

**DECENTRALISATION, LOCAL ECONOMIC
DEVELOPMENT AND URBAN AGRICULTURE IN
ZAMBIA**

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ABSTRACT

This study analyses decentralisation, local economic development (LED) and urban agriculture in Zambia focusing attention on the cities of Lusaka, Ndola and Kitwe. LED is examined in terms of the formulation and implementation of LED plans following the downturn in the local economies of all the three case studies. A key focus is on urban agriculture, especially the institutional responses by the three local governments towards this activity. This study draws from a wide range of primary sources. Focused interviews were conducted with key stakeholders and interview schedules were administered to urban cultivators. Further, government documents were used to achieve certain objectives of the study. The results of the study show that although the three case studies generally indicate an inadequate capacity, especially fiscal capacity, to deliver public services, there are variations from city to city. The results show that Lusaka has the best capacity while Ndola has the least capacity among the three cities. Capacity constraints in these councils have ramifications for the implementation of the decentralisation policy in Zambia. In terms of local economic development initiatives, all the case studies show attempts to formulate local development plans albeit only limited implementation of these plans has taken place as a result of financial constraints. In addition, the results show that urban agriculture is increasingly becoming an important community response by the residents of these cities despite the fact that the local authorities do not provide support services to urban cultivators.

DECLARATION

I declare that this thesis is my own unaided work. It is submitted for the degree of Doctor of Philosophy at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any other degree or examination at any other university.

SIGNATURE: _____

NAME: _____

DATE: _____ day of _____

DEDICATION

To Cecilia, Nasonkwe, Chikuba and Eba
with sincere thanks
for their love and encouragement
during the writing of this thesis

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LIST OF ABBREVIATIONS

CDA:	Copperbelt Development Agency
CEC:	Copperbelt Energy Company
CSO:	Central Statistical Office
EAZ:	Economics Association of Zambia
EBZ:	Export Board of Zambia
ECOLOG:	Managing the Economy Locally Programme
ECZ:	Environmental Council of Zambia
EPZ:	Export Processing Zone
IFPRI:	International Food Policy Research Institute
IMF:	International Monetary Fund
KCC:	Kitwe City Council
KCCI:	Kitwe Chamber of Commerce and Industry
LCC:	Lusaka City Council
LED:	Local Economic Development
MDP:	Municipal Development Programme
NCC:	Ndola City Council
PPPs:	Public-Private Partnerships
PRSP:	Poverty Reduction Strategy Paper
PSRP:	Public Sector Reform Programme
SADC:	Southern African Development Community
UCLG-A:	United Cities and Local Governments of Africa
UNDP:	United Nations Development Programme
UNIDO:	United Nations Industrial Development Organisation
USAID:	United States Agency for International Development
WHO:	World Health Organisation
WMU:	Waste Management Unit
ZAMSIF:	Zambia Social Investment Fund
ZARD:	Zambia Association of Research and Development
ZCCM:	Zambia Consolidated Copper Mines
ZDA:	Zambia Development Agency
ZESCO:	Zambia Electricity Supply Corporation
ZIC:	Zambia Investment Centre
ZPA:	Zambia Privatisation Agency

CHAPTER ONE

INTRODUCTION

1.1 Background

Many governments in developing countries are currently grappling with social and economic problems created by globalisation and economic restructuring. Job losses resulting from global economic change and de-industrialisation have led to rising poverty levels, especially in Africa (World Bank, 2001a). The urban impacts of structural adjustment programmes have included increases in prices, especially of food, expanded levels of unemployment and underemployment, and, declining wage levels (Mazambani, 1986; Vasey, 1985; Niñez, 1986; Deelstra, 1987; Yeung, 1987; Bryceson, 1989; Hussain, 1990; Amis, 1992; World Bank, 1993; Drakakis-Smith, 1994; Smith and Tevera, 1997; IFPRI, 2002). Reduction in public expenditure in line with structural adjustment programmes has led to deficiencies in the provision of infrastructure and services, thereby further affecting urban economic activity (World Bank, 1993).

In order to address these issues, several countries have introduced a variety of economic development plans to try and alleviate the situation. The traditional, donor-driven, top-down and centralised approaches have proved to be disappointing in terms of their impacts (Rodriguez-Pose, 2001; Meyer-Stamer, 2003; Helmsing and Egziabher, 2005; Cities Alliance, 2007; Rodriguez-Pose and Tijmstra, 2007). Many observers argue that what is now required at the *regional* level is a bottom-up approach which focuses on infrastructure development, training and matching grants for private sector initiatives (Cities Alliance, 2007). At the *local* level, it is argued that community empowerment is necessary and should proceed through decentralisation together with initiatives for local economic development (LED) (World Bank, 2001a; Meyer-Stamer, 2003; Cities Alliance, 2007; Rodriguez-Pose and Tijmstra, 2007). The activity of LED is driven by many local actors and reflects the concerns of the local residents. Overall, across the developing world there is growing body of evidence which confirms that LED strategies have several advantages over centralised top-down approaches to economic development

including empowering local communities and the generation of sustainable employment opportunities (Rodriguez-Pose, 2001; Beyer *et al*, 2003; Cities Alliance, 2007; Rodriguez-Pose and Tijmstra, 2007; Swinburn *et al*, 2007).

The emergence of LED in developing countries is a result of the combination of several factors. Among the most significant are the effects of structural adjustment programmes (SAPs), the advance of decentralisation, and initiatives for good governance. Taken together, these factors focus attention on the increasing role that localities can play to stimulate economic growth and improve the welfare of especially residents, in the wake of the failure of the centralised, top-down development strategies (Nel, 2000; Rogerson, 2000; Helmsing, 2001a; Beyer *et al*, 2003; Helmsing, 2003; Nel *et al*, 2003; Simon, 2003; Rogerson, 2006; Nel 2007; Cities Alliance, 2007; Rodriguez-Pose and Tijmstra, 2007; Swinburn and Yatta, 2007). It is argued that in order to solve the problems linked to restructuring, localities and cities are positioned at the centre of economic development within their respective areas (Zaaijer and Sara, 1993; Clark, 2002; Beyer *et al*, 2003; Nel *et al*, 2003; Helmsing, 2005; Abrahams, 2006; Cities Alliance, 2007; Gibb, 2007; Rodriguez-Pose and Tijmstra, 2007). Indeed, it is stressed that “the prosperity of and welfare around the world depend on the capacity of cities to take advantage of opportunities for sustained employment growth and minimise the challenges of global economic integration and urban population growth” (Cities Alliance, 2007: 1). Therefore, “developing sound local economic development (LED) strategies at the city level is critical to both good city management and economic performance” (Cities Alliance, 2007: 1). This assertion is shared by Beyer *et al*, (2003), Rogerson (2006), Nel (2007), and Rodriguez-Pose and Tijmstra (2007).

Although LED is more pronounced in Latin America and Asia, it is a phenomenon of growing significance in Africa. It is evident that LED activities and experiences are growing in Africa, particularly following the implementation of the decentralisation processes in several Sub-Saharan African countries (McCormick, 1999; Rogerson, 1999b; McCormick, 2001; Richards and Stetten, 2002; Beyer *et al*, 2003; Van der Loop and Tseguereda, 2003; Berhanu, 2005; Egziabher and Demeke, 2005; Helmsing, 2005;

Van der Loop and Tseguereda, 2005; Rogerson, 2006; Swinburn and Yatta, 2007; Swinburn *et al*, 2007). Nevertheless, existing research points to certain competence and capacity constraints in implementing LED strategies in many African countries (Nel, 2000; Helmsing, 2001a; 2001b; Richards and Stetten, 2002; Beyer *et al*, 2003; Nel and Binns, 2003; Rogerson, 2003a; Aredo and Seleshi, 2005; Berhanu, 2005; Egziabher and Demeke, 2005; Helmsing, 2005; Huisman, 2005; Tsegaye, 2005; Rogerson, 2006; Rodriguez-Pose and Tijmstra, 2007; Swinburn and Yatta, 2007; Swinburn *et al*, 2007).

One of the most significant activities for LED, which is being acknowledged and encouraged by local authorities across the developing world, is urban agriculture (Ellis and Sumberg, 1998; Lee-Smith, 2003; Mlozi, 2003; Rogerson, 2003b; Mougeot, 2006). There is an increasing acknowledgement in developing countries that urban agriculture is a significant contributor to enhancing food security, generating income and improving the nutritional status of the disadvantaged in society such as those affected by HIV/AIDS, as well as women, orphaned children, the handicapped, refugees and unemployed youths (Holmer and Mercado, 2007; Hungwe, 2007; Lief, 2007; Mubvami and Manyati, 2007; Oelofse *et al*, 2007; Rutt, 2007; Sâchez *et al*, 2007). Despite these benefits in Africa, however, several cities have not yet incorporated urban agriculture in their land use plans (Wade, 1986; Lado, 1990; Mosha, 1991; Karran, 1996; Mlozi, 1996; Smith and Tevera, 1997; Thorgren, 1998, Jarlov, 2002).

In common with several other countries in sub-Saharan Africa, Zambia's economy experienced a downturn from the 1980s to the 2000s. The implementation of SAPs, the impact of globalisation coupled with a high rate of urbanisation adversely affected the living standards of the population. The traditional centralised top-down planning approach which Zambia has hitherto relied upon has not brought the desired results in terms of economic growth and poverty reduction (Zambia, 1966a; 1971; 1979; 2002b; 2006b). Consequently, given the disappointment of centralised planning, Zambia shifted to adopt an increasing focus on bottom-up strategies and decentralisation, emphasising the locally-driven approach of LED. In particular since 1991, the central government has been implementing various local economic development initiatives (ZAMSIF, 2000;

Richards and Stetten, 2002). Cities and towns thus have become crucial to local development. LED plans have been designed by cities such as Lusaka, Ndola, Livingstone and Kitwe (PADCO, 2001; Livingstone City Council, 2002; LCC, 2002; Beyer *et al*, 2003; LCC, 2005c; KCC, 2005f).

In urban areas of Zambia, the poor have responded to economic decline by engaging in a wide range of local initiatives. These survivalist activities range from informal trading to urban agriculture (Mulenga, 1991; Afronet *et al*, 2000; Economic Justice Unit, 2000; Kapungwe, 2003; Milimo, *et al*, 2003; Steckley and Muleba, 2003). Although urban agriculture is an old practice in several Zambian cities (van den Berg, 1984; Rakodi, 1985; Sanyal, 1985; Jaeger and Huckabay, 1986; Sanyal, 1987; Rakodi, 1988; Mulenga, 1991), the recent rapid expansion of this activity has been attributed to economic hardships (Lubinda, 2000; Banda, 2002; Steckley and Muleba, 2003; Lupyani, 2004; Simatele and Binns, 2008). Despite the critical role which urban agriculture plays in enhancing food security (Rakodi, 1985; Jaeger and Huckabay, 1986; Sanyal, 1987; Shah, 1997; Lupyani, 2004), there is a lack of institutional support by the local authorities in order to improve the activity (Sanyal, 1987; Rakodi, 1988; Mulenga, 1991; Shah, 1997; Muchimba, 1999; Mulenga, 2001; Lubinda, 2004; Simatele and Binns, 2008; Mbiba, no date).

1.2 Aims of the Research

The overall aim of this study is to examine the emergence, evolution and progress of LED initiatives in the three Zambian cities of Lusaka, Ndola and Kitwe. Further, as a response to the economic decline in Zambia, the research critically examines the role of urban agriculture as one of specific LED or community initiative which is a response to economic hardship in the three case study areas. Implementation of LED initiatives depends on the competence and capacity of local governments. The research, therefore, analyses the capacity of the councils in the three case study areas to deliver public services by examining the delivery of solid waste management by the three councils.

Solid waste management is one of the functions of councils in Zambia. In addition, service provision is one of the critical elements for LED (see Chapter Two).

1.3 Scope of Study

The study was conducted in the three Zambian cities of Lusaka, Ndola and Kitwe (see Figure 1.1). All three cities have shown signs of economic stress, especially since the beginning of the 1990s. In terms of LED initiatives, the focus is on examining locally formulated district development plans and other local plans such as the Lusaka Integrated Development Plan (LIDP). Further, a range of local LED or spontaneous responses to economic decline with the emphasis on urban agriculture are assessed. The capacity of the three local governments to deliver decentralised functions is assessed by examining the capacity of the three councils in the provision of one decentralised service, that is, refuse collection.

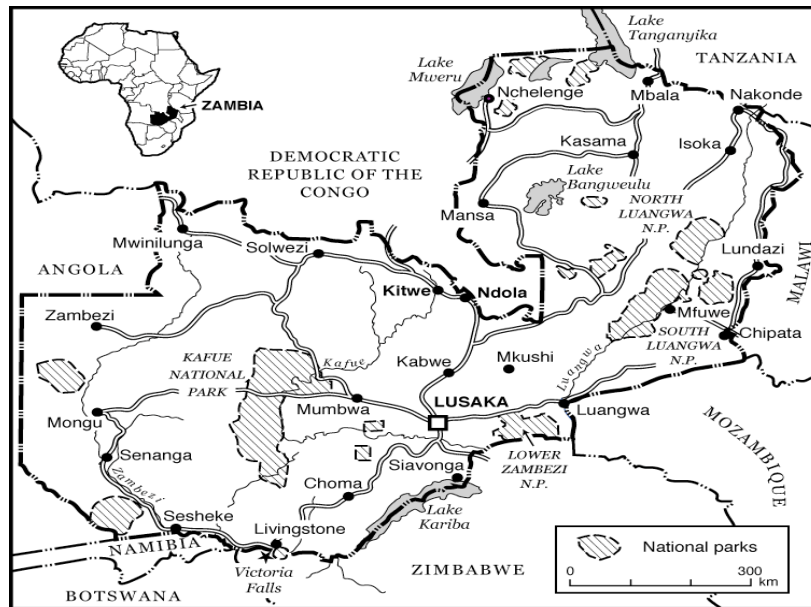


Figure 1. 1: Location of the Case Studies

1.4 Research Methods

The study as a whole draws from a wide range of primary sources of information, including focused interviews with key stakeholders, structured questionnaires, documentary sources, and analysis of satellite images.

1.4.1 Focused Interviews

Focused interviews were conducted during the period from September 2004 to July 2007 with key stakeholders who mainly constituted council officials from all the three local governments (see Table 1.1). The focus of the interviews was on the decline of the local economies of respective case study areas and the resultant LED initiatives. In addition, the focused interviews were used to collect data from key stakeholders regarding the capacity of the local governments to deliver solid waste management to their residents, and also information in respect of urban cultivation.

The focused interviews on urban agriculture were centred on collecting information regarding the status of urban agriculture in Zambia, the role of the activity in poverty alleviation, the major constraints inhibiting the expansion of the activity, the responses of local authority to urban agriculture, especially why the activity has been marginalised, and the support needs for the urban cultivators. In addition, the conflict between urban agriculture and protected forests and plantations was discussed particularly with the relevant authorities from the Forestry Department. Table 1.1 provides a list of the focused interviews conducted with stakeholders. Appendices I-IV provide the respective interview schedules that were used.

Table 1.1: List of key stakeholders interviewed during the study

Name	Designation/Organisation	Location
Banda, L.	ZAMSIF Regional Facilitator	Ndola
Bwalya, D.	Administration, Ndola City Council (NCC)	Ndola
Chafwa, F.	Sustainable Kitwe Programme	Kitwe
Changula, M.	Ministry of Local Government and Housing	Lusaka
Chongo, M.	Town Planner, Kitwe City Council (KCC)	Kitwe
Chupa, T.	Forestry Department	Ndola
Hakuyu, T.	Director, Planning, Lusaka City Council (LCC)	Lusaka
Hazingi, E.M.,	ZAMSIF Regional Facilitator	Lusaka
Helmrich, H.	GTZ	Lusaka
Kabungo, J.B.C	Former Lusaka Mayor and Councillor	Lusaka
Kabungo, M.K.	Head of Waste Management Unit, LCC	Lusaka
Kajimo, K.	Towner Planner, Kitwe City Council	Kitwe
Kaminsa, P.C.	Deputy Director, Public Health, KCC	Kitwe
Katongo, P.	Department of Public Health, KCC	Kitwe
Katoti, P.	Director, Public Health, NCC	Ndola
Kufanga, T.	District Planning Unit, LCC	Lusaka
Longwe, T	Programme Coordinator, Local Government Association of Zambia (LGAZ)	Lusaka
Lwando, A.K.	Operations Manager, Clean Fast Limited	Lusaka
Mabando, C.	Masala Ward Councillor	Ndola
Musweu	Treasurer, LGAZ	Lusaka
Mbolela, M.	Executive Secretary, LGAZ	Lusaka
Mbulakulima, M.	Copperbelt Provincial Minister	Ndola
Mkandawire, L.	Lusaka Mayor	Lusaka
Moonga, M.	Finance Department, NCC	Ndola
Mphande, C.	Town Clerk	Ndola
Mukwato, J.	Town Planning Officer, LCC	Lusaka
Mulenga, J.C.	Finance Department, LCC	Lusaka
Mwakanandi, I.	Assistant Planning Officer, NCC	Ndola
Mwanza, J.	District Planner, LCC	Lusaka
Mwale, H.	Acting Inspector, Waste management Unit, Environment Council of Zambia (ECZ)	Lusaka
Ng'omba, F.K.	Director, Development Planning, KCC	Kitwe
Paka, N.	Department of Public Health, KCC	Kitwe
Patel, R.J.	Ndola Chamber of Commerce and Industry (NCCI)	Ndola
Phiri, H.	Administration/Human Resources, LCC	Lusaka
Phiri, N.	Deputy Director, Administration, KCC	Kitwe
Sakwiya, A.	Director, Decentralisation Secretariat	Lusaka
Scott, A.	Mine Secretary, First Quantum Minerals Ltd	Ndola
Siasinyanga, K.M.	Deputy Director, Finance Department, KCC	Kitwe
Simwinga, A.	Town Clerk, KCC	Kitwe
Sinkala, J.	Director, Development Planning, NCC	Ndola
Situmbeko, J.	Senior Community Development Officer, LCC	Lusaka
Yenga, F.K.	Provincial Local Government Officer, MLGH	Lusaka
Zyuulu, M.H.	Department of Public Health, LCC	Lusaka

1.4.2 Structured Questionnaires

Structured questionnaires were used to collect data on urban agriculture in the three case study cities. The questionnaires were administered to urban cultivators on site using the availability sampling method, which is a non-probability sampling method. The rationale for using a non-random sampling method in the selection process and conducting interviews in the fields was due to the fact that there was no sampling frame for urban cultivators which could have facilitated the use of random sampling. Therefore, all urban

cultivators who were found in their fields during the survey and agreed to an interview became part of the sample.

The determination of the sample size is of paramount importance in ensuring that the sample is representative of the target population at the end of the day. According to Silk (1979) an ideal sample size should at least be 10 percent of the target population, in this case of urban cultivators. This rule, however, was not used to determine the sample size in this study and instead the major determining factor in arriving at the right size was the manageability of the sample. Considering all logistics involved such as time and funds, a total sample size of 200 urban cultivators was deemed manageable for all the three cities and the selection was done proportionately according to the population of each city. The disaggregated sample sizes of urban cultivators for the three cities were as follows: 100 for Lusaka, 50 for Ndola, and, 50 for Kitwe.

The themes covered in this questionnaire included *inter alia*, the general characteristics of the respondent, information pertaining to the extent to which urban agriculture was contributing to the household food security, constraints to the expansion of the activity, availability of formal support, and the motivating factors for the urban cultivators. Information on all these issues was collected. In addition, information focusing on diversification of sources of income for the urban poor was collected as the poor rarely depend upon one coping strategy (see Appendix V).

1.4.3 *Documentary Sources*

Documentary sources were a third basis for the research. Sources of data included government documents and reports including national development reports, and Central Statistical Office (CSO) reports. At national level of government, the key documentary sources included, *inter alia*, the national Poverty Reduction Strategy Paper and Bank of Zambia reports. Another Government Report that deserves mention is the Consultancy Report on Management/ Performance Audit of Provincial and District Administration and Local Authorities which was produced in February 2002. This report gives insight into the performance of local authorities and is therefore critical to the assessment of their

capacity to perform their functions. The main issues covered in the report include mandates and legal status, management systems, human resources, assets organisation structures and funding arrangements for the councils.

The districts have also produced useful reports such as the Poverty Assessment Reports, District Situation Analysis Reports, District Development Plans and the District Development and Poverty Reduction Strategy Reports. All these reports are of paramount importance in attempting to understand the effects of economic restructuring on the three cities. It must be stated that production of such reports is one of the measurements of each district's capacity, in particular of its planning capacity. Other documents collected and used are the internal financial reports indicating payments and receipts. These documents give details of the pattern of expenditure and income for each council, which is of vital importance in assessing the fiscal capacity of councils.

Other reports which were used included those produced by Zambia Social Investment Fund (ZAMSIF), such as the district assessment reports for Lusaka, Ndola and Kitwe. ZAMSIF was a Government organisation under the Ministry of Finance and National Planning, which used to facilitate capacity building for local governments in order to improve their development planning, management and coordination. It also provided capacity in technical and financial planning. Further, ZAMSIF facilitated the implementation of community-driven projects. It was envisaged that this would, in turn, improve governance at the local level and contribute towards poverty alleviation. The assessment of the districts was, therefore, done with respect to the above issues, which are key to the successful implementation of the decentralisation process and to assessing the capacity of the councils in discharging the devolved mandates. Based on these assessments, the districts were graded from Level V (the lowest) to Level I (the highest). It should be noted that these reports, albeit relevant, are not sufficient by themselves to show the capacity of the councils to perform all the devolved functions. In addition to the above documents, an extensive literature was reviewed from several sources including journals, books, magazines and reports. This literature review covered various topics in the fields of decentralisation, local economic development and urban agriculture.

1.4.4 Satellite Images

Satellite images also provided vital information particularly on the conflict between urban agriculture and protected forests and plantations. Vegetation changes were detected between the period 1990 and 2000. Other land use changes were detected on the same satellite images during the same time period. These land uses include, *inter alia* residential/townships, fields and *dambos*. Changes in such land uses provide insights about the changes in the spatial extent of urban cultivation between 1990 and 2000. The vegetation changes and other land use changes for the period are of special interest because they coincide with the time when the economic restructuring programmes were comprehensively implemented.

The details of the satellite images used in this analysis are given in Table 1.2.

Table 1.2: Satellite Images for Lusaka and Copperbelt Provinces

Date	Platform	Sensor	Format	Bands	Path-Row
10 / 08 / 90	Landsat 7	ETM+	Fast -L7A	7	172-069
10 / 08 / 00	Landsat 7	ETM+	Fast -L7A	7	172-069
10 / 08 / 90	Landsat 7	ETM+	Fast -L7A	7	172-071
10 / 08 / 00	Landsat 7	ETM+	Fast -L7A	7	172-071

For each of the three cities, two sets of images were used for 1990 and 2000 amounting to a total of six images for all the cities.

1.4.5 Data Analysis

The study utilised both qualitative and quantitative data and therefore the type of analysis depended on the type of data. Information collected from the use of the focused interviews was largely qualitative and the major approaches employed to analyse this information included sifting and sorting, developing ideas and building ideas. Crang (1999) gives details of these methods of qualitative analyses. Apart from the data

collected using the interview guide, some qualitative information was collected using the interview schedule and was analysed accordingly.

Most of the quantitative data came from the interview schedule. Before the actual data analysis, the responses were coded after which the codes were entered into the SPSS for Windows Version 11 spreadsheet. In order to ensure accuracy of the entries, the researcher entered all the coded data into the spreadsheet. The SPSS package proved to be useful in summarising information. It was not advisable to use inferential statistics in data analysis, as the sampling method used to select the sample was not random.

To analyse the satellite images, the services were utilised of a Geographic Information Systems (GIS) expert at the Forestry Department in the Ministry of Tourism, Environment and Natural Resources in Zambia. The images were analysed on a Desktop using GIS and statistical information on vegetation mapping and temporal change detection was generated. The Arc View 3.2a Image Analysis Extension was essential for vegetation greenness and change detection mapping.

As there were two sets of satellite images of the same area captured at different times from 1990 to 2000, it was prudent to perform vegetation detection using image difference for thematic data. This process therefore included the following steps:

Step1: Converting the images to Normalised Difference Vegetation Index (NDVI).

Step2: Detecting change using Image Difference.

Step3: Quantifying change using Thematic Change.

Step4: Summarising specific areas of change within an image.

The use of a Vegetative Index produced a new grey scale theme that clearly highlighted the vegetation in the image. It should also be emphasised that this analysis depended on the availability of selected spectral bands in the near infrared and visible red areas of the spectrum. Vegetation was reflective in the near (short wave) infrared region. In the visible red portion of the spectrum, vegetation, bare soil, rocky and man-made surfaces

contrasted well. As the images used are Landsat ETM+, the bands picked for the near infrared layer is Band 4 (Layer 4) and Band 3 (Layer 3) for the visible red layer.

The equation used to calculate NDVI is as follows:

$$NDVI = (IR - R) / (IR + R)$$

Therefore, the NDVI calculation was done for vegetation change detection using the provincial image layers. To this effect, two thumbnail images covering the districts of Lusaka, Ndola and Kitwe were clipped to show the vegetation cover change trends.

1.5 The Structure of the Dissertation

The study is organised into two major sections. The first part concerns the presentation of a literature review from an international perspective which covers the themes of decentralisation, local economic development and urban agriculture across the developing world (Chapter Two and Chapter Three). This section of material provides definitions of the three key concepts and examines experiences of the developing world in terms of decentralisation, LED and urban agriculture.

The second part of the study (from Chapter Four to Chapter Nine) focuses on Zambia. Based on documentary sources of data, Chapter Four and Chapter Five analyse, *inter alia*, the macro-economic fundamentals, decentralisation, LED and urban agriculture in Zambia. The empirical findings of the research are analysed from Chapter Six to Chapter Nine. The three case studies of Lusaka, Ndola and Kitwe are discussed with respect to the capacity of the three local governments in terms service provision, LED initiatives and urban agriculture.

Overall, the dissertation unfolds through nine chapters. Chapter Two provides the theoretical framework by discussing the context of decentralisation and local economic

development in developing countries. This theoretical framework is extended in Chapter Three which focuses on urban agriculture in developing countries.

In Chapter Four, the discussion turns attention to Zambia and to critically review economic restructuring in the country. In this chapter, Zambia's macro-economic environment is highlighted as well as responses to economic decline. Chapter Five looks at decentralisation and public service delivery in Zambia with particular attention paid to the question of solid waste management. In particular, this chapter analyses the capacity of local governments in Zambia to perform current and new mandates from central government. Further, the chapter examines national development planning, LED initiatives and activities as well as urban agriculture in Zambia.

Chapter Six looks at the capacity of Lusaka City Council to provide refuse collection services for the Lusaka residents. The capacity in terms of fiscal, human resources and planning is assessed. The privatisation of solid waste management by the Lusaka City Council is examined. Chapter Seven examines the Lusaka local economy and attempts to address the local economic decline. Various LED initiatives such as the Lusaka Integrated Development Plan (LIDP) and the Lusaka District Development Plan (LDDP) are analysed. The chapter also focuses on urban agriculture in the City of Lusaka, looking at why it is taking place, benefits for the poor, the council's response, trends over time and the impact on forest reserves.

Chapter Eight analyses decentralisation and public service delivery in terms of solid waste management in two cities of Copperbelt Province, namely Kitwe and Ndola. The capacity of the two local governments in terms of fiscal capacity, staffing levels and planning is also evaluated to discern their capability to handle the added mandates from the central government. Solid waste management is examined as an example of decentralised services.

Chapter Nine represents the last chapter of empirical findings. It examines the economic decline and of associated LED initiatives taking place in the two Copperbelt cities Ndola

and Kitwe. The LED initiatives which are analysed here include the Copperbelt Diversification Programme, the City of Ndola Strategic Plan, the Local Economic Development Strategy for Ndola and the Kitwe District Strategic Plan. The chapter also emphasises the role of urban agriculture in the two cities. A variety of issues related to urban agriculture are considered including motivating factors for the people to engage in this activity, how the two local governments respond to this activity, the trends of urban agriculture over time, and how it has impacted upon the environment, especially forest reserves, and its contribution to poverty alleviation.

Chapter Ten is the final chapter of the dissertation and presents conclusions and certain policy recommendations. The chapter summarises the major research findings from the three case study areas and offer recommendations in terms of the way forward of LED initiatives, urban agriculture and the competence and capacity of the three local governments to handle their mandates and deliver public services to their residents efficiently and effectively. It is argued that the conclusions of the study offer potential relevance beyond Zambia in terms of the scholarship on LED in the developing world.

CHAPTER TWO

DECENTRALISATION AND LOCAL ECONOMIC DEVELOPMENT IN DEVELOPING COUNTRIES

2.1 Introduction

The aim in this chapter is to provide an overview of decentralisation and local economic development in the developing world and to show how the two concepts are linked. Therefore, this chapter provides a critical theoretical context and literature review within which the study of urban agriculture as a local economic development strategy in Zambia can be investigated.

This chapter deals with two broad but interrelated issues currently being debated as they relate to the process of development. These are decentralisation and, local economic development (LED). The relationship between these two development concepts will be discussed in this chapter. In particular, these two inter-woven development concepts are discussed in the context of the developing countries with special reference to Africa.

2.2 Decentralisation in Developing Countries

This section begins by addressing the concept of decentralisation, specifically its meaning, its types and the various forms which it may take. Thereafter, the evolution of decentralisation in developing countries is discussed, paying particular attention to the motives behind this process as well as the benefits and the risks involved in implementing the process of decentralisation. In addition, variables that affect the performance of decentralisation initiatives are discussed and also the general performance of the process, especially in Africa, is reviewed. Furthermore, an attempt is made to examine the relationship between decentralisation and poverty. The key issue here is whether or not decentralisation has had a positive impact on poverty reduction in developing countries

with special reference to Africa. The last part of the chapter looks at how the private sector, mainly through the Public-Private Partnerships (PPPs), can enhance the successful implementation of the decentralisation process given that local governments in poor economies experience capacity constraints to drive the process forward.

2.2.1 Concept of Decentralisation

Essentially, decentralisation is about the transfer of power, authority, responsibilities and functions to sub-national governmental organisations (Olowu, 2001; UN-Habitat, 2002a). Ouedraogo (2003) distinguishes between two types of decentralisation, the Anglo-Saxon tradition and the French tradition. Whereas the Anglo-Saxon tradition defines decentralisation as a broad political process encompassing many players including the private sector, local state institutions, communities, NGOs, co-operatives and associations, in the French tradition the understanding of the concept is narrower as the players are restricted to governmental organs only (Ouedraogo, 2003).

Decentralisation is a comprehensive concept that takes many forms. UN-Habitat (2002a) has identified three major forms, namely de-concentration, delegation and devolution. De-concentration involves a situation in which selected functions are assigned to field units within sector-specific national agencies. Under the delegation model, responsibilities for discharging the functions are transferred to the parastatal organisations as happened for example, in former socialist countries such as Tanzania (Olowu, 2001; UN-Habitat, 2002a). Devolution is the preferred form of decentralisation in Africa and involves the transfer of responsibilities, power and functions to local governments to carry out the assigned functions with discretionary powers (Olowu, 2001; UN-Habitat, 2002a). Other than the three major forms of decentralisation, there are several others that are not as common, such as privatisation and deregulation, territorial and functional decentralisation and market decentralisation (Olowu, 2001).

Decentralisation can be looked at further in terms of several dimensions. According to Olowu (2001), UN-Habitat (2002a) and Smoke (2003), there are three dimensions of decentralisation, namely fiscal, institutional and political. Fiscal decentralisation implies

the transfer of financial responsibility in as far as the generating of revenue as well as authority to make expenditure decisions from the central government to the lower levels of government (UN-Habitat, 2002a; Smoke, 2003). This is a core component of decentralisation, as the discharge of devolved functions by the local governments requires matching financial resources from the central government (UN-Habitat, 2002a). Institutional/administrative decentralisation concerns the shift of the locus of power and authority from the higher level of government to lower ones. Nevertheless, in many countries in Africa poor staffing at managerial and technical levels has created problems in establishing local government institutions (UN-Habitat, 2002a; Smoke, 2003). The political dimension of decentralisation focuses more on a well-developed and broadly inclusive local political process (Smoke, 2003). It must, however, be stressed that all three dimensions are cardinal in ensuring that the goals of decentralisation are achieved and that all three operate in an interdependent fashion albeit the fiscal aspect is critical (Smoke, 2003).

2.2.2 Benefits of Decentralisation

The effects of decentralisation on society are often contested. If well-designed and implemented, it is argued that decentralisation could have a positive impact on local communities (Manor, 2001; Watson, 2002; Helmsing, 2003; Rodriguez-Pose and Gill, 2003; Romeo, 2003; Smoke, 2003; Kulipossa, 2004). According to Crook (2003: 77), “decentralisation advocates argue that decentralised governments are more responsive to the needs of the poor than central governments and thus are more likely to conceive and implement pro-poor policies”. Watson (2002) shares similar views as Crook (2003) to the extent that if the local government is sufficiently autonomous, it does not need to seek approval from the central government and therefore can make and implement decisions more rapidly and responsively than central agencies.

This positive attitude to decentralisation results from the fact that well-managed decentralisation brings about improved efficiency, improved governance, improved equity and improved development and poverty reduction (Manor, 2001; Watson, 2002; Rodriguez-Pose and Gill, 2003; Romeo, 2003; Smoke, 2003; Kulipossa, 2004). Apart

from the fact that decentralisation brings government closer to the people, it also creates a more open political system, promotes participation and improves the controlling function held by the local levels, enhances state capacity and increases effectiveness as well as efficiency (Manor, 2001; Hadenius, 2003; Rodriguez-Pose and Gill, 2003; Kulipossa, 2004). Moreover, decentralisation can improve information provision, local revenue maximisation and accountability (Manor, 2001; Watson, 2002; Kulipossa, 2004). Overall, the potential benefits of decentralisation can be categorised in terms of political values, governance values, and efficiency values (Kulipossa, 2004). The above classification of the benefits of decentralisation parallels that of Manor (2001) and focuses on governance, society and development. Due to the contextual nature of decentralisation, however, its benefits are not automatic (Kulipossa, 2004).

Although decentralisation may not be a panacea for all the public sector ills in the developing world, and of Africa in particular, Smoke (2003) states that there is a general consensus that if well-designed and implemented, it can, together with local governance, be one of the essential axes of development policy in Africa (Ouedraogo, 2003). Nevertheless, there are risks which may impede the successful implementation of the decentralisation process. The risks associated with decentralisation are discussed in the next section.

2.2.3 Drawbacks of Decentralisation

If not well-managed, decentralisation has several drawbacks. Prud'homme (1995) argues that the dangers of decentralisation can include increased regional disparities and difficulties in implementing macro-economic policies. Regarding the increased regional disparities, Prud'homme (1995: 202) pointed out that "because decentralisation measures can adversely affect the distribution of equity, a substantial body of public finance literature holds that the redistribution of income should remain a responsibility of the central government". To this end "the central government must control a large share of taxes and public expenditures as some regions are well-off whilst others are poor" (Pru'homme, 1995: 202). The latter greatly affects fiscal policy and allocative efficiency gains are significantly reduced. Furthermore, there is more concentration on demand

efficiency rather than supply efficiency, and production efficiency suffers from lack of economies of scale due to the small size of the local jurisdictions (Prud'homme, 1995). Moreover, in terms of equity, decentralisation of resources is invariably regressive as a result of reductions in central government expenditure relatively, and greater bargaining by more powerful and richer sub-national authorities, poorer and weaker regions are often left in weaker financial positions (Rodriguez-Pose and Gill, 2003; Rodriguez-Pose and Tijmstra, 2007). Another problem resulting from decentralisation is 'elite power capture' by local elites who use the new powers to their benefit and not for the benefit of the rest of the community and corruption becomes rampant at the local government level (Prud'homme, 1995; Olowu, 2001; UNDP, 2001; Crook, 2003; Hadenius, 2003; Rodriguez and Gill, 2003; Kulipossa, 2004; Rodriguez-Pose and Tijmstra, 2007).

It must be acknowledged also that due to inequalities of wealth and power at the local level, local elites may be less pro-poor than those at the national level and therefore could usurp the decision-making process and use it to their advantage (Watson, 2002; Kulipossa, 2004). In addition, mismanagement and patronage are common in decentralisation at the local levels and these can have an adverse effect on the efficiency of the public sector generally (Hadenius, 2003). Lack of capacity at the local level (Conyers, 2003), a disjuncture between what ought to be decentralised and what is decentralised in the actual sense (Andrews and Schroeder, 2003), and poverty decentralisation (Prud'homme, 1995; Olowu, 2001). Further, according to Helmsing (2003b), the local authorities often lack the means to sustain economic activity due to the fact that their increased responsibilities have not been matched with adjustments in revenue powers or transfers from the central government. This situation is equivalent to 'decentralising poverty' as pointed out by Prud'homme (1995) and Binns *et al* (2005). Other risks, which could undermine the successful implementation of the decentralisation process in developing countries, relate to corruption at the local level, the administrative and management systems in place and due to the fact that councillors normally want to play a populist game, especially when elections are imminent, and thus may not be willing to pass by-laws that propose to increase or introduce local taxes (Watson, 2002). Accordingly, these issues could consequently lead to revenue minimisation instead of

maximisation (Watson, 2002). There is, however, additional controversy as to whether or not these disadvantages are inherent flaws of decentralisation (Kulipossa, 2004).

Several of the problems outlined above can be mitigated through various strategies as discussed later in this chapter. It has been suggested that controls from both above and below could be a remedy for the general mismanagement at the local level (Olowu, 2001, UNDP, 2001; Hedenius, 2003; Ouedraogo, 2003; Prud'homme, 2003; Smoke, 2003; Momoniat, no date). This mismanagement could also be alleviated through information and encouragement (Hadenius, 2003). Further, Prud'homme (2003) has suggested that inter-governmental transfers from the central government can be a remedy for some of the problems associated with decentralisation, such as those relating to inter-regional or inter-personal equity and macro-economic stability.

2.2.4 Variables Affecting the Successful Implementation of the Decentralisation Process

The minimisation of risks in the decentralisation process depends on a number of pre-conditions. According to Watson (2002:5-6) the following have been identified as crucial factors affecting the success of decentralisation:

- Local authorities with clearly defined roles, responsibilities and mandates for certain categories of service delivery;
- Adequate and reliable financial resources in order to exercise those responsibilities, with enough discretion to ensure that resource allocation is responsive to local priorities;
- Autonomy in staffing and adequate human resource management policies to ensure that staff are deployed effectively, loyal and accountable to their local authority, their councillors and the citizens they serve;
- Planning and management capacities and systems to underpin all basic functions; and;
- Communication and accountability mechanisms to link local governments with both the populations and the central government.

Notwithstanding the importance of these factors, Smoke (2003: 12) contends that “local governments have performed reasonably well in some countries in the absence of these pre-conditions”. Hence, Smoke (2003) instead has opted to call these pre-conditions as basic elements of a sensible programme for building decentralisation. Azfar *et al* (1999), and Manor (2001) agree with Smoke (2003) regarding the factors that are critical in the implementation of the decentralisation strategy. Nevertheless, Azfar *et al* (1999) suggest additional critical success factors such as transparency of government actions, citizens’ participation in service delivery, and the effectiveness of civil society. According to the IRIS Centre (2001), similar views have been expressed on the basic rules for the implementation of a decentralisation process and, in addition, it stresses that a comprehensive strategic framework addressing all aspects of decentralisation must be worked out.

Political will to drive the process of decentralisation forward is one of the fundamental challenges for African leadership as it strives to decentralise, albeit this element is lacking in most governments (Saasa, 2002). In as much as political will is vital in the decentralisation efforts, its primacy has been challenged following evidence from countries such as Argentina, Brazil, Ethiopia, Nigeria, the Philippines South Africa, Uganda, and Zimbabwe (Smoke, 2003). Despite the political will to decentralise and in many cases enshrining the policies in the constitution, none of these countries have attained fully their goals at the time of passing the relevant constitutions and laws (Smoke, 2003; Kulipossa, 2004). What is lacking in most decentralisation efforts, as far as Smoke (2003) is concerned, is a pragmatic implementation strategy with a vision of decentralisation, gradually and strategically. Nonetheless, to demonstrate that the so-called ‘pre-requisites’ are not essential for successful decentralisation, Kulipossa (2004: 773) argues that “in Mozambique, decentralisation policies have worked relatively well in some municipalities, despite the rather non-enabling legal, political and financial framework set out by the central government”.

With regard to strategies that have been used in some developing countries, Mathew and Mathew (2003) maintain that control from below, the creation of constitutional bodies,

pressure from civil society, state control, the judiciary, and action by the Auditor-General have been critical in resolving some of the problems of decentralisation in India. Likewise in Bolivia, the mass media, especially the radio and TV have been an important tool in ensuring the participation of the citizens in programmes (Altman and Lalander, 2003). In South Africa, the instruments for control of corruption and mal-administration have been the press in the case of Cape Town and Ekurhuleni, commissions and courts in Cape Town, civil society and non-governmental organisations as well as the branches of the African National Congress (ANC) in Ekurhuleni (Cameron, 2003).

2.2.5 Emergence of Decentralisation in Developing Countries

Due to a variety of historical, political and economic reasons, many governments in the developing world, especially those in Africa, are more centralised than those of the industrialised countries (Olowu, 2001). Centralisation has not been very effective nor efficient in the provision of public services to the people in many countries hence the several efforts being made across the developing world to formulate decentralisation policies in order to enhance the public sector performance (World Bank, 2001a; Meyer-Stamer, 2003). It is argued by several observers that before the advance of globalisation, many national governments in the world were very strong and dominant while there was a tendency for regional governments to be either weak or absent all together (Rodriguez-Pose and Gill, 2003; Rodriguez-Pose and Tijmatra, 2007). This scenario, however, changed dramatically at the beginning of the 21st century as the globalisation process precipitated a devolutionary trend across the world, which is associated with democracy (Rodriguez-Pose and Gill, 2003).

With reference to Africa, Olowu (2001) has identified four phases of decentralisation. The first from 1945 to early 1960s is described as the 'golden age' of local government. During the second phase from early 1960s to late 1970s, there was reversal of the earlier gains made in the first phase as far as democratic governments were concerned. The third phase, from late 1970s to late 1980s, was precipitated by the economic crises of the 1970s and the international financial institutions' adoption of structural adjustment programmes (SAPS), which emphasised decentralisation and local governments as

solutions to central governments' expenditure problems (Olowu, 2001). The current phase (four), from the 1990s to the present, has been necessitated by the trend of democratisation, which began sweeping across governments favouring centralisation, and Africa in particular, during the late 1980s/early 1990s and which placed decentralisation at the centre-stage of development in order to achieve genuine popular participation (Olowu, 2001).

Most African countries currently are formulating or have formulated decentralisation policies (UN-Habitat, 2002a; Olowu, 2003; World Bank, 2003b). The reasons for this are varied (Olowu, 2001; 2003). The driving forces range from local pressures to external pressures resulting from the conditions set down for securing finance from international development agencies (Ouedraogo, 2003). According to Olowu (2001: iii), the recognition by developing countries of the role of local government as a focus of development is due to such factors as “globalisation, economic problems, the effects of structural adjustment and democratisation, rapid urbanisation and strengthened ethnic identities”. This analysis, however, is in contrast to the arguments advanced by Romeo (2003) that external pressures were not the major reason for the renewed interest by the African governments in decentralisation. Rather, he argues that “central level political motives have been predominant particularly in Africa rather than concerns with efficiency in local service delivery” (Romeo, 2003: 92). Such motives have included extending the influence of the main political parties and thereby weakening the regional bases of ethnically-based opposition parties. Overall, it has been argued that Nigeria, Uganda, Ethiopia, Rwanda and Angola are good examples which support internal central-led motives for decentralisation (Watson, 2002; Romeo, 2003). In South Africa and Namibia one of the main motives for decentralising was to empower regions and localities (Watson, 2002). The analysis of UN-Habitat (2000b) is in line with Olowu (2001), albeit further argues that another purpose of local government reforms has been to try and recognise the role of civil society organisations in the development process. Nevertheless, the main driving forces for reforms, especially in the East and Southern African sub-regions, are economic crises and significant changes in the political circumstances (UN-Habitat, 2002a). In a nutshell, the move towards a decentralised

system, which is now rapidly spreading across the developing world, has been triggered by changing economic and political circumstances. Whereas ethnic, historical, and cultural or linguistic identity have been critical in engendering decentralisation in the past, economic arguments are currently gaining importance as a major source of sub-national legitimacy (Rodriguez-Pose and Gill, 2003). These pressures are both externally and locally-driven. The next section deals with the question of constraints in the implementation of the decentralisation process in developing countries with special reference to Africa.

2.2.6 General Performance of Decentralisation Initiatives in Africa

Given the problems and challenges of decentralisation, as discussed above, it is important to review the performance of decentralisation policies in Africa. Currently, there is a dearth of literature on this subject in the developing world, especially in Africa. According to Olowu (2001), the analysis of decentralisation has remained poor in Africa as compared to other developing regions. But, overall, developing countries appear to have institutions too weak to be able to implement decentralisation. Litvack *et al* (1998) point out that the institutions, such as markets for land, labour and capital, information systems, fiscal systems, legal and regulatory systems, and democratic institutions and processes are weak in many developing countries. Kulipossa (2004) and Rodriguez-Pose and Tijmstra (2007) have also expressed similar views.

In terms of a comparison between other developing countries and African countries, decentralisation appears to have been more successful in the former than in the latter (Crook, 2003; Prud'homme, 2003). The absence of effective accountability mechanisms is identified as another major constraint hindering the decentralisation efforts in Africa (Crook, 2003; Olowu, 2003). In addition, there is a lack of effective intergovernmental relations (Olowu, 2003). In some countries, such as Ghana and Zimbabwe, political interference has led to the dissolution of local governments (Olowu, 2003). Consequently, little effective power has been decentralised in the case of Zimbabwe (Conyers, 2003). Moreover, Olowu (2003: 50) further argues that “in other cases like Nigeria, local government executives become political dinosaurs in their relationship

with their legislative assemblies”. Local Government Authorities (LGAs) in Nigeria constitute the weakest tier of government in the federal system for a variety of reasons, which include lack of autonomy, the low education levels of local councillors, a shortage of staff, poor funding, and fraud, corruption and unlawful conduct by the LGA chairmen (World Bank, 2001b). In spite of these constraints, President Obasanjo of Nigeria, at the official opening of The International Inter-Action Networking conference in 2006 which focused on ‘Federalism and Ethnicity in Africa’ (covering 19 countries in Sub-Saharan Africa) stated that “Federalism has proved to be a more successful system of government than the unitary system in most African countries including, Nigeria” (Obasanjo, 2006: 1). In his opening speech, the Nigerian President further stated that “Federalism has been successful in providing opportunities for addressing the specific and peculiar nature and dynamics of nation building in Africa” (Obasanjo, 2006: 1).

In many African countries, the capacity constraints of lower levels of government include shortage of equipment and qualified personnel, lack of effective management information, and the absence of accurate and comprehensive local level data on which to base planning (Saasa, 2002; Rodriguez-Pose and Tijmstra, 2007). Furthermore, according to Saasa (2002: 11), “Local governments have severe resource constraints owing to their narrow bases, inadequate fiscal resources from the centre and cannot reasonably be expected to discharge their responsibilities in such circumstances”.

Another constraint that is often overlooked, but is fundamental to effective decentralisation, is the scarcity in sub-Saharan Africa of cohesive and confident community-based groups with the capacity to mobilise resources and put pressure on local authorities for better delivery of services (Watson, 2002). The community associations which do exist are mostly informal, loosely structured and do not have a high-level, long-term commitment to collective action (Helmsing, 2005). Many institutions of local accountability in Africa do not yet have the pre-conditions for effective mechanisms (Olowu, 2003). Moreover, residents lack information and power to make local politicians accountable in the face of weak and corrupt local governments (Olowu, 2003). In most cases where decentralisation has been implemented in Africa, it

has not gone beyond the sub-national level and reached the ‘grassroots’ level due to the poor tradition of citizens’ participation in developmental issues (UNDP, 2001).

The performance of decentralisation in Ethiopia has been adversely affected by a lack of capacity at the local government level and the absence of inter-institutional co-ordination (UN-Habitat, 2002b). In the case of Uganda, one of the most advanced African countries in terms of decentralisation, the process has not been smooth as tensions and resistance are discernible from some quarters (Onyach-Olaa, 2003). Moreover, problems and challenges still persist in South Africa despite being one of the most advanced with regard to decentralisation in Africa. These problems facing decentralisation include issues of corruption, mismanagement and a lack of proper budgeting (Cameron, 2003; Momoniat, no date).

Overall, according to a World Bank study on decentralisation across 30 African countries (including Zambia), South Africa has emerged as ‘the most decentralised’ in Africa with Uganda being the second most decentralised African country (World Bank, 2003a). Least decentralised are those that belong to the Francophone group such as the Central African Republic, Niger and Chad. Fiscal decentralisation is the least developed component of decentralisation in Africa as compared to political and administrative decentralisation. The World Bank study concluded that, by and large, the degree of decentralisation in Africa is ‘moderate’ (World Bank, 2003a). Nevertheless, such a conclusion should be treated with caution, as not all the relevant parameters were considered in the analysis of the components of decentralisation, especially fiscal decentralisation (World Bank, 2003a).

2.2.7 Decentralisation and Poverty Reduction in Developing Countries

There is no doubt that there is an accelerated transfer of functions and responsibilities by many central governments to local governments in Africa and elsewhere in the developing world through decentralisation efforts (Steffensen and Trollegaard, 2000; Olowu, 2001; Saasa, 2002; Watson, 2002; Romeo, 2003; Smoke, 2003). Since the mid-1980s, more than 60 governments, mostly developing countries, have been experimenting

with decentralisation (Manor, 2001). Furthermore, the advantages of a decentralised system of service provision, its benefit to communities and to poverty reduction, have been recognised. Nevertheless, according to Watson (2002), empirical information is scanty on decentralised service delivery and on the extent to which it is pro-poor. This section reviews this relationship between the decentralisation of public services and poverty alleviation in developing countries.

One of the notable studies on how decentralisation can contribute towards poverty reduction is the review by Jutting *et al* (2004). Studies of nineteen developing countries ranging over South America, Africa and Asia were evaluated to establish how decentralisation affects poverty outcomes (Jutting, *et al*, 2004). According to Jutting *et al* (2004), the relationship between decentralisation and poverty can be realised through two routes, namely political and economic as illustrated in Figure 2.1. In respect of the political channel, Jutting *et al* (2004: 11) argues that “citizens are expected to be offered the possibility of increased participation in local decision-making processes. Improved representation of formerly excluded people in local municipalities could, in turn, give the poor better access to local public services and social security schemes, reducing vulnerability and insecurity”. Furthermore, through the economic route, decentralisation potentially can impact on poverty by “increased efficiency and better targeting of services. Enhanced efficiency in service provision could directly improve poor people’s access to education, health, water, sewage and electricity, highly important poverty-related concerns” (Jutting *et al*, 2004: 11).

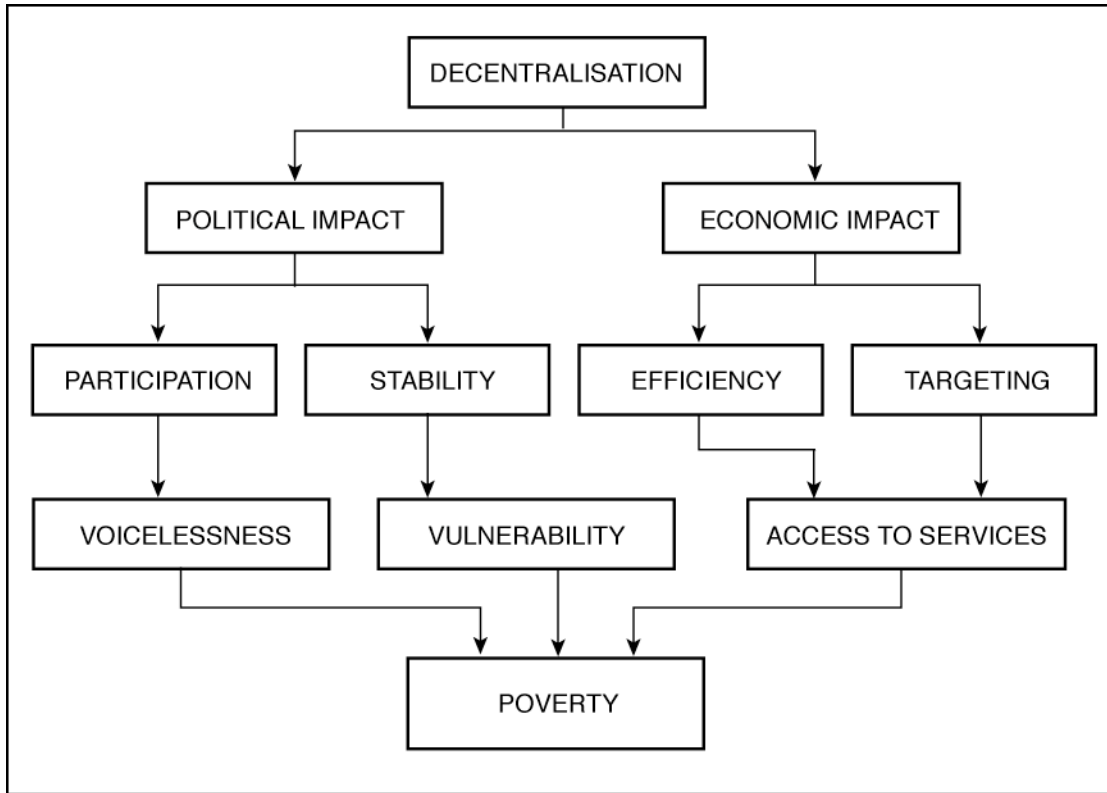


Figure 2. 1: Channels of Influence of Decentralisation on Poverty

Source: Jutting *et al*, 2004.

One of the key observations from Figure 2.1 is the increasing importance of effective and efficient service delivery being attached to the current decentralisation process as compared to past decentralisation efforts, which emphasised merely the re-distribution of power and access to resources (Watson, 2002). It is argued that Uganda and Ethiopia are good examples in which the governments' stress on service quality and coverage enhancement as the major priorities and decentralisation of powers and capacities are considered as the means to achieving improved service provision (Watson, 2002). Jutting *et al* (2004) concur that the concept of participation is critical in the sub-Saharan African region as one of the key objectives of decentralisation is democratic participation in decision-making by the concerned people (UN-Habitat, 2002a). This factor therefore enables the local governments to adopt a 'bottom-up' approach in the planning and budgeting processes thereby incorporating proposals from the lower tiers of government (UN-Habitat, 2002a). Theoretically, participation leads to increased representation,

which, in turn, enhances the empowerment of the disadvantaged groups in society with potentially positive impacts for poverty reduction (Beyer *et al*, 2003). Participation, however, should not be taken as a panacea as far as its impact on poverty is concerned as it is constrained by the fact that pre-existing social relations can be reinforced. It is stressed that such pre-existing inequity is a hindrance to poverty reduction among the marginalized groups and that, societies are unlikely to possess adequate capacity to formulate clear policy directives (Beyer *et al*, 2003; Rodriguez-Pose and Tijnstra, 2007).

International experience reveals that decentralisation has had positive effects in countries such as Bolivia, the Philippines and the Indian region of West Bengal, while negative effects have been recorded in poor African countries with low literacy rates and poor infrastructure such as Mozambique, Malawi and Guinea (Jutting *et al*, 2004). In West Bengal, democratic decentralisation has been associated with a programme of radical agrarian reform, which produced significant benefits for the poor over a period of twenty years (Crook, 2003). A positive rating implies that decentralisation programmes have been successful with significant positive impacts on poverty (Jutting *et al*, 2004). In countries such as South Africa, decentralisation programmes have been relatively successful with some positive impact on poverty reported (Jutting *et al*, 2004). Nevertheless, it is noteworthy that current efforts to achieve poverty reduction in South Africa through decentralisation have not been encouraging due to resource deficiencies, compounded by management capacity constraints in many municipalities (UNDP, 2001; Saasa, 2002). In both Uganda and Senegal, weak capacity at the local levels appears to check decentralisation's impact on poverty reduction, despite several efforts to build capacity at district level (UNDP, 2001; Saasa, 2002).

The examples of Ghana and South Africa can be considered as typical of what is happening across sub-Saharan Africa in terms of what impact decentralisation is having on poverty. Local governments in both these two countries are plagued by corruption, inefficiencies and, resource, infrastructure and staffing constraints for the process of decentralisation to impact positively on poverty (Binns *et al*, 2005). With specific reference to South Africa, many municipalities are experiencing these constraints against

the backdrop of declaring that local governments have a ‘developmental’ role. This implies that the local governments have a central role to play in working with the local communities to find sustainable ways of meeting their needs and to improve the standards of living of the residents (UNDP 2002; Binns *et al*, 2005).

The degree of responsiveness to the poor and the extent to which there is an impact on poverty are mainly a function of the local-central relations and the ideological commitment of central political authorities towards poverty reduction (Crook, 2003: 77). Therefore, in the absence of making efforts to strengthen and broaden accountability mechanisms at the local and national levels, decentralisation may not lead to more pro-poor outcomes (Crook, 2003). Overall, it is significant to observe that the paradigm that links decentralisation to poverty reduction has not fully been articulated, systematically explored nor validated by empirical research (Romeo, 2003). In terms of access to improved sanitation and improved water source, it is estimated that 48 percent and 79 percent of the population in developing countries had access to improved sanitation and improved water source in 2002 (UNDP, 2002). Although these values were higher than those (36 percent and 58 percent) for sub-Saharan Africa they are lower than the world average percentage values of 58 percent and 83 percent for sanitation and water respectively (UNDP, 2002).

One study of Infrastructure and Service Provision (ISP) carried out in the late 1990s in six sub-Saharan African countries (Ghana, Senegal, Swaziland, Uganda, Zimbabwe and Zambia) disclosed that “the coverage of ISP needs varies greatly, but is generally 40-60 percent for most ISP components in most countries. All ISP areas suffer, but water and sanitation seem to be the areas in the six countries with the poorest coverage of the most urgent citizens needs” (Steffensen and Trollegaard, 2000: 19). Other areas of ISP studied are education, health, sewerage, solid waste management, electricity supply and local roads (Steffensen and Trollegaard, 2000).

Focusing specifically on solid waste management as one example, there is evidence to the effect that this service has been neglected in many countries of the developing world

(UN-Habitat, 1989). For example, in Uganda the performance level in terms of garbage collection has been depressingly low and only 40 percent of the generated waste was being collected (Steffensen and Trollegaard, 2000). This situation also occurs in some other countries in sub-Saharan Africa where several sub-national governments with a poor performance rating have been recorded, according to Steffensen and Trollegaard (2000). The percentage share of municipalities, which recorded poor delivery of waste services out of the 6 surveyed municipalities in each country were as follows: 67 percent for Ghana, 50 percent for Senegal, 17 percent for Swaziland, and 33 percent for Uganda during the survey period (Steffensen and Trollegaard, 2000).

It has been shown in the preceding discussion that local governments in many developing countries, especially those facing such poor economic conditions, are unlikely to have adequate capacity to effectively implement the decentralisation process to the benefit of the poor people in particular. One of the apparently viable options, which can significantly solve many of the capacity constraints being experienced by most of the municipalities in the developing countries, is the participation of the private sector in public service provision. This alternative method of service delivery currently is gaining importance in the world at large, including Africa.

2.2.8 Private Sector Participation in Public Service Delivery in Developing Countries

In poor economies, decentralisation may not yield the desired results without the active involvement of the private sector. Several scholars argue that the inadequacies of the many local authorities can be addressed if collaboration between the public sector and the private sector is established by creating Public-Private Partnerships (PPPs) (Gidman *et al*, 1995; Bennet, 1998; Steffensen and Trollegaard, 2000; Saasa, 2002). PPPs have the advantage of leveraging additional private sector resources to address qualitative and quantitative service shortfalls (UNDP, 2001; Saasa, 2002). Moreover, Gidman *et al* (1995) contend that PPPs can help make organisations be more accountable, create competitiveness, improve the quality of life of the people by reducing costs in public service delivery and offer a greater choice of services. Overall, PPPs combine the advantages of the private sector and the public sector. From the private sector, the PPPs

draw on the advantages of innovation, access to finance, knowledge of technology and managerial efficiency while the public sector provides social responsibility, environmental awareness and local knowledge, which are all cardinal in solving problems in urban areas (Bennet, 1998).

The PPP arrangements between the public and private sectors cover a wide spectrum. The 'private sector' is considered as composed of private businesses as well as non-governmental organisations (NGOs) and community-based organisations (CBOs) (Bennet, 1998). In addition to collaborative projects, six major types of contracts are used to provide public services by the private sector. These are for urban water and waste management and include service contracts, management contracts, build-operate-transfer (BOT), concessions, joint ventures, and community-based provision (Haarmeyer and Mody, 1997; Bennet, 1998). The major variables that explain the different types of contracts are the length of the contract, the operation, maintenance and ownership of the infrastructure (service contracts normally run for a period of not more than five years and concessions are awarded usually for a time period of over 25 years) (Bennet, 1998). The choice of contract type depends on many factors, such as the availability of financial resources from both the private and public sectors and local conditions. For example, management and lease contracts are normally used when economic feasibility (willingness and ability to pay) is lacking or there is a lack of political will to facilitate the participation of the private sector (Haarmeyer and Mody, 1997).

To guarantee the efficient and responsive delivery of services, it is argued that governments should create incentives through the application of commercial management, competition and stakeholder participation (Gidman *et al*, 1995; Steffensen and Trollegaard, 2000; Saasa, 2002). Roth (1987) identified institutional weaknesses and government policies as constraints that make the participation of the private sector in public service delivery risky and unprofitable. The individual issues relate to persistent high inflation, government control of prices and bureaucratic requirements in the registration of a business. Nevertheless, PPPs may not ensure equity in access to services without the involvement of government in regulating the activities of these arrangements,

and to check the private sector's appetite for profit (Gidman, *et al*, 1995; Eisner *et al*, 2000; Steffensen and Trollegaard, 2000). Although cost-recovery principles are one of the pre-conditions for the entry of the private sector in service delivery, it is argued that some degree of balance ought to be found, especially in low-income areas where the poor people reside (Gidman *et al*, 1995).

Notwithstanding the importance of the private sector in as far as service provision is concerned in a decentralised system where the local governments are facing many constraints, it has been argued that for the private sector to succeed, the local economy should be buoyant (Roth, 1987). The following discussion specifically deals with strategies for improving a local economy in terms of the debates concerning local economic development. An emphasis should be made that access to basic services such as waste management and water provision in a locale is one of the fundamental requirements for enhancing the competitiveness of local economic development initiatives and thereby promoting enterprise development (Helmsing, 2005).

2.3 Context of LED in Developing Countries

From the outset, it is critical to underscore the fact that local economic development (LED) is an integral part of decentralisation. In fact, Helmsing (2003: 67) emphasised that “as decentralisation is increasingly taking place, the question of local economic development is acquiring more significance”. This point, which is shared by Nel and Rogerson (2005), is expanded and elaborated later in this section.

This section first reviews the meaning of the concept of LED, paying particular attention to the role played by a variety of stake-holders at the local level in trying to improve the economic environment and the conditions of living for residents in a locality. Second, attention turns to explain the reasons for the emergence of LED, especially in the developing countries. Third, the types of LED strategies are examined, and fourth LED experiences in the developing countries are discussed. Finally, the role of clusters in LED is interrogated.

2.3.1 *Concept of Local Economic Development (LED)*

LED is an element of decentralisation which is about creating partnerships between local governments, communities/community-based organisations, non-governmental organisations, the private sector, churches, business associations and unions in order to manage local resources and stimulate employment and the economy of a locality (Zaaijer and Sara, 1993; Nel, 2000; Helmsing, 2001a; Rodriguez-Pose, 2001; Clark, 2002; Abrahams, 2003; Beyer *et al*, 2003; World Bank, 2003a; Helmsing and Egziabher, 2005; Abrahams, 2006; Rodriguez-Pose and Tijmstra, 2007). Clark (2002) asserts that LED is about seeking to manage and shape economic change at the sub-national level and that LED is not principally a municipal service function but is more about shared strategies and relationship management. It is further contended that LED is a broad concept that incorporates a variety of organised responses that localities experience as national economies are re-regulated (Clarke and Gaile, 1998; Rogerson, 2000). Ultimately, the overall aim of LED is to improve the quality of life of the residents, alleviate poverty, create job opportunities, improve skills and build capacity (Abrahams, 2003; Beyer, *et al*, 2003; Abrahams, 2006; Cities Alliance, 2007; Swinburn *et al*, 2007; Rodriguez-Pose and Tijmstra, 2007).

Seen from the above perspective, LED is not only a multi-actor but also multi-sectoral and multi-level (Helmsing, 2001a; 2005). It concerns many actors ranging from local government right through to the churches and unions in a local area. It is about building partnerships among these various stakeholders, some of whom are from the public sector and others from the private sector while analysing local initiatives through a prism of local and global changes. In other words, LED is a “participatory developmental process that encourages partnership arrangements between the main private and public stakeholders of a defined place” (Rodriguez-Pose, 2001: 14; World Bank, 2003b). It is one of what has been termed as ‘territorial development strategies’ with emphasis upon endogenous factors such as the local economic fabric, human resources and institutional setting in a locale (Rodriguez-Pose, 2001: 3; Abrahams, 2006; Cities Alliance, 2007; Rodriguez-Pose and Tijmstra, 2007).

Several advantages have been attributed to LED. These include both social and economic positive effects such as empowerment to local communities and generation of dialogue and enhancing transparency and accountability among local institutions (Rodriguez-Pose, 2001; Beyer *et al*, 2003; Rodriguez-Pose and Tijmstra, 2007). In economic terms, LED strategies help to generate sustainable employment in firms due to the promotion of economic activities that are anchored in the specific economic conditions and comparative advantages of a locality (Rodriguez-Pose, 2001; Beyer, *et al*, 2003; Cities Alliance, 2007; Rodriguez-Pose and Tijmstra, 2007). The stress of LED strategies therefore is “to make economic activity within a territory dependent on the economic and social conditions of the place, rather than vice-versa” (Rodriguez-Pose, 2001: 3). By and large, LED contributes to revitalisation of the local economy and to the enhancement of the fiscal capacity of the local government (Beyer *et al*, 2003). In addition, LED can facilitate the formulation of more balanced development strategies due to active participation of key stakeholders in the design and implementation of these strategies (Cities Alliance, 2007; Rodriguez-Pose and Tijmstra, 2007).

Despite the positive aspects of LED, there are several disadvantages and risks as well. Such drawbacks concern the amount of time and effort involved in coordinating various local stakeholders, a situation which could delay the commencement of a development process (Rodriguez-Pose, 2001). Another danger lies in the potential inability to design or implement the most plausible development strategy as a result of the fact that the participation of local actors does not guarantee the adoption of the ‘right’ strategy (Rodriguez-Pose, 2001).

2.3.2 Emergence of LED in the Developing Countries

Before discussing the factors that have led to the growth of LED in the developing world, it is critical to observe that until the 1990s, the economic development of given places as well as regions was, to a large extent, heavily dependent on central government programmes (Meyer-Stamer, 2003; Helmsing and Egziabher, 2005). It has been argued that the traditional, donor-driven, top-down, and centralised development strategies largely failed to create necessary environment for sustainable development and

employment generation (Rodriguez-Pose, 2001; Meyer-Stamer, 2003; Rodriguez-Pose and Tijmstra, 2007). Thus, “the dominance of central government interventions in all spheres of economic life contributed to the underdevelopment of the local social and economic fabric” (Helmsing and Egziabher, 2005: 2). The focus of these ‘traditional’ development strategies upon infrastructure investment and attracting foreign investment was not sufficient to improve economic activities in the areas where those policies were implemented (Rodriguez-Pose, 2001; Cities Alliance, 2007; Rodriguez and Tijmstra, 2007). Consequently, a group of territorial development strategies have emerged and these are categorised under the term ‘local economic development’ (Rodriguez-Pose, 2001; World Bank, 2001; Meyer-Stamer, 2003; Cities Alliance, 2007; Rodriguez-Pose and Tijmstra, 2007).

The emergence of LED can be traced to the 1960s and has undergone three major phases. The first phase, which dominated the period 1960-early 1980s, emphasised the manufacturing sector, the promotion of foreign direct investment, and of hard infrastructure investment (Swinburn and Yatta, 2007). In short, this type of LED was characterised by largely public sector involvement, lack of strategies and uncoordinated project-led development, little monitoring and evaluation, and lack of diversified sources of funding other than the public sector (Swinburn and Yatta, 2007).

During the second phase of 1980s to mid 1990s, the sectoral emphasis continued to be on the manufacturing sector and inward investment was targetted on specific areas as well as on area regeneration programmes (Swinburn and Yatta, 2007). During the second period, the public sector began to accommodate other stakeholders such as the business community, and efforts began to be made to formulate development strategies, mainly of project-led development (Swinburn and Yatta, 2007). During the implementation process, although the public sector still dominated, the private sector started participating in service delivery while sources of project funding was still largely led by the public sector with limited involvement of the private sector (Swinburn and Yatta, 2007).

During the third phase (late 1990s to date), the emphasis shifted to *inter alia*, improving the entire business environment, investing in soft infrastructure, promoting the Public-Private Partnerships (PPPs), cluster development, formulating LED strategies, improving the quality of life of the residents and project monitoring and evaluation (Swinburn and Yatta, 2007). In addition, the public sector formed partnerships with the private sector non-governmental organisations (NGOs), and community-based organisations (CBOs) (Swinburn and Yatta, 2007). Overall, it is observed that LED strategies have become more holistic and transparent focusing on building competitive advantages with more sources of funding such as the public sector, the private sector and the local community (Swinburn and Yatta, 2007). In terms of implementation of LED strategies, “much broader implementation done by, public, private, community sectors, agencies; more use of contracting and performance measures; considerable effort to monitor and evaluate” (Swinburn and Yatta, 2007: 13).

Several factors precipitated the emergence of LED both in the global North and South. In the global North, LED emerged as a response to liberalisation and privatisation coupled with decentralisation (Simon, 2003; Rogerson, 2006). These forces are also applicable to the emergence of LED in the global South, in particular across Africa. The introduction of structural adjustment programmes greatly changed the local economic context of many localities (Helmsing, 2003; Nel *et al*, 2003; Rogerson, 2006; Nel, 2007). Other than LED being a result of economic factors, Rogerson (2000) argues that human agency and good governance should be factored into the equation as well. Sihlongonyane (2003) sees the combination of structural adjustment, drought, war, civil strife and the failure of the top-down development strategies as the major factors for the emergence of the LED in the developing world. Talking about South Africa specifically, local economic crises brought about by decentralisation, economic restructuring, and the demands of the democratic change process are identified as critical underlying factors (Nel, 2000; Rogerson, 2000). Nonetheless, it is argued that “the origins of much LED activity in democratic South Africa differ from the situation in many parts of the developing world where LED was launched out of sheer necessity or desperation” (Rogerson, 2006: 242).

Another factor is that as central governments are no longer exclusively in charge of the central economic coordinating role, other actors have to take charge in order to ensure that the market economy works (Helmsing, 2001a). Furthermore, Helmsing (2001a) points out that investment and improvement plans of local producers depend upon investments by other producers and other economic agents including government. Consequently, this kind of interdependence has resulted in a 'deadlock', and it has been argued that LED is one of the strategies that can reduce such deadlock (Helmsing, 2001a). Equally important is the fact that localities are increasingly taking it upon themselves to create or stimulate economic growth and improve living conditions among their residents (Helmsing, 2001a; Cities Alliance, 2007; Rodriguez-Pose and Tijmstra, 2007). Basically, Helmsing (2003) argues that local development has ceased to be coordinated by the central governments because of changes in the geo-economy and in development policy. In addition, Beyer *et al*, (2003) state that LED is a response to many of the challenges and opportunities that have been placed upon local governments by the rapid urbanisation taking place in many African cities. LED strategies are considered to have the capacity to mitigate the various problems brought about by urban growth (Beyer *et al*, 2003; Cities Alliance, 2007). In summary, Nel (2000: 209) says, "LED is a response to contemporary forces of globalism and localism. Local areas cannot but investigate their own resource and skills for promoting local development and find a unique place for themselves in the global village".

As a consequence of the foregoing factors, localities and cities in particular, have been placed at the centre-stage of local economic development within their areas of jurisdiction. It is widely observed that cities are increasingly getting involved in the promotion and well-being of their local economies (Nel *et al*, 2003; Abrahams, 2006; Cities Alliance, 2007; Gibb, 2007; Rodriguez-Pose and Tijmstra, 2007). Furthermore, according to Helmsing (2005), one cardinal and central premise upon which the new approach of local and regional development is based is that 'place matters' in economic development. This finding comes out of the realisation that each locality has unique resources, both physical and human, which can be harnessed in order to stimulate

economic growth and development. Hence, the role of the city is slowly being viewed more positively in the developing countries and there is an acknowledgement that city productivity is critical to national development (Zaaijer and Sara, 1993; Beyer *et al*, 2003; Abrahams, 2006; Cities Alliance, 2007; Rodriguez-Pose and Tijmstra, 2007). In addition, Clark (2002) views the locality's potential as a location for jobs, workers, incomes, consumers, asset holders, tax revenues, firms (both large and small), investors and donors seeking economic progress. Therefore, cities and regions are perceived increasingly as economic assets, capable of sustaining a 'good business environment' if used properly (Clark, 2002). In support of this, it is argued that "African cities are not without economic opportunity; the roots of economic prosperity are present even if entrepreneurial activity is weak and current urban government revenue bases are feeble" (Beyer *et al*, 2003: 5).

2.3.3 LED Strategies

There are several approaches to LED that currently are debated. The first approach is the traditional and orthodox approach (Bond, 2003). Rogerson (2000) and Abrahams (2003; 2006) have used terms such as 'market-led' approach to business development, 'pro-growth' and 'non-developmental' LED to describe this approach. Smokestack chasing or 'local boosterism', has been used in many developing countries to attract inward investment and achieve the main objective of this type of LED. The overall goals of the market-led approach to business development, particularly in South Africa, have been to promote competitiveness (including the attraction of foreign investment), individual self-reliance, entrepreneurship, expansion of the market, reduction of unemployment and sustainable growth (Rogerson, 2000; Abrahams, 2006; Gibb, 2007; Rodriguez-Pose and Tijmstra, 2007). Nevertheless, available evidence makes it abundantly clear that foreign direct investment (FDI) has not come to Africa in the amounts expected (Bond, 2003). According to Helmsing (2003), whilst the total global value of FDI grew substantially between 1980 and 2000, Africa has been bypassed and from the small volume of FDI, only South Africa and Kenya have significantly benefited.

The second approach, 'developmental LED', has a focus and emphasis on community-based strategies which target low-income communities and organisations (Rogerson, 1999a; 2003a; Abrahams, 2003; Bond, 2003). This second approach is also referred to as 'pro-poor growth' or the 'market critical approach' to community development (Rogerson, 2000; Abrahams, 2003). This approach has broadened the goals of LED to improve the incomes of people and enhance quality of life as opposed to an exclusive focus on the creation of municipal revenues in order to achieve economic development (Clark, 2002). The overall aim of this type of LED is to reduce poverty mainly by promoting community empowerment initiatives (Rogerson, 1999a; 2000; Mubvami, 2001; Nel and Binns, 2003; Abrahams, 2003; 2006; Rodriguez-Pose and Tijmstra, 2007). These pro-poor initiatives are a pre-requisite for sustainable urban development and in terms of poverty alleviation such strategies aim to strengthen the asset base of the poor and to expand their skills and capacities so as to enable them better manage their present assets (Rogerson, 2000; Hill *et al*, 2007; Nel, 2007). Gibb (2004) extends the debate on developmental LED by bringing in the concept of local self-reliance (LSR). This kind of initiative is viewed as strongly driven by the community because the residents themselves are the major actors, in comparison to the situation of traditional LED (Gibb, 2004; Nel, 2007).

It must be noted that the two variants of LED as discussed above are not significantly different. Abrahams (2003) is of the view that the two approaches to LED are not mutually exclusive and that there is a synergy between them that could be exploited for the benefit of local development. Rogerson (2000) is also of the view that the two approaches to LED do intersect in terms of a common focus on employment generation, which is a shared concern of both approaches. Nonetheless, in Africa, there has been a tendency to focus on pro-poor LED strategies at the expense of LED strategies which strengthen the local economy by local governments (Binns and Nel, 1999; Rodriguez-Pose and Tijmstra, 2007). Rodriguez-Pose and Tijmstra (2007) firmly believe that LED strategies which emphasise economic growth and employment creation may be more beneficial as they address poverty alleviation, job creation as well as enhancing competitiveness of a locality.

Other forms of LED interventions, according to Helmsing (2003; 2005), include community economic programmes, enterprise development, and locality development. The community economic development intervention is disaggregated into several components, which include creating social safety nets, housing improvement and settlement upgrading, basic service delivery and stimulating the community economy (Helmsing, 2003; 2005). Micro-enterprise programmes are viewed as the key to community economic development, and focus on issues such as credit, training, technical assistance, and marketing (Helmsing, 2003; Hill *et al*, 2007). The enterprise development intervention focuses on the local economic base and comprises components such as the provision of business development services and the creation of industrial clusters which facilitates group learning among enterprises and the generation of a local innovation environment (Helmsing, 2003; 2005). The third intervention, locality development, is “concerned with the physical and built-environment, infrastructure and territorial organisation” (Helmsing and Egziabher, 2005: 3). The components of locality development include participatory LED planning, physical planning and development controls, urban planning and design, and provision of basic infrastructure services and socio-economic overhead capital (Helmsing, 2003; 2005). Access to these basic services is creating competitiveness of a locality and improves the local ‘quality of life’ (Helmsing, 2003; 2005). Therefore, provision of basic services in a locality is an essential pre-requisite for enterprise development.

The World Bank (2003a) further categorises several LED options. Some of them include improving the local business investment climate, investment in hard infrastructure, investment in sites and premises, and investment in soft infrastructure (World Bank, 2003a). Other LED options are encouraging local business growth, encouraging new enterprise, promoting inward investment, sector (and business cluster) development, and area targeting/regeneration strategies (World Bank, 2003a). Swinburn and Yatta (2007: 10) argue that “as can be seen from the development of LED policy making and practice has moved from largely project led, investment attraction, hard infrastructure, public sector run to multi-sectoral, integrated, partnership and locally specific strategies

involving broad-based investments in hard and increasingly soft infrastructure and more sophisticated institutional design and delivery systems”.

2.3.4 LED Experiences in Developing Countries

LED is a recent phenomenon and must be considered as nested in the decentralisation process of developing countries and it is an activity of significance in several countries such as Brazil, Malaysia, Korea, India and South Africa (Rogerson, 1999b; 2000). Rodriguez-Pose and Tijmstra (2007) argue that LED is more widespread in Latin America and Asia as compared to Sub-Saharan Africa. In addition, further studies have shown that LED projects in Sub-Saharan Africa focus on the social side of LED rather than on the economic side (Rodriguez-Pose and Tijmstra, 2007). Available literature points to the fact that LED activities and experiences in Africa are more advanced in South Africa as compared to other countries in the continent (Rogerson, 1999b; 2006; Swinburn and Yatta, 2007; Swinburn *et al*, 2007). Indeed, it has been argued that “South Africa is increasingly seen as a leader, or laboratory, in terms of its emerging LED experience with potential lessons that might inform LED planning in other parts of the South where decentralisation is making advances” (Rogerson, 2006: 242). Nevertheless, emerging literature shows that LED activities are spreading to other African countries (McCormick, 1999; Rogerson, 1999b; McCormick, 2001; Richards and Stetten, 2002; Beyer *et al*, 2003; Van der Loop and Tseguereda, 2003; Berhanu, 2005; Egziabher and Demeke, 2005; Helmsing, 2005; Van der Loop and Tseguereda, 2005; Rogerson, 2006; Hill *et al*, 2007; Swinburn and Yatta, 2007; Swinburn *et al*, 2007). It is significant that the United Cities and Local Governments of Africa (UCLG-A) has embraced LED and strategic planning as among the priority areas to be implemented during the period of 2006-2010 (Swinburn and Yatta, 2007; Swinburn *et al*, 2007). In view of the prioritisation of LED in Africa, the UCLG-A has recognised the following factors (see Table 2.1).

Table 2.1: Bases for the prioritisation of LED in Africa

<ul style="list-style-type: none">• National level macro-economic policies, although necessary, are not sufficient to achieve sustainable broad-based economic growth in African countries.
<ul style="list-style-type: none">• Traditional, sectoral, supply-side development strategies are not achieving once hoped for results.
<ul style="list-style-type: none">• Globalisation is resulting in the diminution of the nation state and consequent ascendancy and recognition that city-regions are drivers of national growth.
<ul style="list-style-type: none">• The focus on new forms of governance and decentralisation is changing traditional top- down approaches to development and planning at sub-national levels.
<ul style="list-style-type: none">• High-income countries are devoting significant resources to enabling sub-national growth through local and regional development strategies.
<ul style="list-style-type: none">• There is increasing demand and pressure on local governments from citizens to address unemployment and poverty issues.

Source: Swinburn and Yatta, 2007

Helmsing (2005) has identified major competence and capacity problems among local governments in Sub-Saharan Africa regarding LED implementation. In addition, lack of demand and the absence of new meso-level institutions both at the level of industry and area have adversely affected investment responses by both households and enterprises (Helmsing, 2001a). It has also been revealed by Helmsing (2005) that business associations, despite the fact that their role is growing, still remain weak and not representative of all entrepreneurs. This situation applies also to community associations, which are still informal and loosely structured (Helmsing, 2005). Helmsing (2001b) further argues that ‘collective learning’ is a new resource for firms. This results from interaction between firms and other institutions responsible for the regulation of support systems like training centres, universities and information and technology institutes (Helmsing, 2001b). Rodriguez-Pose and Tijmstra (2007: 29) have summarised the problems related to LED implementation in Sub-Saharan Africa as “poor resource endowments, poor accessibility, and the relatively weak civil societies are likely to affect the viability of LED outside the wealthier and most prosperous areas of Sub-Saharan Africa”. With respect to key local actors, Helmsing (2005) argues that these have attitudinal, inactive and capacity problems to take part in the governance of LED.

Although the majority of smaller urban areas and intermediate regions and city regions in Africa have the basic pre-conditions for LED, it is argued that further capacity building is required in order to enhance the chances of success (Rodriguez-Pose and Tijmstra, 2007). The argument which Rodriguez-Pose and Tijmstra (2007) put forward is that the LED approach may not be ideal for the poorest and most remote parts of Sub-Saharan Africa. In order for the success of LED to be achieved, Rodriguez-Pose and Tijmstra (2007) have identified the following critical factors: fairly large and prosperous regions, well-developed civic, public and private organisations, and relatively conducive factor endowments.

From the studies conducted by Egziabher and Demeke (2005) and Berhanu (2005) to establish the contribution of Micro and Small Enterprises (MSEs) to LED particularly in Ethiopia, it is evident that more still needs to be done in Africa in order to make MSEs more successful and able to impact positively on the local socio-economic landscape. The conclusion of the findings from the study of micro-enterprise performance in small towns in the Amhara region was that the propositions of new LED theory apparently do not apply to MSEs in small towns in Ethiopia (Egziabher and Demeke, 2005). In addition, the results of the study by Berhanu (2005) show that the basic conditions for enterprise development are not conducive. Therefore, the competence for LED overall appears to be absent for both the City of Awassa government and the SMEs themselves, albeit MSEs have the potential to contribute to LED (Berhanu, 2005).

Regarding the role of communities in local development, the findings of Aredo and Seleshi (2005) on participatory local economic development using small-scale irrigation projects in North Wollo, Ethiopia, disclosed that genuine participation was absent. Local development efforts have been severely constrained by structural, institutional and policy issues, leading to poor or lack of networking and sharing of experiences among key development stakeholders (Aredo and Seleshi, 2005). Moreover, participatory budgeting, which is critical in cementing transparency and accountability in the way public resources are allocated and thereby plugging corruption, is not practised in Ethiopia and decentralisation at the local level is still in its early stages (Tsegaye, 2005).

In the Southern African Development Community (SADC) countries, policies are being developed to promote LED outside South Africa despite the fact that local governments in several of these countries do not have greater powers to drive the process to a stage where LED activities can increase their impact (Richards and Stetten, 2002). It is suggested that the decentralisation process should go down to the grassroots level in order to enhance participation in development programmes by the citizens (Richards and Stetten, 2002). It has, however, been observed that, with the exception of South Africa LED policy and practice is still in its embryonic stage in most countries in the SADC region and that problems of shortages of funds and staff have become acute (Richards and Stetten, 2002, Swinburn and Yatta, 2007).

In South Africa, LED experiences have been quite varied. For instance, Rogerson (2003a) found out that LED initiatives in Midrand have not yielded any positive results for the poor, especially those living in informal settlements like Ivory Park, due mainly to lack of support for the upgrading and development of the communities' informal sector enterprises and urban cultivators. Both Nel and Binns (2003) and Swinburn and Yatta (2007) have noted a sharp rise in direct involvement in LED especially in the nine largest cities in South Africa, where all the local authorities have either formulated LED programmes or are in the process of establishing supportive structures. It is argued that "South Africa has been actively engaged in LED for some years now; this is reflected in an active and engaged community of practice with burgeoning competence centres and knowledge networks" (Swinburn and Yatta, 2007: 20). These practitioner networks are said to be among the most valuable and advanced in the world (Swinburn and Yatta, 2007). Nonetheless, the performance of LED implementation has been unbalanced, being more successful in larger and well-resourced metropolises (Rogerson, 2006). But, in spite of such activities by the local authorities, there are serious funding and logistical constraints, as well as a lack of strategic guidance, facilitation and role models, which continue to adversely affect local development processes (Nel, 2000; Nel and Binns, 2003). Overall, Rogerson (2002) has identified four sets of constraints in relation to the state of LED in South Africa. These include the role of government and directions of

LED, issues related to leveraging private sector investment, regulations governing the activities of local government and finally institutional issues which encompass the financing of LED. Without finance and capacity, LED becomes an unfunded mandate (Richards and Stetten, 2002).

In Tanzania, the collapse of the export base (coffee) in Bukoba negatively impacted on the small-scale farmers in particular (Huisman, 2005). Due to the absence of LED initiatives resulting from a lack of a decentralised planning in Tanzania and weak local governments, it became too difficult to create a new export base to improve the local economy in Bukoba (Huisman, 2005). On a more positive note, however, the production in Rwanda of the Kigali Economic Development Strategy (KEDS) by a variety of key stakeholders through a participatory economic assessment and strategy development process has empowered the participants. Beyer *et al*, (2003: 5) argues that “the greatest of contribution of the KEDS process is that it has given the local government officials who participated a better understanding of how to assess the economic climate and how to plan for the future. City officials are able to articulate a clear vision for the city including economic development priorities”.

A review of LED activities in West Africa shows that the Managing the Economy Locally Programme (ECOLOC) is significant in the West Africa region (Swinburn and Yatta, 2007). Under the ECOLOC approach the aim of LED is to “accelerate the transition from the informal to the formal market economy. This is to be achieved through sound analysis, visioning, and careful strategic planning and resource mobilisation. It is to be led by local government in partnership with the private sector and community stakeholders” (Swinburn and Yatta, 2007: 18). In terms of ECOLOC experiences, these are increasingly being written and disseminated across the world largely through websites (Swinburn and Yatta, 2007). It has been disclosed that “as of 2006 a formal physical LED competence centre is being established in the Municipal Development Programme (MDP) premises in Cotonou in Benin” (Swinburn and Yatta, 2007: 21). The fundamental difference between the ECOLOC and the MDP is that “the MDP LED competence centre is committed to developing competences beyond the

ECOLOG methodology and also aims to focus on providing open access implementation frameworks, project ideas as well as monitoring and evaluation resources over the coming years” (Swinburn and Yatta, 2007: 21).

In general terms, however, the two critical components of participation and partnerships are identified as necessary for LED strategies to yield the desired results of economic growth, and poverty reduction (Beyer *et al*, 2003). The success of LED strategies, therefore, is dependent on a variety of stakeholders especially the poor, marginalized and vulnerable populations who have to participate in the development process and form partnerships with the key partner, the local government (Beyer *et al*, 2003). In addition, “UCLG-A recognises that for the successful design and execution of local (and regional) economic development strategies it needs to address a series of challenges. In the short-term these focus upon identifying and adapting LED methodologies, local governance and financial systems, institutional architecture as well as capacity building” (Swinburn and Yatta, 2007: 4). One critical emerging development with respect to LED in Africa is that in line with the UCLG-A mission to ‘Build African Unity from Driving Development through the Grass Roots’, the organisation “intends to achieve this through its corporate strategy focusing on enabling African municipalities to improve the lives of the people in villages, towns and cities across the continent” (Swinburn and Yatta, 2007: 8). Overall, LED activities are considered to offer a bright future in Africa with initiatives from organisations such as UCLG-A and Africities. Both organisations are involved in building capacity among local governments and other stakeholders so that they are able to successfully formulate and implement LED strategies and activities (Swinburn and Yatta, 2007; Swinburn *et al*, 2007).

2.3.5 Role of Clusters in LED

Clustering is an essential aspect of LED which deserves special attention. As Helmsing (2003) argues, the development of a cluster normally leads to a new phase of local economic development such as ‘active collective efficiency’. Cluster theory has a long history albeit new in terms of research in the developing countries (Nadvi and Schmitz, 1994). In Africa, cluster upgrading is an important element of local economic

development (McCormick, 1999; Van Dijk, 2000; 2005). A cluster is defined as “a geographical and sectoral agglomeration of enterprises (McCormick, 1999:1532). This definition is similar to the meaning of cluster by Van Dijk (2000) and Meyer-Stamer and Empreer der (2000). Van Dijk (2000: 7) defines a cluster as “a localised network of specialised enterprises and organisations whose value chains are linked up through an exchange of goods, services and/or knowledge”. Within clusters, linkages among enterprises are vital. Indeed, both vertical and horizontal relationships are critical in inter-firm collaboration (Nadvi and Schmitz, 1994). An industrial district is defined as “a specific geographic area where a group of related industrial enterprises is located, which have developed strong relations between them, which foster innovation and contribute to higher learning” (Van Dijk, 2000: 8). Thus, “a cluster where a lot of cooperation and networking is apparent has been called industrial district” (Meyer-Stamer and Empreer der, 2000:19).

Given the several constraints and obstacles such as low levels of technology, small product markets, lack of access to capital, and a lack of physical infrastructure, which hamper the growth of small enterprises, facilitating the clustering of enterprises may solve some of these problems (Schmitz, 1995; McCormick, 1999; Nadvi and Barrientos, 2004; UNIDO, 2006). Clustering does not only benefit the individual firms in a cluster but also enables the economy at large to industrialise with less capital (McCormick, 2001). Hence, Van der Loop and Tseguereda (2003: 15) argue that “Enterprise and Business Development (EBD) and in particular clustering are one of the important categories of LED initiatives”.

Overall, there are several benefits which emanate from clustering of firms as explained by Schmitz and Musyck (1994), Nadvi and Schmitz (1994), Schmitz (1995; 1999), Nadvi (1997; 1998), McCormick (1999; 2001), Meyer-Stamer (2000), Van Dijk (2000) and UNIDO (2006). One of the benefits is collective efficiency which facilitates the improvement of the competitive advantage for the enterprises in a cluster (Nadvi and Schmitz, 1994; McCormick, 1999; Meyer-Stamer Empreer der, 2000; Van Dijk, 2000; McCormick, 2001; UNIDO, 2006). Such competitiveness in a cluster is normally durable

and sustainable (UNIDO, 2006; Zeng, 2006). Furthermore, through joint action, firms in a cluster are able to achieve gains from joint purchasing of raw materials and expanded market share on product markets (economies of scope) through joint bidding for large pieces of work based on complementary skills (Schmitz, 1995; McCormick, 1999; Van Dijk, 2000; McCormick, 2001; UNIDO, 2006; Zeng, 2006). Other gains for firms in a cluster include linkages, rapid spread of innovation, development of infrastructure, external benefits (such as knowledge ‘spillovers’) especially from joint research-R&D and promotion of networking between firms (McCormick, 2001; Pietrobelli and Sverrisson, 2004). Overall, clustering of enterprises fosters economic growth in localities, cities and regions (McCormick, 1999; 2001). It is also envisaged that since many poor people work in micro and small enterprises in the informal sector, the development of such firms would also positively contribute towards poverty alleviation (Van Dijk, 2000; Nadvi and Barrientos, 2004; UNIDO, 2006).

During the past ten years, UNIDO has been developing an approach which would assist governments and the private sector to formulate and implement policies and programmes that can facilitate the formation of clusters and networks of small and medium sized enterprises (UNIDO, 2006; Rogerson, 2007). This approach by UNIDO is premised on the fact that small and medium sized enterprises are critical for stimulating economic growth and equitable development (UNIDO, 2006). In addition, it is argued that there is a direct link between clustering and poverty alleviation (UNIDO, 2006).

International literature about less developed countries has shown varied experiences with respect to the impact of clustering on enterprise development in particular and economic development in general (Nadvi and Schmitz, 1994; Schmitz, 1999; Humphrey, 2003; Zeng, 2006). Some case studies have demonstrated the ability of local producers to break into international markets and cope with domestic crisis while other case studies from the developing world show that clustering does not necessarily lead to collective efficiency or raise competitiveness (Nadvi and Schmitz, 1994). In addition, Humphrey (2003) contends that clusters in the developing world that have articulated with the global economy have recorded innovation and growth. One of the best examples is the footwear

cluster in Sinos Valley, Brazil (Nadvi, 1997; 1998). Nonetheless, McCormick (1999; 2001) argues that positive benefits for economic growth and poverty alleviation are associated with support initiatives for non-exporting clusters.

In Africa, the need to find productive employment through upgrading the contribution of micro and small enterprises is widely acknowledged (McCormick, 1999; Van Dijk, 2000; 2005). Through cluster development and networking, and the formation of associations, the business environment can be enhanced for small enterprises thereby facilitating learning and innovation (Van Dijk, 2005). Indeed, clustering seems to have the potential to enable African countries to solve some of the constraints to industrialisation (McCormick, 1999; Rogerson, 2001a; UNIDO, 2006). It must be pointed out, however, that clusters in Africa vary considerably from the successful clusters in the developed world and other developing countries (Sverrisson, 1992; McCormick, 1999). Evidence from six case studies covering Kenya, South Africa and Ghana revealed that market access improved due to clustering (McCormick, 1999). In spite of this benefit, there appears to have been insignificant benefits from labour market pooling, technological ‘spillovers’, and joint action except for the Western Cape cluster in South Africa (McCormick, 1999). A further analysis of the six case studies generally suggest that “the small size of product markets, the oversupply of labour and the institutional weaknesses that characterise so many African economies are the main limiting factors” (McCormick, 1999: 1532). Results from a study of five urban clusters in Kenya show that the problems faced by these clusters largely can only be addressed by the government as they are institutional in nature (McCormick, 2001). The positive impact from these clusters, however, is the ability for the enterprises to collaborate and the existence of many short-term options available in these clusters (McCormick, 2001).

Research findings from Ethiopia indicate a similar situation with respect to the application of the cluster theory (Van der Loop and Tseguereda, 2003; 2005). On a positive note the footwear clusters in Addis Ababa have several recognised advantages (Van der Loop and Tseguereda, 2003). These benefits include, *inter alia*, a well-developed system of suppliers, availability of moderately skilled labour, existence of

joint action between various enterprises, and lobbying experience of local producers, especially with the advent of bulky imports of Chinese shoes (Van der Loop and Tseguereda, 2003; 2005). Other benefits are “opportunities for networking, which would facilitate learning processes of new production methods and designs in the footwear sector, and the mobility of skilled labour force also enhances this transfer of skills and creation of new enterprises” (Van der Loop and Tseguereda, 2003: 16). One of the critical impediments to further strengthening of cluster relations and collective learning processes identified was a lack of trust among entrepreneurs and between them and the different levels of government (Van der Loop and Tseguereda, 2003; 2005).

2.4 Linkage between Decentralisation and LED

Overall, there is a close connection between LED and decentralisation, and, as noted earlier by many observers, LED is an integral component of decentralisation (Helmsing, 2001a; 2003; Nel and Rogerson, 2005). For local authorities to plan and implement LED activities, they require powers and authority from the central government and the participation of the community down to village level. Hence, Helmsing (2001a; 2003) argues that as decentralisation advances, the question of LED acquires increasing significance. Opportunities are created by decentralisation for local actors to take development programmes into their own hands. In the same vein, Cameron (2003) is of the view that decentralisation can also promote development through the preparation of Integrated Development Plans (IDPs) which can reflect local needs. According to the findings from the Victoria Meeting held at Victoria Falls’ Kingdom Hotel in Zimbabwe in September 1999 and attended by fifteen ministers of local government from fifteen African countries, it was agreed that local government and decentralisation are becoming vital strategies for sustainable development (Matovu, 2002). Further, during the same meeting, it was made clear that decentralisation in itself is not adequate but should form part of a larger reform process in order to improve governance and socio-economic development (Matovu, 2002).

According to Manor (2001), decentralisation impacts local development in a variety of ways. Among the most important are enhancing the impact on health, education and environmental programmes, adapting development policies to local conditions, alleviating poverty and contributing to the sustainable livelihood outcomes, and promoting economic growth (Manor, 2001). Other ways through which decentralisation may impact on local development are through mobilising local resources (financial capital) and making development more sustainable. For example, as decentralised systems normally afford residents development projects that they prefer, the community is more likely to look after them with great care (Manor, 2001). One indicator of the extent to which decentralisation and local development are linked in Malawi, is illustrated by the fact that “Over five hundred residents last month expressed their anger and frustration because of non-availability of councillors, the dissolution of the decentralization secretariat and delays in conducting local government elections which they fear is a return to centralisation and stagnation of development” (Gondwe, 2006: 1).

In West Africa, the local authorities which were created as the process of decentralisation advanced were originally tasked to only administer their jurisdictions. However, they soon realised that they could not be effective in discharging their duties without being involved in LED (World Bank, 2003a; 2003b). Likewise, it is pointed out by Beyer *et al* (2003: 5) that “in March 2001, Rwanda’s central government put in place a policy of fiscal and administrative decentralisation to municipal levels of government. In order to support this effort, in April 2001, the Cities Alliance supplied funding to the city of Kigali to undertake a participatory economic assessment and strategy development process”. According to UN-Habitat (2002b), the new powers that various local governments are receiving require them to play a major role in enhancing LED by facilitating the broad participation of local actors. It is believed that such efforts will enhance productivity, generate employment opportunities and address problems of urban poverty (UN-Habitat, 2002b). Van der Loop and Tseguereda (2003) emphasise the fact that decentralisation leads to an increased need to generate local revenues, which, in turn, enhances the role played by the local authorities in the LED activities of their localities. Local authorities, the private sector, NGOs and the community at the local level are

afforded latitude to participate in economic development (Richards and Stetten, 2002). To this effect Richards and Stetten (2002: 21) suggest “that LED policies are a result of a paradigm shift in economic and general government away from centralised interventions towards decentralised forms of action”. Furthermore, it has been conceded that most successful LED strategies have been formulated when central government has been committed to decentralise as this eventually facilitates the establishment of partnerships between national and local governments and between the government and the private sector and civil society (Beyer, *et al*, 2003).

Nevertheless, Richards and Stetten (2002) note that whilst many experts in development believe that promoting decentralisation can contribute significantly to local development and consequently reduce poverty, there is no clear agreement about whether or not decentralisation does indeed contribute to economic development and poverty reduction in Africa. A backlash could be experienced if stakeholders at the local level do not possess the requisite capacity to discharge their new responsibilities following the withdrawal of the central government (Richards and Stetten, 2002). Of critical importance is the implementation of development policies, provision of infrastructure, meeting the basic needs of residents, provision of support needs, inclusiveness of the process and the level of participation of the local actors (Richards and Stetten, 2002).

2.5 Conclusion

In this chapter, it has been argued that there are many benefits, which accrue to residents at the local level, if the decentralisation process is well-implemented in spite of the many risks that may prevent the successful implementation of the process. It must also be noted that many countries in the developing world, especially in Africa, have embarked on implementation of decentralisation processes which are at different stages.

Local governments, which are a key partner in a decentralised system, face a variety of constraints that inhibit the successful implementation of the decentralisation process. Fiscal and staffing constraints and other so-called ‘pre-conditions’ at the local level are

identified as critical constraints on the decentralisation process from achieving the desired results. Due to the different levels at which local governments in the developing countries are in terms of their capacities, the impact of the process on development or on poverty varies accordingly. The impact of decentralisation on poverty in these countries has ranged from being positive, especially in countries outside Africa, to an uneven record of experience in Sub-Saharan African countries (Jutting *et al*, 2004). Private sector involvement has been identified as crucial in public service delivery as the local governments generally do not seem to have the required capacity. Nevertheless, it is acknowledged that the private sector can only participate in service provision if an enabling environment is in place in a locality. It must be stressed, however, that access to basic services such as waste management, water provision, and energy services provision in a locality is one of the pre-conditions for enterprise development as it enables local economic development activities to enhance their competitiveness (Helmsing, 2003; 2005).

Issues related to economic development in a locality are increasingly being dealt with by a component of decentralisation that is termed LED. The major anticipated outcomes of LED strategies are enhanced economic growth and poverty reduction (Beyer *et al*, 2003). It has been argued that LED policies in Africa are still in their incipient stages, with the exception of South Africa. It has further been observed in this chapter that clustering represents one of the vital elements of LED that has the capacity to improve the performance of micro and small-scale industries and the local economy. Several studies across Africa demonstrate that the propositions of the cluster theory are relevant in terms of LED (McCormick, 1999; 2001; Van der Loop and Tseguereda, 2003; 2005).

Decentralisation and LED are closely knit strategies, which apparently reinforce each other. It is evident that the success of one strategy depends on the implementation of the other. There is, however, no firm agreement among experts regarding the relationship between decentralisation and local economic development, or on the major foci for LED planning, an issue which is explained in more detail in Chapter Three.

CHAPTER THREE

THE CONTEXT OF URBAN AGRICULTURE IN DEVELOPING COUNTRIES

3.1 Introduction

The aim of this chapter is to provide an overview of urban agriculture in the developing world and to emphasise the link between LED and urban agriculture. In common with Chapter Two, therefore this chapter provides the vital theoretical context and literature within which the study of urban agriculture and local economic development in Zambia is undertaken.

The objective in this chapter is to provide an anchor for the study by discussing the history of urban agriculture, the meaning of the concept, and the prevalence of the activity. Further, it identifies the major factors that have caused the dramatic increase in urban agriculture in developing countries in general and in Africa in particular. It discusses the central issues of the positive and negative impacts of urban agriculture on the welfare of the farmers and the urban environment, factors that have hindered the viability of the activity, how governments at various levels and other stakeholders across developing countries have responded to urban cultivation and the imperatives of supporting this strategy as a LED initiative for the poor particularly with regard to including it in urban land use plans.

It can be argued that a decentralisation policy is a critical opportunity for urban agriculture (see Chapter Two). Indeed, it is widely believed that “institutional aspects of urban agriculture cannot be considered outside the general context of the transfer of responsibilities from the central to local level” (Cissé *et al*, 2005: 151). Overall, there must be a clear understanding regarding management of urban agriculture between the central and local government authorities, and without such clarity conflicts may arise

among the various key stakeholders (Cissé *et al*, 2005). It is argued that urban agriculture is one of the pro-poor LED initiatives undertaken mostly by those in disadvantaged communities in the developing world (Rogerson, 2000). Significantly, “urban agriculture is now acknowledged as part of the tool-kit of South African local authorities for local economic development planning” (Rogerson, 2003a: 141). Rogerson (2003a; 2003b) further argues that urban agriculture is critical for enterprise development, and for supporting household survival and poverty alleviation. As a whole, “planning for urban agriculture has become firmly established as part of the group of LED approaches which focus particularly upon issues of unemployment as well as on poverty alleviation” (Rogerson, 2003b: 146).

3.2 Brief History of Urban Agriculture

It is an axiom that urban agriculture has always been part of the urban landscape in many cities of developing countries (Mougeot, 1997; Mubvami *et al*, 2003; Mougeot, 2006). In a review of the study of urban agriculture, Mougeot (1997) further states that the activity dates back to Inca, Aztec and Mayan cities, early Javanese and Indus settlements as well as the Tigris and Euphrates. According to Mougeot (2006: 11), “archaeologists around the world routinely uncover remains of ingenious large-scale earth and water works in and around the cities of ancient civilizations. There is evidence of agricultural production for a multiplicity of purposes: for food and fodder, building materials, fencing, and medicinal plants”. Although the concept of urban agriculture is relatively recent in the development discourse, urbanites have produced some of their food in and around their urban settlements from ancient times, and urban gardening has been used as a strategy to produce food since the Roman times (Niñez, 1986; UNDP, 1996; Mougeot, 2006).

It has been documented that in African cities urban agriculture was accepted as a way of urban life as far back as the colonial period (Mbiba, 1994). In sub-Saharan Africa, urban agriculture is said to have been practised as early as the 1920s (Mosha, 1991). For example, in Kabwe and Luanshya towns of Zambia, land owned by the mines was demarcated for livestock and crop production adjacent to the African housing schemes in

the 1920s and 1930s (Mosha, 1991). In Namibia, commercial crop production existed in the urban and peri-urban areas before the colonial era (Dima and Ogunmokun, 2004). Likewise, in Uganda, there has been a strong linkage throughout history between agriculture and urban development, which suggests that urban agriculture has a long history in the country (Amis, 1992). In Kenya, urban agriculture is reported to have started around 1899, the time when immigrant Indians living in railway towns sold their surplus agricultural produce to the Europeans (Eberlee, 1997). To this effect, in many developing countries, urban cultivation has become a permanent feature in urban areas and is a significant source of food for urban dwellers (Mascarenha, 1986).

3.3 Concept of Urban Agriculture

There is some controversy surrounding the definition of the concept of urban agriculture, especially regarding cultivation in the peri-urban area. Page (2002: 41) defines urban agriculture as the “keeping of livestock or the production of crops for sale or consumption within the city limits”. Yeung (1987) perceives urban agriculture as food production within the urban and peri-urban area. The inclusion of the peri-urban area in the second definition of urban agriculture is an acknowledgement of the fact that this activity is dynamic in its spatial context. As other urban land uses expand within the confines of an urban area, urban agriculture is often displaced outwards as it does not normally get incorporated in urban land use plans. Hence, Mbiba (1994: 190) defined urban agriculture as “the production of crops on land which is administratively and legally zoned for urban uses. The activity is undertaken within built up zones or at the periphery of urban areas”. Although this definition focuses on crop production it is argued with Yeung (1987) that the peri-urban area is important in as far as urban farming is concerned.

There are several vacant spaces that are used for urban cultivation in urban areas and around the rural-urban fringe. According to the UNDP (1996: 75-76) urban agriculture may take place in the following spaces: “spaces on and around buildings; community lands and parks; land meant for other uses, such as roadsides and rights-of-way, that are

made available for farming; and areas not suitable for building, such as floodplains, wetlands, steep slopes, airport buffers and bodies of water”. Mougeot (2006) has included other vacant spaces, *inter alia*, rooftops, beside railroads, window boxes and beneath high tension lines. In summary, “urban agriculture is anywhere and everywhere that people can find even the smallest space to plant a few seeds” (Mougeot, 2006: 13). Nevertheless, the critical and most vexing issue to consider regarding using such land for urban farming is for how long such pieces of land will remain available for cultivation. The peri-urban area is continually changing and other open spaces within an urban area are being converted into use for other purposes such as housing developments. For example, there are serious threats to farmland in several Chinese cities primarily due to the country’s recent economic growth as the industrial development have taken over enormous tracts of fertile land (Pepall, 1997). Another threat to urban agriculture is caused by industrial pollution leading to the reduction in the numbers of silk worms in the same area (Pepall, 1997). Similarly, in Saharanpur City of India, “the urban expansion of the city (both built-up and non-built-up) has destroyed fertile agricultural land which cannot be recovered” (Fazal, 2000: 148). The case of Buenos Aires in Argentina also illustrates the point that there is a conflict between agriculture and urban development (Morello *et al*, 2000). According to Morello *et al* (2000: 130-131); “it is alarming to observe how, and to what extent, urban perforations are being created within crop, pasture and woodlands in the province of Buenos Aires without any consideration for potential consequences”. Urban developments have, therefore, contributed to thousands of hectares being taken out of productive agricultural use (Morello *et al*, 2000).

3.4 Extent of Urban Agriculture in Developing Countries

In recent years, urban agriculture has experienced a sustained increase in spite of repressive responses to urban cultivation by many local authorities in developing countries (Harcza, 1993). At a global level, approximately 200 million urbanites are reported to be urban farmers contributing food and income to about 700 million people (Mougeot, 1997; 2006). Nonetheless, the extent of urban agriculture differs in both space and time according to prevailing circumstances such as availability of land

(Streiffeler, 1987; International Food Policy Institute (IFPRI), 2002). Recent research findings show that “as much as 40 percent of the population in African cities and up to 50 percent in Latin American cities are involved in urban or peri-urban agriculture. In the 1980s, urban and peri-urban agriculture in China’s largest cities met more than 90 percent of vegetable demand” (IFPRI, 2002: 2). In Metropolitan Port Moresby of Papua New Guinea approximately four-fifths of the households are involved in urban agriculture on a garden with an average size of 372 square metres (Vasey, 1985; UNDP, 1996). In Nepal’s Capital of Kathmandu, approximately 37 percent of the households grow horticultural crops and 40 percent of the families are involved in horticulture in Suva, Fiji (UNDP, 1996).

In Africa, urban agriculture is now widespread and characterised by high levels of participation by urban households, according to recent research (Sanyal, 1985; Smit and Nasr, 1992; Rogerson, 1996b; Eberlee, 1997; Binns and Lynch, 1998; Olofin and Tanko, 2003; Saydee and Ujereh, 2003; Brickhill, 2005; Mougeot, 2005). Lado (1990) argues that particularly in tropical Africa, urbanites are involved in some agriculture, and it has become the major activity for the majority in the smaller urban centres.

In Kenya and Tanzania, it has been estimated that two in every three urban households are involved in agriculture (Smit and Nasr, 1992). Survey findings by Eberlee (1997) confirmed that urban agriculture is widespread in Kenyan cities. It has been estimated that the monetary value of the crops grown in urban areas in Kenya in 1985, was US\$4 million, which represents a significant contribution towards national agricultural production (Eberlee, 1997). In terms of the extent of urban agriculture in individual African cities, the percentage figures of urban cultivators are 80 percent in Libreville (1957), 36.4 percent in Ouagadougou (1962), 36.4 percent in Yaounde (1970s) and 18.6 percent in Dar-es-Salaam (1967) (Streiffeler, 1987: 8). Indeed, in the post-1990s, urban agriculture has emerged as a critical economic activity for poverty alleviation across many African cities (Mtani, 1997; Binns and Lynch, 1998; Lee-Smith, 1998; 1999; Grossman *et al*, 1999; Obosu-Mensah, 1999; Chivinge *et al*, 2001; Kiango and

Nzalawahe, 2001, Lynch *et al*, 2001; Olofin and Tanko, 2003; Saydee and Ujereh, 2003; Mougeot, 2005).

In Harare, the acreage under urban cultivation doubled between 1990 and 1994 (Hubbard and Onumah, 2001; Brickhill, 2005). In fact, urban agriculture has become the main coping strategy used by poor households in Harare (Brickhill, 2005). Other cities in Africa where urban agriculture is on the increase and has become a permanent feature of the urban landscape include Lagos, Maseru, Durban and Lusaka. In Durban, about 25 percent of the households were engaged in cultivation of crops for home consumption (Rogerson, 1996b). While in Lusaka, almost 60 percent of the low-income households were estimated to be cultivating food gardens (Sanyal, 1985; Rogerson, 1996b) and subsistence food production accounts for about 33 percent of the total consumption by those living in informal settlements (UNDP, 1996). In spite of the general shortage of water, more than 70 percent of the residents of Windhoek and Oshakati in Namibia are involved in urban farming (Dima and Ogunmokun, 2004). What should be made clear, however, in terms of the extent of urban agriculture in many countries is that whilst this activity is not acknowledged formally, it is continually on the increase (Hubbard and Onumah, 2001). The next section of the chapter examines some of the factors that explain the growth in importance of urban agriculture in many cities in the developing countries.

3.5 Emergence of Urban Agriculture in Cities in Developing Countries

Four major forces are recognised by the UNDP (1996) as shaping the current level of farming activities in the urban areas. These are the continuity of historical practices, the industrial agricultural revolution, the Post-World War II rapid urbanisation, and the increase in urban poverty (UNDP, 1996). Whereas the first two provide some historical origins to the growth of urban agriculture, the last two forces are principally contemporary developments (UNDP, 1996).

The rise and acceleration of urban agriculture in the developing world is more strongly linked to the processes of urbanisation and structural adjustment coupled with the world

economic recession (Drakakis-Smith, 1994; Smith and Tevera, 1997; Smith, 1998; Mougeot, 2006). The rate of urbanisation has been consistently high in most countries, especially in the developing world through rural-urban migration and population natural increase (Hussain, 1990; Lee-Smith, 1992; Smith and Tevera, 1997). Sachs (1986: 2) argues “in 1800, no more than 3 percent of the world population lived in cities. A striking feature of the present urbanisation trends in the Third World is the increasing relative share of large and metropolitan cities”. It has been estimated by IFPRI (2002) that by the year 2020, about 90 percent of the population growth will be experienced in urban areas in developing countries with more than half of the population in Africa and Asia expected to reside in towns and cities while more than three-quarters of the population in Latin America already live in cities. These findings parallel the estimates made by Hussain (1990) that approximately 3.4 billion of the projected 6.5 billion people in the developing nations will be living in urban areas by the year 2020. Recent data by the United Nations Development Programme (UNDP) (2005) indicates that by 2003, 42 percent of the total population in developing countries lived in urban areas and the proportion is expected to reach 48.65 percent and 80.9 percent for Latin America and the Caribbean respectively by the year 2015. In Africa specifically, most countries record high rates of urbanisation. It was revealed that by 1980, about 28 percent of the 470 million people in Africa resided in urban areas (Mascarenhas, 1986) and the percentage is expected to rise to 42 percent by 2015, particularly in Sub-Saharan Africa (UNDP, 2005). The estimates made by UNDP (2005) are generally more conservative than those given by IFPRI (2002).

The combination of world economic recession and the impacts of structural adjustment process has had major effects on the urban areas of the developing world (Drakakas-Smith, 1994). From the mid-1970s, the economies of most developing countries declined due to a variety of factors including, *inter alia*, oil crisis, drought, distorted industrialisation, and mismanagement (Mlozi, 1996; Lee, 1997a). The consequences of these processes have been to place severe stress on most urban households in developing countries on general availability of food (Bryceson, 1989). The effects of rapid urbanisation have been exacerbated by the consequences resulting from world economic recession and the structural adjustment programmes, which have been implemented in

most developing countries. The overall results have been loss of jobs and incomes as well as withdrawal of food subsidies across the developing world thereby affecting the general quality of the urban households (Mazambani, 1986; Vasey, 1985; Niñez, 1986; Deelstra, 1987; Yeung, 1987; Bryceson, 1989; Hussain, 1990; Amis, 1992; Drakakis-Smith, 1994; Smith and Tevera, 1997; IFPRI, 2002) and the disruption of the urban environment (Sachs, 1986). During the period 2000 to 2002, 16 percent of the total population in the developing countries were undernourished on average but the proportion varies from region to region (UNDP, 2005). For example, while only 10 percent of the population in Latin America and the Caribbean is undernourished, in Sub-Saharan Africa the figure is up to 30 percent and is the highest among developing countries (UNDP, 2005).

Due to the difficulties already explained in the preceding parts of the chapter, households in urban areas tended to become innovative in order to survive by practising urban agriculture. This activity is common in many cities of the developing countries, which have been affected by rapid urbanisation and structural adjustment programmes such as Harare (Mazambani, 1986; Drakakis-Smith, 1994; Bowyer-Bower and Drakakis-Smith, 1996; Smith and Tevera, 1997), Port Moresby (Vasey, 1985) and Lima (Niñez, 1986). Others include Gaborone, Francistown, Jwaneng and Lobatse in Botswana (Branko and Mosha, 2001; Hovorka and Keboneilwe, 2004), Dar-es-Salaam (Mosha, 1991; Mlozi, 1996) as well as Kenyan cities and towns (Eberlee, 1997). Overall, urban poverty, which has been worsened by structural adjustment and globalisation adverse effects, has forced an increasing number of the urban poor in Africa to start farming (Rogerson, 1992; Smith and Tevera, 1997; Asomani-Boateng, 2002; Kinguli, *et al*, 2003; Obuobie *et al*, 2003; RUAF Foundation, 2005).

In the case of Dar-es-Salaam, Mosha (1991) and Mlozi (1996) have summarised the factors that have caused and encouraged urban agriculture as cultural values, poor urban management and enforcement of laws, demand for the agricultural produce, availability of land, extension services and human needs among others. While in Kenya, the causes for the expansion in urban agriculture have been, *inter alia*, the energy crisis of the 1970s which led to high unemployment levels, rising food and fuel costs, and depressed wages

(Eberlee, 1997). These factors parallel the causes for the expansion of urban farming in Addis Ababa and other urban centres in Ethiopia (Lee, 1997a).

By contrast the explanation for increased urban agriculture in the 1990s in Buea in Cameroon departs from the 'traditional' factors. Page (2002) sees the encouragement of urban agriculture by the government as political in that it acted as a 'safety valve' against social unrest by the masses in the face of economic problems during this period. Page (2002: 41) argues "The Cameroonian government has opportunistically encouraged urban agriculture during a period of economic change as one strategy of reproducing the social relations".

In summary, Mougeot (1997; 2006) has itemised the factors that have contributed to the expansion of urban agriculture in the developing world from the 1970s as rapid urbanisation, ineffective agricultural policies, crippled food distribution and withdrawal of subsidies. Other core factors include reduction of wages, high inflation rates, unemployment, lax urban regulations, droughts and civil strife (Mougeot, 1997). It is against this backdrop that the discussion turns now to analyse the extent to which urban agriculture is beneficial to the urban poor. It seeks to establish whether or not the benefits from urban agriculture are significant in terms of poverty alleviation.

3.6 Benefits of Urban Agriculture

The role of urban agriculture in local development has remained a contentious issue. Although it has been argued on many occasions that urban agriculture significantly contributes to the socio-economic development of urban areas, particularly in developing countries (UNDP, 1996), the debate is still raging as to whether or not urban agriculture is significantly beneficial particularly to the urban poor (Gutman, 1986; Drakakis-Smith, 1994; Tevera, 1996; Webb, 1996; Hubbard and Onumah, 2001). It is important to consider the benefits of urban agriculture in a wider perspective rather than focusing on a narrower economic side. There are also non-economic and non-quantifiable benefits that are associated with urban agriculture and which should never be ignored (Deelstra, 1987;

Coovadia *et al*, 1993a; Rogerson, 1993b; UNDP, 1996; Van den Berg, 2000; Rogerson, 2003b). In addition, emerging literature shows that urban agriculture has multiple functions (Amarchey, 2005; Ali *et al*, 2005; Anosike *et al*, 2005; Boudjenouia *et al*, 2005; Casale, 2005; Fang *et al*, 2005; Fleury and Ba, 2005; Floquet *et al*, 2005; Holmer and Drescher, 2005; Jayaratne, 2005; Lattuca *et al*, 2005; Smith *et al*, 2005; Van den Berg *et al*, 2005; Van den Berg and Veenhuizen, 2005). It is therefore in light of this that a holistic approach ought to be employed when assessing the contribution of this activity to the welfare of the urban poor. Clearly, there are many positive contributions of urban agriculture, which apart from the economic, include environmental, social and cultural aspects.

Urban agriculture plays an important role as a survival strategy, especially for the poor urban households, through provision of cheap food thereby improving their nutritional status, employment provision and income generation particularly for women (Lado, 1990; Rogerson, 1993a; 1996b; UNDP, 1996; Vanderschueren, *et al*, 1996; Smith, 1998; Mougeot, 2006). Mougeot (2006: 13) argues that “a regular supply of home grown food can make a considerable difference to the lives of the urban poor. It not only contributes to improved nutritional health but also may free up some of a family’s cash income for non-food expenses such as education”. In Asia, the significant role urban agriculture plays in urban food supply has been documented. Hong Kong produces 40 percent of its vegetables, Singapore produces 80 percent of its poultry requirements, and Shanghai in China produces all its vegetables (Atkinson, 1992). Hence, Yeung (1987: 16-17) argues that the six Asian cities of Shanghai, Lae, George Town, Hong Kong, Singapore and Manila are able to produce within the urban boundaries well over 85 percent of the vegetables consumed by the urban population. In addition, 85 percent of the vegetables in the six other large cities in China and one-third of the fruits and vegetables required in the city of Kathmandu are produced by the households within the city (Hussain, 1990). In Calcutta, intensive farming on garbage dumps employs about 20, 000 people (UNDP, 1996).

In Latin America, it has been shown that a well-managed garden could save a family between 10 percent and 30 percent of its costs on food (Atkinson, 1992). Furthermore, garden produce in Lima adds an indirect revenue to households of almost 10 percent. Based on this calculation an average garden would produce an annual food worth approximately US\$56.7 million if only one million households planted a small garden of about 200 square metres (Niñez, 1986). Such a garden would assist a family of five to make ends meet (Sachs, 1986). The work of Lachance (1997a) highlights the significant role played by urban agriculture, both in terms of its calorie contribution and income generation. In Port Moresby (Papua New Guinea), the contribution of urban gardens to food energy production has been estimated at between 4 percent and 6 percent (Vasey, 1985).

In Africa, the economic benefits from urban agriculture have accrued to the marginalised communities in the urban areas as evidenced from Nairobi (Lado, 1990), several urban areas in South Africa (Rogerson, 1993a; 1996b; 2001b; 2003b), Harare (Mazambani, 1986; Drakakis-Smith, 1994), and Dar es Salaam (Mosha, 1991; Mlozi, 1996). For example, urban cultivators in Ouagadougou in Burkina Faso enabled the city dwellers to earn money and obtain food for the families, especially the poor in society albeit the food rarely lasted the whole year (Gerstl *et al*, 2002). This finding demonstrates that urban agriculture contributes to the welfare of the cultivators both as an income generating activity and directly towards food security (Hovorka and Keboneilwe, 2004). In terms of job creation, the 1988 census in Tanzania discovered that urban agriculture was the second largest employer in Dar-es-Salaam (UNDP, 1996).

In addition to the economic and other benefits of urban agriculture as discussed above, the practice is associated with environmental benefits as well. There is almost a general agreement by many experts that the activity can improve the environment. These environmental benefits include, *inter alia*, the ability of the farming activity to use and further purify carbon dioxide and to convert urban waste into manure and thereby reduce land fill sites, a benefit that is often not accorded due attention it deserves (Deelstra, 1987; Van den Berg, 2000). Deelstra (1987: 6) summarises the environmental benefits by

stating that the “advantages of urban agriculture are maintaining hydrological systems, improving air circulation, temperature, and humidity levels, reducing soil erosion, noise, levels of dust in the air and production of oxygen through photosynthesis”.

Another dimension to the benefits of urban agriculture is the social aspect (UNDP, 1996). South African research highlights the qualitative benefits of the activity such as the common interest among members of the community, socialising, resolution of community conflicts and community development, *inter alia* (Deelstra, 1987; Coovadia *et al*, 1993; Slater, 2001). Recently, urban agriculture is considered as of value for South Africa municipalities with respect to local economic development planning (Rogerson, 2003b).

Overall, across several cities in the developing world, urban agriculture plays a critical role in improving the living standards of the marginalised groups (Holmer and Mercado, 2007; Hungwe, 2007; Lief, 2007; Mubvami and Manyati, 2007; Oelofse *et al*, 2007; Rutt, 2007; Sâchez *et al*, 2007). Mubvami and Manyati (2007: 9) argue that “urban household gardens and community food gardens on the grounds of community centres, schools, churches and vacant public land as well as institutional food gardens (health care centres, clinics, etc.) can make important contributions to mitigating the negative effects of HIV/Aids by enabling participants to improve their nutrition, reduce stress, save money and enhance their incomes”. In addition, “the gardens also mobilise community support, facilitate integration and help to reduce stigma” (Mubvami and Manyati, 2007: 9). The marginalised groups vary and also include immigrants, refugees, asylees, the disabled, female-headed households and elderly people without pensions (Bailkey *et al*, 2007).

Notwithstanding the potential and actual benefits from urban agriculture, there is an emerging ‘school of thought’ that is of the view that the benefits of this activity to the urban poor have been grossly exaggerated, especially as they relate to economic benefits. Overall, in developing countries, urban agriculture contributes a small fraction of the national food supplies (Hubbard and Onumah, 2001). Tevera (1996) argues that the ‘real poor’ do not really benefit from urban agriculture due to lack of access to land and that,

in most cases, their fields are too small to produce enough food to feed themselves. According to Drakakis-Smith (1994: 60), “although urban agriculture is widespread in Harare, there is evidence that the increasingly small size of government plots means that garden cultivation is not providing enough food for the households themselves”. Webb (1996; 1998) contends that urban agriculture does not play a major role in poverty alleviation and the claims made about the benefits from this activity are more in line with the development discourse than actual cultivation practice. These views by Webb (1996; 1998) parallel those of Reuther and Dewar (2006). Reuther and Dewar (2006) suggest that the failure for urban agriculture to compete for space with other urban land uses is an indication that the practice may not be economically viable. It has also been established that urban cultivation alone is not a solution to the nutritional problems experienced by the urban poor and therefore should be complemented by other poverty alleviation strategies (Gutman, 1986). The experience of Buenos Aires illustrates that urban agriculture does not benefit the poorest of the poor but instead those who are better off due to a variety of factors such as land availability and accessibility (Gutman, 1986). In addition, urban agriculture in Manzini (Swaziland) is not viewed as the only means of survival and is not an activity for the poor but the cultivators use it to basically supplement their incomes as they are formally employed (Peter, 2003). Nevertheless, food gardening plays a significant role in the lives of the cultivators and it is argued that they should be given support in order to maximise the benefits from this activity (Thorgren, 1998). Using Dar es Salaam as a case study, Lee (1997c) challenges the conventional view that urban agriculture is marginal and is of negligible significance as the practice is demonstrating that it can contribute positively towards poverty alleviation. Besides, it is a widespread activity encompassing different socio-economic groups in Dar-es-Salaam (Lee, 1997c).

3.7 Multifunctionality of Urban Agriculture

Given the several benefits that are realised from urban agriculture, recently, there have been acknowledgements that the practice is multifunctional, albeit it has been underestimated in the past (Van den Berg and Veenhuizen, 2005). Considering that urban

spaces are always under threat from urban developers, it is essential that these spaces, aside from urban agriculture, be also utilised for other purposes in order to broaden the categories of stakeholders and ensure sustainability of urban agriculture (Van den Berg and Veenhuizen, 2005). Accordingly, it is argued that “a major function is food supply, but the sustainability of urban agriculture is related to multifunctionality. Therefore, new forms of governance, institutions, and policies are needed, to be constructed by seeking synergies involving multiple stakeholders in these processes” (Van den Berg and Veenhuizen, 2005: 3). For example, “the economic benefits of Xochimilco wetland are positive in terms of the use of purified water, booming agricultural activity and tourism, etc., but the social benefit is also significant as the city residents would not allow the destruction of their marsh, which has become a key component of the society” (Fleury and Ba, 2005: 6). What is critical regarding sustainability of the urban agriculture is acceptance by the population and the importance of planning (Fleury and Ba, 2005).

Across the developing world, multifunctionality of urban agriculture is being promoted and encouraged. Examples include Hanoi and Nanjing in Vietnam (Ali *et al*, 2005; Van den Berg *et al*, 2005), Cagayan de Oro in the Philippines (Holmer and Drescher, 2005), Beijing in China (Fang *et al*, 2005), and Halgahakumbura in Sri Lanka (Jayaratne, 2005). In Latin America, places where multifunctionality of urban agriculture has taken centre stage are Rosario in Argentina (Lattuca *et al*, 2005), and a ‘Pro-Huerta’ programme in Almirante Brown in Argentina (Casale, 2005). In Africa, efforts are also being made to promote the multiple functions of urban agriculture in such places as Setif in Algeria (Boudjenouia *et al*, 2005), Lagos in Nigeria (Anosike *et al*, 2005), Tamale in Ghana (Amarchey, 2005), Bohicon and Abomey in Benin (Floquet *et al*, 2005), and Durban in South Africa (Smith *et al*, 2005). Overall, the multiple functions of urban agriculture can be classified into the following categories: positive externalities, flood control, cultural heritage, multiple functions and alliances, and social action for a productive urban landscape (Van den Berg and Veehuizen, 2005).

3.8 Constraints on Urban Agriculture

The discussion on the benefits from this activity has revealed that urban agriculture may not be as beneficial to the poor as several of its disciples often proclaim. Part of the explanation is due to impediments which urban cultivators face as they generally operate in an environment that is not conducive to their activities. These constraints range from physical, social, political, and institutional to lack of legal frameworks. In addition, there is a group of so-called 'post production constraints' such as inadequate processing, storage and marketing facilities, lack of technical assistance in agriculture and organisational constraints as urban cultivators are dispersed and lack associations to bind them together (UNDP, 1996; Vanderschueren *et al*, 1996).

Lack of access to land is the most important single barrier to the expansion of urban agriculture, especially in the high density areas where the low-income people live due to the high rate of urbanisation and displacement from other land uses such as housing in most cities of the developing countries (Vasey, 1985; Drakakis-Smith, 1991a; 1991b Hubbard and Onumah, 2001; Baumeister and de Zeeuw, 2003; Mubvami *et al*, 2003). Lack of access to land is an acute problem in the face of the availability of large amounts of vacant and underutilised land in several cities in the South (Mougeot, 1997).

Another critical limiting factor to urban agriculture is lack of water (Vasey, 1985; Niñez, 1986; Atkinson, 1992; Hubbard and Onumah, 2001). In Asia, Yeung (1987) has identified constraints to urban agriculture as lack of policies and goals, information systems to collect and process information, managerial skills and understanding of the aspirations of the local people. Yeung (1987) further argues that administrative structures, funding issues, as well as lack of collaboration among scientists, planners and managers, are bottlenecks that need to be addressed to improve the status of urban agriculture.

In Lima and Mexico City, urban cultivation has been constrained by poor soils, inadequate water supply as well as lack of understanding of social factors by the

implementers of urban agriculture programmes (Atkinson, 1992). In Africa the main barriers to urban agriculture, according to Mascarenhas (1986), include institutional issues, price subsidies for imported staples, by-laws that hinder cultivation of crops and the general belief that traditional foods are inferior and that they are 'anti-national' development. Another key constraint to urban agriculture in Africa, as exemplified by a study in Nairobi, is the lack of access to credit and investment support services (Mireri, 2002).

In many Southern African cities, poor transportation between areas of production and markets and lack of incentives for those doing market gardening are critical blockages of urban agriculture in Maputo (Wade, 1986). In Harare, by-laws relating to urban agriculture are prohibitive to the extent that slashing of crops is not uncommon (Smith and Tevera, 1997). Being located in the semi-arid conditions, the major obstacle to the development of urban agriculture in Gaborone is inadequate water supply (Branko and Mosha, 2001). Apart from shortage of water in Namibia as a limiting factor in the promotion and expansion of urban agriculture, another constraint to urban cultivation is related to the lack of information about good agricultural practices in vegetable production, and on effective marketing of their produce largely due to lack of provision of extension services to the farmers (Dima and Ogunmokun, 2004).

Studies conducted in South African cities such as Cape Town and Johannesburg have revealed a variety of obstacles to urban agriculture. The most important constraint relates, once again, to a lack of access to land. Inadequate water supply, the high cost of ploughing and hiring tractors, crop damage by rats and insects, lack of transport to the fields, damage by birds and crop thefts (Rogerson, 1996a; 1996b; 2003a). Other constraints are poor quality of soil, lack of cultivation tradition, lack of policy on urban agriculture (Thorgren, 1998), attacks by snails, theft, lack of tools, hedges and destruction by strong winds (Karaan, 1996) and lack of agricultural knowledge (Streiffeler, 1987).

3.9 Negative Impact of Urban Agriculture

In spite of the positive contribution that urban agriculture makes towards poverty alleviation, urban environmental management and ultimately sustainable development, the activity has been criticised due to poor agricultural and environmental management practices. Both negative health and environmental ramifications of urban agriculture have been experienced in several cities of the developing world (Mougeot, 1997; Atkinson, 2002; Rogerson, 2003b). Mougeot (2006) argues that over-use of pesticides can expose illiterate farmers to poisoning and that livestock farming in the city can predispose humans to zoonotic diseases such as avian flu. In addition, growing crops in contaminated lands as well as the use of untreated wastewater to irrigate crops can be highly risky to both the consumers and the farmers themselves (Mougeot, 2006).

In Tanzania, the negative effects have been in the form of pollution, traffic congestion caused by roaming cows and environmental degradation (Mosha, 1991). The city of Dar es Salaam, in particular, has experienced the greatest environmental degradation. Mlozi (1996) contends that crops spoil the beauty of the city, provide hiding places for thieves and breeding ground for mosquitoes which cause malaria. More continuous cultivation of the same piece of land with poor agricultural practices also causes soil erosion.

Research on the use of town refuse ash in urban agriculture around Jos in Nigeria revealed serious health and environmental risks (Pasquini, 2006). It is evident that in all farms studied lettuce crops contained high concentrations of Iron and Lead compared to the maximum recommended for human consumption by the WHO/FAO (Pasquini, 2006). The concentration of Cadmium in carrot tissue was equally above the recommended limit by WHO/FAO (Pasquini, 2006).

In the city of Harare, the continued expansion of cultivation in the peri-urban area and the felling of trees for wood fuel have led to woodland destruction (Mazambani, 1982). Furthermore, the illegal farming activities in Harare have caused increases in run-off water, reduction in soil infiltration, increase in rates of soil erosion and ecological

diversity, all which demand good soil management practices (Bowyer-Bower and Drakakis-Smith, 1996). Other adverse effects associated with urban agriculture are alteration of the hydrological system, vegetative change as well as agrochemical pollution (Rogerson, 2003b; Brickhill, 2005). Agrochemical pollution can be a serious problem given that about 90 percent of farmers in Harare use chemical fertilisers, and almost one-third of ‘off-plot’ cultivation is carried out close to streams and swamps (Brickhill, 2005). It is worth noting, however, that these perceived negative effects of urban agriculture can be prevented if the activity is practised properly (UNDP, 1996). The next section deals with institutional responses to urban agriculture in view of both the benefits and the negative impacts of the practice.

3.10 Institutional Responses to Urban Agriculture

There have been both spatial and temporal variations in institutional responses to urban cultivation. Among these policy responses include repressive, accommodative and supportive actions. It is argued that “in many developing country cities urban agriculture is not just frowned upon, but it is illegal. Because it is spontaneous and uncontrolled, many city planners and municipal governments view urban agriculture as an unsightly problem” (Mougeot, 2006: 14). There appears to be a general tendency among most local authorities in Asia and Africa to hold repressive attitudes towards urban agriculture on the basis that this activity is allegedly ‘anti-modernity’ and ‘backward’, ‘archaic’, ‘temporary’ and ‘inappropriate’ (Sanyal, 1985; Rogerson, 1993b; Mbiba, 1994; Slater, 2001; Hovorka, 2002; Anosike *et al*, 2005; Mougeot, 2006). According to Hovorka (2002: 3), urban agriculture has been considered as “an artefact of rural life that simply does not belong within the city limits and poses a potential health threat or nuisance to urban dwellers”. This negative view of urban agriculture is “often a hangover from colonial era when Europeans attempted to reproduce an urban environment more suited to northern climates” (Mougeot, 2006: 14). These repressive attitudes are common in spite of the fact that millions of urban dwellers in Africa, Asia, and Latin America are growing and raising livestock in yards, on rooftops and balconies, along roadsides, and on vacant urban lands (Pinderhughes, 2004). Consequently investment in this economic

activity has been low and does not appear in master plans of some Asian cities, especially Indian cities (Yeung, 1987; Drakakis-Smith, 1991a; UNDP, 1996).

The advantages of urban agriculture have led to some local authorities to start developing accommodative attitudes. The examples of China and the city-states of Singapore and Hong Kong stand out as good cases in this regard (Atkinson, 1992). Lado (1990) further contends that apart from China, Japan, Papua New Guinea and the Philippines have also recognised the importance of urban agriculture and the local authorities in these countries offer protection and encouragement to urban farmers in the form of land use regulations and tax concessions. It is argued that, between 1975 and 1985, governments in at least ten Asian, six African, and six Latin American countries supported and encouraged urban agriculture in several ways (Mougeot, 1997).

Reactions to urban agriculture by local authorities in Africa have been more negative than in other parts of the world as the activity has lacked support by local administrations. In some countries urban agriculture has not been given legal status often because of the perception that it is a 'traditional' activity (Streiffeler, 1987; Rakodi, 1985; 1988; Mougeot, 1997; Smith and Tevera, 1997; Rogerson, 2003b). Due to the stigmatisation of urban agriculture that it is backward, rural and traditional, it has implied that this activity cannot be accommodated in urban Africa (Rogerson, 2003b). But even across Africa, there are variations in the types of responses to urban agriculture by local authorities. In some African countries, city authorities have tended to flex their muscles and destroy crops, as critical as they may be in alleviating urban poverty since farming in urban areas is considered to contravene certain zoning regulation or by-law (Mascarenhas, 1986; Mougeot, 2006). City authorities in Bamako (Mali) banned the cultivation of cereals in the late 1980s on account that the crops provided hiding places for bandits, and in Bafoussan (Cameroon), the mayor ordered the cutting down of maize crop in order to make the town allegedly a healthier place to live in (Lachance, 1997b). Consequently, "the poor have little recourse in such situations, since their operations were illegal in the first place" (Mougeot, 2006: 14).

It is, however, argued that repressive attitudes by local authorities towards urban agriculture are particularly common in the former colonies and settler areas of east, central and southern Africa, such as Kenya, Malawi, Zambia and Zimbabwe, as compared to those from East-Central Africa, which are more tolerant to the activity (Lado, 1990; Rogerson 1993b; Mbiba 1994. In a comparative analysis, Tevera (1996) states that urban agriculture is more tolerated in Zambian towns and, to some extent, in some Tanzanian and Malawian towns than in Zimbabwean and Kenyan towns. The Local Government Act in Kenya gives every town the power to either permit or control urban farming (Eberlee, 1997). Such lack of clarity in the legal status of urban farming has contributed largely to the prohibition of cultivation on many Nairobi streets, and on unused public spaces in some other towns (Eberlee, 1997). Municipal by-laws (dating back to the colonial era) ban cultivation crops in the cities and towns in Uganda, albeit government leaders are beginning to tolerate the activity (Lee, 1997b). In Ethiopia, government attitudes and policies discourage urban agriculture, and the importance of the practice has been under-estimated by government officials despite its contribution to poverty alleviation (Lee, 1997a). In Harare specifically, urban agriculture has been viewed as a trivial and insignificant activity that deserves no accommodation and support as planners and administrators oppose its presence (Drakakis-Smith, 1994; Mbiba, 1994; Tevera, 1996). By contrast, the city of Maseru in Lesotho is fundamentally different in its approach to urban agriculture from other many cities in Southern Africa as the activity is not only accommodated but is also supported through the provision of extension services by the Ministry of Agriculture (Mbiba, 1994; Tevera, 1996).

3.11 Gender and Urban Agriculture

The gender dimension of urban cultivators needs to be considered when discussing urban agriculture in developing countries (Rogerson, 2003b). Although both men and women are involved in this practice, women farmers are generally in the majority. Mougeot (2006: 13) argues that “women and children are among the most vulnerable, so it comes as no surprise that it is often women who predominate in urban food production. Urban agriculture, as a means of improving food security and earning extra income is

particularly attractive to women as it allows them to work close to their homes and to provide extra food to improve the nutritional status of their children”. In fact, a study in Bolivia shows that urban agriculture is primarily ‘women’s work’, especially widows and women whose husbands left are struggling to meet the basic necessities for the children’s survival (Lachance, 1997a). Furthermore, studies carried out in Conakry and Timbi Madina (Guinea), and in Windhoek and Ashakati (Namibia) all show that women dominate urban farming (Dima and Ogunmokun, 2004; Kessier *et al*, 2004).

It is also vital to consider the fact that there is gender inequality in the way urban farmers are affected by the various constraints. International research shows that women farmers are plagued by more problems than their male counterparts. For example, in the Kathmandu Valley (Nepal), “almost all land is under male control even though women are significantly involved in almost all aspects of agricultural production. Their share of in decision-making is not commensurate with the amount of work they perform” (Sapkota, 2004: 38). The situation is, however, different in Rosario (Argentina) where the participation of women in both on-farm and off-farm decision-making processes is generally significant (Merzthai, 2004).

Across Africa, access to productive resources is not gender balanced. In Lagos (Nigeria), women are the worst affected in terms of inadequate access to land, a lack of improved implements and shortage of water for irrigation (Anosike and Fasona, 2004). Aside from these problems affecting women farmers in Lagos, in Touba Peycouck (Senegal), women farmers have been negatively affected by precarious land tenure system, and insufficient manure (McClintock, 2004). The situation is similar in Lomé (Togo) and Bamako (Mali) where women farmers cultivate smaller plots than men, often cultivate in areas with poor soils as well as poor watering conditions (Kessier *et al*, 2004). In Kampala (Uganda), survey results show that women are negatively affected due to a lack of access to land more than men and therefore women are more likely to grow food crops on contaminated land (Kiguli and Kiguli, 2004; Nabulo *et al*, 2004). Despite the fact that urban agriculture is legal and supported by government authorities in Gaborone, there is gender segregation and inequality as women’s opportunities are generally more constrained than those of

men (Hovorka, 2004). Hovorka (2004: 7) further observed that “not only are women limited in their ability to contribute substantial quantities of foodstuffs to the urban market, they are also marginalized to and within particular sub-sectors”. Overall, women face several difficulties such as access to land, water, labour, capital, technologies, less education, and certain customs and laws which are prohibit them in participating in farming (Mougeot, 2006).

The foregoing discussion therefore points to the fact that planning for urban agriculture should consider the gender dimension as access to productive resources is biased against women farmers, the majority in this sub-sector. Hence, Hovorka (2004: 6) emphasises that “the focus should be on enhancing women’s ability to participate in this urban economic sector”. In Port Harcourt (Nigeria), urban land use planning and gender involvement has become a critical issue and it is apparent women farmers have been neglected by planners in the past (Oruwari and Jev, 2004). Nonetheless, gender mainstreaming requires more research focusing on women (Kesseir, 2004; Wilbers *et al*, 2004). Wilbers *et al* (2004: 5) observed that “the integration of urban agriculture in programming, planning and policy development requires a solid understanding of key gender issues and dynamics”. Figure 3.1 summarises in schematic fashion the discussion of the chapter focusing on how the major concepts are inter-linked.

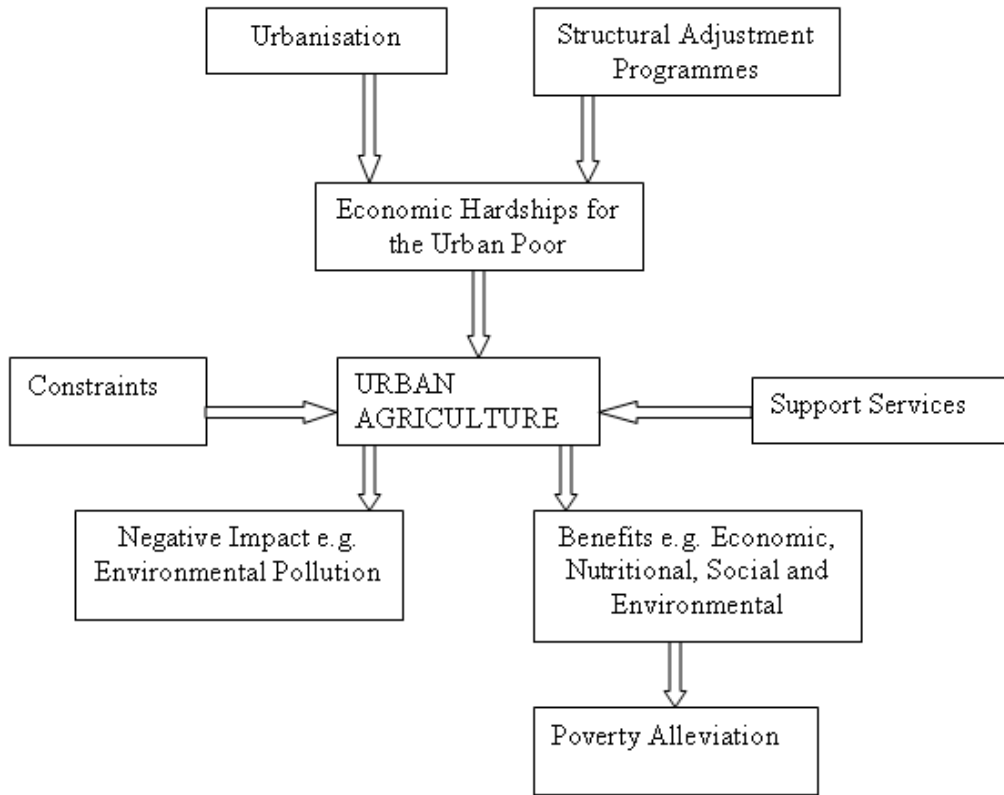


Figure 3. 1: Summary of Major Concepts of Urban Agriculture

Figure 3.1 illustrates links among major issues which are the focus of discussion in this chapter. It shows the major compelling reasons for the expansion of urban agriculture in the developing world as well as how the practice is linked to poverty alleviation. According to Figure 3.1, the link between urban agriculture and poverty alleviation is largely through benefits which are derived from the practice. Another dimension which the figure portrays is that urban agriculture faces a variety of constraints. In addition, if not well-managed, urban agriculture can trigger-off adverse effects, especially on the environment. Finally, the figure attempts to link urban agriculture to LED through provision of support services.

3.12 Urban Agriculture and Local Economic Development (LED)

Given the constraints and negative responses by local authorities to urban agriculture, support services to and planning for this activity are vitally important in making it a

viable activity and, therefore, more beneficial to the urban poor. It has already been demonstrated in the preceding parts of this chapter that both the constraints and the negative responses by local administrators and planners prevent cultivators from reaping full benefits out of urban agriculture. Moreover, international experience shows that the treatment of urban agriculture varies greatly spatially and temporally as several local authorities provide support services and plan for the activity while others do not provide any kind of support to the cultivators. In spite of the marginalisation of urban agriculture, an emerging literature points to the fact that local authorities, especially in Africa are being encouraged to start accommodating this activity (Ellis and Sumberg, 1998; Lee-Smith, 2003; Mlozi, 2003; Rogerson, 2003b; Mougeot, 2006). According to Mougeot (2006:15), “in Africa and Latin America, there is increasing recognition of the value of urban agriculture, and many cities are attempting to find positive ways of to tackle the issues. Urban agriculture is increasingly on the international agenda, recognised as a key part of a comprehensive solution to the problems of the runaway growth of cities in developing countries”. In Asian cities too, the attitude towards urban agriculture is increasingly changing to that of cooperation and control rather than suppressing the practice (Mougeot, 2006). Planners and policy-makers are encouraging urban agriculture as a critical source of food for urbanites (Mougeot, 2006).

Generally, the urban poor can benefit from extension advice on good agricultural practices, especially relatively cheap fertilisers such as manures, composts and mulches (Lee-Smith and Syagga, 1992). Promoting increased knowledge of the benefits and costs of urban agriculture, redefining land use and reserving land for urban agriculture, improving market access for urban farmers, and providing technical assistance to farmers (agricultural practices, soil conservation, cropping patterns, and access to credit etc.) are essential support services by key stakeholders, which could improve urban agriculture (Vanderschueren *et al*, 1996). In Buenos Aires, it has been argued that farmers need services in the form of good information and technical support, land supply, top soil production, seeds, tools and demonstration centres (Gutman, 1986). Furthermore, the district of Moreno in Argentina presents an interesting case whereby a Local Commercialisation Market with institutional support of the Moreno Municipal Institute of

Local Economic Development (IMDEL) has been established and offers the producers micro-credits at low rates (Craig *et al*, 2002). A similar programme of providing financial support to urban agriculture has been initiated in the north-eastern part of Brazil (Segudo, 2002). In Cuba the growth of urban agriculture has resulted from the commitment of the government through, for example, the issuing of land grants of vacant space leading to the conversion of vacant plots into food production plots (Pinderhughes, 2004). Aside from the creation of an Urban Agriculture Department in Havana, infrastructure for farmers' markets has been developed, policies to ensure increased access to water for irrigation have been put in place, and the government is supporting a network of seedling nurseries that grow vegetables (Pinderhughes, 2004). In addition, the government is promoting a programme on public education about urban agriculture through both the print and electronic media (Pinderhughes, 2004).

There is evidence also that Nigeria and the Democratic Republic of Congo have officially recognised urban farming (Lachance, 1997b). To this end, an official project was introduced in the Democratic Republic of Congo aimed at enhancing access to water and drainage, and Nigeria has facilitated the access to inputs for the urban farmers (Lachance, 1997b).

In case of South Africa, Rogerson (2003b) argues that for urban agriculture to benefit poor households, it is important that policies that minimise health and environmental risks must be implemented and that the cultivators should have access to agricultural research, technical services, credit facilities and training. Other incentives include improved distribution and marketing to reduce spoilage of fresh food and safe use and re-use of urban waste including wastewater (Rogerson, 2003b). Unfortunately, however, such services are rarely provided to urban farmers as the research findings for the women farmers at Tembisa and Tamboville indicate (Rogerson, 1996a). Nevertheless, urban agriculture has become a focus of the LED in many South African urban areas with provision of certain support measures (Rogerson, 2003b). It is evident that many local governments in South Africa have been making attempts to provide support for urban agriculture (May and Rogerson, 1994; Rogerson, 1998; Leech, 2003; Rogerson, 2003b;

Smith *et al*, 2005). Similar support services have been suggested for urban cultivators in other cities in Africa such as Harare (Smith and Tevera, 1997), Maputo (Wade, 1986) and Cape Town (Karaan, 1996). In Namibia, the Ministry of Agriculture, Water and Rural Development is supporting several initiatives to improve vegetable production, albeit there is still no clear policy on urban farming (Dima and Ogunmokun, 2004).

Planning for urban agriculture is critical in the amelioration of the major problems faced by cultivators, which include access to land and negative responses towards the activity by local authorities. Nevertheless, in most developing countries, agriculture has not been integrated in urban planning by local governments. Hence, Van den Berg (2000: 1-2) stated, “if we consult any land use plan or master plan, anywhere in the world we are almost certainly mad to believe that the use of land is either agricultural or urban. Likewise, the legend of agricultural land use maps often shows in great detail what crops are grown where, but never depicts any agricultural production as urban”. It is argued that Asia is the most advanced in terms of planning for urban agriculture in the developing world as many Asian cities have endeavoured to produce policy guidelines to promote the activity (Yeung, 1986). Most of the large-scale systematic planning for food production is restricted to East Asia, which includes large Chinese cities and the city-states of Hong Kong and Singapore (Sachs, 1986; Rogerson, 1993b). In other Asian countries such as the Philippines, South Korea, Malaysia, Indonesia and Thailand, the focus is still on the promotion of small-scale urban production of food and to some extent urban agriculture has been satisfactorily integrated with other forms of land use (Lado, 1990; Rogerson, 1993b).

A survey of cities in Africa shows that the majority have not incorporated urban agriculture into their local plans. The cities include Nairobi (Lado, 1990), Dar es Salaam (Mlozi, 1996; Mosha, 1991), Maputo (Wade, 1986), Harare (Smith and Tevera, 1997), Cape Town (Karran, 1996; Thorgren, 1998), Kimberley and Port Elizabeth (Jarlov, 2002). The difficulty with the way cities in Africa have been planned is that there has been a heavy reliance on the Western models (Mlozi, 1996; Jarlov, 2002). Most residents of African cities are not in employment and are dependent on the informal sector,

especially urban cultivation for their food (Mlozi, 1996; Jarlov, 2002). It is suggested that urban planning in cities in Africa should reflect local realities with regard to the economic, social, nutritional and environmental factors obtaining on the ground. To this effect, urban land use planning ought to incorporate urban cultivation and that all stakeholders such as town planners, agricultural experts, environmentalists and local administrators should coordinate (Wade, 1986; Mosha, 1991; Lee-Smith and Trujillo, 1992).

With specific reference to the legal status of urban agriculture in French-speaking West African countries, findings from a study of seven cities (Abidjan, Bamako, Cotonou, Dakar, Niamey, Nouakchott, and Ouagadougou) confirmed the high level of marginalisation of the practice (Cissé *et al*, 2005). Cissé *et al* (2005: 151) point out that “the issue of urban agriculture is not evident in statutory texts, and whatever provisions there are for the preservation and development of urban agriculture are inadequately implemented”. It is significant that such an attitude towards urban agriculture by city planners goes against the backdrop of the fact that the practice “has the proven capacity to contribute to job creation and income generation, and to food security and environmental conservation” (Cissé *et al*, 2005). Consequently, recommendations have been made which were integrated in the municipal action plans in order to address institutional and legal status related constraints of urban agriculture (Cissé *et al*, 2005).

In spite of the lack of support for urban agriculture through planning, as already discussed, there are promising signs in some countries across the developing world. For example, flexibility in zoning of land in Uganda, leasing of urban plots in Argentina, urban agriculture for school catering programmes in Costa Rica and provision of credit and technical assistance to groups of urban farmers in Nigeria (Ezedinma and Chukuezi, 1999; Hubbard and Onumah, 2001) are some of the new initiatives that promote urban agriculture. It has been argued that “it is not too late to integrate urban agriculture into the town planning practices of Nigerian cities. This is because the Nigerians of tomorrow will be largely urban once the first generation of rural-urban migrants have passed on” (Ezedinma and Chukuezi, 1999: 144). The systematic attempt to integrate Glen Valley

area into the urban land use system in Botswana is recognition of the importance of urban agriculture (Branko and Mosha, 2001). Botswana has shown further commitment to the promotion of urban agriculture (Branko and Mosha, 2001) by the inclusion of policy statements on development of urban and peri-urban agriculture in the Development Plan 6 formulated by the government of Botswana through the Ministry of Agriculture (Hovorka and Keboneilwe, 2004). In fact Hovorka (2004: 6) points out that “The majority of urban agriculture operations in Greater Gaborone are formally recognised, often initiated by government grants, and stand thus in contrast to many African contexts where urban agriculture is an informal activity”.

Overall, support services such as access to land, water and extension services for the urban farmers are essential in terms of the link between urban agriculture and LED, especially in Africa (Asomani-Boateng, 2002; Obuobie *et al*, 2003; Rogerson, 2003b; Zalle *et al*, 2003; Mougeot, 2005).

3.13 Conclusion

In conclusion, while urban agriculture has a long history, the past few decades have witnessed a rapid expansion in the developing world owing to the adverse impacts of high levels of urban growth compounded by the structural adjustment programmes. The urban farmers are mainly (but not exclusively) the poor and have responded by engaging in farming in order to improve food security for their families, to earn income and generate job opportunities. The UNDP (1996) argues that the rapid increase in urban agriculture has been more noticeable in Africa against the backdrop of the activity being less formally organised and receiving less official support than in any other continent.

In Latin America, non-governmental organisations (NGOs) have been instrumental in supporting and promoting urban agriculture thereby improving the activity in the region (UNDP, 1996). In Asia, urban agriculture receives more assistance from both the central and local governments and farmers have more knowledge of agricultural techniques than in Latin America and Africa (UNDP, 1996).

Overall urban agriculture is a very important survivalist strategy for the poor and deserves formal support from both local and central governments, and other organisations to improve its level of contribution to household food security. Indeed, it has been argued that urban agriculture is an important vehicle for local economic development planning, particularly in Africa. To this effect the many constraints that affect the full exploitation of the potential of urban cultivation need to be addressed, especially recognising the fact that the activity is part of the urban land uses and therefore should be included in integrated development plans. As the integration of urban agriculture is being pursued, the question of gender deserves to be taken into account. Such an approach is essential because women are in the majority in the sector of urban farming. Besides, access to productive resources is biased towards men. In addition, some of the potential negative effects that are associated with urban agriculture can be lessened through good agricultural practices from extension services.

Considering the threats to urban agriculture principally arising from urban developments, especially housing developments, the sustainability of the practice is brought into question and points to the multifunctionality of urban agriculture. The argument is that if urban agriculture is seen to perform more functions other than its 'traditional' function of crop production, there is a high likelihood that it may not be displaced by other land uses that are more competitive as more stakeholders would be involved in its protection. Such a situation would, therefore, enhance the sustainability of urban agriculture.

The discussion in this chapter has brought to the fore the fact that several local governments in the developing world are seeking to provide support services for urban agriculture. This provision of support to urban cultivators by local authorities is an acknowledgement that urban agriculture is being recognised as an integral component of LED in some parts of Africa (Obuobie *et al*, 2003; Rogerson, 2003b; Zalle *et al*, 2003; Mougeot, 2005). Overall, urban agriculture is a key element of LED poverty alleviation initiatives and a clear decentralisation of powers could enhance the success of urban agriculture.

The discussion in the next chapter turns away from the theoretical context to focus attention on the case study of Zambia. The next chapter discusses the trends in the macro-economic environment in the past 40 years. These changes in the macro-economic situation in the country have had a bearing on the welfare of the people, including providing a context for the growth of urban agriculture.

CHAPTER FOUR

PERFORMANCE OF THE ECONOMY IN ZAMBIA: THE CHANGING MACROECONOMIC ENVIRONMENT

4.1 Introduction

The aim of this chapter is to examine the changing macro-economic environment in Zambia over the past 43 years. It is important to examine these fluctuations in the macro-economic variables because these have an impact on the overall performance of the national economy and therefore on poverty levels in the country.

This chapter focuses on the performance of Zambia's economy since the attainment of political independence. It has been recognised that economic growth coupled with redistribution is of paramount importance in poverty reduction (Zambia, 2002a). In addition to discussing the changes in the macroeconomic environment, the chapter examines a variety of economic policies which have been formulated and implemented and the resultant effects. Among the most significant policies are the nationalisation policies, the Mulungushi and Matero Reforms, the Action Programme, Economic Recovery Programme, and the Structural Adjustment Programmes. Moreover, government strategies which have been meant to mitigate the economic decline in the country and those aimed at poverty reduction specifically are also part of this chapter. The former group of strategies are the Import Substitution, Export Promotion, Small-Scale Industries, promotion of non-traditional exports by the Export Board of Zambia, attracting inward investment by the Zambia Investment Centre, provision of incentives by the Export Processing Zones Authority, most recently the creation of the Zambia Development Agency which brings together the statutory bodies mentioned above. Finally, the chapter examines the Poverty Reduction Strategy Paper and the Zambia Social Investment Fund which constitute the programmes which are targetted to reduce poverty.

4.2 Economic Performance between 1964 and 1974

At independence in 1964, Zambia inherited an economy that was dominated by the copper mining industry, which contributed 47.4 percent to the Gross Domestic Product (GDP) (Kaunga, 1982). Measures were immediately put in place to diversify the economy through the strategy of import substitution and these measures paid dividends as the manufacturing sector grew by over 55 percent between 1965 and 1972 (Gulhati and Sekhar, 1982). This import substitution strategy was primarily adopted as part of the attempts by the Government to be self-reliant and save foreign exchange (Gulhati and Sekhar, 1982). In addition, this strategy was a response to the closure of the border between Zambia and Southern Rhodesia (Zimbabwe) after the latter's Unilateral Declaration of Independence (UDI) in 1965. Import substitution was encouraged by the fact that Southern Rhodesia was the major source of manufactured consumer and light intermediate goods (Gulhati and Sekhar, 1982). With respect to the effects of UDI on the Zambian economy, it has been argued that "the declaration of independence by the 'Rhodesian' regime caused Zambia to lose its two transport links for exporting its copper through the white settler state and South Africa. This resulted in a dramatic increase in transport costs, such that despite productivity raising innovations in copper mining and concentrating, Zambia was rendered a high-cost producer on the world market" (UNDP, 2006: 9). By the time the rail link to Dar es Salaam was completed ten years later, the damage had already been done to the economy (UNDP, 2006).

The late 1960s witnessed the announcement of two major economic reforms in Zambia, the Mulungushi and Matero Reforms. The thrust of the policies contained in the Mulungushi Declaration pertaining to the manufacturing industry was to 'Zambianise' by changing the structure of ownership of the local enterprises (Faber, 1971; UNDP, 2006). To this effect, the government took a 51 percent controlling share in twenty-six enterprises (Faber, 1971; and Kaunga, 1982; UNDP, 2006). This intervention has been interpreted as a rejection of the capitalist solution to economic growth in Zambia in

favour of implementing Zambia's humanist philosophy with the main goal of self-reliance (Bhagavan, 1978; Gulhati and Sekhar, 1982).

According to Bhagavan (1978), various parastatals and government bodies took over the running of enterprises which were nationalised by acquiring 51 percent or more of the shares through Mulungushi reforms and other subsequent decrees. The Industrial Development Corporation (INDECO) became the most important in manufacturing accounting for 59 percent of the value-added in 1970 and for 62 percent of employment in 1971, in manufacturing industry (Bhagavan 1978). The immediate effect of the Mulungushi Declaration was increased nervousness within the business community especially among the Indian community (Faber, 1971). What should also be stressed here is the fact that the Mulungushi Reforms openly expressed deep disappointment with the lack of vibrancy in copper mining and this culminated in nationalisation of the mining companies in 1969 (Matero Reforms) (Bhagavan, 1978; Kaunga, 1982).

Under the Matero reforms, President Kaunda announced the taking-over of ownership of 51 percent of the mines (Bhagavan, 1978; Kaunga, 1982; UNDP, 2006). It is further pointed out that the government established the Zambia Industrial and Mining Corporation (ZIMCO) as a holding company and two subsidiary companies such as Nchanga Consolidated Copper Mines (NCCM) owned jointly with the Anglo-American Corporation and Roan Consolidated Copper Mines (RCCM) (UNDP, 2006). The two subsidiaries were merged in 1982 to form the Zambia Consolidated Copper Mines (ZCCM) (UNDP, 2006).

Between 1964 and 1974, Zambia experienced economic growth and vibrancy after which the economy stagnated mainly due to external factors including the world economic recession, long-term depression in copper prices, drought, the effects of oil price increases and the liberation struggle in Zimbabwe (Daniel, 1985). Table 4.1 shows the annual percentage growth of real GDP between 1966 and 1974.

Table 4. 1: Annual percentage growth of real GDP 1966 – 1974

Year	GDP (%)
1966	-4.0
1967	5.0
1968	2.6
1969	3.2
1970	7.5
1971	-0.9
1972	9.6
1973	-0.8
1974	4.4

Source: Bhagavan, 1978

Although the economy performed generally well during this period, there were periods when economic growth was negative as is shown on Table 4.1. This apparent poor performance of the economy was explained by the declining importance of the copper largely due to, among other things, falling prices at international markets, increase on the cost of transporting copper to the international market, and increased costs of copper production brought about by rising inflation (Bhagavan, 1978; UNDP, 2006). It is argued that “as a result of low investment during the pre-independence years, the disruption of transport due to UDI, and the need to rapidly replace expatriate labour, Zambia was unable to take advantage of the years during which the price of copper increased” (UNDP, 2006: 17). These problems impacted negatively upon the mining sector to the extent that from being the largest producer of copper in the developing world and third largest producer in the world in 1969, by 1990, Zambia was contributing only 5 percent to the world production (UNDP, 2006).

4.3 Economic Performance between 1975 and 1991

From the mid-1970s, the economic situation in Zambia worsened as reflected by government budget and balance of payments deficits, and unsatisfactory rate of growth of the economy resulting in a rise in the rate of inflation of up to 20 percent (Bank of Zambia, 1979; Zambia, 1980a). The dramatic increase of domestic inflation had serious adverse effects on the cost of living among consumers of all categories (Zambia, 1980a). It has been pointed out that “according to the CSO data of real GDP, between 1976 and 1977 there was a decline of 2.6 percent and between 1977 and 1978 the GDP remained stagnant. The provisional GDP figures for 1979 show a further decline of 9.0 percent over its level in 1978” (Zambia, 1980a: 13). The decline in GDP for 1977 was accounted for by the poor performance of the mineral sector which registered a reduction of 5.9 percent (Zambia, 1979). Copper production dropped by about 9.3 percent in 1979 due to the inadequate availability of foreign exchange for importing spare parts and other requirements for mining (Zambia, 1980a). This situation was exacerbated further by the massive departure of skilled expatriate miners during the same period (Zambia, 1980a). In spite of the marginal increase of the copper price on the London Metal Exchange, Zambia experienced a dislocation in the transport system to such an extent that as at 31st December, 1978, about 100, 918 tonnes of copper had not yet been transported (Bank of Zambia; 1979). This situation adversely affected the availability of foreign exchange in the country and led to the accumulation of payments arrears (Bank of Zambia, 1979).

Economic crisis was aggravated further by inadequate performance of parastatals, insufficient investments in the productive and export sectors and inherent lack of adequate capacity in the economy, which accentuated the domestic unemployment situation (Bank of Zambia, 1979; Zambia, 1980a). Between 1977 and 1979, thousands of workers were declared redundant both from government and privately owned companies (Zambia, 1980a). Table 4.2 shows the number of redundancies from 1977 to 1979.

Table 4. 2: Number of Redundancies between 1977 and 1979

Year	Number of Redundancies
1977	8, 217
1978	6, 576
1979	4, 500

Source: Zambia, 1980a

Following the dismal performance of the domestic economy during the period under review, the Government approached the International Monetary Fund (IMF) for assistance and a two-year agreement was signed in 1978 (Bank of Zambia, 1979; Ndulo and Anderson, 1992). This economic stabilisation programme called Action Programme enabled the country to access Special Drawing Right (SDR) 317 million¹ (Bank of Zambia, 1979). Basically, this adjustment programme aimed to improve the balance of payments situation and also reduce inflation which had significantly accelerated during this period (Bank of Zambia, 1979; Ndulo and Anderson, 1992; UNDP, 2006). The Action Programme was successfully implemented in 1979 (Bank of Zambia, 1980). Overall, the effects of this programme were positive as outlined in the Report and Statement of Accounts for the year ended December 31st 1979. It is stated that “the most impressive achievement was made in the balance of payments. For the first time, since 1975 when the balance of payments came under severe pressures, an overall surplus was recorded. The related payments arrears were also reduced with great success” (Bank of Zambia, 1980: 5). Likewise, the rate of inflation which had risen to about 20 percent dropped to around 12 percent (Bank of Zambia, 1980). The employment situation showed some signs of improvement as the number of workers in gainful employment rose from 360,800 in 1978 to 364,100 by 1979 (Bank of Zambia, 1980: 7).

Overall, throughout the first half of the 1980s, the Zambian economy experienced severe economic constraints despite the apparent marginal improvement recorded in the late 1970s (Bank of Zambia, 1984). There was a critical shortage of foreign exchange,

¹ “The SDR is an international reserve asset, created by the IMF in 1969 to supplement the existing official reserves of member countries. Its value is based on a basket of key international currencies. The value was initially defined as equivalent to 0.888671 grams of gold-which, at the time, was equivalent to US\$1” (IMF, 2007). Nonetheless, as at 13th September 2007, 1US\$ was equivalent to 0.647479 SDR (IMF, 2007).

declining employment opportunities, and high inflation (Bank of Zambia, 1984). The precarious national financial position therefore impacted negatively on the overall economy of the country. This situation was worsened further by the ever-increasing external debt burden (Bank of Zambia, 1984). In order to address these economic difficulties, the Government embarked upon implementing several measures. These included the policy of economic pricing to boost industrial productivity, devaluation of the currency (Zambian Kwacha) by 40 percent to promote exports, and decontrol of interest rates to match economic conditions obtaining at that time (Bank of Zambia, 1984). As a way of complementing these measures, the Government signed a one-year contract with the IMF seeking to stabilise the economy (Bank of Zambia, 1984). Furthermore, a wage freeze was imposed in the country by the Government to minimise excessive demand conditions in the national economy (Bank of Zambia, 1984).

The measures that were implemented, however, were not successful as the performance of the economy continued being unsatisfactory (Bank of Zambia, 1984). In 1983, the real GDP was estimated to have grown by 0.8 percent compared to a reduction of 2.2 percent in 1982, the rate of inflation went up to approximately 19 percent from 13 percent in 1982 thereby pushing the cost of living upwards (Bank of Zambia, 1984). Nevertheless, both the balance of payments deficit and the national budget deficit contracted by 50 percent in 1983 as compared to 1982 on account of the depreciation of the local currency and prudent management of revenues and expenditures (Bank of Zambia, 1984).

The poor performance of the economy persisted throughout the second half of the 1980s. According to the Bank of Zambia (1988: 3), “the depreciation of the Kwacha on the foreign exchange auction market, a large government budget deficit, excessive growth in money supply and shortage of essential goods created severe pressures in the economy”. Foreign debt servicing almost came to a halt and to this effect, by March 1987, arrears had accumulated to SDR 166.5 million (Bank of Zambia, 1988). The rates of inflation between 1986 and 1989 fluctuated as shown in Table 4.3. In addition, “the government holding power into its third decade, introduced market based policies in the framework of multilateral loan conditionality. Continued decline resulted in severe under-utilisation of

capacity in the formal sector, which remained largely in public ownership” (UNDP, 2006: 20).

Table 4. 3: Annual average rates of inflation (1986 – 1989)

Year	Rate
1986	54.8
1987	47.0
1988	54.0
1989	128.3

Source: Zambia, 1996

Generally, macroeconomic indicators pointed to the fact that the performance of the economy had worsened during the period from the mid to the late 1980s. Table 4.3 shows that, for the first time in Zambia, the annual rate of inflation reached a three digit-figure in 1989.

In 1987, the Government abandoned the IMF agreement and, as a result of the poor economic performance, launched what was termed the New Economic Recovery Programme (NERP) (Bank of Zambia, 1988; UNDP, 2006). It is argued that “lack of growth and the obviously negative welfare and distribution effects of the conditionality-based policies led the government to abandon the policies” (UNDP, 2006: 20). The focus of this initiative was on ‘Growth from within our own resources’ and included measures such as abolition of the foreign exchange auction system, a fixed rate of K8 to US\$1, and establishing a Foreign Exchange Management Committee (FEMAC) to be in charge of foreign exchange allocation (Bank of Zambia, 1988). Other measures contained in NERP were the introduction of price controls on some essential commodities, and a ten percent debt service limit (Bank of Zambia, 1988). Nevertheless, it is argued that “neither strong intervention and ownership, nor radically neo-liberal policy frameworks have achieved the economic diversification and equity required for sustainable growth in Zambia” (UNDP, 2006: 20)

4.4 Economic Performance between 1991 and 2001

The performance of the economy at the beginning of the 1990s continued to be dismal. For example, the rate of inflation remained high (109.5 percent) in 1990 (Zambia, 1996). UNDP (2006: 20) argues that “by any conceivable measure, the growth performance of Zambia has been dismal, a chronicle of decades of relentless economic decline”. This situation necessitated a resumption of the country’s economic link with the donor agencies, especially the IMF. The implementation of the Structural Adjustment Programme (SAP) after 1991 by the Movement for Multi-party (MMD) Democracy government after defeating the former ruling party, the United National Independence Party (UNIP), marked a turning point in the restructuring of the economy. The incoming government immediately implemented the SAP, which entailed liberalisation of trade, prices, bank interest and foreign exchange rates, privatisation, reduction in public expenditure, public sector reforms and liberalisation of marketing and pricing of agricultural produce (ZARD, 1995; Afronet *et al*, 2000; Economic Justice Unit, 2000; CSO, 2003a; Kapungwe, 2003).

Table 4.4 summarises the macroeconomic and financial developments from 1992 to 2001 following the implementation of the SAPs.