The Millennium Development Goals and urban poverty reduction: great expectations and nonsense statistics

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SUMMARY: This paper outlines the importance of the Millennium Development Goals for urban populations, and some reasons for concern regarding their implementation. It argues that the institutional structures and processes of international donors and national governments can be incompatible with the effective achievement of poverty reduction. It also explains that the relevance of the Millennium Development Goals for urban populations has been neglected by many authors and is obscured by inaccurate statistics. These goals set much store on specific targets for reducing income-based poverty and the proportion of people lacking provision for water and sanitation; but the statistics currently used to assess the number of poor urban dwellers and the level of their provision are inaccurate and based on inappropriate criteria. These statistics need to be revised to reflect the incomes that people actually need to avoid income poverty in urban areas, and the kinds of improvements in water and sanitation that really deliver better health.

I. WHY THE INTEREST IN MILLENNIUM DEVELOPMENT GOALS?

ANY DISCUSSION OF development assistance and of the role of international agencies in urban (and rural) development has to consider the role of the Millennium Development Goals for at least two reasons: most international agencies and many governments have publicly committed themselves to these goals; and many are making changes in their institutional structures that they hope will increase their effectiveness in helping to meet these goals.

Most of the Millennium Development Goals are compatible with urban (and rural) poverty reduction because they demand better performance in outcomes that are important to poor groups. They have also set specific goals and targets to be achieved by 2015 or 2020. These include:

• achieving universal primary education by 2015;
• reducing infant and child mortality by two-thirds between 1990 and 2015;
• reducing maternal mortality by three-quarters between 1990 and 2015;
• halving the number of people without safe drinking water, adequate incomes and food intakes by 2015, as compared to 1990;
• significantly improving the lives of at least 100 million “slum” dwellers by 2020 (this includes increasing the proportion of people with “improved” sanitation and access to secure tenure);
• halting and beginning to reverse the spread of Aids, malaria and other...
major diseases; and

- promoting gender equality and empowering women.

The MDGs also include other goals and targets that are important for poverty reduction, such as more work opportunities for youth and addressing the special needs of the least developed countries, landlocked countries and small island states.\(^{(1)}\)

Despite their relevance, however, these and the other Millennium Development Goals can be seen as:

- too narrow – as a greater focus on achieving these targets reduces support for other important poverty reduction initiatives;
- too determined by “external” experts – those suffering from deprivation have not determined the priorities;
- too concerned with measurable outcomes – which may mean too much support for top-down, targeted interventions to deliver on the chosen targets and a neglect of developments whose impacts are not easily measured, such as more accountable local governance, protection of poorer groups’ civil and political rights and more possibilities for community-designed and managed initiatives;
- too reliant on indicators that are conceptually flawed (especially the US$ 1 a day poverty line) or for which the data are inadequate or inaccurate; and
- too focused on the role of international agencies and national governments – neglecting the investments and ingenuity that low-income groups and their organizations can bring to poverty reduction.

The validity of these criticisms will depend on the choices made by national governments and international donors with regard to the approaches they take, and the information they use to achieve these goals. This can be illustrated by considering two contrasting ways of addressing poverty. The first, directed by national governments and international agencies and designed by “experts”, draws on official data (usually woefully inadequate) and official definitions of poverty in order to identify target groups and design policies to meet basic needs as defined by experts. This generally leads to a focus on interventions that are most effective at delivering improved performance in the limited set of targets and indicators that the MDGs have chosen. Needs, in this scenario, are conceived of in physical terms, especially in terms of food and access to basic services. Not much attention is paid to the inequalities in power, incomes and asset bases that generally underpin malnutrition and lack of basic services. Much attention is paid to identifying indicators that allow international agencies to monitor progress. For most international agencies, the “experts” involved are drawn primarily from high-income nations.

In contrast to this, poverty can be addressed by making resources available for responding to and supporting local democratic processes that stress the capacities of residents, the rights of all citizens to basic services, the rule of law, and accountable institutions. It is perhaps stating the obvious that the deprivations faced by the poor are experienced locally – inadequate food intakes, inadequate asset bases, daily challenges to health in poor quality homes, the struggle for safe, sufficient water and adequate sanitation, the difficulties in getting proper health care and keeping children in school, the long hours worked in often dangerous conditions. Many live with the constant threat of violence and of eviction from the land they farm or occupy for housing. Tens of millions of households are particularly vulnerable to extreme weather events. These deprivations will not be addressed without local changes.
II. THE CONCERNS

a. Institutional structures and processes

THE INSTITUTIONAL STRUCTURES and procedures of national governments and international donors are central to the concerns listed above. If successful “pro-poor change” has to have local manifestations, national governments and international agencies need to demonstrate how the measures they design and implement to “reduce poverty” will bring concrete benefits to (low-income) individuals and households in their daily lives:

- in what they can consume and can save;
- in the quality and security of their homes and neighbourhoods;
- in the infrastructure and services to which they have access; and
- in their relationships with those who influence their incomes and/or lives (landowners, employers, local government or private infrastructure and service providers, the rule of law, politicians, often landlords).

One of the difficulties with expert-led “solutions” is that most experts lack knowledge of the specifics of each city or neighbourhood, and lack engagement with the local population. Foreign experts often cannot speak the language of those in the settlements where their recommendations will be implemented. These recommendations are often biased by their experience in other nations, by their reading of other “success stories”, or by their analysis of data sets that have grave limitations. What they recommend so often fails to support the kinds of local processes that benefit those with the least income, assets and political power (including those designed and implemented by “the poor” themselves). Even if the “experts” make the right recommendations, they often undermine the local learning processes that are essential for effective local change. (2)

Will donor support for achieving the Millennium Development Goals be based on strengthening and supporting local institutions (including community-based organizations) and local democratic processes? Or will it be through top-down, targeted approaches, where external agencies choose the indicators and the means of addressing them? Will they support representative organizations of the poor and landless to negotiate better deals with landowners and local authorities? It is difficult to see how poverty will be reduced unless this happens. (3) Will they recognize the importance of more effective local processes over the particular measurable outcomes related to their own funding? For instance, will donor-funded initiatives to address the Millennium Development Goal of significantly improving the lives of at least 100 million slum dwellers by 2020 be rooted in supporting local processes which are more citizen directed and more accountable to slum dwellers... or will they involve one-off (often expensive), externally directed upgrading projects over which slum dwellers have little influence and which can, so often, be judged to be “putting a shelter over poverty”? (4) The record with donor support for upgrading to date suggests that the latter is more likely than the former. (5)

Most international agencies recognize the relevance of local processes. But it is very difficult to measure and monitor their progress. These local processes are a long way from cities such as London, Brussels and Washington DC, where so many decisions about priorities are still made.

There is another inherent contradiction and constraint, especially strong for international financial institutions such as the World Bank and the regional development banks. Their very institutional basis depends on the
lending of large sums. But support for local processes should ideally try to minimize dependence on external funding, in order to increase the potential for going to scale and for keeping going when external support is withdrawn. It is not in the interests of international institutions to mobilize local and national resources, and cut costs to the extent that their loans are no longer needed. Bilateral donors face a comparable contradiction between their need to spend their funding allocations and the small, diverse and often slow funding requirements of many local processes. This is not to imply that large capital sums are unnecessary – but many of the high level debates and discussions on aid tend to assume that increased aid flows are fundamental to solutions, without considering whether there are channels and institutions to allow this aid to be used for the benefit of the (urban and rural) poor.

b. The tendency to marginalize urban concerns

There is a danger that the attention given by international agencies to the Millennium Development Goals will ignore urban areas and perpetuate the marginalization of urban issues within most development assistance. At first sight, this seems unlikely, because the goals include explicit mention of urban issues, especially by including the goal of significantly improving the lives of at least 100 million slum dwellers. One of the task forces set up to advise the United Nations on the MDGs focuses specifically on this topic. The MDGs also include a commitment to increasing the proportion of the population with secure tenure, which has particular importance for hundreds of millions of urban dwellers whose homes occupy land that is illegally occupied or illegally sub-divided.

But there are two worries with regard to urban development. The first is what the MDGs leave out. For instance, safety nets, stronger asset bases and the protection of civil and political rights by the rule of law have particular importance for most urban poor groups. The second is the capacity of those discussing the implementation of the MDGs to ignore the “urban” bits – for example, there are articles and papers that discuss the MDGs, but which completely ignore the goal related to improving the lives of slum dwellers, and which suggest that urban poverty is so much less serious than rural poverty that it has little or no relevance to the achievement of the MDGs.

c. Nonsense statistics

There is no lack of nonsense statistics on levels of urban poverty. Tables 1 and 2 illustrate this unfortunate reality. Table 1 draws statistics from a recent paper in *World Development*; Table 2 is based on official WHO/UNICEF statistics for 2000. Anyone with any knowledge of Nairobi or any other urban centre in Kenya would be astonished to see that only 1.2 per cent of Kenya’s urban population was considered “poor” in 1998 (Table 1), or that only 4 per cent of its urban population lacked sanitation in 2000. These are statistics that can only be produced (or believed) by people with no knowledge of Kenya. Around half the population of Kenya’s capital, Nairobi, live in informal settlements under conditions so challenging that 150 out of every 1,000 children die before they are five years old. How is it possible to say, then, that only 1.2 per cent is poor? Only a small proportion of the households in these informal settlements have their own toilets, and it is common for 200 people to share each pit latrine. How can 96 per cent of the population be considered to have

6. However, it is worth noting that most targets are much more ambitious, for example, halving the proportion of people who suffer from hunger. A significant improvement in the lives of 100 million slum dwellers means that only around 15 per cent of the “slum” population in 2000 would have been reached (and given long-term urbanization trends, a smaller proportion than this for the urban population in 2020).


The statistics in Table 1 for Senegal and Zimbabwe are no more credible for anyone with any knowledge of conditions in Dakar and Harare, or other urban centres in Senegal and Zimbabwe. There is documentation on poverty in these urban areas (although usually more on poor living conditions, health outcomes and access to basic services than on income levels, for which there are little data).\(^ {13}\) Similarly, anyone with any knowledge of urban centres in Bangladesh, India, Tanzania and Zimbabwe will know that the statistics in Table 2 are misleading. A high proportion of Tanzania’s urban population relies on very poor quality pit latrines (often shared), which often overflow because of flooding.\(^ {14}\) How can Tanzania have 98 per cent coverage for urban sanitation? Many city studies show that inadequacies in provision for water in India affect 30–60 per cent of the population.\(^ {15}\) How, then, can 92 per cent of India’s urban population have “improved” water?
There are many other dubious statistics for particular nations or particular cities. One of the most memorable is the claim that 100 per cent of Mumbai’s population had access to piped water supplies by 1995\(^{16}\) – this is difficult to reconcile with the descriptions by “slum” dwellers in Mumbai of the difficulties they face in getting water, as set out in the paper by Meera Bapat and Indu Agarwal in this issue.

At their root, most dubious statistics like this are based on dubious definitions or assumptions. An urban dwelling who answers “yes” to the question “Do you have access to a latrine?” is often classified as having access to sanitation. There are no enquiries into the quality of the latrine, the ease of access, the cost (many urban dwellers only have access to local public toilets with charges they cannot afford) or the provisions for hand washing. The utility of this statistic is clearly in doubt. The same is true if access to water is judged only on the basis of distance to a well or standpipe, with no attention to water quality, ease of access, regularity of supply or cost. There is not much point having a water standpipe within 100 metres if there is no water in the pipe most of the time, or if the queues are so long that households are unable to collect the water they need.\(^{17}\)

There is a growing body of literature on the underestimation of the scale and depth of urban poverty in the statistics used by international agencies.\(^{18}\) This applies both to statistics on “income poverty” and on other aspects of deprivation. But this literature is ignored by most development specialists. Indeed, many specialists use inaccurate statistics uncritically because they fit with their belief that urban poverty is mild in comparison to rural poverty. For rural poverty specialists, these statistics legitimate a concentration on rural poverty. One can even find comments applied to low-income African and Asian nations about there being virtually no poverty in urban areas. Set an income-based poverty line too low and poverty will disappear. The former UK Prime Minister, Mrs Thatcher, appreciated this point. Her government constantly adjusted the criteria by which unemployment was defined in the UK, and each adjustment produced a drop in unemployment levels. Similarly, if the criteria by which to judge who has provision for water and sanitation are set too low, the problem disappears. In a sense, 100 per cent of the population, both rural and urban, in all nations has “access to water” since, without that access, they would die.

There are other ways in which urban and rural comparisons give a false picture of urban realities. Large sections of the rural population use urban centres for access to services. A statistic that apparently shows “too high a proportion of health workers or teachers” in urban centres may reflect the fact that most secondary schools and many health care facilities used by rural dwellers are in nearby small urban centres. Statistics that show urban populations as closer to facilities than rural populations have little meaning if no attention is paid to whether these populations actually have access to these facilities. Many urban dwellers are close to water mains, sewer lines, hospitals and institutions of higher education, but it does not mean they are able to use them. Proximity does not mean access.

d. Monitoring urban poverty with the “dollar a day” poverty line


15. See UN–Habitat (2003), reference 12, which includes details of the inadequacies in many Indian cities and smaller urban centres.


17. For further discussion on this, see Hewett, Paul C and Mark R Montgomery (2002), *Poverty and Public Services in Developing Country Cities*, Population Council, New York, 62 pages.

meeting their needs. In most nations, the income-based poverty lines used by the government do not do this because they take insufficient account of the real cost of non-food essentials, or do not include the cost of some non-food essentials in their calculations. Most do not allow for differences within national territories in the prices of essential goods and services.

In most low- and middle-income nations, very considerable differences between locations would be expected in the price of food staples, water, sanitation, fuel and shelter. At one extreme, there are particular rural locations where significant sections of the population have little or no monetary costs for food (as the food they grow meets most of their nutritional requirements), water (because of local sources they can draw on), sanitation (because it is easy to build a latrine or to defecate in the open), shelter (because they do not have to pay for the land on which they build their house and because most/all building materials can be gathered or made locally at no cost) and fuel (also gathered locally at no cost). At the other extreme, there are particular locations in cities where low-income groups concentrate because of the advantages these provide with regard to livelihoods, but where access to all these goods and services is highly monetized – for instance, rent paid for tiny rooms (or even for the use of a bed or space to sleep in a public place), payments made for the use of toilets, and high prices paid for water, fuel, food and getting to and from work. It is obvious that the same income-based poverty line cannot be used for both these extremes – it will greatly overstate income poverty in the rural area and understate it in the urban location.

This is not to claim that such rural locations are devoid of poverty; poverty levels there can be high for other measures of deprivation – people may, for instance, have little or no provision for infrastructure and services, little or no rule of law (especially for poor groups), and no democratic channels that allow poor people political voice and influence. The water may be free but it may involve long journeys to and from the source, and it may be contaminated. Nor is this to imply that all rural locations have lower living costs than all urban locations. Particular rural locations may have high living costs for low-income groups – for instance, migrant labourers who live in temporary camps, or landless agricultural workers who rely on the farmer’s “shops” and who may also have to rent accommodation. At the same time, households in many urban centres (especially the smaller and less prosperous ones) may be able to access many essential goods for free or cheaply, and many low-income urban dwellers grow part their food.

But the key point is that, in most nations, the use of a single income-based poverty line greatly understates who is poor in high-cost locations. Even using separate rural and urban income-based poverty lines may produce nonsense statistics because of the diversity in living costs in different rural locations and different urban locations. These differences in prices for many basics between locations is likely to be greater in most low- and middle-income nations than in high-income nations, where access to virtually all goods and services in most rural areas has become highly monetized. The same income-based poverty line for all locations within a nation, including the “dollar a day” poverty line, should not be used in nations with large difference in the extent to which access to essential goods and services is monetized. It is interesting that international agencies acknowledge the differences in the cost of living within low- and middle-income nations for their own staff, as the daily “per diems” they receive to cover their living costs are adjusted by location. In most low- and middle-income
nations, the daily rate that international agency staff receive to pay for hotels and for "other costs" varies by a factor of two to four, depending on whether they stay in capital cities or other high-price cities, lower-price urban centres, or rural areas; in some nations, the variation is much higher than this. But no such recognition is accorded to the poor.

The validity of the international comparisons for the "dollar a day" poverty line is also in doubt. The fact that "the dollar a day" poverty line is adjusted for purchasing power parity within each nation is meant to make it useful for international comparisons. But if this adjusted "dollar a day" poverty line is meant to work for all low- and middle-income nations, from the poorest sub-Saharan African nations to more prosperous middle-income nations such as Brazil and Mexico, then why shouldn't it also work in high-income nations? Would a "dollar a day" poverty line have any meaning in cities in high-income nations? According to this measure, there would be virtually no absolute poverty in high-income nations. It is obviously absurd to think that a US$ 1 a day poverty line has any validity for New York, London, Zurich, Tokyo – with regard to allowing an individual or a household to rent reasonable quality accommodation and to pay for food, utility bills (water, sanitation, garbage collection, electricity), health care and, for families with children, funding the costs of keeping children in school. But then, does it have validity for São Paulo and Mexico City? Or for most major cities in nations with much lower average incomes than Brazil or Mexico – for instance, Delhi and Mumbai in India, Dakar in Senegal, and Nairobi in Kenya? Has anyone actually investigated what income is needed for the households living in tenements or informal settlements in cities such as these to avoid poverty – instead of assuming that the "dollar a day" has validity here?

Even if measures were taken to adjust income-based poverty lines to take account of these differences in the price of basic goods and services between and within nations, they would still miss the deprivations that arise from the failure of governance (which, in turn, is often related to the extreme weakness of the national economy). Most official poverty definitions give little or no attention to non-income aspects of poverty such as very poor quality, insecure housing, lack of access to water, sanitation, health care and schools, absence of the rule of law, and undemocratic, unrepresentative political systems that allow poorer groups no voice or influence. It is ironic that governments and international agencies talk about the proportion of urban dwellers "living in poverty", but that no account is taken of living conditions when defining and measuring poverty. Of course, there are links between income poverty and many of these other aspects, as higher incomes permit more to be spent on housing and basic services. But low-income groups in cities often face prices for housing and basic services that are much higher than they should be because weak, ineffective and unaccountable local governments do not take the measures that help increase supply and reduce prices. Some aspects of poverty may have very little direct link to income levels – for instance, discrimination in labour markets, police harassment and absence of the rule of law.

II. CONCLUSIONS

MANY OF THE Millennium Development Goals are important for the poor; so too is the monitoring of their achievement. But if this monitoring

21. It is also not possible to consider "rural" and "urban" poverty separately, even if it is important to understand how particular rural contexts and particular urban contexts influence the scale and nature of poverty. As the March 2003 issue of
is based on inappropriate indicators or indicators based on inappropriate assumptions, it will not serve to monitor poverty reduction with regard to adequate income levels or service provision levels. This paper has emphasized the extent to which the international statistics on urban poverty underestimate its scale and depth; it may well be that they also do this for large sections of the rural population too.\(^{(21)}\)

If those who make decisions about the allocation of resources for the achievement of the MDGs ignore urban areas, they not only miss large sections of the population with unmet needs but also miss the potential advantages that urban areas provide for meeting most of the MDGs, by providing economies of scale and proximity for most forms of infrastructure and services, greater possibilities for community action and greater possibilities of cost-recovery.\(^{(22)}\) The case studies in this issue of Environment and Urbanization – of improved provision for water and sanitation in some of the poorest districts of Dhaka and Chittagong, and in Mumbai, Pune and other Indian cities – show what is possible with very modest external funding. The papers on finance for housing in this section show the kind of institutional innovations that can help “significantly improve

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**Figure 1: The many processes through which to address the Millennium Development Goals in urban areas**

<table>
<thead>
<tr>
<th>LAND: Seek ways to increase the supply and reduce the cost of the cheapest legal housing lots (improved transport, reform regulations...)</th>
<th>“Slum” and squatter upgrading programmes supported by national gov</th>
<th>Getting the best out of public, private and community enterprises to improve provision for water and sanitation</th>
<th>Legalizing informal settlements &amp; brokering alternatives to evictions</th>
<th>INCLUSION: Institutionalize inclusionary/participatory mechanisms in all programmes</th>
</tr>
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<tbody>
<tr>
<td>Special provisions to support girls’ entry into all levels of schools</td>
<td>3. Promote gender equality and empower women</td>
<td>7. Ensure environmental sustainability (improved water and sanitation and significantly improve lives of slum dwellers)</td>
<td>1. Eradicate extreme poverty and hunger</td>
<td>Support for income-generating activities with special attention to programmes for youth employment and skills development</td>
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<tr>
<td>Support equal opportunities for women in labour markets, politics and in getting land, housing and credit</td>
<td>4. &amp; 5. Reduce child mortality and improve maternal health</td>
<td>6. Combat HIV/AIDS, malaria and other diseases</td>
<td>Safety nets/revolving funds and other measures to guarantee adequate food intake for all</td>
<td>Ensure health care has strong community-based focus on TB and AIDS prevention and support for those with AIDS/HIV</td>
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<tr>
<td>Ensure universal provision of health care and emergency services with particular attention to maternal, sexual and reproductive, and infant and child health</td>
<td>Ensure universal immunization for mothers and children</td>
<td>Special programmes to help ensure that street and working children get primary education</td>
<td>Literacy programmes (with special attention to women and working poor)</td>
<td>GOVERNANCE: Strengthen capacity, competence and accountability of city governments within decentralization</td>
</tr>
<tr>
<td>SUSTAINABLE DEVELOPMENT: Ensure all measures also help improve efficiency in use of fossil fuels, keep down sprawl and reduce need for private cars</td>
<td>Ensure universal provision of good quality primary schools</td>
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Environment and Urbanization made clear, there are multiple links between rural and urban households (for high- and low-income groups) and between rural and urban enterprises and, in most locations, a constant movement of (rural and urban) dwellers across urban boundaries. See also the paper by Jonathan Baker and Hege Wallevik in this issue.

22. See reference 5.
the lives of slum dwellers” that do not require massive external funding. Thus, the challenge for international agencies with regard to urban areas is to determine what role they can have in encouraging, supporting, catalyzing and legitimating the diverse local processes through which the needs and priorities of the urban poor are identified and addressed, and through which urban poverty is reduced. This includes supporting solutions that the urban poor develop themselves, together with the processes by which they develop solutions and negotiate with government and other external agencies. (23) This means supporting change on many fronts (Figure 1), and recognizing the multiple interconnections between them. The challenge for international agencies here is as much in developing ways to support bottom-up processes accountable to low-income groups (and often initiated and managed by low-income groups), as it is to do with total financial flows.