are the final destinations of rural to urban migrations, as they are perceived as venues for job opportunities and better conditions of life. Thus, migration continues at a fast pace reaching up to 6% per year in some countries. As a result of fast migration, cities become overpopulated and there is mounting pressure on urban infrastructure. National governments try to promote national pride by launching public housing projects. However, only a few privileged ones have access to public housing while the poor provide for themselves. Simultaneously, national governments pursued policies aimed at stopping illegal constructions, including bulldozing. More housing is being destroyed than constructed. These policies create disenchantment among the urban poor. Poor living conditions in urban areas pose a threat for national stability.
Stage II (1970s) The Hopes of Independence Start to Crumble.	The myth of economic prosperity for all vanishes and social tensions start to rise. One by one, political leaders change the constitutions to single-party systems, which resulted in dictatorships. Governments are both highly corrupt and lack technical capacity. There is growing awareness that the governments of the newly -independent countries do not have the ability to respond to even the basic needs of their people. International and bilateral agencies become actively involved in Sub-Saharan Africa.	Economies of most countries become highly dependent on exports of selected raw commodities and import of manufactured commodities from European countries.	The IFIs (mainly the World Bank) starts to question publicly provided housing because of its unattainable high standards. The World Bank finances the first urban project in Senegal in 1972. The first generation of urban projects focuses on providing shelter and basic infrastructure services to the poor. The sites-and- services and slum-upgrading projects constitute the main types of interventions. The emphasis of these projects is on affordability, cost-recovery and replicability.

Chapter Five

Major urban policies promoted by IFIs during the 1980s

Political framework

When the world economic crisis struck in the late 1970s/early 1980s, most Sub-Saharan African countries were seriously affected due to their political instability and the endless civil wars that raged—some of them for more than two decades. Political and economic power was under the control of military and dictatorial regimes, which concentrated all powers under the central government, ignoring the roles of municipal governments and the rights of individual citizens. Throughout most Sub-Saharan African countries, the political elite and their allies who controlled the state apparatuses destroyed the existing economic structures and neglected the input of private enterprises. In many countries, few efforts were made by the central governments to enfranchise people and to allow them to participate in the reconstruction of economic systems and the creation of governmental structures that promoted economic development. Like it had been in the colonial era, the elites who captured power prevented civic participation and seized control of all political and economical structures. Many political leaders maintained institutional systems that became instruments of plunder, serving only their own political interests or the interest of their political parties. Eventually, the dominant party would become the only political party to operate within a given country. Thus, for other political parties the only way out of this situation resided in using ethnic cleansing or starting a civil war to achieve power. This of course resulted in considerable political

instability within individual Sub-Saharan African countries and sometimes within entire regions, as was the case of the dispute between Senegal and Gambia in the 1980s.

Meanwhile, during this period, the economic recession also caused drastic decreases in the prices of the export commodities, which constituted the principal source of income for most of these Sub-Saharan countries. “The combination of sustained depression in world market prices for the continent’s principal primary export commodities, deteriorating terms of trade (especially for non-oil producers), and the long-term effects of inappropriate economic policies and expenditures and corruption proved unsustainable for development” (Simon, 1995). Most countries in the region experienced severe deterioration in their macroeconomic performances, and their socio-economic indicators decreased even more as compared to their indicators in the two preceding decades (See Appendix). According to Mbaku (1999), the deterioration was so critical that the World Bank issued a report on Africa’s deteriorating economic conditions called “Accelerated Development in Sub-Saharan Africa: An Agenda for Action;” in which it stresses the inadequacy of policies implemented by the new elite of the independent states as well as points out how institutional weakness results in increased corruption within public agencies and fuels conflicts between regions.

In the mid-to-late 1980s, as the economic deterioration continued increasingly and Sub-Saharan countries could no longer meet their debt obligations, it became imperative for IFIs to push for political and economic reforms. They emphasized the important roles the local governments as well as the general public would have to play in the development process. For IFIs, in fact, political liberalization was a *sine qua non* condition for successful economic rehabilitation in Sub-Saharan African countries at this stage.

“Political reforms and state reconstruction become the starting point for arresting Africa’s continued deterioration and providing the environment for sustainable economic growth and development” (World Bank, 1989). Political liberalization implies popular participation and good governing practices. This means that a civil servant or public official has to be accountable and more responsive to the needs of the people. Furthermore, it also means that people should have the right to join civic or political organizations that represent their aspirations. It is important to note that these political reforms were accompanied by economic reforms. The reforms known as SAPs (Structural Adjustment Programs) aim to stabilize balance of payments, reduce deficits and help countries to service their debts. During the 1980s, hence, urban policies sponsored by IFIs became influenced by political and economic reforms suggested by donor countries. These policies drew away from the focus of initial urban projects, which took place in the previous decade. It is worth noting that for many political leaders have expressed resentment in some cases reluctance to implement these reforms.

Municipal and institutional reforms

The 1980s marked a new era of urban development in Sub-Saharan Africa. After a decade of implementing “sites-and-services” and “slum upgrading” projects, the IFIs began shifting their focus away from these individual projects toward urban programs that dealt with different sectors within cities, sometimes even overlapping the jurisdictions of different agencies intervening in the urban sector. As a result, it became more and more difficult for individual projects to tackle broad issues facing the urban sector. The rapid urban growth experienced in most urban centers as well as the

inadequate institutional and political systems of this period made it hard for individual projects to be effective. Urban issues became even more complex as cities expanded due to urban growth, and other issues linked to economic, administrative and institutional organization of Sub-Saharan African countries affected the development projects.

In the early 1980s, the World Bank conducted an evaluation of the policies implemented during the 1970s in order to assess what direction new policies needed to take as urban issues broadened and became much more complex. The results were published in the World Bank's policy paper referred to as "Learning by Doing" (1983). According to Zanetta (2001), this paper drew attention to the weak institutional capacity of most urban institutions and the need to strengthen them as a prerequisite to achieving more systematic solutions. In fact, this paper acknowledged that the first phases of urban projects only partially accomplished their objectives, which were to provide shelter and basic infrastructures in particular sectors; that they failed, however, to expand because of unwieldy institutions and lack of coordination among the government agencies, which were supposed to implement them. This paper clearly states that "while the first generation of urban projects was considered successful in terms of the physical targets of housing and infrastructure production, it was difficult to ensure adequate maintenance and operation after completion of the projects, mainly as a result of poor technical and financial capacity on the part of municipal governments" (World Bank, 1995a; Zanetta, 2001). The IFIs found that, in most countries, municipal governments were totally excluded from the development of solutions for the very problems that plagued their own municipalities because of their inability to generate funds, but mainly due to their absolute dependence on fund transfers that usually were funneled from the central

governments. Such practices increased the risks of corruption and clientelism, which in turn affected the management of local governments. On the other hand, the lack of technical capacity, competence and legitimacy to mobilize resources--coupled with the lack of planning that prevailed during this period--made taxpayers reluctant to pay what they owed because they did not trust that tax revenues would be used efficiently.

It was, therefore, a logical next step for IFIs to promote policies that would reform institutions and would strengthen the roles of local municipalities in urban development. Many agents involved with development processes in the region, donor countries as well as IFIs, thought that the more institutions were decentralized, the more they would get closer to people. The closer the institutions came to actually meeting the needs of the people, and then they (in theory) would become more reliable and would increase their accountability. The move to elaborate new policies was inspired by both the critics of the first generation of urban projects, which were found to be narrow and unable to efficiently meet the complex problems involved in urban issues, as well as the need to remedy inadequate political and institutional structures that increased economic crises in the region.

The IFIs named the political and institutional systems of Sub-Saharan African countries as the main sources of problems in urban management. The centralization of power by the central governments limited the role of municipal and local governments in the development process. According to Wekwete (1997), "The usurping of all decision-making powers by the central government created a major problem in terms of traditional roles that city local governments had played. The lack of effective municipal governments meant a serious lack of attention to urban problems." This lack of attention

had caused serious economic damage to the national economies of Sub-Saharan countries. Cities in this region expanded exponentially in the 1980s, and as the range of their activities expanded concurrently, it became important to define the statutes of municipalities. The IFIs used urban programs as a way to promote institutional reforms and to empower local and municipal governments through direct financial and technical assistance. This characterized the urban agenda of IFIs; most of their interventions emphasized the connection between government institutions and urban management. The issues of land management, fiscal responsibility of municipalities, and public participation continued to be the focal points of the interventions of IFIs in the urban development of Sub-Saharan Africa. In some countries, for instance, land management and delivery of infrastructure by local municipalities became important criteria for financial lending. According to Dowall (1991), IFIs found that “there was a strong nexus between land, urban financial resource mobilization, and effective management.” This was intended to provide incentives for increased participation and the development of more effective governmental structures that would alleviate the problems faced by the deteriorating Sub-Saharan African cities.

The promotion of urban projects aimed at creating new sources of revenue for local municipalities based on the criteria of sound management in Sub-Saharan Africa has increased the lending portfolio of the IFIs. According to Farvacque (1990), the shift from housing and infrastructure projects toward municipal and AGETIP projects financed by the World Bank (only in Francophone countries) went up to 35 projects in the 1980s compare to only four in the 1970s (See Table V-1). Although these urban projects were complex, they were all focused on strengthening local municipalities and providing them

Table V-1. Urban projects in Francophone Africa

Country	Name of project	Project order	Appraised
Senegal	Sites and Services Project	1	1972
Ivory Coast	Urban Development Project	1	1976
Burkina Faso	Urban Development Project	1	1978
Mali	Urban Project for Mali	1	1979
Burundi	Urban Development Project	1	1980
Ivory Coast	Urban Development Project	2	1981
Mauritius	Urban Rehabilitation and Development	1	1981
Guinea	Urban Development Project for Conakry	1	1983
Cameroon	Urban Development Project	1	1983
Madagascar	Urban Development Project	1	1984
Djibouti	Urban Development Project	1	1985
Mali	Second Urban Project	2	1986
Cameroon	Douala Infrastructure Project	2	1986
Senegal	Technical Assistance Project	2	1987
Ivory Coast	Third Urban Project	3	1987
Cameroon	Second Urban Project	3	1988
Rwanda	Sectoral Institutions Development	1	1989
Burundi	Second Urban Project Development	2	1989
Ivory Coast	Municipal Development Project	4	1989
Senegal	Municipal Development and Housing Project	3	1989
Senegal	AGETIP Project	4	1989
Burkina Faso	Second Urban Development Project	2	1989

Source: Farvacque 1998

Note: This table shows only urban projects that were implemented in the 1970s and 1980s

with sources to manage urban development, contrary to the previous series of sectoral projects, which focused only on shelter and infrastructure provisions. This change of objectives impacted the urban policies of Sub-Saharan Africa, and Senegal in particular, with the creation of AGETIP projects.

Policy implications in Sub-Saharan Africa

Like its predecessors, the second series of urban projects financed by IFIs had major impacts on urban policies in Sub-Saharan African countries. During this phase, IFIs not only deviated from the initial urban projects' objectives (poverty alleviation and infrastructure provision) but also introduced a multi-sectoral approach to urban issues and encouraged governments to mobilize a broad participation of citizens by strengthening local governments. According to Mabonguje (1997), IFIs hoped this approach would strengthen the ability of individual cities to perform their economic functions more efficiently while improving the standards of urban services.”

Until the early 1980s, most Sub-Saharan African countries were under political systems characterized by strong governments embodied by single-party politics. These systems used the top-down administrative paradigm inherited from the colonial power. During this decade, French-speaking (as well as other) countries were managed by central governments. These governments were heavily centralized, and in most instances they were in charge of implementing national development plans. Local municipalities, therefore, had only to simply execute these plans. However, local and municipal reforms initiated by IFIs in the mid-1980s gave impetus to the process of decentralization, which

aimed at establishing accountable, participatory, democratic and transparent structures within these governments.

According to Farvacque (1988), the democratization of institutions within Sub-Saharan African countries and the establishment of multi-party states that were initiated at the end of the 1980s have allowed municipalities in some countries to play a role in providing services financed by IFIs and donor countries. In other countries, however, “decentralization has not been accompanied by the necessary fiscal power to enable local governments and communities to raise revenues to finance investments and the operational costs for the sound management of cities” (Ernest, 1997). Despite the problems and dilemmas encountered, IFIs continued to fund the municipalities that would implement all the mechanisms for reforming their institutions and improving their management. For instance, towards the end of the 1980s, the World Bank pursued its objectives even further by expanding its urban lending portfolio to promote the creation of autonomous financial intermediaries intended to stimulate and increase the provision of infrastructure to local municipalities. The World Bank intended to permit municipalities to play a determinant role in urban development by working directly with the municipalities as represented by a group of citizens who had a better understanding of the specific issues involved with their individual communities. IFIs, like the World Bank, wanted to show that “urban local government is the focal point for strengthening participation and democratic processes, and local relationships between municipalities and the community” (Cohen, 1992). The new actors in diverse lending projects were selected because they better understood the problems and thus could better provide services to people they were close to than the central governments could. As a

consequence of the reforms, throughout the Sub-Saharan Africa the creation of new agents such as Non Governmental Organizations (NGOs), Community Based Organizations (CBOs) and other grass root organizations became the grand innovations of the urban sector during the 1980s. These innovations also enabled IFIs and other donor countries a new approach to urban sector, which influenced their interventions towards the end of the 1980s.

Policy implementation in Senegal

During the 1980s, the strengthening of local and municipal institutions had a big impact on the political, economic and institutional systems in Senegal. These reforms were followed by the creation of civil associations and increased discourse on the liberalization of civil rights. According to many political analysts, the political liberalization of Senegal, which began in the 1980s and intensified during the 1990s, contributed to the intensification of democracy. In the urban development sector, municipal reform led to the creation Non Governmental Organizations (NGOs) and other community-based organizations.

People became more and more involved in addressing the issues that faced their communities. In urban sectors, where the presence of the state was weaker, community-based organizations and NGOs became the central devices for meeting the need of the general population. In spite of any reservations that might have been felt by the government, these organizations received funds from IFIs and other donor agencies to develop projects that would provide jobs and infrastructure services to people and thus enhance productivity. “The World Bank had linked improved macroeconomic

performance in the continent to political liberalization” (Mbaku, 1999). Towards the end of the 1980s, as deteriorating economic conditions continued to prevail in Sub-Saharan Africa and Senegal in particular, the IFIs decided to fund the creation of new agencies whose mission would be to provide unskilled jobs to the urban poor while, at the same time, follow the orthodoxy of Structural Adjustment Programs being promoted by the IMF. The first of these agencies was implemented in Senegal in 1989. As Farvacque (1988) attests, this initial AGETIP project took place between 1989 and 1993. This type, of AGETIP project was especially important because it indirectly addressed the issue of the urban poor. It emphasized the participation of the unskilled urban dwellers by directly employing them to improve the public urban infrastructure. According to Ernest (1997), “The Public Works Employment Agency (AGETIP) has become well known in the region for managing labor intensive public works projects with transparent, streamlined procedures, and for significantly improving the management of donor finances. Its approach has been widely replicated.” This new type of urban development thus became a model for similar modes of development that were implemented throughout the entire African continent. “The World Bank supported the AGETIP with an IDA credit of \$20 million in 1989” (World Bank, 1997). This project evolved more in the 1990s to promote municipal reform and private participation, and to facilitate the decentralization of local and municipal governments by introducing private delegates in the provision of urban infrastructure. As Farvacque points out:

Its objectives consisted of creating a significant number of jobs in urban areas, at least temporarily, and as quickly as possible; upgrading the know-how of craftsmen, small enterprises, and small-scale contractors;

undertaking highly labor-intensive works that would be economically and socially useful; and testing the idea of effective private delegated contract managers as an alternative to the inefficiency of the public sector. (1998)

It is worth noting that the AGETIPs aimed to increase transparency in urban management and establish a steady pace for institutional reforms. As transparency became persistent towards the end of the 1980s and provided the foundation for much of the municipal reform agenda pursued during the 1990s, when the individual cities were called upon to play a major role in national development. This focus on municipal development shifted even farther from the issue of the urban poor. As Farvacque (1998) acknowledges in her work *'The future of African Cities'*, urban projects lost their sense of direction as there were broadened to include all financial aspects of the urban sector and gave little attention to poverty (see Table V-2). This table summarizes the different steps of urbanization underwent by Sub-Saharan African countries and provide an understanding of shifting in urban policies from the 1980s to the 1990s, which is decade that stresses on urban development by promoting the private entrepreneurship and liberalizing the market.

Table V-2. Different steps of urbanization during the 1980s

Political Framework	Role of the public sector	Role of IFIs	Approach to the urban sector
The earlier 1980's world economic crisis strikes Sub-Saharan countries and affects them politically. In most Sub-Saharan countries the rise of military and dictatorial regimes with highly centralized power suppresses civil rights. Institutional weakness increases the degree of corruption within public agencies and causes political conflicts within countries and across Sub-Saharan Africa. Countries are raged by internal rebellion and civil wars, and even confront each other in support of opposition factions (e.g. Senegal and Gambia.)	Municipal governments are totally dependent on transfers from the central governments. These transfers are insufficient and, in most cases, unpredictable. Heavily centralized governments are in charge of implementing a national development plan, while local municipalities simply execute them.	IFIs launch urban programs that expand focus to the city as a whole. Urban projects financed by IFIs become more complex. They involve different department ministries and are multisectoral (i.e. involving different urban sectors, such as transportation, health, housing, etc.)	Due to the inefficiency of urban projects, cities require financing from governments and IFIs to sustain their development, which continuously faces the challenge of fast urban population growth.
In the mid-to-late 1980s countries experienced a weakening of their central governments. Decentralization is suggested to strengthen institutional organizations and halt civil uprising. Formation of multiparty politics and liberalization of the civil rights.	Local municipalities increase their roles in the elaboration of public projects. Central governments can negotiate with IFIs and donor countries only the financial terms, while local governments participate in the elaboration of plans and execute them.	Creation of financial intermediaries such as <i>Agencies de gestion d' interet publics</i> (AGETIP) Financing the creation of grassroots organizations and Non Governmental Organizations (NGOs) Providing assistance to increase land-management in urban center.	Enhance the authority of local municipalities by promoting public participation programs. The issues of the urban poor are not addressed directly. However, public participation is expected to improve the public infrastructure, which could directly affect the urban poor.

Chapter Six

Urban Approach during the 1990s and the Neo-liberal Agenda

In Sub-Saharan Africa

Introduction

The urban approach of IFIs during the 1990s was influenced by the neo-liberal agenda. This agenda was launched in the 1980s with strong support of IFIs to promote the strengthening of local and municipal governments and the improvement of urban management. It took a decade for these reforms to mature because of the unstable political environment and the reluctance of political leaders to implement them. At the beginning of the 1990s, in response to political environments characterized by the decentralization of institutions and the rise of democratization throughout the region, the IFIs began to expect the cities to emerge as engines of growth empowering the renewal of national development. The debates concerning the roles that cities should play in national development became much more important in the 1990s because of the current demographic trends in most Sub-Saharan Africa countries. Most statistics compiled in the 1990s predicted that by the end of the 20th century more than 50 percent of the Sub-Saharan African population would be living in urban centers, compared to only 15% in the 1960s. In response to such calculations, IFIs adopted urban approaches that would increase urban productivity and allow the cities to play more effective roles in the global economy. As a result, urban projects during this decade took place with respect to microeconomic reforms suggested by structural adjustment programs. So, in this chapter, I will explore the challenges faced in urban management in the economic environment of

the 1990s in a policy attempt to improve productivity while alleviating the growing evidence of poverty. I will also consider the role played by the public sector.

Enhance urban productivity

During the 1990s, urban projects sponsored by IFIs focused on improving urban productivity. The lessons of the previous urban projects have shown that cities can be productive if they have efficient delivery of infrastructure and social services. However, “the weak condition of the financial sector in most developing countries, and particularly its difficulty in mobilizing private savings, has left most of the financing of urban investments to the public sector” (Cohen, 1993). Private savings are difficult to mobilize because the lack of infrastructure in urban centers, heavy and inappropriate urban regulatory policies, and financial services of urban development of most Sub-Saharan African countries all constrained the productivity of private investments. The intervention of IFIs during this decade revolved around economic reforms suggested by the International Monetary Fund. For example, the World Bank launched with United Nations an urban management program whose main objective was to better enable cities to perform their economic functions more efficiently while improving the standards of living (Mbaku, 1998). As with the second round of urban projects, programs and projects sponsored by IFIs during the 1990s became quite complex. Housing programs for the poor were just a part of a larger a set of urban, social and economic development policies implemented at this time. According to Cohen (1993), the World Bank’s urban lending shifted from providing neighborhood investments in shelter and infrastructure to initiating policy reform at the local and national levels, institutional development, and

infrastructure investments to support's overall development. The emphasis of governments was to create an environment that could enable markets to work and households to prosper (see. Table VI-1). Urban services, including water and sewer, electricity, roads, transports, and social services were now conceptualized as factors promoting urban productivity (World Bank, 1993; Zanetta, 2001). With this approach the interventions of IFIs is to provide cities with all the conditions to sustain growth and provide better conditions of life. Building new infrastructure was intended to create an incentive for the private enterprise to invest more and increase, hence, job opportunities for urban residents. Doing so they reconcile social justice perspective, which is at this time addressed by the World Bank.

Structural Adjustment and the urban sector

Among the many reforms affecting the urban policies introduced in Sub-Saharan Africa by IFIs during the 1980s and the 1990s were the Structural Adjustment Programs. These programs were intended to help heavily indebted countries, like those of Sub-Saharan Africa, stabilize their balance of payments and reduce their deficits. Furthermore, these programs were intended to promote long-term economic growth in these countries by liberalizing markets as well as designing and implementing sound macroeconomic policies for long-term development. Both the World Bank and the IMF promoted these structural adjustment policies. The first allowed long-term loans to promote countries' economic development; the latter provided short-term loans to stabilize macro-economic balances. In most instances, the packages given by the World Bank were usually implemented after a prior IMF intervention.

Over the past two decades, structural adjustment programs had a major impact on urban policies in Sub-Saharan Africa and are still associated with many reforms introduced by IFIs in the urban sector. Many scholars, however, have tried to separate the urban policies financed by the World Bank from those financed by the IMF. Scholars have always acknowledged that it is not easy to either identify or prove a direct relationship between structural adjustment and urban development. Nevertheless, this thesis discusses structural reforms introduced in Sub-Saharan Africa during the 1980s and 1990s as well as offers some analyses of those reforms in an attempt to demonstrate how structural adjustment programs impacted urban development in the Sub-Saharan African region and Senegal in particular. I will also provide some solutions for mitigating the adverse impacts of SAPs and suggest how future cooperation between IFIs and Sub-Saharan African countries should be envisioned.

Overview of SAPs in Sub-Saharan Africa

During the end of the 1970s, Sub-Saharan African countries experienced an economic downturn due to inflation; poor export earnings, and low manufacturing production. Many countries contracted debts from multi-lateral agencies and donor countries to finance the diversification of their industries, hoping to earn foreign exchanges and service their debts. However, the hostile economic environment of that era exacerbated the decline of Sub-Saharan African economies. Consequently, IFIs decided to intervene by implementing economic reforms known as Structural Adjustment Programs (SAPs) as a condition to foreign investments.

The idea to implement SAPs began in Mexico in 1982, after Mexico threatened to default on its debts. Later, SAPs became the cure for countries that faced debt crises. Both the IMF and the World Bank implemented SAPs, but the terms imparted to the

programs varied from one institution to another. “The IMF promoted its SAPs as short programs that would take three to five years and successfully improve macroeconomic performances in Sub-Saharan African countries. The World Bank, however, took a long-term view and tried to make countries engage in structural changes that were expected to improve long-term economic performance” (Mbaku, 1999). According to most literature on this subject, each country engaged in SAPs was supposed to adhere to the following steps:

- Privatization: Sell off public enterprises to private investors. (Usually water, electric, and public transportation companies are the first to be sold to private companies.)
- Financial liberalization: Remove restrictions on the inflow and outflow of international capital as well as restrictions on foreign investments. (This allows multi-national companies to compete with national companies.)
- Market-based pricing: Prices are based on supply to increase internal interest rates up to the level that regulate prices. (Governments cut subsidies and deregulate prices.)
- Monetary austerity: Tighten up the money supply to increase the interest rates up to a level that will stabilize the national currency.
- Fiscal austerity: Increase tax collections and reduce government spending.

SAPs, as promoted by the IMF and the World Bank, were supposed to enhance long-term economic growth and development in Sub-Saharan Africa by providing each country with more effective economic infrastructures. In sum, these programs were intended to provide countries with economic resources and infrastructure that could help eliminate poverty. According to Mbaku (1999), SAPs were basically supposed to reverse all the

negative indicators recorded during the first decade of the post-independent era. These negative indicators were the result of inadequate economic policies and mostly affected the poorest segments of the population.

During the 1980s, twenty-nine countries— including Senegal— followed adjustment policies under the control of the IMF and the World Bank (Ishrat, 1994). The SAPs implemented by Sub-Saharan African countries “sought to create an enabling policy environment that would increase the efficiency of firms and households and support the economy wide adjustment process and resumption in the long run” (Cohen, 1993). In most cases, competent technocrats working in finance ministries believed that SAPs would resolve the economic imbalances their countries faced, and thus advocated their full implementation. In the aftermath of the implementation of the SAPs, however, these countries faced even harsher economic conditions, which primarily affected the low-income families constituting the majority of the population. As Husain (1994) points out, “The society suffers as food subsidies are eliminated, imported goods become expensive, real wages decline, and public sector employment is either frozen or cut.”

Nevertheless, different studies conducted in Sub-Saharan Africa contend that the implementation of SAPs produced mixed results. These studies contend that some countries experienced large improvements in macroeconomic policies, while some experienced minor improvement and others experienced deterioration in their macroeconomic policies (See Appendix). According to Carole Radoki (1997), countries that improved their policies had a payoff in terms of higher per capita GDP growth, larger per capita GDP growth, larger exports, and faster agriculture and industrial sector growth. However, even in the relatively successful countries, progress in public enterprise reform,

financial sector reform and public sector management has been less than satisfactory. In many cases, this has become grounds for governments to drop out of SAPs as well as a reason for the IFIs to cancel their support. Senegal, for instance, was one of the first countries to implement SAPs; however, Senegal's "non-compliance of the agreed measures led to the cancellation of support by the World Bank and the IMF in 1983" (Husain, 1994), the second SAPs, which was finally, was initiated indeed during the early 1990s.

Despite the promises given by the IFIs, Sub-Saharan Africa experienced a lot of hardship following the first phase of the implementation of SAPs. In Senegal, for instance, "Basic sanitation deteriorated at the same time as household incomes have shrunk, and, through privatization of health care, some of 60% of the population were excluded from regular access to health services. In addition water services were far from satisfactory" (Diop, 2002). Considering the performance of the region as a whole, many researchers acknowledge that the consequences of the SAPs were widely unsatisfactory. On one hand, the SAPs resulted in general economic stagnation, a remarkable reduction in investment ratios, poor export earnings, and low manufacturing production; on the other hand, the SAPs led to considerable disengagement of state government from public investments.

From a social standpoint, SAPs negatively affected most groups of urban population. The retrenchment of civil servants working for public companies reduced the per capita income of most urban residents because most public jobs were located in major cities or the capital. In addition, the decreases in household earnings and discretionary public expenditure per capita led to stagnation in both the supply of and demand for

education and health services, whose quality declined, with clear evidence of the compression of primary education, lack of adequate nutrition, and a resurgence of poverty.

Over the past two decades, the number of Sub-Saharan countries implementing SAPs increased considerably. This was interpreted by many as the Sub-Saharan African governments' resignation to the idea that SAPs were their only way out of debt. The IMF implemented structural adjustment policies after countries underwent a financial evaluation. The clauses were usually discussed within finance ministries. During the 1990s, many more countries signed contracts with the World Bank and the IMF. Even Senegal participated in the second phase of the SAPs, hoping it would be the means to intensify its economic liberalization.

Senegal's Second SAPs

Senegal resumed implementing SAPs in 1994. The disengagement of the state from many economic activities, which was one of the stipulations of the new economic policies sponsored by the IFIs, was the condition *sine qua non*; the devaluation of its currency (the CFA franc) was also an explicit condition. According to Coumba Diop, the reinsertion of Senegal back into the SAPs was subject to the implementation of the following measures:

- Elimination of barriers to free domestic trade (price liberalization of basic commodities such as soap, milk, oil, etc.);
- Abolition of monopolistic agreements in major industries;
- Elimination of exports subsidies;

- Abolition of the requirement for prior government authorization to lay off workers during economic downturns; and
- Preparation of a list of 18 major public enterprises to be privatized during the three years following the implementation of the policy.

The general consequences of this policy have been a liberalization of national markets, the reduction of state participation in economic activities, and the establishment of a clear priority for budgetary policies. “The SAPs adopted by the Senegalese government resulted in a reduction of number of ministries from 23 to 15, and the elimination of around 2,850 public service employment posts, with redundancy by the early retirement (at 48 years of age) for some 1,450 civil servants” (AFRISTAT, 2000). Senegal was rewarded for its respectable performance in meeting the targets set by the IFIs, as these statistics demonstrate: “Following the 50% devaluation of the CFA franc in 1994, economic indicators for Senegal show some recovery, with real GDP growing by 4.5 % in 1995 (against 1.5 % in 1994 and 0.8% in 1993). Inflation was reduced to 5.5 % in 1995 (against 38% in 1994)” (AFRISTAT, 2000).

Despite its positive performance in these economic indicators, Senegal’s social indicators still compared poorly to those of other Sub-Saharan African countries. Senegal had, for instance, the lowest rates on most social indicators, such as 66% school attendance, compared to 78% in Sub-Saharan Africa overall; and a 57% female adult literacy rate compared to a 71% female adult literacy rate in Sub-Saharan Africa overall (see Table II-1). In light of these statistics, one can see that the poor have not yet benefited from macroeconomic success. This is also the case in the entire region. As Pugh (1994) points out, “The poor suffered the most from cuts in public spending

associated with the austerity programs implemented in most [of Sub-Saharan Africa] and the importance of preserving spending in the social sectors and setting in place safety nets was not officially recognized until later.” Overall, SAPs have not helped the urban poor in Sub-Saharan Africa. In fact, the macroeconomic successes recorded in many countries were achieved at the expense of human suffering. While countries such as Senegal were credited for successes in regard to their economic indicators, social indicators displayed some negative pictures. In addition, the debt level of most countries increased even more as they tried to stabilize their macroeconomic imbalances.

SAPs, Debts and Urban Growth

The debt carried by Sub-Saharan African countries increase constantly, placing heavy burdens on the African people. According to the World Bank (1992), Sub-Saharan Africa’s total debt rose to US\$ 175.8 billion in 1991, compared to US\$ 173.7 billion in 1990 and US\$ 154.7 billion in 1989. The proportion of Sub-Saharan Africa’s debt to its GDP was 106.1% in 1991. A recent assessment by the Washington, DC based Population Crisis Committee, using its Human Suffering Index, determined that “90% of the countries with the highest levels of suffering are in Africa” (Hogendorn 1992, Mbaku 1999). Urban residents were the most affected by the growing indebtedness and the impacts of the SAPs in Sub-Saharan Africa. Many people lost their jobs in the privatization process and thus lost the ability to meet even their most basic needs.

During the 1980s and 1990s, economic crises, growing indebtedness, and the impacts of structural adjustment dramatically affected the urban sector, where a massive wave of retrenchment took place. According to some analysts, migration trends began to

shift because of the deterioration of infrastructure and the decrease in job opportunities. People were either forced to migrate back to their villages or leave their countries. In some countries, the deterioration of living conditions in the capital cities has spurred urban growth in the medium-size cities. In Senegal, for instance, “Dakar’s rate of growth has slowed while four secondary cities (Kaolack, Rufisque, Thies and Saint Louis), absorb a greater share of rural migrant” (Diop, 2002). This marks the beginning of a diversification of Senegal’s urban centers different from that of the 1960s and 1970s in which urban migration mainly consisted of migrants leaving rural areas for the capital cities where most infrastructures were located.

Similar trends have been acknowledged in most Sub-Saharan African countries. Researchers found that SAPs are having adverse impacts on trade, urban residents, health, education, and even the environment in Sub-Saharan Africa and other developing countries. In fact, the cutback in public spending has eroded the capacity of municipalities to maintain and finance essential services such as roads, waste collection, and water systems. This affects the urban environment and the quality of life of urban residents. Plus, the reduction of formal employment decreases the average income per capita. In addition, under SAPs people have to pay for their own health care; and, as they often cannot afford health care, they often go without and expose themselves to the risks of contracting lethal or chronic diseases. As a result, the most vulnerable (children between 1 and 5 years of age) frequently develop chronic health conditions and diseases, which too often result in death. Another adverse impact of SAPs on the children is about education. SAPs also require parents to pay for their children’s education beginning from primary school. This reduces the literacy rate because only the well off can afford to send

their children to school. The question that remains, hence, to many is how can SAPs enhance microeconomic equilibrium without having negative socio-economic impacts. IFIs have been struggling with that question for the last three decades and have not come with an adequate answer to it yet. As it is shown in the table below (See Table VI-1) during the 1990s IFIs have changed their urban approach and play different role in order to be able to deal with broad issues addressed in the urban sector.

Table VI-1. Different steps of urbanization during the 1990s

Stage	Role of the public sector	Role of IFIs	Approach to urban sector
Stage I In Sub-Saharan Africa, the early and mid-1990s is characterized by political instability fueled by the economic crisis and inefficient policies implemented in the 1980s. The debt crisis force many countries to implement structural adjustment programs.	The emphasis of governments is to create political environment s that could encourage foreign investment and increase security Politicians use this occasion to push forward their personal agendas. Cut public spending and increased taxes collections Sell off public enterprises to private investors collections. Remove restrictions on the in-flow and out-flow of international capital as well as restrictions on foreign investments. Cut subsidies and deregulate the market Tighten the money supply in order to stabilize.	Improve the ability of cities to participate efficiently in national development. Increase investment in infrastructure that promotes the private sector. Emphasis on policies that are at the time consistent with macroeconomic stability Less emphasis is given to equity and socio-economic issues.	The demographics of the urban sector must be used to increase urban productivity. Cities are implicitly acknowledged as the engines of development. This approach pushed globalization of the world-economy.
Late 1990s Democratization and decentralization bring a new dynamism to the development of Sub-Saharan countries.	Stabilize macroeconomics balances Correct market imperfections and promote social objectives.	Reduce the degradation of the urban environment and promote research to enhance understanding of urban issues.	Cities should have all conditions to sustain growth and provide better standards of life. The question of the urban poor is addressed. It is recognized that the poor bear a heavy burden due to lack of basic infrastructure.

Chapter Seven

Summary and Conclusion

The intent of this thesis was to demonstrate how urban projects financed by the IFIs have influenced the urban development of Sub-Saharan African countries, and Senegal in particular, by evaluating the various approaches undertaken during each phase of urban programs. The best way to explore these programs was to group them into three distinct phases under which they occurred starting in the 1970s. Before developing the analysis of different approaches, I researched the historic background of the Sub-Saharan Africa region from the colonial era to the pre-independence era. My expectations were that the understanding of how urban development issues were solved during the pre-colonial era would provide me with tools to understand how the different phases of urban intervention by the IFIs have influenced urban policies in the Sub-Saharan Africa region and Senegal in particular.

History tells that urbanization of Sub-Saharan Africa has, since the colonial era, been influenced by foreign agents such as the colonial powers, donor countries, and international agencies, which over the past three and a half decades have financed numerous projects and have helped develop urban policies that deal with the various, complex issues encountered in urban development. Some have recorded positive results; yet others did not yield the expected results, though they did provide insight into what might be better approaches to apply in future projects. As a way of concluding my investigation, then, I will discuss each particular round of urban projects to establish if it

really impacted urban policies and how these projects were perceived by the governments as well as the general public.

First, let look at the role of national governments and the contribution of IFIs in urban development. Governments had first tried to provide public shelter; but, with the demand too far ahead of supply, they had little choice but to accept slums and squatters and to provide these slum neighborhoods with basic services. The sites and services and slum upgrading urban projects marked a major intervention of IFIs in the urban development of Sub-Saharan Africa. With these projects, governments and donor agencies tried to provide low-cost shelter and services when bulldozing squatter settlements did nothing to discourage people to find a means of living in cities. Shelter and service provisions were based on a principle of recovery and replicability that could provide benefits for the poor while reducing the financial burden such provisions placed on the public sector. The first of these types of projects was implemented in Senegal, and was subsequently used as a model for similar programs in other countries. The lessons learned from the first urban projects were supposed to lay foundations for future urban policies and mainly deal adequately with the problems resulting from massive urbanization.

However, the approach undertaken by IFIs departed from the 1970s' policies; The 1980s urban policies finances by IFIs attempted to improve urban policy and institutional framework. This phase took place in a decade when political liberalization became an important criterion for the interventions of the IFIs in urban lending. During this phase, issues such as shelter and service provision became less prominent as more attention was given to enacting institutional reforms. The interventions of IFIs in Senegal and other

Sub-Saharan African countries focused more on upgrading the management of the urban institutions and increasing the mobilization of local resources for urban development. As many researchers recognize, poverty received little attention. The 1980s and 1990s urban policies sponsored by IFIs were largely influenced by the neo-liberal agenda, which propose economic reforms that tend to reduce the role of the public government and encourage the private enterprise. In fact, during the 1980s and 1990s Sub-Saharan African countries were encouraged to implement SAPs in order to be able to stabilize their macroeconomic finances and launch development programmes. However, after more than two decades of the implementation of SAPs, there have been heated debates between the proponents and opponents of these programs. The main argument for the proponents is that SAPs have started bearing fruit (as demonstrated by the economic indicators). Conversely, the opponents contend that there is little evidence to support that contention. But, as the macroeconomic indicators of Sub-Saharan African countries suggest, there is still a need for additional reformation of how the SAPs are implemented.

The impact of the structural adjustment on poverty in developing countries has been well documented over the past two years. Most literature acknowledges that although it is not always easy to identify the relationship between structural adjustment programs and poverty, the first aim is to correct microeconomic unbalances and combat the poverty level of a given country. In some countries, though, the economy suffers from the effort to comply with the reforms. “ In the second half of the 1980s the World Bank acknowledged the need to contrast the adverse impact of the adjustment programmes on the poor welfare and the collection of information through the African social dimensions of adjustment, it followed a more active approach by setting up special funds”

(Farvacque, 1998). These reforms have dealt with short-time frame for the design and implementation of projects. Many critics contend that the current short-term target followed by the IMF has made it very hard for a number of Sub-Saharan African governments to implement sound reform measures within the set time frame imposed by the IMF. This is largely due to the corruption, which is predominantly the result of a lack of strong local governments throughout several Sub-Saharan African countries. It is imperative to implement a process of continuous consultation between IFIs and all level of governments; but also, within any country enacting such programs, public participation should be encouraged during the elaborate process of initiating these programs and not afterwards, as it was with most SAPs. The need to address the welfare of the poor should be considered by keeping definite plans for long-term development in view.

Our conclusions are that despite the critics of different phases of interventions of IFIs in urban development it is undeniable that their contributions have changed the urban environment and promoted urban policies that many countries are following to improve the urban conditions. As we look at different tables that summarize the different stages of urbanization of Sub-Saharan Africa, it is important to note that the urban approach of IFIs has always followed prevalent economic models, the role of government and local municipalities played at certain times just a minimal role. In face of the challenge of today's urbanization, we believe it is imperative to explore new development models that consider an active participation of the citizens at all level of institutions and mainly a model that addresses issues of each individual country. A model that works in a country should not be used necessarily in a different country without

considering its particularity. Economic reforms solely could not bring about any improvement if there were not implemented within a framework that takes in account reality of each specific country. The case of Senegal illustrates how Sub-Saharan African countries have struggled to perform according to reforms proposed by IFIs and at the same time have a national plan that promotes a sustainable development (See Appendix)

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APPENDIX

HUMAN DEVELOPMENT INDICATORS

Countries	GNP per capita		Poverty % of people living on less than \$1 a day (PPP) 1981-1995	Life expectancy at birth (years) 1995	Adult illiteracy(%) 1995	Avg. Urban population growth rate (%) 1980-1995
	Dollars 1995	Avg.ann.Growth(%) 1985-1995				
Low-income economies	430	3.8		63	34	4
1 Mozambique	80	3.6	3.6	47	60	8.5
2 Ethiopia	100	0	-0.3	49	65	4.5
3 Tanzania	120	1	1	51	32	6.7
4 Burundi	160	-1.3		49	65	6.8
5 Malawi	170	-0.7		43	44	6
6 Chad	180	0.6		48	52	3.4
7 Rwanda	180	-5.4	45.7	46	40	4.7
8 Sierra Leone	180	-3.6 ...		40 ...		4.9
9 Niger	220		61.5	47	86	7.2
10 Burkina Faso	230	-0.2 ...		49	81	11.3
11 Madagascar	230	-2.2	72.3	52 ...		5.7
12 Uganda	240	2.7	50	42	38	5.2
13 Mali	250	0.8 ..		50	69	5.3
14 Nigeria	260	1.2	28.9	53	43	5.6
15 Kenya	280	0.1	50.2	58	22	7
16 Togo	310	-2.7 ...		56	48	5.1
17 Gambia	320 ...	...		46	61	6.3
18 Central African Republic	340	-2.4 ...		53	35	3.1
19 Benin	340	-0.3 ...		50	63	5.1
20 Ghana	390	1.4 ...		59		4.3
21 Zambia	400	-0.8	84.6	46	22	4
22 Angola	410	-6.1 ...		47		5.9
23 Mauritania	460	0.5	31.4	51		6.8
24 Zimbabwe	540	-0.64	41	57	15	5.7
25 Guinea	550	1.4	26.3	44		5.8
26 Senegal	600	...	54	50	67	4
27 Cameroon	650	-6.6 ..		57	37	5.3
28 Cote d'Ivoire	660 ...		17.7	55	60	5.2
29 Congo	680	-3.2	29.4	69	19	2.8
Middle-income economies	2,390	-0.7		68	18	2.8
(Lower-middle-income)	1,670	-1.3		67		2.8
Lesotho	770	1.2	50.4	61	29	6.5
Namibia	2000	2.9		59		6.2
Botswana	3,020	6.1	34.7	68	30	8.4
Upper-middle-income	4,260 ...	...		69	14	2.8
South Africa	3,160	-1.1	23.7	64	18	2.7
Gabon	3,490	-8.2		55	37	5.4
Low and middle-income	1,090	0.4		65	30	3.3
Sub-Saharan Africa	490	-1.1		52	43	5

Note: Data compiled from the United Nations HDI, 2000.

VITA

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