



Targeted research papers for AusAID

Urbanisation in the Pacific

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1.0 Executive Summary

1 Pacific Island cities have undergone rapid and extensive transformations over the past few decades. Their growth presents us with one of the more important and pressing challenges in the region's future development. Cities have always been centres of political and social transformation. In the Pacific, cities are increasingly at the heart of economic change and income generation which is bringing about greater wealth and opportunity, but they are also sites of deep poverty, inequality and social tension.

2 Despite growing populations, limited resources and strained infrastructure, cities are playing an increasingly important role in the economies of Pacific Island countries (PICs), and account for a dominant or growing proportion of GDP, employment and investment. Their growing role in national economic development however is threatened by dysfunctional governance, growing poverty and marginality, deteriorating infrastructure and concerns over security.

3 In spite of the real and pressing pressures presented by growth, urban issues have not been adequately represented in the priorities of donors, researchers or governments. This is despite the deteriorating conditions of life for the majority of urban citizens and the emphasis placed on improving the lives of the urban poor in the Millennium Development Goals (MDGs). Without a substantial and consistent response cities in the region will be characterised by disorderly growth and collapsing social structures and institutions. In places where urban management has not been effectively managed, such as the Solomon Islands, the outcomes have been widely felt.

4 There is a need to revitalise the agenda on urban development and management in the Pacific. This requires a key role for donors, in terms of placing urban priorities more firmly on the agenda. Donors have an important role in bringing attention to urban issues and assisting in terms of resources and expertise to ensure a more orderly transition from rural to urban livelihoods.

5 Cities are at the centre of a spatial shift in the region from rural to urban livelihoods. This will not be without its problems. The gaps between 'urban' and 'rural' populations and among urban residents are sharpening and will continue to do so. It is often on the fringes of cities, in booming peri-urban settlements, where this clash between centrality and marginality is most directly experienced. Peri-urban settlements, which typically are developing on customary land governed by traditional authorities and which are administered by governments as 'rural' locales, constitute the fastest growing settlements in Pacific Island cities. Their explosion challenges our understanding of boundaries between urban and rural and stretches the capacities of a number of state and customary institutions to meet needs.

6 Urbanisation in the Pacific brings into question conventional models of cities, understanding what constitutes an urban system and the basis of urban citizenship. Cities in the region are unique in that they cross a number of administrative and social boundaries. Top-down bureaucratic structures are often rendered redundant in terms of

policy and planning in a context which is fluid across space and fractured in terms of authority and accountability. Yet traditional institutions and chiefs rarely play a sustained formal role in urban planning and administration. In this dynamic and unique context formal planning approaches are only meeting the needs of the few, meaning that there are disparities in institutional responsiveness and responsibilities. In short, urban growth is transforming both state and civil society and there is a need to create institutions which are more responsive, effective and legitimate.

7 The challenges are formidable and imperative if the Pacific is to develop efficient and equitable urban centres. They include:

- Dealing with rapid population growth rates and issues of crowding;
- Overcoming poverty;
- Generating employment and income;
- Securing livelihoods;
- Improving governance and the role of (local) institutions;
- Overcoming severe infrastructure and service deficiencies and finding ways to extend infrastructure and services to all;
- Providing greater access to land;
- Accessing housing;
- Addressing powerlessness and marginality, which is resulting in social tensions and increasing crime rates.

8 For a number of reasons then there is an urgent need for a reassessment of the Pacific's urban regions and the responses of governments, civil society and donors. This will involve a more comprehensive and nuanced understanding of urban systems, economies, institutions and populations and greater research in these areas.

9 In general, there is a serious and substantial lack of research and data on the urban transformation facing the Pacific. To a great extent this has led to inadequate attention being paid to urban needs by policymakers, donors and institutions but also has resulted in poor or absent data which has affected the quality of policy initiatives. The outcome of this has been reactive and uncoordinated responses to crises, resulting in ad-hoc and limited solutions put forward to deal with complex and protracted problems.

10 This paper addresses the role of donors, governments and civil society in urban change and development. Past approaches have reinforced top-down and institution-focussed solutions but these have rarely been sustained in the region. In terms of deepening processes of democracy and notions of citizenship more emphasis needs to be placed on the strengthening of communities. There are three reasons for this: firstly urban communities, especially those marginalised by poverty or their physical marginality (i.e. peri-urban areas) have been poorly represented in decision making processes despite their needs and vulnerability. Secondly, top-down approaches have rarely been sustained due at least partly to an absence of demand from communities, and this has compromised the quality of representation and governance, and thirdly even poor communities are sources

of innovation, finance and energy which is critical to building sustainable and inclusive cities.

11 There are clear limits to the resources and capacities of formal institutions in the Pacific. This then leads to both the need and opportunity for ‘hybrid’ initiatives which seek to build or strengthen local processes (both government and community) with the capacity for sustained activity (avoiding one-off initiatives) and to reach as many people as possible. There are examples of this in the region, several of which are included in this report.

12 At present most of the urban public are poorly represented and their views and needs are seen as peripheral to the development of the city. If cities are to be socially and politically sustainable there needs to be greater representation of their views and the emergence of more responsive institutions which facilitate the transfer of power and decision making to urban civil society. This form of partnership, mediated through local level institutions, appears to be of prime importance in establishing effective democratic governance and deepening processes of inclusion.

13 The alternative, to allow cities of exclusion and elite interests to develop and endure, will lead to unstable urban futures for the region with implications for national stability and development.

14 The multiple challenges presented by the region’s cities call into question past transfers of Western prescriptions, values and institutions. Such ill-fitting institutions have been ineffectual in dealing with crisis and the unique social, demographic and geographic nature of many Pacific Island cities. In partnership with governments and civil society, donors need to re-examine what the foundations of successful intervention will be and their role in achieving these goals. Successful responses may well contain elements of outside expertise, but they will also need to be innovative, dynamic, and grounded in local realities.

1.1 The study and its key conclusions

15 In response to these trends AusAID, through the State, Society and Governance in Melanesia project (SSGM), has commissioned this research paper on the urban issues facing Kiribati, Vanuatu and Fiji with a particular focus on how best policymakers and donors can respond. This paper is primarily aimed at generating debate and discussion in terms of critically evaluating present trends and looking towards the future. In particular, this report had as its key goals:

- Identifying the critical urban issues facing Fiji, Vanuatu and Kiribati based on personal and professional experience;
- In the context of limited resources prioritising needs in the three countries;
- Reflecting on what is working well as well as explaining the failures;
- Providing suggestions on where donors may successfully and meaningfully play a role in more effectively engaging with Pacific urban needs.

16 This study is not intended to represent an exhaustive account of all urban issues facing the region, but to generate debate around what have been presented as important issues from scholars, practitioners and donors. It was initiated with a discussion paper and workshop involving invited experts on the urban Pacific in October, 2005¹. This was followed by a period of fieldwork in Vanuatu and Fiji in January and February of 2006 and interviews with key institutions and individuals involved in Kiribati. A list of those consulted in the preparation of this report appears in the acknowledgements section (appendix one).

17 The key findings which form the basis of this report and are discussed in detail in the following pages are as follows:

- A demographic transition is taking place which will see ‘an urban Pacific’ in the year 2020.
- These cities are increasingly at the centre of economic growth and development prospects in the region and the quality of urban development affects the prospects for national and regional development.
- Pacific Island towns and cities are becoming places of acute poverty and growing inequality.
- Population growth has outstripped job creation through the formal sector, but the informal sector is rarely supported in policy as a key source of livelihood.
- Housing and informal settlements are placing enormous stress on communities, cities, and authorities alike.
- Land will continue to be a social and political flashpoint with the growth of urban areas – with innovative solutions necessary.
- Institutions are failing to cope with demands placed on them.
- Environmental issues will increase in importance. Pacific urban cities are increasingly unhealthy and dangerous places to live.
- Pacific cities have not received policy or research attention commensurate with their significance. More needs to be done in terms of research and sharing best practice.

¹ The workshop was held at the Australian National University on October 28, 2005. Workshop participants consisted of John Connell, John Lea (University of Sydney), Elise Huffer, Manoranjan Mohanty (University of the South Pacific), Asofou So’o (National University of Samoa), Vijay Naidu (Victoria University of Wellington), Stewart Firth, David Hegarty and Iris Wielders (ANU)

2.0 Why a focus on urban areas?

18 Despite the increasing importance of Pacific cities for economic and social development there has been a relative lack of recognition of their importance and role. Though the Pacific continues to be seen as a predominantly rural region around 40% of Pacific Islanders now live and work in towns, and the World Bank estimates that this proportion will rise to over half by 2020. What is essentially occurring is the ultimate shift of Pacific Islanders from rural to urban places and, as elsewhere in the developing world, the region and its peoples will become increasingly confronted with urban issues. While rural populations are still dominant in large states, such as Papua New Guinea, the trend of urbanisation is incontrovertible everywhere (see Table One).

Table One: Pacific Urban and National Population Figures

	Last census	Population	% urban	Annual urban growth rate % /(national rate)
Melanesia				
Fiji Islands	1996	775,077	46	2.6 / (0.8)
New Caledonia	1996	196,836	60	2.8 / (2.6)
Papua New Guinea	2000	5,190,786	13	2.8 / (2.7)
Solomon Islands	1999	409,042	16	4.3 / (2.7)
Vanuatu	1999	186,678	21	4.2 / (2.8)
Micronesia				
FSM	2000	107,008	21	-2.4 / (0.2)
Guam	2000	154,805	93	n.a / (1.5)
Kiribati	2000	84,494	43	5.2 / (1.7)
Marshall Islands	1999	50,840	65	1.6 / (1.4)
Northern Marian I.	2000	69,221	90	3.4 / (3.3)
Palau	2000	19,129	81	2.2 / (2.1)
Polynesia				
French Polynesia	2002	244,830	52	1.6 / (1.8)
Samoa	2001	176,710	22	1.3 / (0.9)
Tonga	1996	97,784	32	0.8 / (0.3)

Source: Pacific Island Populations 2004, Secretariat of the South Pacific Community

19 How sustainable is this rapid transition and how well prepared is the Pacific for an urban future? It is clearly evident that a substantial and increasing proportion of urban ‘citizens’ are poor or marginalised, whether this is defined by income, access to adequate services and basic infrastructure (especially shelter), environmental conditions and poor health or in terms of their representation and ability to articulate their needs. Estimates of between 80-90% are given for the proportion of all new housing in cities which is built

informally or illegally. Acute poverty is evident but not well documented. Accepted estimates of the number of those classified as poor are masked by inadequate or flawed data which obscures the high variations in living standards in towns as well as the high cost of living. Data on urban poverty and the urban poor in the Pacific is weak and in need of attention in terms of definition, measurement and analysis.

20 Cities are also becoming increasingly important cogs in rural development efforts, as agricultural income is also tied to the efficiency and capacity of urban processing, transport and services for exports. Most value-adding for export products occurs in urban centres. Industry and services play an important role in national economies and in the developing world in general there is a correlation between levels of urbanisation with overall economic development and growth. A shift toward urban issues need not be at the expense of rural development. Indeed the two are linked, through food systems, remittances, and circular migration. The fluid boundaries between urban and rural places challenge approaches which treat the two sectors as separate and distinct.

21 Clearly then the performance of cities will be increasingly critical to the overall development of many PICs in the decades to come. This provides both a significant opportunity and challenge to policymakers and those involved with development in the region. While rural and regional development will remain fundamental to national development, the Pacific should no longer be considered as fundamentally a rural place. Cities now provide a critical source of income and wealth generation and play an important role in improving human development indicators across the region. However, through neglect or a lack of resources, cities are also becoming centres of increasing poverty, inequality and environmental degradation. While there are large variations throughout the region almost all urban places are unable to provide adequate employment, shelter, security, infrastructure and services to their growing urban populations and urban poverty, as elsewhere in the developing world, is strongly associated with ‘the failure of local organizations with regard to shelter and services, the rule of law and democratic processes’ (Mitlin and Satterthwaite, 2004:4). It is, in fact, these ‘multiple deprivations’ in the same household or community rather than a single cause (income, illegal settlement, sanitation) that affect the poor. These trends must be of significant concern as the region urbanises.

22 Over the past decade there has been only a gradual - perhaps belated - shift from donors and governments in response to urban development. The belief that the Pacific will remain an essentially agrarian economy and society has persisted past its ultimate veracity. This has meant that for a critical period of time, towns and cities have developed without commensurate shifts in investment, analysis and attention to governance. This lack of commitment and response has resulted in key institutions involved in housing, infrastructure and management being poorly resourced and weak vis-à-vis demand. While some donors are now responding, the challenges are significant and require a substantial and prolonged commitment in a number of areas.

23 There is now greater attention being paid to urban issues. The Asian Development Bank recently recognised urban migration as being one of the significant challenges

facing Fiji and most other regional organisations have developed some level of initiative. The World Bank has recognised several Pacific urban problems, notably inadequate or unaffordable infrastructure and services, lack of affordable housing, increasing public health threats, environmental degradation and social polarisation (World Bank, 2000:28). Key bilateral donors have been less responsive to urban issues, though this may also be changing. Most recently NZAID has decided to focus on squatter settlements in Fiji as an essential part of its poverty reduction strategy and the Forum Secretariat in 2004 adopted a Pacific Urban Agenda as part of its development objectives.

24 One of the challenges facing policymakers and donors is that outside blueprints are not readily transferable into Pacific towns. Though development aid and policy is characterised by its division into sectors, management divided by managers into portfolios, and responsibilities divided by boundaries, these artificial divisions impede collective and coordinated decision making, action and consensus. In the context of Pacific urban places, which have fluid urban/rural boundaries, multiple and contested forms of leadership, power and responsibility and limited alternatives (for example land and land tenure) these divisions are unhelpful.

25 Consequently, Pacific urban areas are unique places requiring innovative approaches and visionary policies. There are neither the resources nor the capacity to simply copy the strategies of larger states. Pacific towns and cities pose real and special challenges to academics, governments and donors. Without action the region's cities will almost inevitably be characterised by slums, endemic poverty and environmental degradation.

3.0 Key findings

26 This section of the discussion paper will focus in greater detail on the more pressing issues facing Pacific Island urban areas, with a particular focus on Kiribati, Vanuatu and Fiji. In brief these issues can be grouped into livelihoods (employment, poverty), material needs (infrastructure, services, housing), threats to natural resources (environment, health), physical constraints to growth (geography, land), and institutional challenges (governance, human resources, security, effective and representative institutions)². Urban growth is taking place in a context of limited natural and national resources for development. There are also obvious geographical and environmental constraints, as well as the limits placed on state power itself.

² While taking a broader view of the urban Pacific, this study will primarily focus on three experiences - Fiji, Kiribati and Vanuatu. While these countries offer something of a microcosm of the issues facing the region in general, they also exhibit unique social, political and cultural contexts. This also implies that appropriate policy choices will differ.

3.1 *A demographic transition is taking place which will see ‘an urban Pacific’ in the year 2020.*

27 Throughout the Pacific there is a clear trend towards urbanisation with very high growth rates in Kiribati and peri-urban areas in Fiji and around Port Vila. One of the difficulties is that often this growth is not recorded in ‘urban’ statistics. Typically official urban growth rates are double that of the national rate of population growth and peri-urban areas are higher still. Though Fiji’s urbanisation rates are comparatively modest, there has been a substantial shift to cities since 2000 as a result of the expiry of land leases for Indo-Fijians and issues of security following the 2000 coup. This has resulted in a rapid growth in informal settlements, especially evident in Suva and Lautoka.

Table Two: Basic data on Fiji, Vanuatu and Kiribati

	Total Pop	%urban	Annual growth	%Pop<14	GNIp.c	HDI
Fiji	836,000	46	2.6	31	\$5900	.752
Vanuatu	215,800	21	4.2	33	\$2900	.659
Kiribati	93,000	23	5.2	39	\$800	.515

Source: South Pacific Commission data (2004 estimates); CIA world fact book 2005; UNDP 2005.

28 Almost half of I-Kiribati now live in South Tarawa, where two-thirds of population growth has occurred over the past five years. South Tarawa’s current population is estimated to be around 50,000 and in the last 10 years the city has grown at a faster rate (5.2% between 1995-2000) than at any time since the 1960s. National population is expected to grow to 145,000 in 2025 with 70,000 living in South Tarawa alone. South Tarawa, which links the islets of Betio, Bairiki and Bikenibeu by causeway, forms a continuous ribbon of 28km in length but consists of a land area of just 17.6 square kilometres.

29 In Kiribati, population growth has resulted in concentration levels of 9,196 per square kilometre in Betio and 7,403 per square kilometre in adjoining Bairiki/Nanikaai (Eritai, 2003:44). South Tarawa’s primacy is increasing, despite efforts at regional development³, and population growth is now more evident in North Tarawa. With an estimated 40% of the population being 15 years or younger, the impact of this concentrated population growth on social, economic and environmental sustainability, evidenced through overcrowding, health problems and land degradation, will represent one of the country’s single most important development challenges. These include the

³ Of the three countries Kiribati faces a much greater problem of urban primacy. South Tarawa is essentially the only urban destination although the Government of Kiribati and the Asian Development Bank have recently explored establishing an alternative growth centre on the much larger land mass of Kiritimati. Both Fiji (especially) and Vanuatu do have a more dispersed urban pattern, though still with concentration in the capital city.

impacts of inadequate waste disposal and management, the threat of pollution to households and fishing grounds, overcrowding and the spread of diseases, chaotic settlement patterns through migration and the lack of space for future construction, and erosion through the unregulated mining of coral and sand.

30 The urban population of Fiji is estimated to be 400,000, representing approximately 50% of the national population. Cities are growing in terms of population but also their wider footprint. Indeed, it is possible to talk of a Suva urban area now extending from Lami through to Nausori, including the new town of Nasinu. This urban area includes 6,500 ha and an estimated population of at least 210,000.

31 More so than in other parts of the Pacific, Fiji has smaller towns which are important. The Nadi-Lautoka corridor is growing at similar rates to Greater Suva and also faces important challenges. Lautoka, Fiji's second largest city, has developed as an industrial centre but the gradual demise of two key industries (garments and sugar) has left the city and its region facing high unemployment. Poverty, particularly among Indo-Fijians, is increasing in the Western Viti Levu towns with tourism offering the best prospect of income. Of some concern, and as an indication of poverty, a number of recent squatter communities have developed around Lautoka, including sizeable scavenger communities based at Lautoka's dumpsite.

32 Vanuatu's urban population is comparatively small (estimated at 40,000-50,000) though growth rates are among the highest in the region. Urban population estimates for Luganville and Port Vila are also significant underestimates, given that the majority of new urban residents are settling in peri-urban settlements which are growing at approximately twice the rate of the formal city (but nonetheless receive little recognition from weak urban authorities). If peri-urban populations are included the World Bank estimates a combined urban population of 55,000 – or 25-30% of the country's total population. At current growth rates within 10 years the 'Greater' Port Vila population will grow to possibly 75,000 and Luganville 25,000, constituting some 40% of the national population (World Bank, 2000:2). Chung and Hill (2002) have recently estimated that the urban population of the country could reach 80,000 in 2016 leading to both Luganville and Port Vila becoming overwhelmed by their mounting social, economic and environmental problems. Port Vila, especially, is already facing a significant shortage of affordable shelter and land, youth unemployment, and problems of pollution. Perhaps even more so than in Fiji and Kiribati, sensitivity over land around urban areas plays a great part in the haphazard manner in which both Port Vila and Luganville are developing and explain the lack of response to these trends.

33 In all three examples, and elsewhere in the region, informal settlements grow at two or three times the rate of the urban whole. This indicates that urban growth rates are primarily made up of informal settlements, many of which are counted in rural, not urban, census. Poor and unspecific statistics mean that much data is unreliable and urban growth figures are in effect estimates. As is evident in the sections below, even urban managers have only a loose grasp of population figures and the needs of a substantial number of urban communities.

3.2 Pacific Island cities are increasingly at the centre of economic growth and development prospects in the region and the quality of urban development affects the prospects for national and regional development

34 In general, there has not been adequate attention paid to recognising the importance of urban economies to national development in the Pacific, and the problems that may overwhelm the potential opportunities of a successful transition from rural to urban-led development. As cities in the region grow into more important centres of commerce, transportation, and processing they need to function efficiently for the full benefits to accrue. If cities do not function efficiently, if they are not safe and healthy places in which to live and work, if infrastructure and communication systems are allowed to fall into disrepair then they will fail to play a potentially very positive role in national and regional development.

35 Around 60% of Fiji's GDP is produced in urban areas. There is currently a relative decline in sugar and a fundamental structural transformation toward services and manufacturing. South Tarawa and Port Vila play a key role as essentially the only centres of finance and services and are the home of both government and the majority of the private sector. Cities and towns in the region create the vast majority of formal sector jobs. Cities also play a critical role in industrial processing and market support functions for the agricultural sector.

36 Even smaller towns, such as Luganville in Vanuatu and Nadi, Lautoka and Labasa in Fiji play an important role in regional development. In the case of Fiji there is some realisation that the quality of regional towns, in terms of infrastructure, a critical level of population growth and access to services, is important for supporting rural development and investment. The recent near collapse of Labasa in terms of its infrastructure and transportation facilities, for example, negatively impacted on the rural economy of Vanua Levu. Though the Fiji government has now begun to implement a 'look north' policy in terms of paying more attention to Labasa the impact of its demise is an indicator of the importance of towns and cities in both regional/rural and national development.

3.3 Pacific Island towns and cities are becoming places of acute poverty and growing inequality

37 In all three countries the urban economy is increasing its role in wealth generation and employment creation. However, what wealth that is created is benefiting the few and is offering little in the way of meaningful employment opportunities for the majority of citizens. Subsequently, while cities are places of comparative wealth they are also increasingly sites of acute and growing poverty, though this is not adequately captured in the data which are collected. The growth in urban poverty is likely to become the most important development in the Pacific over the coming decade and threatens progress towards the MDGs. Poverty is resulting from, and manifested in, increasing urban

populations, a lack of employment opportunities, the absence of effective safety nets, and limited access to land and quality housing.

38 Adequately responding to urban poverty requires an understanding which is based on holistic and multidimensional indicators. Urban poverty is more than just an insufficient income but also includes lack of services, poor living conditions, difficulty in meeting basic needs and a lack of representation in the decision-making process.

39 Clearly, there are highly vulnerable and poor populations emerging in and around cities throughout the Pacific. Analysis of Vanuatu's 1998 HIES indicated that while income poverty was more widespread in rural areas, levels of 'extreme poverty' were over-represented in urban areas. Young couples aged in their twenties with children, female-headed households and those renting were particularly vulnerable, even though the majority of these households had at least one source of income (Government of Vanuatu, 2002:22). When asked to prioritise their needs the most common responses were:

- Finding a house to rent;
- Access to finance;
- Having land to live on;
- Having access to education;
- Having adequate toilet facilities;
- Finding a way to start a business;
- Transportation;
- Accessing electricity (Government of Vanuatu, 2002:63-5).

40 Though based on small samples, a number of recent surveys from ESCAP/POC, the Ecumenical Centre for Research, Education and Advocacy (ECCREA) and academics in Fiji have pointed to the following trends:

- That approximately 80% of those living in informal settlements in Suva fall below the 'poverty line' (although this is an estimated figure);
- Average incomes in settlements were between \$90-100/week, even though at least one adult was working full time and most families had a second source of income;
- Urban poverty is increasing with migration and growth. In 1997 urban poverty was estimated at 27.6% of the population, in 2002 29.3% of urban households fell below the poverty line and initial figures to be released in 2006 estimate that this may have increased to between 33-35%.

41 Less reliable data is found in Kiribati. Only recently has the Government of Kiribati acknowledged the need for a poverty assessment. Initial estimates put around 50% of the national population under the poverty line, but more qualitative and quantitative information is necessary about communities in order to better understand this poverty and develop effective and appropriate responses. Of interest is that families living in South Tarawa below the poverty line had a household average of 11.7 persons compared to families above the poverty line with 7.7 persons/household. This indicates a relationship between poor and overcrowded households (ADB, 2002:68).

42 Those defined as poor in urban Kiribati constitute just over half of the urban population. In Vanuatu estimates of people living on less than US\$1 day are similar. In all three case studies employment creation and income generation remains an important obstacle to poverty alleviation. Very few positive policies for the informal sector exist despite its important role in urban livelihoods. It is very unlikely that ‘traditional’ forms of formal employment will ever be enough to meet growing employment needs, and so there is an urgent need for innovative policies and assistance for other (existing) forms of enterprise in the urban economy.

43 One indicator of poverty and vulnerability on Tarawa is the comparative lack of food security. As a reflection of the lack of space, but also knowledge and essential tools, I-Kiribati on Tarawa are increasingly dependent on the monetary economy and imported food. This has resulted in the loss of many subsistence gardens and declining levels of nutrition. In response a recent initiative led by a Taiwanese technical mission in Kiribati has encouraged and supported organic urban gardening. Demonstration gardens have provided a popular means of employment with people growing for both subsistence needs and local markets.

44 Renters in all three case studies but especially in Vanuatu and Fiji, are uniformly over-represented in categories indicating extreme poverty and vulnerability. In the case of Port Vila several family members or friends share one room in a 6-8 room block and typically pay between 8000-15000 Vatu a month to someone who, in turn, leases land from a customary landowner. Those renting on customary land often have the least protection in terms of legal redress for their housing conditions or tenancy. They are also more likely to have insecure living status and conditions, constantly moving from settlement to settlement to avoid paying high rents which are volatile and rarely subject to negotiation. Their vulnerability and poverty is obvious. While it is difficult to estimate the number of renters, it does appear to be increasing. In some parts of peri-urban Port Vila almost 80% of people rent and a rentier/landlord class is clearly emerging within many poor settlements.

45 Although there is a need for more quantitative research on urban poverty, poverty cannot be adequately measured through statistics alone. In Fiji, despite its relatively high level of economic and human development, findings from the 2002 participatory assessment on hardship indicated increased poverty, especially chronic poverty, in the city’s growing urban squatter settlements. But the poor expressed equal concerns about urban unemployment, governance, declining standards in the delivery of basic services and a lack of economic opportunities.

46 A qualitative research project in the late 1990s gives some insight into the lives and expectations of Ni-Vanuatu urban youth. Conducted through the Vanuatu Cultural Centre more than 1000 young people between the ages of 13 to 25 years were interviewed in settlements and in public places around Port Vila resulting in a book and video *Kilim Taem* (Killing Time) documenting their lives. The report found that 50% of youth were born in Port Vila and 28% had never been back to their ‘home’ island and the majority had not attended secondary school. Among this group many felt that they had ‘failed’ the

system without getting the necessary skills to find good work and felt that employment was their main problem. A large proportion of responses indicated they would like to start their own business; many felt that learning kastom (and church) offered some security, and sense of belonging thus making ‘killing time’ more bearable; youths were unaware of basic health and sexual reproduction issues; and young people lacked information and knowledge about facilities and opportunities available to them. In small part some of these needs have recently been met by Wan Smol Bag which has developed sporting facilities, a health clinic, a nutrition centre and training courses for youth but, by their own admission, they still only meet the needs of a small number of Port Vila’s youth.

47 In all three countries urban poverty is a growing problem. It is also poorly measured and understood. The concerns of the poor go beyond income and encompass the desire to have access to urban infrastructure and services and to be able to have a say in urban affairs. However, while the poor demand more services and infrastructure they can rarely pay for it.

3.4 Population growth has outstripped job creation through the formal sector, but the informal sector is rarely supported in policy as a key source of livelihood.

48 The decline of key sources of rural and urban livelihood has resulted in a steady growth in poverty. Formal employment opportunities are becoming increasingly scarce and urban poverty is increasing. This is manifested in the rapid growth of squatter settlements and the number of people moving into more affordable and accessible squatter/peri-urban areas.

49 Employment and employment creation is more likely in the region’s booming urban informal sector – but this is no panacea. At present between 35-50% of Fiji’s urban population and over 60% of urban Ni-Vanuatu work in the informal sector, and a high proportion of these are women. The options for formal employment-generating industries are limited in a liberalised global trade environment. However governments have, in the past, been reluctant to legitimise informal sector work despite its critical role in job creation and poverty reduction. Fiji has recently relaxed some laws on self-employment but there is more to be done in the region in using informal sector employment as a basis of income and business opportunity. Throughout the region regulations and opportunities in the informal sector need closer inspection.

50 Formal employment in Kiribati is estimated at only 21% of adults, and often these individuals have to support large households (ADB, 2002:xx). Only around one-quarter of the 2000 annual school leavers can hope to find full employment, and this ratio is worse in both Fiji and Vanuatu. In a 2000 survey of employment 20% stated that they ran their own business, indicating a prevalence of informal sector activities, though there does not appear to be any official recognition or support of the sector.

51 Most urban poor families do have at least one income earner in the formal sector, but low wages and young dependents typically mean that household income remains below the poverty line. Formal sector jobs, in the case of the garment industry in Fiji, have also become increasingly rare for those without high levels of education and even these wages fall below the income poverty line (Storey, 2004). While employment creation is an important part of poverty reduction wages are also a key issue. One study by ECREA in Fiji in the mid-1990s found that 47% of full time employed people lived below the poverty line, and that two-thirds of these were women. In the absence of well-paid formal sector employment secondary/informal sources of income have taken on a greater importance for many families. In the future the informal sector will be the most important and accessible entry point into business and income generation for the poor providing a critical source of employment generation and enterprise.

52 Detailed studies on the informal sector in recent years have been rare, but one which examined several urban centres in Fiji raised some interesting trends and opportunities as well as identifying impediments facing the sector. Reddy *et.al* (2003) argued that in Fiji the informal sector was playing an increasingly important role in employment creation and labour absorption. The report noted that only between 17-22% of all employment in PICs is created through the formal sector. In comparison in Fiji the informal sector accounts for more than 50% of jobs, up from an estimated 37% in 1996. This is an important source of livelihood for many poorer families. The principal occupations of those interviewed were vegetable sellers, couriers, fish sellers, BBQ operators and 'shoe shine boys'. Most operations were run by women, had been established for more than a year, operated six days a week and ten hours a day. Most were family operations operating in public spaces and a large number were 'rural' or peri-urban workers who travelled into town to sell goods, indicating the strong inward/outward flow of labour and economic flow which characteristics Pacific towns and cities. Only 48% of respondents held a business permit. Of the challenges they face respondents nominated:

- Competition from other sellers;
- Lack of finance;
- Lack of skills and business know-how;
- Government regulations;
- Discrimination (see Connell, 2003).

53 Creating quality employment and the opportunity for greater business expertise and skills is likely to be more relevant than merely creating jobs. More research is needed into how poorer communities gain income, their sources of livelihood and how these can be supported by policy.

3.5 *Housing and informal settlements are placing enormous stress on communities, cities, and authorities alike.*

54 Housing is often a barometer of people's income, their level of security and their access to resources (including land). Although informal settlements do not always house the very poor, the fact that Pacific middle classes have little choice but to live in poor quality housing areas is an indication of the low incomes and high relative cost of living in many Pacific cities. A great majority of migrants to cities in the region now build their own houses outside of formal legal regulations.

55 Though informal/squatter settlements in the Pacific have a long history, considerable recent growth has been evident and reflects growing poverty and the lack of alternatives for a greater proportion of urban residents. In Fiji this growth has accelerated with the expiry of Indo-Fijian land leases and recent poor economic performance. A recent study by the Squatter Resettlement Unit found that Suva's squatter population alone increased from 51,925 in 2001 to 82,000 in 2004. Indeed, the percentage of squatter households to total urban households doubled from 5.5% in 1996 to 10.3% in 2002 (Jones, 2003:11).

56 Although state-provided housing is evident in all three countries it has long proved inadequate. A Fiji Housing Association estimate is that over the past 30 years some 70% of applicants were unable to afford repayments on low-income housing which conformed to legal requirements (UNESCAP, 1999). The Ministry of Local Government, Housing, Squatter Settlement and Environment (MLGHSSE) and ADB have estimated that over the past five years approximately 70-80% of new land developments around urban areas have been through informal agreements and some 80% of new housing stock has been built independently of official planning authorities. In essence Fiji's booming urban areas are being developed autonomously, outside the control and authorization of government and planners, and this same trend is evident in both Vanuatu and Kiribati.

57 Burgeoning informal settlements are the destination of Indo-Fijian cane farmers who have no customary rights to land but also Fijians moving to cities to further their opportunities, even when they have access to rural land. Increasingly these settlements consist of makeshift shelter, with no water supply, sporadic access to electricity and are increasingly characterised by overcrowding, leading to a recent ESCAP/POC conclusion that 'there is a need for governments to take a more proactive approach with squatter settlements particularly in promoting a greater understanding of rights and services' (ESCAP/POC, 2002:30).

58 A recent (2003) study by the Squatter Resettlement Unit in Fiji and ESCAP/POC has noted the following key trends and concerns:

- There are approximately 182 squatter settlements in Fiji with an estimated population of 82,350 or 13,725 households;
- The population growth of informal settlements in Fiji grew by 20% between 1999-2001 alone;
- 16.4% of the Greater Suva population are now 'squatters'.

- There has been a 73% increase in the squatter population in Suva between 1996 and 2003;
- Over the period 2001-2 an estimated 15,000-20,000 people migrated to the greater Suva area, equivalent to the entire current population of Labasa (Fiji's 4th largest town);
- By 2006 it is estimated that there will be 90,000 people living in informal settlements in the Suva-Nausori urban corridor alone.

59 With an estimated 13,140 farm leases due to expire between 1999 and 2028 Fiji may only be at the edge of a significant and potentially chaotic urban demographic explosion for which it is barely prepared⁴. Funding is totally inadequate vis-à-vis need, with only F\$1 million allocated for squatter upgrading for the year 2004. In contrast, the Minister for Housing estimates that F\$50 million allocated over the next 10 years will be necessary to keep pace with demand.

60 With limited resources the Squatter Upgrading Unit (over the period 1992-2000) was only able to complete 1572 housing units accommodating approximately 7,500 people, roughly the number of new migrants into Suva *each year*. The Minister himself has estimated that at current rates of completion it would take up to 60 years to meet demand based on current population trends. The Ministry is caught between attempting to discourage the creation of new sites through giving them low priority for assistance, giving eviction notices to new entrants, demolition, and withdrawing the rights to essential services such as water and electricity, and the fact that there are few alternatives for housing. And so there exists a contradictory approach of attempting to discourage settlements but recognising their reality and needs, in terms of formalising lands with official leases, upgrading existing settlements, relaxing building standards and providing more land (Lingam, 2003). This very difficult balancing act, between discouragement and recognition, confronts all urban authorities in rapidly growing cities.

61 Governments are loath to relax building codes and regulations in informal settlements but the creation of formal housing by government and non-government institutions is woefully inadequate. Government housing authorities have generally failed to provide affordable housing for those outside of relatively well off groups. The Fiji Housing Authority's houses are typically priced between F\$12,000-15,000 with mortgages offered at 5-6%, beyond the scope of the majority of many living in informal settlements with family incomes of F\$100/week. Even NGOs struggle to make any serious impact on demand. As an example, the Housing Assistance and Relief Trust (HART) estimated that it built 60 new flats in Fiji in 2002 and Habitat for Humanity has finished 29 houses in Vanuatu over the period 2001-2005. In effect these are little more than demonstration houses.

62 Nevertheless, for most residents informal settlements are solutions to a problem, not necessarily the problem itself. In a number of surveys throughout the developing

⁴ Each tenancy involves a number of families and while not all leases will involve the termination of residence, experience since 1999 has indicated a significant growth in Indo-Fijian migrants from areas where leases are expiring.

world, and in the Pacific, the urban poor place less emphasis on their housing poverty than they do on low wages, insecure tenure, rights, provision of infrastructure and services. Poor housing and large squatter settlements are a visible manifestation of these needs and therefore holistic approaches need to be taken if they are to succeed. Unfortunately examples of such approaches are rare.

63 Vanuatu faces similar problems of informal settlements providing essentially the only affordable housing in Port Vila and Luganville for many Ni-Vanuatu. With the demise of the expensive housing schemes of the National Housing Corporation (which only managed to build 49 houses in total) Vanuatu has no national scheme to provide affordable housing for low and middle-income families. With formal subdivisions also being out of reach for the vast majority of urban residents this has meant that the majority of housing development has taken place on customary land adjacent to the main towns where people can find employment and participate in urban life. While there is no reliable data on peri-urban and informal sector populations they are clearly the fastest growing areas. Such places as Blacksands experienced a 47% growth in population from 1997-2000 alone (Mecartney, 2001).

64 In Kiribati a national shelter strategy was adopted in the mid-1990s though there have not always been the financial or other resources to follow through on policy ideas. Crowding is a particularly pressing problem. With over 1,000 homes in South Tarawa accommodating 10 or more people, communicable diseases and stress are common afflictions. The Kiribati Housing Corporation (KHC), which has built a large number of the formal houses in South Tarawa (numbering around 1,216 in 2003), caters primarily to civil servants and many houses are currently in various states of disrepair (Eratai, 2003:27).

65 Erene Nikora, director of lands of Kiribati has also recently warned that with increasing urbanization, issues of urban poverty and inequality are now coming to the fore with urban squatters settlements now visible in all major Tarawa towns and villages. In some parts of South Tarawa (e.g. Betio), one-third of all households are squatting. The KHC has recently estimated that at least another 1,038 additional houses are required in South Tarawa, but that they cannot provide them (Eritai, 2003:73). Essentially, public housing provision in formally developed areas has stood still while all recent (i.e. over the past decade) housing development has been informal and self-help. Estimates vary on the three islets of South Tarawa between a quarter to a half of all households defined as 'squatting'. Despite these trends and estimates there has been no comprehensive study on urban housing and tenure status in Tarawa.

66 Increasingly, informal settlements are being built within family compounds leading to higher population densities and less open space for recreation, gardens or access. Informal housing is also spreading onto water reserves and closer to coast lines, leading to degraded environments and threatening watersheds. The prevalence of informal housing is compounded by the absence of realistic building codes and any viable alternative to meet needs. This scenario applies to some extent throughout the Pacific.

67 In terms of availability, affordability and responsiveness, Pacific shelter strategies are struggling to match needs. There is a clear growth of peri-urban and informal settlements on indigenous land which is resulting in ad-hoc development. It appears that in the next decade, unless more effective responses and institutions are put in place, informal settlements on indigenous land will become the dominant form of new urban growth and this will make infrastructure and service needs very difficult to address as well as continuing to be a potential source of conflict (e.g. Papua New Guinea, Solomon Islands and Port Vila in the 1980s and 1990s).

68 Although on a small scale some success has come from NGOs. Habitat for Humanity (HfH), in partnership with a microfinance organisation (VANWOODS) has constructed a small number of houses around Port Vila. HfH adopts a ‘sweat equity’ approach to housing where the homeowner uses their own labour in construction to keep costs down. Though constrained by the high costs of land a number of housing examples have been established and there is considerable demand. One further contribution has been the showcasing of cheaper building materials, including interlocking blocks used in the Philippines and materials that people can construct using their own labour, for example building tiles.

69 There is an urgent need to recognise the need for policy which seeks to work with informal communities in developing strategies which establish more secure and better quality housing which is affordable and does not compromise urban development into marginal or hazardous environments. At present there is only minor policy attention and resources devoted to the issue of informal settlements and housing despite their growing dominance. It is essential that more resources are devoted to creating partnerships between donors, government agencies, NGOs and communities themselves to deal more effectively with housing issues – though this will also require dealing with land.

3.6 Land will continue to be a social and political flashpoint with the growth of urban areas – with innovative solutions necessary

70 In all three countries, Kiribati, Fiji and Vanuatu, urban land is saturated and all new development is taking place outside of the formal city and beyond the institutional and legal scope of authorities. Without doubt land tenure and affordability is the primary factor which is shaping the geographical development of urban areas in the Pacific. Pacific cities are spreading and developing on a mix of government/crown, freehold and customary land. This weakens the efficacy and authority of formal planning and makes management extremely difficult. Infrastructure provision is ad hoc and expensive, or completely absent when compensation demands from customary landowners make such development impossible (as in Vanuatu). Land reform in urban areas is a pressing need, particularly where population pressure on indigenous land is greatest. Land is also the most likely area of conflict.

71 Apart from small parcels of government ownership, the vast proportion of land in both Fiji (80%) and Vanuatu (98%) is customary. Fiji’s urban areas are a patchwork of

tenure types, with 58.7% recorded as freehold, crown or Native Land Trust Board (NLTB) lease land and 41.3% as informal, traditional and extra legal. These latter forms of tenure will increase in significance as cities expand into peri-urban land which is more accessible for migrants and those who can no longer afford to live in formal housing stock.

72 In Kiribati, outside of small pockets of state-owned land, urban land is privately held and government is reluctant to confront owners and traditional leaders over the way it is used. Where formal leasing occurs it has been overwhelmed and replaced with informal agreements. Even in South Tarawa, where 60% of land is in government ownership most development is taking place on private or traditional land as the use of government land is contested between the Land Management Department and the two town councils of South Tarawa. Population growth is also placing severe stress in South Tarawa. Land is being degraded, water tables polluted and exhausted and foreshores have eroded to the point that they offer little resistance to tidal surges. Recent trends have seen an increasing landless population, an outcome of land being ‘sold’, and pressure on reforming land tenure to prevent overcrowding.

73 Throughout the urban Pacific traditional tenure has not avoided the commodification of land and spiralling costs – and has probably accelerated these trends. Management and codification of land is spread across local and national agencies, and coordination between them is often weak. This is made more complicated through landowners retaining ‘veto’ rights. As a result, uncontrolled squatting makes planning difficult and occupies remaining public space. While there are existing powers open to governments to appropriate land for the public good these powers are rarely if ever used, largely a result of the perceived (and likely) political repercussions.

74 As with housing provision, formal subdivision or registration of land is proving too slow, expensive and bureaucratic in the face of rapid and escalating demand. This is resulting in the growing prevalence of *vakavanua* or informal leasing throughout the Pacific. While this is satisfying basic access to land, such informal agreements between landowners (in many instances there are several) and ‘squatters’ are prone to change and can result in conflict. Essential legal protection, especially for renters, is absent meaning that conditions and payments are uneven and subject to change. In Fiji newer residents in informal settlements complain of being harassed by those claiming to be indigenous owners of the land demanding rental or other payments in kind. There is little evidence of any formal or written agreements over squatting or renting on customary land, and this situation often opens the door for potential abuse and vulnerability. In some cases traditional landowners do not allow squatters to have their own gardens, through fear of competition at local markets or due to the lack of available garden space. Similarly custom landowners often resist squatter attempts to improve the quality of their temporary housing for fear that it will be seen as permanent. In the face of continued urban growth and expansion, land will continue to be a volatile and divisive issue.

75 As population pressure increases in peri-urban and customary areas land tenure systems will need to be addressed as will the role of traditional landowners. The case for

wholesale privatisation of customary land remains politically and culturally untenable and so more innovative solutions need to be found. The case of Vanuatu, where options for formal urban expansion are limited by customary land and landowners, provides a strong case for the need to more effectively address land issues in such a way that allows for more rational urban growth while identifying a continuing role for traditional systems (Storey, 2003; 2005).

3.7 Institutions are failing to cope with demands placed on them

76 Throughout the Pacific there have been serious questions raised over the efficiency and effectiveness of urban agencies in their response to the important and pressing issues facing the region's cities. In part this is because urban areas straddle modern and traditional authority, and this is most evident in conflicts over land and resource management (Chung and Hill, 2002). Both Jones (2003) and Storey (2005) have suggested that urban governance will be one of the most important issues facing PICs this century. Clearly authorities are struggling to cope with the patterns and rates of urban development in respect to the resources at their disposal. Partly this is to do with the diffuse nature of urban development, but also with issues of governance. The end result is that many of the decisions about urban development and growth that are being taken occur outside the policy and legal apparatus of the state.

77 While limits to the authority of institutions in part explain their weakness many key agencies working on urban issues in the Pacific lack the necessary skilled staff to work effectively. This applies to those working in formal government structures but also to traditional authorities. Throughout the Pacific there is a lack of qualified urban specialists. There is a clear and urgent need for increased training of planners and professionals if more consistent urban policies are to develop.

78 While one response is to strengthen government agencies to deal better with urbanisation there is also a strong case for better equipping indigenous leaders and institutions to deal with decisions relating to land, urban development and informal settlements. Community-based planning does have potential in the Pacific. In Palau, traditional authorities play the role of 'advisors' to the more formal system. Community consultation and participation in urban planning has been adopted in Kiribati and Samoa (Jones and Lea, 2006). Efforts to include disparate ethnic populations and the poor and marginalised are critical in building relationships and involving all urban citizens into decision making and planning. Also, in looking at towns through a more strongly indigenous lens we may see urban places and issues quite differently, as well as potentially identifying a wider array of potential solutions and their champions.

79 Recently the Malvatamauri (National Council of Chiefs) in Vanuatu has encouraged chiefs to take part in training courses to raise their level of awareness and capacity in development issues. It also wishes to create an urban council of chiefs to act as advisors on peri-urban land and social issues, and to play a more proactive role in

urban governance in general. This has been supported by the University of Queensland and AusAID and offers a positive example of capacity building in this area.

80 No single institution or agency (whether government, donor, or NGO) has the capacity to comprehensively address the needs of urban development in the region. This implies the need for strong communication and effective linkages. However, relationships between key institutions are characterised by their absence of coordination and a lack of inter-institutional awareness and communication. A recent University of the South Pacific/PIAS-DG initiative which involved bringing together government departments to talk about urban housing concluded that a panoply of initiatives existed but these were divided into various ministries with limited knowledge and interaction between them. Also noted was the predominance of top-down solutions and a lack of community consultation⁵. This is backed up by grassroots surveys. An ESCAP/POC study in Nasinu found that, apart from using health services, few residents were aware of what was provided by government welfare agencies, NGOs and other support agencies.

81 In all three case studies there is no oversight body in urban affairs with legislative power of implementation. In Port Vila urban administration involves the municipal council and at least five national and provisional departments; in Fiji the administration of Suva is divided among three local governments and five national and municipal agencies; and in South Tarawa urban services are provided by seven different ministries and departments (World Bank, 2000:15). There is often little focus on coordination or building the capacity of such agencies, or the relationships between them.

82 This is further complicated by the growth of urban settlements onto customary lands. Chung and Hill (2002:47) have noted that ‘Vanuatu currently has no specific national planning policies or strategies for managing present and future urban growth, and little capacity either in the public or private sector for this task’. In Fiji while those within town boundaries are under the jurisdiction of municipal councils peri-urban populations may be either under the jurisdiction of 15 rural authorities under the Ministry of Health or the 14 provincial councils under the domain of the Ministry of Fijian Affairs. Provincial councils deal with the governance of the provinces and matters relating to indigenous Fijian welfare, custom and economic and social interests. Although there has been a shift toward local government playing a greater role it remains hampered by a lack of financial and human capacity.

83 Nevertheless, it is through local, rather than central government that stronger relationships with communities are more likely to be forged. There has been an increased focus on the role of local government to play a more important role between the state and civil society in the Pacific, especially from the Commonwealth Local Government Forum (CLGF) based in Suva. However there is much work to do before decentralisation to local authorities results in anything more effective than what central government may offer. Local government has struggled to build effective relationships with communities and has not demonstrated any greater capacity or willingness to meet the needs of urban

⁵ PIAS-DG also plan to run a similar consultation meeting with NGOs in mid-2006, followed by a joint workshop between government departments and NGOs.

populations. Recent research in Fiji has confirmed that urban populations generally have a low level of understanding of local government but still had critical opinions of local administrations, finding them inadequate and corrupt. Despite the need and potential for a greater role, local governments have a weak resource base, lack human and financial resources and they are rarely able to act autonomously of central government.

84 However, some town councils in Fiji are attempting to develop stronger links with their communities. Alongside ESCAP/POC several councils have developed strategic plans and methods by which to assess their performance. Before this their main experience was solely in budgeting. The Nasinu Town Council Strategic Plan (June 2002) resulted from consultation with a number of informal communities, businesses and residents, resulting in a plan which recognised problems of employment, growing inequality, and spatial and socio-economic imbalance. The Sigatoka town council has implemented a PSI (Public Satisfaction Index) twice a year. In Lami there were over 1000 responses to a questionnaire through door knocking. Most people asked, what is a town council, what does it do?

85 Kiribati is an interesting study because there have been concerted efforts to deal with urban problems alongside urban management. This included a United Nations study in the early 1980s on governance, utilities and cost recovery, land tenure and physical planning. Urban management was then more directly addressed in the mid-1990s, with a focus on land and environmental planning through the establishment of the South Tarawa Urban Management Committee in 1993 which resulted in an Urban Management Plan for South Tarawa (1995). Its suggestions were to increase awareness of urban issues and to create better coordination among departments and this was followed by a new housing policy. One of the positive aspects of these activities was the attention given to building the capacity and relationships of institutions. Connell and Lea (2002:119) have noted that Kiribati is evidence that ‘suitable planning arrangements can be made, even where national skills, expertise and capital’ are limited.

86 However, concern has been expressed about the long term commitment to change. With regard to urban planning and land, actual implementation of plans has been weak given their implied and actual confrontation of traditional leadership and land ownership patterns. The capacity building efforts of AusAID in Kiribati, primarily in urban land administration in the late 1990s, were considered a success but questions remain over the sustainability of the gains and of the commitment to tackling complex urban issues (Jones and Lea, 2006). Jones has also noted that many of the initiatives he was involved with have simply been overwhelmed by the day-to-day focus on survival. As is elsewhere in the Pacific, there have been few consistent champions of change. One of the difficulties such champions of urban issues face (where they exist) is that while cities are places where power resides, rarely is political power and legitimacy *derived* from the city.

87 In focussing on institutions however we may be missing half the picture. Certainly there is a vital need to build the effectiveness of and coordination between government departments and traditional authorities. However there is also an equal need to build stronger connections between institutions and urban citizens, especially involving those

who are poor and marginalised. Improved governance will occur with more capable and responsive formal institutions, but also with more demanding and organised communities. There is an urgent need to create effective partnerships which transcend ‘modern’ and ‘traditional’ structures if cities are to not become chaotic, sprawling places which are impossible to manage.

88 Urban governance in the region suffers from both weak horizontal relationships (between agencies and departments) and limited vertical relationships (between formal and non-formal institutions). Indeed, in the absence of participation of urban citizens in decisions latent tensions prevail. Given the limited success of top-down and institutional driven change perhaps it is timely to explore alternative sources of ideas and energies to drive/re-energise changes in urban policy. Chung and Hill, for example, have posed the question whether we should continue to support existing formal institutions (are they *ever* likely to succeed?) or begin to develop new institutions. Certainly there appears to be a strong case for building the capacity of those institutions that do reach and respond to the poor – such as NGOs (where they exist), the Church and traditional leaders⁶.

89 In poorer communities there is a real ‘poverty of access’ to information and communication with authorities is almost non-existent. This lack of presence of institutions is felt by communities and creates potential problems. In the Vanuatu Poverty Report when urban/peri-urban communities were asked what government and NGOs should be doing to help they placed ‘wanting the needs of people considered in decisions’ high on the list. In addition, a full 62% of respondents felt these organisations did nothing for them, so could not imagine what they would be responsible for (Government of Vanuatu, 2002:76).

90 Communication between agencies and communities is generally poor. When consultation does take place too often it is a one-off event (usually at election time). Once consultation has occurred though institutions need to deliver. ECREA, which has worked with eight squatter communities over four years has only recently developed a relevant action plan. This involves the community taking more responsibility for savings and income generation. Consultation is important, but trust can only be forged over time and then funding is required to back plans up.

91 Dealing more effectively with urban problems will require coordination across a number of stakeholders, not the least greater involvement with communities themselves. In dealing with growing urban poor areas, governments and donors need a more consultative process with residents, local government, NGOs, and customary authorities/landowners.

92 In essence it is not necessarily the institution which is the most important but the way it interacts with urban citizens. In these terms more positive relations will result from:

⁶ In examining the ‘radical’ initiatives which have successfully brought communities and local government together in Porto Alegre, Brazil, Gret and Sintomer (2005) have noted the limitations of formal western democratic institutions and the need to explore more innovative forms of participatory democracy in cities.

- A change of mindset between institutions and people which moves beyond an ‘us and them’ towards a ‘we’ mentality;
- A change in the relationship between people and institutions, which involves building and maintaining communication and consultation mechanisms on decisions which affect people;
- A change in institutions which make them more responsive to needs and expectations, especially of those previously marginalised from the decision-making process (adapted from Chung and Hill, 2002:40).

A more inclusive approach such as this will constitute an important step to more effective and inclusive governance and will, in effect, act to build stronger institutions.

3.8 Environmental issues will increase in importance. Pacific urban cities are increasingly unhealthy and dangerous places to live.

93 Urban environments are becoming more hazardous and vulnerable places in which to live. Although progress has been made in terms of health facilities and awareness several Pacific cities face periodic threats of cholera and other water-borne diseases. Infant mortality rates, often as a result of diarrhoea, continue to remain high in microstates such as Kiribati as do communicable diseases, in large part aggravated by overcrowding. Pacific cities are invariably close to water sources and the continued health of rivers, lagoons and the sea is critical for human well-being. To date most water pollution is organic, though more hazardous forms of industrial water pollution may pose a greater threat in future.

94 South Tarawa remains particularly vulnerable to environmental degradation. The population of Tarawa is under constant threat of epidemics and diarrhoea remains common. An ADB project to draw water from a fresh lens source in North Tarawa is now under threat through population growth expanding into these reserves. At present projects on developing stable sources of potable water and dealing with sewerage and sanitation are being driven by donors, but eventually government will be required to take greater responsibility for this infrastructure and provision. Some officials describe the environment around South Tarawa as like ‘sitting on a time bomb’ in terms of living standards and the impact on the environment. The key environmental issues faced in Tarawa are considerable and include:

- Groundwater depletion;
- Increased salinisation and pollution from sewerage and animal excreta (around one-third of South Tarawa’s population use beaches as toilets);
- Marine life and seawater contamination from human and solid waste;
- Over fishing of reefs and lagoons;
- Non-degradable waste disposal;
- Coastal erosion, beach mining and deforestation eliminating sources of food, medicine and habitat and increasing the vulnerability of coastlines;
- Breakdown of traditional subsistence production, resulting in poor nutrition and health-related problems (ADB, 2002:28).

South Tarawa may have a reticulated sewerage system, but this is not available to a growing number of informal settlements and therefore has not solved problems of open defecation. Most sewage and solid waste continues to be disposed of along the waterfront and green belts and water catchments have been replaced with housing.

95 One recent survey has documented that residents in squatter settlements on South Tarawa were more likely to dump solid waste, use the beach as a toilet and use dirty water for drinking as a result of being cut off from infrastructure and services. Water and sanitation facilities are only provided to those on public land (predominantly housing corporation homes) and 'private' households are required to pay for their own connections. The majority of these cannot or choose not to pay for this service and end up dependent on wells and rainwater and basic toilets or squatting on the beach. Given that almost all new housing stock in Tarawa is now informal and 'illegal', and treated as such by authorities, this is cause for concern. Water quality is a significant problem, as is the de-foliation of the atolls to make way for housing. Lagoon pollution, in part exacerbated by the closing of the lagoon for causeways, is of increasing concern and threatens public health. The garbage collection system has only been partially successful. Much of the urban area is still plagued by garbage and the country still does not have legislation to deal with solid waste management or pollution of the lagoon.

96 Environmental stress is not restricted to microstates. In the mid-1990s only about 40% of Fiji's urban population had adequate access to water, proper sanitation facilities, and waste collection services (World Bank, 2000:8). Even facilities which are in place are poorly maintained and depend upon aid budgets. The growth of peri-urban and informal settlements will make more extensive provision difficult. However, a recent US\$47 million ADB-Fiji Suva-Nausori Water Supply and Sewerage Project is aiming to address access to safe drinking water for the poor in peri-urban communities.

97 Levels of solid waste creation per capita are increasing in many of the region's cities but the machinery of collection and disposal is rarely keeping pace. An ESCAP/POC study of informal settlements in Nasinu (Suva) showed that only 19% of households had their rubbish collected while 52% of households either burned or buried their rubbish. Of some concern 21% of households reportedly threw their rubbish into a nearby river or dumped it on nearby land. The study consequently warned that environmental and health conditions in informal settlements were degraded and deteriorating with growing populations (ESCAP/POC, 2002:20). In addition to well-known environmental threats Suva now faces an increased problem of air pollution. Recent studies have shown dangerously high levels of air pollution around Nasinu and government is now removing vehicles from the road if they fail spot exhaust checks.

98 Similar trends are also found in urban Vanuatu. The Port Vila Municipal Council does not collect any solid waste from informal areas, which constitute the largest and fastest growing areas around Port Vila. Subsequently, in the absence of such services, collection from some settlements is organised by the theatre group Wan Smol Bag. Informal settlements depend on shared pit toilets, sometimes very close to water courses

and subject to flooding. There is no public service provider for sanitation and there are no sanitation master plans for either Port Vila or Luganville. A lack of infrastructure provision in peri-urban areas in Vanuatu means that households depend upon rain water and wells, which are increasingly susceptible to contamination (pollution of the aquifer, leptosperosis and vector-borne diseases in rain water) (Government of Vanuatu, 2002:25). Without positive intervention, environmental conditions in informal settlements will deteriorate and threaten the health of residents and ultimately environmental and health conditions in the wider urban area.

99 The rapid spread of cities into agricultural hinterlands is also creating a wider urban footprint with resulting environmental impacts. One example of this is the impact of peri-urban areas on the Tagabe catchment area, which covers twenty-five square kilometres to the immediate north of Port Vila. It is now under significant pressure from rural runoff, industrial wastewater, and informal settlements, but authority for the river is divided between Efate, the Port Vila Municipal Council and a number of customary landowners. While a number of informal settlements have sprung up in the catchment area over the past decade, and previous urban management reports have indicated that it is a potential area for urban expansion, the catchment is a critical source of water for the city and also represents an important source of market gardens and food production in western Efate. Essentially the catchment is under threat from a range of developments but solutions, if they are to be effective, require interaction between formal and customary institutions. Though there is movement to create this consensus, through the ADB-funded Tagabe Catchment Initiative, dealing with pollution and use of the catchment is a complex but necessarily inclusive and time consuming process (ADB, 2004:chapter 6).

100 As the region industrialises and consumerism increases the amount of inorganic waste and per capita waste generation is increasing putting coastal and fragile ecosystems under pressure. Dealing with these issues will require both technical knowledge and materials in the form of planning and infrastructure, but equally so traditional authorities have an important role to play. An example of this is in the Marshall Islands where *alaps* (traditional land managers) have been encouraged to develop their own approaches to managing and enforcing controls over waste in their areas (ADB, 2004:31).

101 Despite the challenges faced in all three countries levels of environmental awareness is low. Though it faces the most challenging environmental outcomes resulting from urbanisation environmental issues are not of great political or community interest in Kiribati. Despite a host of environmental reports and workshops over the past decade little concerted action appears to have taken place. Perhaps this only reflects the attitudes of constituents. In a recent survey more than one-third of people in Kiribati identified the sea as an acceptable place to dispose of waste while 29% of Tarawa residents did not recognise that waste was a problem (only 5.4% of Suva's and 7.6% of Apia's residents felt the same). There is, as yet, no coordinated government/civil society response to environmental issues facing South Tarawa.

102 Nevertheless, where environmental initiatives have been pursued communities have participated. As an example a recent Foundation for the Peoples of the South Pacific

project establishing a recycling station in Tarawa based upon bottle-deposits met with overwhelming responses. In terms of dealing with solid waste thinking outside the box and working with communities may be essential to success. Elsewhere in the developing world, especially Porto Alegre (Brazil), innovative recycling and waste management approaches which give income opportunities to the poor through involving them in waste management and recycling have proved to be both relevant and innovative ways to reduce garbage.

3.9 Pacific cities have not received policy or research attention commensurate with their significance. More needs to be done in terms of research and sharing best practice.

103 Finally, throughout the Pacific effective urban policy is handicapped by a lack of knowledge on key issues facing cities and their populations. This means that often policy responses are reactive rather than proactive. Even those initiatives which do exist from government, donors and civil society are generally fragmented and based on limited knowledge and superficial data. This contributes to poor long-term understanding of the underlying causes of urban maldevelopment. Partly this results from the limited attention to, and encouragement of, urban research in the Pacific. I would suggest that this poverty of data and understanding further bears on the quality of policy, as well as the number of policy options open to donors.

104 Throughout this report I have documented where a lack of data hampers our understanding of urban places. In a number of key areas agencies and donors work with outdated and often irrelevant information in dealing with very real and pressing needs. While this is not necessarily unique to urban areas it is important to recognise the importance and need for a better understanding of cities, their populations and the key issues which threaten urban sustainability. By way of indication the following gaps in research are put forward:

- Urban livelihoods: How do people get by in the city (especially the poor)? Who are the poor, who are the vulnerable? What are the bases of people's livelihoods and how can these be strengthened and supported?
- Housing and poverty: What are the key characteristics of the region's burgeoning peri-urban areas and squatter settlements and their populations? What are their expectations and how may local organisations partner outside agencies in bringing about safer and more prosperous communities?
- Community organising: What forms of organisation are developing in the region's peri-urban and informal settlements? How can the role of CBOs and NGOs be encouraged to play a greater role in representation and in deepening democracy at the local level? How should they best interact with the state and donors?
- Land: Despite problems with sensitivity we need to know a lot more about informal land arrangements in and around urban areas. Do we know enough about urban land tenure, and the arrangements which underpin settlement? What

alternatives will satisfy the needs and interests of the state, capital, communities and customary landowners?

105 Poor or inadequate data hinders the development of relevant or effective policy decisions. Clearly there is a need to improve the quality and depth of data on the urban issues outlined in this study which should ultimately improve the quality of understanding and debate on key issues. Government departments, donors and NGOs do collect snapshot data but this is often on an ad hoc basis and done with limited resources. As an example the recent Vanuatu Poverty Report admitted that HIES data on the experience of urban poverty was deeply flawed and unreliable, not the least as peri-urban areas were counted as rural villages thus skewing rural/urban comparisons.

106 More also needs to be known about successes in urban management and development and what can be learned from these experiences. Even where initiatives are successful and seek to address key issues they are not widely known about or shared. To some extent the Commonwealth Local Government Forum in Suva has sought to create a forum for local government from around the region to share experiences. However one of the clear needs for research, policymakers and donors is a sharing of information (a clearing house) and 'best practice' across the Pacific including from Australasian towns and cities. Many urban policies and initiatives are undertaken in isolation and there are some positive and interesting things happening around the region which are not transferred.

4.0 Conclusions and recommendations

107 As the Pacific urbanises it is important that the donor community responds in ways which are relevant and effective. Several key issues have been identified in this discussion paper. They include governance, deteriorating infrastructure and services, conflict, land, poverty, peri-urban growth and sustainability. Some of these issues are more pressing in particular contexts, for example crowding and health in Kiribati, informal settlements in Fiji or governance in Vanuatu. What is important is that responses which are long-term and focussed on both material needs and institutional relationships emerge now to give some confidence to societies facing an unprecedented and permanent urban transformation.

108 Pacific cities face challenges that are widespread and complex, but, with limited resources, what are the options for policymakers and donors? It is not just a matter of resources. Outside of some examples of infrastructure, urban issues are rarely solved through the weight of financial or even human resources, especially if these originate from 'outside'. Successful assistance is more likely to occur 'in a form which allows priorities to be influenced by those suffering the deprivation and to be sufficiently flexible to address the causes of deprivation within each particular location or social group and at the household or individual level' (Mitlin and Satterthwaite, 2004:16).

109 In terms of policy ideas the following recommendations are made:

Overcoming poverty through generating income

- More attention needs to be brought to urban poverty through a greater level of research on the causes of poverty and the opportunities for urban livelihoods.
- Assistance needs to be given to the development of the informal sector including training and developing business skills to build family-based enterprises. Policies need to encourage rather than suppress informal sector activities.
- Community savings schemes and microfinance initiatives need to be encouraged in poorer communities. Households need to be given greater incentive and opportunity to invest in their communities though this will only succeed with a sense of security.

Increasing access to housing

- Government agencies and donors need to become more proactive in housing issues and explore affordable alternatives with communities.
- Policies need to be developed which give greater protection to renters.
- More affordable forms of shelter need to be identified. The partnership between Habitat for Humanity and VANWODS is an example of bringing both shelter and savings initiatives together.
- Cheaper and more available building materials need to be made available to communities to improve the quality of housing. While NGOs such as HfH have

attempted to develop low cost materials they lack the means to distribute both the technology and the finished product.

- There needs to be a move away from direct housing provision and towards greater access to affordable land, building materials, infrastructure and construction expertise. Communities need to be more involved in the process of housing in terms of consultation but also through community-based savings can participate more effectively in investing in community development and projects. NGOs such as ECREA have demonstrated the possibilities of such efforts in urban poor communities.

Overcoming isolation and vulnerability

- More emphasis needs to be given to strengthening communities and developing awareness of institutions and services available to them.
- Greater support needs to be given to agencies working with the urban poor in areas of need. Partnerships between AusAID and NGOs working in urban poor communities, even involving core funding, should be prioritised.

Providing greater access to land

- Broad consultation needs to be developed between customary landowners, communities and government agencies to identify opportunities for essential services and shelter to be provided on peri-urban land.
- Where land lease systems are in place, e.g. in Fiji, these systems need to be made more flexible and provide greater economic incentive to landowners.

Creating sustainable communities

- Innovative solutions need to be encouraged in community-based solid waste management.
- More emphasis needs to be given to environmental management in urban areas.
- Environmental education and awareness needs to be prioritised in vulnerable and risk-prone communities.

Increasing capacity

- More opportunity and support needs to be given for the training of urban specialists in the Pacific. This should not be limited to planners but should encourage a growth in urban expertise in the region. Capacity may also be increased through the twinning of cities in the Pacific region and sharing experiences.
- Research and documentation of Pacific cities needs to be more effectively promoted and shared in the region. A clearing house for reports and research should be established to consolidate and encourage more research and data.
- More opportunities should be given to building the capacity of local government, traditional leaders and NGO personnel in developing participatory planning and

development skills. Recent capacity building of the Malvatamauri in Vanuatu should be evaluated and possibly developed further in terms of dealing with urban issues.

Providing infrastructure and services to all

- More innovative and relevant technologies need to be developed for households which have little chance of being connected to reticulated sewerage and sanitation systems in the near future. This includes developing community-based appropriate technologies as well as promoting composting/urban gardening schemes to better deal with food and other biodegradable waste.
- Donors should work with communities, government and NGOs to encourage community-based savings programmes to be directed at extending infrastructure and services to poor communities.

Developing more responsive institutions and forms of governance

- There needs to be more consultation between urban communities, government agencies and NGOs on key issues, building consultation into decision-making bodies and increasing representation of communities. Recent initiatives in Fiji that encourage participatory planning should be evaluated and further supported.
- More forums between key stakeholders (donors, governments, civil society) need to be created on areas of need and means by which those needs may be met. Recent PIAS-DG efforts to bring urban stakeholders together should be used to develop state/NGO partnerships and should further involve communities themselves in defining key areas for action as well as their roles and responsibilities in urban development
- There need to be more effective avenues for sharing best practice and twinning institutions and agencies in order to learn from each other. Where possible these should be institutions within the Pacific but possibilities also exist for twinning Pacific cities with Australian and New Zealand cities in order to share ideas and expertise.

Appendix One: Persons consulted for this study

Tony Arthur, Port Vila Municipal Council
Selwyn Aru, Malvatamauri
Fr Kevin Barr and Semiti Qalowasa, ECREA
Maria Borovnik, Massey University
Kelson Bule, Vanuatu Police
Juliette Brassington and Patrick Haines, Australian High Commission, Port Vila
Laura Chappell and Sanjesh Naidu, PIFS
Andrew East, Queensland University of Technology
Paul Jones, Consultant Planner and University of Sydney
Anita Jowitt, University of the South Pacific
Azmat Khan, Town Clerk, Nasinu
Michael Kolwari, SHEFA Council, Port Vila
Henrik Lindroth and Garry Wiseman, UNDP
Michael Mongawai, Department of Lands, Vanuatu
Kendyl Montgomery, Habitat for Humanity Vanuatu
Sarah Mecartney, urban researcher, Port Vila
Peni Navidi and Dharam Lingam, MLGSSHE, Fiji
John Oak, Regional Economic Development Initiative (REDI), Port Vila
Terry Parker, Commonwealth Local Government Forum, Suva
Robbie Roberston and Craig Collins, PIAS-DG, University of the South Pacific
David Smith, Saliga Kofe and Alastair Wilkinson, UN ESCAP/POC
Thomas Tarp, Asian Development Bank
Kirk Yates, NZAID, Suva
Peter Walker, Director, Wan Smol Bag, Vanuatu

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