

PART V

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1 Introduction

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Since the beginning of the 1990s, the development market place has been swept by new concepts and strategies – participatory governance, partnerships, social capital, synergetic development, and collective learning, to name just a few – suggesting that the crisis of development is long passed. Despite radical attacks on the idea of development by post-development scholars such as Sachs and Escobar, mainstream development thinking currently stands firm. This is probably because it is finally trying to come to terms with the complexity and diversity of development, and with the idea that development is about human beings. As a result, many elements and practices stemming from alternative development have gradually found their way into mainstream development (Nederveen Pieterse, 1998).

In this book an attempt is made to critically assess some of the new ideas that have gained prominence in the development discourse. The focus of the book is on urban and regional development, i.e., on those spatial levels where the direct interface between global forces and national, regional, and local factors occurs. The local level has also gained importance, because decentralization processes have increased government responsibilities at the local and regional level, and thus their influence on future development paths.

The increasingly complex pattern of global interaction in many domains during the last quarter of the 20th century provides the context for studying urban and regional development processes. Since the late 1970s, a new international economic order has gradually evolved, dominated by financial centers, global markets, and transnational corporations (TNCs). Major transformations in patterns of production and distribution have occurred. Companies organize commodity chains globally, albeit with localized production plants. Capital moves freely to those locations where profits can be maximized. Such TNCs have become the primary shapers of the contemporary global economy. Technological advances, particularly in information and communication technologies, have enabled TNCs to maintain centralized control over dispersed production locations. Their increased flexibility in production and the mobility of capital has resulted in national governments losing control over key sectors of their economies. Currently they

primarily seem to act as the facilitators of international capital, rather than as the caretakers of social equity and wellbeing (Hobsbawn, 1996; Hoogvelt, 1997; Dicken, 1998; Held *et al.*, 1999; Mittelman, 2000)

This new phase in the development of capitalism – which is called flexible production, lean production, or post-Fordism – is accompanied by a restructuring in the governance of economies. The Keynesian logic that supported the expansion of mass production (1947-1976) was discredited and replaced by the neo-liberal logic of the market. The shift towards market-led economic strategies was prompted by the conservative wave in many key Western countries in the 1980s, the collapse of the Soviet Union, and the partial shift to a market economy in China. Structural adjustment policies, based on the logic of the Washington Consensus, were foisted on many developing countries by the IMF and the World Bank in order to revitalize their economies, which were regarded as deadlocked. Even though neo-liberalism is already past its peak and its negative externalities are increasingly becoming clear – financial instability, ‘jobless’ growth, environmental degradation, tensions between democracy and the market (Nederveen Pieterse, 2000: 10) – it has profoundly affected, and continues to shape, the policy environment.

The new global political economy has produced a new type of inequality, one that is primarily social (rather than geographical) and cuts across nations. There is talk of social exclusion and the rise of a so-called Fourth World, including those areas of the former First, Second and Third Worlds that are no longer relevant to the working of the capitalist system (Hoogvelt, 1997: 89). Large segments of society no longer perform a ‘useful’ function either as producers or consumers in the global market, and suffer the consequences. Such inequalities are also apparent in the international urban system.

Many major cities have managed to reassert their importance, and others have adapted to the new challenges. Despite the hyper-mobility of capital, there is a continued, perhaps even increased, need for strategic sites with vast concentrations of resources and infrastructure. These so-called ‘global cities’ function as command nodes in the organization of the world economy, and as sites where the leading financial and specialized service institutions are located. They are closely connected to each other through financial markets, flows of services, and investment. At the same time, many other urban centers – notably port towns and manufacturing towns (not only in the developing world, but also in advanced economies) – are in decline (Harris, 1997; Sassen, 1998).

Another trend that has profoundly affected the policy arena of urban and regional development, is the global spread of parliamentary democracy since the end of the Cold War. The drive towards democratization can partly be

seen as a response to domestic pressures stemming from popular dissatisfaction with the economic mismanagement, lack of representation, and corruption characteristic of many states in Africa, Asia, Latin America, and Eastern Europe. Equally important, however, is the rise to prominence of the liberal-democratic ethic since the fall of the Berlin Wall. The new wisdom is that ‘democratic’ policies and a slim, efficient, and accountable public bureaucracy are not simply desirable, but are necessary for a thriving free-market economy (Leftwich, 1994: 369). Donor agencies have increasingly made their development assistance conditional on the adoption of democratization, decentralization, and popular participation policies. Decentralization, for example, is considered not only vital in the campaign of rolling back the central state, but also a necessary condition for bringing government closer to the people. Furthermore, it gave governments an opportunity to regain some of the legitimacy they had lost in the crisis years (Helmsing, 2000).

In the 1990s, the concept of ‘good governance’ entered the development industry as a convenient tool to criticize both the technical shortcomings of public administration (lack of efficiency, transparency, accountability, and rule of law) and the weakness of democracy. Through the governance debate, the state came back into focus, albeit not as the pioneer of development, but as an enabler, a coordinating agency able to work together with a variety of other organizations. Although the discourse is often severely biased towards the adoption of Western norms and standards, the concept can also be used in a more empirical way to discuss the various ways in which people regulate public goods provision (Kaul *et al.*, 1999). This does not imply a denial of the importance of democratic principles, but rather the need to look for locally grounded forms of popular engagement in planning and decision-making with respect to public matters, as well as a focus on collaborative actions across the public-private divide. This interest is reflected in very promising research on such themes as co-production, partnership arrangements, and participatory governance (Evans, 1996; Ostrom, 1996; Stoker, 1998; Baud, 2000; Nederveen Pieterse, 2000).

Undoubtedly, the forces of global markets and politics are profound and affect livelihoods across the globe. However, the inherent selectivity of globalization leads not only to homogenization, but also to increased diversity, and the growing importance of regionalism, community, and ‘local’ identities can be observed (Haan, 2000a: 32). Global processes produce different outcomes in different settings. This statement fits well with the conventional wisdom in today’s social sciences that social realities are constructed. Both structure and agency play a part in this process of construction.¹ The importance of individual agency is apparent in the diversity of responses to globali-

1. Agency refers to the ability of people to accommodate, transform, or resist.

zation processes. The numerous ways in which the poor deploy their assets or capitals in order to secure and enhance their livelihoods is an expanding area of research (Chambers, 1995; Moser, 1998). In many cities, poor households collectively undertake initiatives with a variety of NGOs in order to counter poverty and promote community and neighborhood development (Baud, 2000).

Similarly, in the debate on international competitiveness, the abilities of local actors to create a favorable climate are gaining priority. Increasing attention is given to the importance of external economies, collective learning, and the quality of governance in enhancing local economic development (Helmsing, 2001). Finally, the numerous forms of collective resistance to globalization – ranging from attempts to articulate traditional cultural identities in the face of invasive Western values, to battles against environmental degradation and the abuse of child labor – are also being increasingly documented (Mittelman, 2000). These examples attest to the renegotiation processes being carried on, and to people's resilience and ingenuity in turning threats into opportunities.

The contributors to this book describe the variety of responses to global transformation processes, with special emphasis on the realignment between market, state, and civil society in the African, Asian, and Latin American context. The question of realignment is considered from three main perspectives: Governance issues at the local level (Part 1); urban areas as motors of economic development and their interface with globalization processes (Part 2); and urban areas as the nodes of political and economic development in their regions (Part 3). These perspectives are complementary and provide a overview of how development processes are currently shaped by a variety of institutional arrangements. The last section of the book raises the question of the relation between research and policy around these issues.

1.1 Urban management, local governance, and the poor

Devas distinguishes two major areas in recent work on urban development in the South. Studies on urban government and management tend to have a technocratic, top-down, and prescriptive orientation (the public management perspective), and analyses of urban poverty and livelihoods usually adopt a more bottom-up approach, are more actor (agency) oriented and empirically grounded (the people-centered view) (Devas, 1999: 2). While the former tend to assume that the state is in a position of control, the latter conceive of the state as either oppressive or irrelevant.

The public management perspective on urban development gained popularity in the context of the developing world in the 1980s. At the time, the anti-urban mood that had characterized mainstream development thinking

in the previous decade, started to give way to a more positive attitude toward the role of cities in the development process. In view of the disappointing experiences with previous strategies to confront the urbanization process, a new approach was desperately needed, one that would be able to bring together issues of the urban economy and the city as a living environment. The United Nations Centre on Human Settlements (UNCHS) was a major actor molding these new directions in thinking on urban development. The so-called urban management approach was heavily influenced by prevailing neo-liberal beliefs in market-led development and a minimal role of the state. It is basically a question of how to use the capacities of the public sector (at different levels), the business community, and civil society organization to bring about urban development. The new approach is based on the concept of enablement, referring to a situation in which the government moves away from direct intervention, and concentrates on creating favorable conditions for other actors to undertake economic and social activities (UNCHS, 1996). It may be further unraveled by distinguishing between enablement of the market, the local state, and communities (Burgess *et al.*, 1997). While market enablement is closely linked to the neo-liberal policy framework (including policies of privatization and deregulation), enablement of the local state involves both a restructuring of central-local relations (decentralization policies), and a reform of local management practices. Finally, community enablement refers to a government strategy to coordinate and facilitate the efforts of community-based organizations (CBOs) to initiate, plan, and implement their own projects (policies of participation and empowerment).

At first the prevailing idea was that good urban management required the establishment of a more effective, accountable, and transparent local administrative and governmental framework. Capacity- and institution-building programs put considerable efforts into improving the performance of government institutions, both nationally and locally. The latter could conceive of these reforms as basically internal reorganizations that did not challenge their authority. In the course of the 1990s, however, the emphasis shifted from a predominantly technocratic-managerial and inward orientation, to a more encompassing governance perspective. This new style of governing looks at the interplay between the actors in decision-making and action for development. The concept implicitly recognizes the enormous contribution by non-government actors – private enterprises, CBOs, and NGOs – in delivering public goods (Stoker, 1998; Helmsing, 2000). Although most international agencies will be reluctant to admit it, the urban management debate has gradually become more political, dealing with issues of power (Devas, 1999). In essence the concept of enablement involves a shift in the existing balance of power – from central to local governments, and from govern-

ments to the private sector and local communities – which is why the implementation of policies of privatization, decentralization, and participation is so often fraught with difficulties (Post, 1997).

The studies on urban development from the bottom-up perspective often follow the alternative development discourse. Although encompassing a wide variety of views and strategies, the alternative development 'school' constitutes something of a counterpoint to mainstream development emphasizing the human (and environmental) dimensions of development (Nederveen Pieterse, 1998). The re-emergence of poverty as a central development priority in the 1990s not only attracted attention from macro-economists and development planners, but also stimulated research that took the ideas, strategies, and goals of the poor themselves as a starting point (Chambers, 1995; Moser, 1998). A very promising avenue of research is that on collective action by poor households in urban areas to organize shelter, basic services, security, etc. In these activities, CBOS usually play a prominent role by helping residents to enter into partnerships with external actors, notably private enterprises, local governments, and NGOs (Hordijk, 2000). Such contacts are needed in order to scale up their activities. To improve service levels requires legal recognition, permits, connections to trunk networks, and/or financial and technical support. Such partnerships, or co-management arrangements, have become key elements in new forms of local governance (Baud, 2000). In the debate on local governance, the public management perspective and the people-centered perspective in urban development studies can meet. However, this is still an almost virgin area of research.

In the first part of the book we will try to show what actually takes place in various settings in the area of urban management and local governance. The cases presented illustrate the difficulties of switching from government to governance. The two most outspoken examples of the public management approach are those by Beeker and van Dijk. Beeker shows that a top-down approach can still provide meaningful results for sizeable groups of urban residents. The large-scale parcelization carried out in Ouagadougou (Burkina Faso) benefited many households, because the scheme provided affordable plots, and residents were given sufficient time and support to rearrange their shelter situation according to the new layout plans. However, Beeker also shows convincingly that government policies regarding urban basic services were severely biased towards the needs of the better-off sections of the urban community. In both situations, bilateral donors played a key role in providing financial support to such public investments, exemplifying the diversity in views and strategies among agencies. The decentralization policy currently being implemented in Burkina Faso has delegated spatial planning to municipalities, which are now in charge of settlement planning. As a result, intra-government cooperation and coordination seems

to have improved. Nevertheless, current planning practice suffers from the financial and organizational weakness of local governments, and from the fact that potential beneficiaries still have virtually no say in the process.

Van Dijk discusses some of the challenges urban managers are currently facing in order to enhance the competitiveness of their local economies. Three policy reforms that are at the heart of contemporary urban management thinking – administrative decentralization, private sector participation, and public-private partnerships – are taken into consideration. The author uses India to illustrate his argument that the numerous hurdles in the reform process may be overcome by concerted efforts aimed at institutional development and capacity building. The chapter exemplifies the type of reasoning within the mainstream technocratic-managerial school of thinking as propagated, among others, by the World Bank.

In the chapter by van Naerssen, the vicissitudes of the World Health Organisation's Healthy Cities Programme are investigated. Despite the common framework, the actual design and implementation of such programs differ considerably depending on the social and political circumstances. In Dar es Salaam, for example, the WHO field office was the major driving force behind the program activities. However, it prioritized collaboration with government bodies over participation by CBOS. Consequently, its activities remained largely confined to the traditional health agenda, rather than encompassing broader environmental health concerns. In Managua, there was a much higher level of civil society involvement and, therefore, much more public support (ownership) of the program. The major problem here was political cleavage, with the local government finally opting out of the program. Van Naerssen distinguishes two basic orientations within the concern with Healthy Cities, one that emphasizes improved cooperation between the health sector and local governments regarding health promotion and improvement of the urban environment, and another that focuses on the urban poor and community participation in the design and implementation of programs. The author thinks the latter have a greater chance of meeting people's own health needs and of encouraging them to solve their own health problems.

Two chapters in this part of the book deal with decentralization and participation in Bolivia. The one by Schalkwijk looks at the situation in major urban centers, while the contribution by van Lindert and Nijenhuis focuses on experiences in six smaller municipalities. According to Schalkwijk, participation is still largely a paper tiger. Although participatory structures have been put in place, they do not generate the beneficial effects anticipated by the national Law on Popular Participation. Local communities seem trapped in their customary, non-effective strategies of demand making cultivated by the political system of patronage. The reform has not been accompanied by

restructuring and reorientation of the local government machinery, which is still largely unaccountable and non-transparent. Schalkwijk urges that more pressure be put on authorities to take participation processes more seriously. Outside donors should not only try to strengthen new governmental institutions (the public management approach) but also support civic associations. CBOS, in turn, should endeavor to unite in order to strengthen their bargaining power, but should also try looking beyond the municipality for support.

Van Lindert and Nijenhuis' account of the impact of decentralization and participation in Bolivia is more optimistic. A new law has ensured local democracy in the rural areas for the first time ever, enabling peasants and indigenous people to present their views in the political arena. According to the authors, a process of democratization has been set in motion that will prove difficult to stop, as any attempt to modify the current legal and regulatory framework will meet with fierce political opposition. However, the reality of local governance is somewhat different. The commitment of local administrators to the principles of participation is still rather weak because the idea came down from above, which is why the priorities of local government spending do not always reflect the needs of the population. However, the authors describe the situation in a growing number of Brazilian municipalities where genuine participatory planning approaches demonstrate what may be achieved if supportive political conditions exist. Impressive improvements in urban infrastructure and services have been realized as a result of the collaboration between informed citizens and dedicated officials. They constitute promising examples of collaboration across the public-private divide.

Collaborative efforts to improve urban habitats are also the subject of the contributions by Hordijk, and by Baud and Post. In an innovative way, Hordijk links discussions on household assets/capitals to the functioning of neighborhood organizations in Lima (Peru). She shows how various capitals are utilized in collective actions directed at neighborhood improvement. Collaboration between CBOS and local governments produces only limited results on the ground because of a mismatch of capitals. Successful partnering requires complementary resources, but this is difficult to achieve for partners that are equally short in certain essential capitals, notably financial and physical. This is why Hordijk thinks the collaboration does not qualify as a genuine partnership. However, although collaboration does not always produce concrete outcomes, in the process new types of capital are created, notably political, organizational, and intellectual capital. It also helps to build up norms and loyalties between citizens and the administration (embeddedness) that can be fruitfully deployed under the new political conditions the recently installed Toledo government is seeking to establish.

Baud and Post take the partnership concept as the start of their investigation into solid waste management practices in Accra (Ghana) and Chennai (India). They provide a concise analytical framework for studying partnership arrangements, but confine their analysis largely to the outcomes of more or less institutionalized forms of collaboration. The originality of the paper lies in the attempt to assess the contributions partnerships in solid waste management made to sustainable development goals. For that purpose, the authors present a series of indicators tailored to this specific sector and subsequently use that system to assess the performance of concrete partnerships. Among the conclusions they arrive at are the official disregard (or worse) of small-scale, indigenous solutions to solid waste management problems, the lack of concern for community involvement in solid waste management (which can lead to mismatches in provision), and the lack of integration between the various domains within solid waste management.

The chapter written by Kromhout is about urban livelihoods in Surinam. She investigates the dynamics of livelihoods in a situation of prolonged economic crisis. After having revealed the multiplicity of livelihood strategies at the household level, Kromhout goes on to show how NGOs are currently performing a major social function by compensating for state failure. Collective action within neighborhoods still seems to be in its infancy. Apparently, memories of the former Surinamese 'welfare state' make people reluctant to take public matters into their own hands, despite the popular image of a very active community life. At the same time the government stays aloof.

Reviewing the contributions in this section of the book, it appears that institutional structures may change in accordance with the spirit of the time, but that actual developments demonstrate the strength of path-dependence. Furthermore, processes of decentralization, privatization, participation, and partnering are selective in two respects. First, the processes often turn out to be poor reflections of the original intentions (e.g., participation that is confined to policy implementation rather than decision-making and design). Second, the reforms are often selective in their bias towards better-organized and formalized groups and businesses at the cost of the poor and the informal.

1.2 Urban economies and the local-global interface

The second set of issues taken up in the book focuses on cities as motors of economic development (World Bank, 2000) by looking at the diversity of urban economies within the spatial confines of the city, as well as the external relations of such urban economies, particularly those resulting from globalization processes. There are two basic questions related to this theme. The first concerns the extent to which endogenous economic development

can take place in and around cities. The World Development Report (World Bank, 2000), for example, sketches the agglomeration advantages of cities, in terms of human capital, financial capital, and infrastructure and communication systems. It suggests that supporting these location advantages by improving institutional support and increased integration with globalized markets can work to the advantage of local and regional development. The second question relates to the question how urban economies position themselves within globalization processes, and the consequent unevenness in local economic development. Some authors have suggested that only a small number of cities will be able to maintain their competitiveness in a global context (Sassen 1998; Castells, 1996), and that the rest will fall by the wayside. Others have argued strongly that local governments have more room for maneuver, and can influence local development through the extent to which they improve basic infrastructure and quality of life for their citizens (Batley, 1996; Devas, 2001).

Urban agglomerations as spatial nodes of socio-economic development are the primary perspective from which these questions are approached. A first set of issues concerns the ways in which identities, resources, and institutional arrangements influence initiatives by local actors to produce economic prosperity at the local and regional level. Ypeij shows that gender hierarchies limit the opportunities of female micro-entrepreneurs to build up capital and expand their business. She also shows that male and female entrepreneurs have different forms of social capital, which privileges men in attracting labor and capital. However, female entrepreneurs seek solutions by separating their economic activities from household economies, and by actively using neighborhood networks to expand production. As subcontracting units, they are drawn into globalized production processes, creating new dependencies locally. However, the meanings women attach to their economic activities include resistance to existing inequalities, and as such, have a value in contributing to social transformations.

A second set of issues concerns the changing spatial formation of economic activities as cities grow – the urban fringe discussion. This discussion has been related to the question of whether centralized planning by governments for economic expansion is still realistic, in the more liberalized environment now prevalent. In the context of previously state-led countries, these questions are urgent because they result in a complete turnabout in the way that local (and national) government operate. It has also been related to the changing character of the urban fringe, with its mixed rural and urban way of life as one of the most dynamic areas of growing cities (desakota discussion in McGee, 1991).

Schenk has looked at changing practices on the ground, comparing the effects of structural adjustments in the political economy of two Asian coun-

tries on the way cities grow. In both India and Vietnam, planned regional development, including the promotion of secondary towns and economic growth centers, is fading away. The prospect of directing economic development and migration to such centers, and of curtailing the growth of major metropolitan cities, has become more and more irrelevant. Instead, urban fringes have emerged as an important spatial component of economic growth. Secondary growth centers do not offer jobs, while the urban inner cities do not offer social and physical space. Hence, the urban fringe becomes an area where more and more migrants settle and try to survive. Schenk suggests that Hanoi can learn from the experiences of Bangalore and other cities to effectively promote local economic development.

A third set of issues in economic globalization is the increasing importance of local factors in shaping the development path of a city and its region. While technological advances have reduced the role of 'space' (distance) in the organization of economic activity, 'place' – location-specific conditions – is back on the map with a vengeance (Storper, 1997; Krugman 1997). Research on these issues starts from firms, and the factors that affect their competitiveness at local and higher scale levels. The focus in much research has been on various sets of factors; primarily on firms and their forward and backward linkages, but also on spatial and organizational clustering, and meso-level institutional arrangements that shape the way collective learning takes place. In the chapters by Lambooi, van Westen, Knorringa, and Helmsing, these factors are taken up from different perspectives, in an attempt to provide answers to what policies, institutional arrangements between government and private sector, and collective action by the private sector contribute to economic prosperity.

Lambooi takes up the issue of urban and regional development in relation to the ways firms organize the use of a variety of resources. He emphasizes the role of regional or national 'resource systems' and institutional structures in the process of differentiation. Firms and workers develop specific kinds of tacit or codified knowledge, which can increase their competitiveness. He suggests that firms are increasingly open systems, connected through networks with other firms and other actors. Although firms primarily need to develop a specific set of distinguishing attributes, they also need a certain flexibility to adjust to changing environments, in which fierce competition exists with other firms. One result of flexibility is that firms, especially transnational corporations, can benefit from opportunities both in the world market and in regional specialization. Another result of flexibility is that many firms can use new technologies or develop new markets. Regional embeddedness and innovation systems facilitate the access to resources. He concludes by suggesting that strong regional and local networks can

reduce the threats of globalization, and enhance its beneficial aspects in promoting changes.

Van Westen follows on from this discussion by examining the role of 'local' factors in the regional 'embeddedness' of firms. The concept of embeddedness implies that economic decisions reflect not only market rationality, but also the social context of economic actors. Traditionally, embeddedness through local supply linkages has been emphasized, as an indication of the degree in which global business is integrated in the urban economy. With intensified globalization, interest in the interaction between local and external factors has drawn attention to other ties linking activity with locality. A variety of economic actors – entrepreneurs, workers, trade groups – may organize themselves in ways that facilitate exchange of information and mutual understanding ('trust'). The local state may, directly and through partnership with private parties, enhance conditions for local growth. And less tangible social and cultural institutions may create specific types of 'social capital' to enable successful cooperation in economic life, most notably through technological learning. Contrasting the development experience of a number of urban regions in Southeast Asia and Mexico, van Westen concludes, interestingly, that moderate political embedding of the economy where the state – in partnerships with the private sector and civil society organizations – creates a framework conducive to growth, may well be the most effective way of promoting local economic development.

Knorringa in turn takes up the issue of how the 'clustering' of firms and the trajectories followed by such clusters can lead to important differences in their competitiveness. Clusters in developing countries differ significantly from those in Europe in the extent to which they depend on outside actors for implementing incremental process innovations. The chapter compares the capability of specific types of clusters to do so. For the large group of industrial clusters at survival level found in developing countries, the industrial district model is not a suitable frame of reference. For more mature and export-oriented clusters operating in buyer-driven commodity chains, endogenous upgrading capability is important because it makes them more attractive to global buyers in quality-driven market segments (Gereffi, 1999; Schmitz and Knorringa, 2000). The trajectory towards a so-called Italianate district (a competitive, closely networked geographic and industrial district), which offers the greatest potential for endogenous upgrading, is very rare in developing countries. The lack of endogenous technological innovative capabilities and resources, and institutional settings in which social inequalities are often strengthened because of extreme differences in bargaining power between actors, are contributing factors to this situation. In contrast, the trajectory towards a satellite district, which appears to offer the least potential for endogenous upgrading, is most commonly found. Knorringa

concludes, therefore, that the role of the national and local state remains crucial in giving outside support to local enterprises to promote local development.

Helmsing follows this up by examining a set of twelve case studies from Latin America, concerning changing forms of local private and public governance, and the way they shape the institutional context for 'collective learning' by local firms and employees. The main question is whether improving partnerships leads to 'bottom-up' growth processes, and strategies required from firms, households, as well as at the meso-level of business organizations and regions for such a process. Rather than focussing the discussion on joint action by the private sector only, the question was also raised how the public and private sector can work together towards more effective local institutional arrangements. The case studies show that public-private cooperation centers on the creation of meso-institutions at the level of territory and industry. Although a variety of processes of learning occur, they remain rather restricted in some cases, and only rarely reach the stage of an 'innovative milieu'. Concrete initiatives focus predominantly on enterprise or business development and in some cases on the physical redevelopment of cities.

1.3 Livelihood, rural-urban linkages, and regional development

The present speed and scale of integration of the world's production and consumption – or, to use another focal concept of this book, "livelihood" – is without precedent. The massive exchange of people, goods, services, finance, information, and ideas leads to globalizing markets and social relations. Actors in different places on the globe are easily connected to one another, but may, at the same time, be disconnected from places in their immediate surroundings (Castells, 1996). With respect to the spatial processes pertaining to the theme of this part of the book, globalization has three overriding repercussions. First, in regional development, attention shifts from city-hinterland interactions to the integration of localities in global networks. Secondly, the new patterns of mobility of actors, capital, and information reshape urban-rural linkages and blur the old urban-rural dichotomy. Thirdly, as a result of globalization, which places a premium on flexibility and adaptability, livelihood is increasingly attained through networks spanning many different localities.

Two qualifying remarks have to be made here. On the one hand, globalization provokes not only global homogenization but also local differentiation. This is the so-called global-local nexus (Robertson, 1995). On the other hand, one has to bear in mind that often a biased image of globalization is created, i.e., as a new round of chances. One should not forget that globaliza-

tion is also accompanied by the exclusion of people and localities, i.e., those least able to respond to change, and that it is no guarantee against marginalization (Gore, 1994).

Underlying rural-urban linkages are the livelihood of actors. Increasingly, livelihood is no longer confined to one place – not even to a town and its hinterland or the countryside and a central place. Livelihood now includes a variety of places, i.e., it has become multi-local and exploits a number of resources, resulting in a combination of strategies, making it more multidimensional. This means that livelihood is obtained through networks, taken as a set of relations between actors. Urban centers remain the nodes in this network, and therefore these livelihood networks shape rural-urban linkages (Haan, 2000b). However, at present the result is perceived less as a nested hierarchy of urban-rural linkages, but rather as a patchy network, connecting some actors and localities while excluding others. Although those excluded can be part of other networks, they may be excluded altogether.

Though networks are becoming increasingly global, space (as distance) is still a factor that counts, although some have proclaimed the end of distance and the end of geography. Even in globally integrated production systems, proximity, distance, and the characteristics of localities (as place) remain important factors. Especially large cities – or perhaps better, mega-cities – act as hubs in global networks. Gradually, the negative image of urban primacy (surplus extraction from rural areas, regional disparities) has become a positive one; a specific environment for production and consumption that enables the fruits of globalization to be plucked (Knox and Taylor, 1995). Notwithstanding this reassessment of the role of mega-cities, small and intermediate centers often continue to be regarded as bridging the rural-urban divide, although sometimes small centers fade away when rural-urban symbiosis and the blurring of the rural-urban gap are discussed.

Rural-urban linkages are mostly discussed in terms of social and economic relations. Since Rees (1992) introduced the 'ecological footprint', increasingly ecological relations are taken into account by, analyzing flows of resources and waste. Finally, the question arises whether there is still a role for policy to play in rural-urban relations and regional development. Instead of a top-down and directive approach, an enabling role and sometimes even a decentralized and participatory approach is advocated.

The third part of the book starts with a chapter by Haan and Quarles van Ufford focusing on rural-urban linkages in sub-Saharan Africa. It starts from the premise that economic actions can only be understood if looked upon as embedded in social structure. Therefore, the concept of livelihood/sustainable livelihood is elaborated. Livelihood is taken to emanate from the interactions of actors with vital capitals. These are embedded in a wider natural and politico-socio-economic context. The authors argue that in the

era of globalization, livelihood increasingly becomes more multidimensional and multi-local, spanning rural and urban areas at the same time. Moreover, it is argued that exactly because of the social embeddedness of economic activities, it is necessary to pay special attention to the importance of social capital for livelihood. Changing rural-urban linkages are considered in this chapter, focussing in particular on trade in food, i.e., in maize, yams, and cattle. Expanding flows between rural areas and urban outlets are analyzed against the background of the livelihood strategies of traders, paying special attention to trade organization, networks, entry modes, and accumulation paths. Herein, the role of social capital is highlighted. Social capital is considered as a historical prerequisite in linking the rural and the urban, which still holds to a certain extent in the globalization era.

The next chapter, by Dietz and Zaal, also deals with sub-Saharan Africa, especially the provisioning of cities, with particular attention for Ouagadougou. The provisioning of the rapidly growing cities with such basics as food, water, and energy by rural producers depends very much on characteristics of the hinterland, i.e., the agro-ecological situation, population densities, the existence and quality of investments in skills, and on means of transport and communication. The organizational skills of entrepreneurs who bring together supply and demand are also a crucial element. The public sector has undertaken these entrepreneurial roles in the past, too, but presently this is strongly discouraged by donors. Even if governments are not directly active as traders, government performance is important in maintaining law and order, in providing a legal framework for entrepreneurial activities, in improving and maintaining infrastructure, in taxation behavior, and in cushioning or aggravating the impact of natural disasters on supply and demand.

Volbeda's contribution to the book is on economic networks and rural-urban linkages. She argues that these networks and their linkages are crucial to the development of a region. The chapter focuses on sub-Saharan Africa, a macro-region where urbanization has not been accompanied by economic growth. This is caused by the malfunctioning of linkages between economic networks. It is argued that investments in rural-urban linkages (such as infrastructure and transport) and in institutional assets (such as governance) are needed to generate economic growth. The chapter shows that regions that are more integrated in urban networks, experience more rapid economic growth. It is argued that regions without good urban-rural linkages will become more marginalized. A plea is made for development interventions to be focused on so-called catalysts for economic interactions, i.e., infrastructure and transport, information, and education to improve those linkages.

Improving sustainable development in cities by reducing environmental impacts is the explicit focus of the chapter by Baud and Hordijk, who take water and solid waste management as their main examples. By looking at issues of ecological sustainability at the level of cities and their hinterlands, the authors develop a research framework that may contribute to effectively tackling urban environmental problems in a larger eco-regional context, defined as the area of resource extraction and the area of environmental impact caused by urban activities. It is concluded that in such a research framework, the role of the natural environment within and surrounding urban areas in its own right should be recognized. Moreover, such an analysis should include the way in which natural resources are transformed into products used in human activities. In addition, competing demands made on resources by different groups of urban and rural inhabitants, the conflicts concerning resource use, and the possibilities to reduce such conflicts should be taken into account. Finally, the authors argue that the framework should include an analysis of how more participatory styles of governance influence the direction of demand on resource use, the equitability of the resource use socially, spatially, and over time, and how partnerships can contribute to solving existing conflicts.

In the following chapter, Hinderink and Titus deal with urban-rural interaction and the role of small towns. Among scientists, opinions differ on the possible contribution of small towns to the spread of modernization, their impact on development in rural areas, their functioning as service centers, and their role in damming the rural exodus. However, in regional planning, small towns play an essential role as regional service centers in the development of rural hinterlands. Regional planning considers the reinforcement of the small town production and institutional structures as a necessary condition for such development. The authors discuss four types of context with respect to the functioning of these small towns and show that these contexts determine to a large extent the potential developmental role of small urban centers. Small centers may be both stimulating and innovative for their hinterland, or parasitic and exploitative. It depends on the extent to which rural producers are integrated into national or international markets, the amount of surplus produced, its impact on income and private investments, and a more or less egalitarian and owner-based rural production structure. If backed by the presence of innovative urban entrepreneurs and qualified urban professionals and civil servants, more positive urban-rural relations can result. The authors conclude that a small center investment policy can be justified only if these conditions are met.

In contrast, the chapter by Kleinpenning focuses on small urban centers, particularly on the phenomenon of primacy. The discussion in geography on primate cities dates back to the 1960s, when it was associated with such

factors as a tiny national territory, recent urban history, simple politico-administrative system, and a low level of economic development. Later on, primacy was equated with exploitation, surplus extraction, and rural-urban disparity. Nowadays, these negative qualifications have made way for an appreciation of mega-cities as suitable global production environments. In his case study of Ascension (capital of Paraguay), Kleinpenning takes the position that to understand the phenomenon of primacy, it is necessary to make an analysis of a country's economic, political, and settlement history, during the course of which a number of cumulative developments leading to the present position of the primate city took place. He concludes that it is difficult to assess the impacts of the dominant role of Ascension. More large urban centers would have promoted economic growth, and thus have resulted in a more balanced regional development, but his historical account shows that the economic basis for such cities is lacking in Paraguay.

In fact, Zoomers combines a number of policy considerations discussed by the authors of the previous chapters in her plea for a renewed and contemporary conceptualization of regional development planning. She argues that current trends in regional development are not always in line with the goal of sustainable development, nor do they automatically contribute to efficient, equitable, or sustainable space. In the past, regional planning was aimed at reducing urban primacy and regional disparities, i.e., at creating a physically integrated system of urban and rural centers. Though spatial disparities have declined in cases where it was successful, we are now faced with a new set of spatial problems often neglected in the development debate. Dispersed urbanization and increased mobility are too easily mentioned as a positive result of current spatial trends, and as a motive for nullifying the need for regional planning. Practice shows that these processes also have a problematic side, such as spatial fragmentation, mobility problems, and unsustainable land use. Sustainable development requires that space provides opportunities to lead a stable life. At present, urbanization is too dispersed and mobility is too high to provide people with a sufficient basis for a sustainable livelihood. Decentralized and participatory regional planning should therefore aim at regulating peri-urban development rather than accepting dispersed urbanization, and bringing infrastructure into line with modern patterns of mobility.

1.4 **Urban and regional development policy: Mapping the policy arena**

All over the world, urban and regional development initiatives are faced with a proliferation of actors. The state – in either its 'soft' or its 'strong', 'socialist' and/or 'authoritarian' manifestations – no longer claims to be the only, or

even the leading, urban and regional development 'planner', and even in national planning arenas many states accept their role as facilitator and not as the single, or leading, actor. In practice, many other actors have joined the planning arena. Increasing globalization meant the growing importance of transnational companies, international development agencies, and international NGOs, which have all considerably strengthened their stake in developing human and physical infrastructure in urban and regional development contexts. Local non-governmental agencies have taken more initiatives as well, both in the form of urban growth coalitions of local firms, and in the form of a variety of 'civil society organizations'. In numerous national, urban, and regional development arenas a new negotiation culture is developing in which public actors (central governments, local governments, and pseudo-government companies) link with private actors, both from the commercial and from the non-profit sectors. In some cases this results in uneasy confrontations, in many others in a network of new alliances, sometimes initiated by state agencies, often initiated by civil society and/or market actors. In a number of cases, the new alliances leave out the state agencies altogether and form 'bottom-up' semi-public agencies, based on community-based initiatives (for a study about the African situation see e.g., Dietz and Foeken, 2001).

In this rather chaotic set-up, policy agencies have to find their way, and policy makers often have to decide how to 'muddle through'. Donor agencies and their think-tanks are confronted with confusing and dynamic situations in which the overall tendency is that central state agencies are no longer the most important 'receivers of aid and advice', and it is unclear which of the conglomerate of transnational agencies, pseudo-state agencies, non-governmental agencies, and private capital (with or without a human or social face) are the most strategic partners.

The political translation of these tendencies is not very clear either. In Christian Democratic circles, a 'triumphalist' attitude about the growing importance of the civil society sector is sometimes questioned when the criminal, chaotic, and commercial orientations of some of the beloved civic sector actors is discovered. Christian Democrats have an ambivalent attitude toward the demise of the state. They support it if it furthers democratization, but oppose it if the diminished welfare provision of the public sector results in gross social and economic inequalities, and less rather than greater efficiency. On top of that, poverty alleviation is suddenly back as the central issue of development cooperation, with agencies like the World Bank and DFID taking the lead. Urban and regional development planning as linked to development cooperation is increasingly focused on the key challenge of all development 'planning': poverty alleviation.

Donor agencies have to make decisions in this political minefield without a lot of academic support. Partly this is a result of alienation between researchers and those in the policy arena. But this is only part of the story. Researchers have only started to explore the new 'maps and practices' of these new alliances and oppositions. In this section the first results of these 'mapping' activities are presented, both by academics with a policy orientation in the field of national, urban, and/or regional planning, and by current and former development practitioners with a more analytical orientation. For urban and regional planners, and for geographers studying the changing 'landscapes of planning practices', it is a challenging field of study and not enough is being done to unravel its mysteries.

The section starts with an overview of the policy options for poverty reduction in urban development planning, as part of the current urban management agenda in developing countries. Wegelin sketches the increasing importance of local government agencies and their alliances in urban poverty alleviation all over the world. He highlights the possibilities to strengthen the so-called informal sector and the importance of access to urban services and land for the urban poor and their businesses. In the fields of water provisioning, sanitation and solid waste, primary health care, education and training, urban transportation, and slum upgrading he provides the contours of the large variety of policy issues, and sketches the multitude of alliances which have developed in these fields. He emphasizes the need to go beyond income improvements to combat urban poverty, and to focus on vulnerability and social exclusion instead. Supporting the institutional capacities of local-level actors in the urban arena (local governments, CBOs, and NGOs) should be the core of 21st century development cooperation. The world has become an urban place and the urban poor will soon outnumber the rural poor, a situation that is increasingly threatening political stability, at both national and global levels of scale. Urbanization in the 21st century will take place in a radically different environment from that in which urbanization took place in the 20th century.

De Wit also takes the rapidly growing numbers of the urban poor as the point of departure for his analysis of what actually happened at the Dutch Ministry of Foreign Affairs and in Dutch development cooperation during the last decade. He regrets the lack of attention given to the global urbanization processes and the continuing dominance of existing approaches in the Ministry, following recent reorganizations. Things seemed to be improving in the late 1980s, when a specific section was formed in the Ministry to deal with urban poverty. It became a think-tank with a varied agenda. However, after a promising start it petered out. Especially after 1998, when a new minister with different policy ideas was appointed, urban poverty alleviation virtually disappeared. Instead of institution building, the institutions were

destroyed and with them the possibilities to form promising alliances in the Netherlands itself.

Van den Berg provides some of the answers from his involvement as policy maker at various levels within the same ministry. He emphasizes the importance attached to transferring decision-making powers (and 'ownership') to developing countries themselves, to enable the chosen countries with 'good governance' to make their own policy and research choices, and to decentralize Dutch support of these processes to the embassies in the selected countries. He writes in favor of this position. De Wit and many others would perhaps agree with the principles, but abhor the practices resulting from them. This process of delinking seems to alienate most of the Dutch research community and risks destroying most of the know-how and institutional capacity developed in the Netherlands during decades of involvement. It also risks rather questionable choices being made by local decision makers, assisted by Dutch embassy personnel, who are often not very well grounded in development thinking. The choices being made today seem to be very traditional and completely neglect the most pressing problem of the 21st century, urban poverty and its impact on global stability. In addition, the current minister's emphasis on the sector approach seems to put far too much power in the hands of central governments, while the whole trend is one of more emphasis on alliances between local-level agencies; municipal governments, CBOS, pseudo-state agencies, and an array of other non-governmental agents. Sticking to the state, particularly the central government, seems to be a completely outdated approach.

This sentiment is shared by the author of the last chapter in this section, van Gennip. He used to hold a top position in the same Ministry under previous ministers, and is now Chairman of the Foreign Relations Committee of the First Chamber of the Dutch Parliament. He is also a prominent member of the Christian Democrats. He looks back at the prominence of the 'social-democratic' approach in most bilateral development cooperation, including in the Netherlands, and is astonished by the continuing prominence of state-oriented development approaches. He also observes that the Christian Democrats have been modest for too long in developing their own theoretical outlook on global issues. However, the recent importance in social science circles attached to such concepts as social capital, civil society, subsidiarity, stewardship of nature, and responsible society can be seen as an unexpected support for basic philosophies, which are part of the Christian Democratic tradition.

Ad de Bruijne has been part and parcel of this inspiration, and is often too modest to acknowledge the large role he has played in developing this tradition. It is a nice irony, and a fitting 65th birthday present, that after almost 40 years of development-related research, many of its hidden

treasures are now being discovered by unexpected allies. In the urban and regional policies of the 21st century – and in research in the fields of geography and planning – many of the ideas of the 'soft-spoken' tradition will be reflected in the search for the new forms of collaboration required in order to achieve the common objective of reducing poverty and restoring human dignity, and thereby giving globalization a more human face.

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PART I

Urban management,
local governance, and the poor