Dealing with Informal Livelihoods in an Urban Context: Issues and Challenges

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Presentation Outline

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I. Urbanization Trends and Challenges
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- In 2014, 54 per cent of world population is residing in urban areas. By 2030 this number is expected to swell to 5bn, with urban growth concentrated in Africa and Asia.
- Urban poverty occurs in parallel with rapid urbanization and is now growing faster in urban areas with 1bn people globally living in urban slums.
- Infrastructure projects requiring land increasingly affect informal settlers and/or people relying on informal livelihoods.
- Mitigating adverse project impacts on these groups remains a major challenge. Key area for the urban poor is their ability to achieve independence and a livelihood.
II. Key Characteristics of Urban Informal Livelihoods

- Lack of access to public services
- Dependence on cash-based economy
- Higher risk of crime and violence
- Lower educational & employment opportunities
- Less mobility
- Lack of access to formal jobs
II. Key Characteristics of Urban Informal Livelihoods

- Informal livelihoods occur primarily due to challenges in accessing the formal job market.
- Informal and segmented markets are often associated with low-paying jobs, unreliable stream of income and risky working conditions.
- Vicious circle of discrimination associated with the location where persons depending on informal livelihoods live.
- In the case of informal settlements, lack of a formal address or identity is particularly problematic.
- Lack of education and poor health further restrict the ability of poor urban residents to access well-paid jobs.
- Transportation costs may be unaffordable, or some residential areas may be disconnected from the network.
III. Resettlement Impacts on Informal Livelihoods

- Relocation may directly affect the transportation cost of getting to and from workplaces and schools.
- Women and youth may be disproportionately affected by resettlement as they may be unable to commute longer distances for safety reasons.
- Resettlement disrupts social networks. When resettled in spread locations, people lose valuable relationships built into the fabric of their former neighborhoods.
- Increase in social and welfare costs, especially those associated with longer commutes.
III. Resettlement Impacts on Informal Livelihoods

- Rejection and/or resentment of new or relocated households by host communities – due to the perceived social impact of the influx and the additional burden on existing public services and utilities.
- Insecurity of land tenure is a common characteristic of many informal urban settlements - often due to a lack of affordable, formal developed land in locations that offer easy access to income-earning opportunities for the urban poor.
- Challenge of ensuring security of tenure for the resettled informal settlers has a ripple effect on their livelihoods.
IV. Potential Mitigation Strategies

- Considering whether or not the affected persons must move to another location,
- Offering support after displacement to restore their livelihood and standards of living, and,
- Providing development assistance in addition to compensation measures such as training, or job opportunities.
- Alleviating tenure insecurity which may enhance opportunities for the affected persons to use their land or houses as productive assets, reduce anxiety about forced eviction, and improve usage of income-earning opportunities in formal markets.
IV. Potential Mitigation Strategies

- **Understanding social networks and livelihoods** - through an upstream, comprehensive social analysis - in the project affected areas is vital for social sustainability.

- **To address connectivity issues**: establish linkages with transport projects to identify transport subsidies as an important policy option.

- **Consulting resettled people** for their location preference, based on both economic opportunities and social relationships and affiliations.

- **To deal with host community**: ensure some degree of equity in the quality and reliability of infrastructure services for both host and resettled communities, and facilitate consultations and trust-building measures with host communities prior to actual resettlement.
V. Relevant EIB Social Sustainability Framework

EIB E&S Standards apply to all regions; all types of financing; both public and private sector projects; throughout the project cycle
V. Relevant EIB Social Sustainability Framework

- Since 2013, explicit reference to *international human rights law* explicitly included throughout the social standards;
- **S1 on Assessment and Management of Environmental and Social Impacts and Risks** - aligned with steps outlined in the UNGPs, esp. with regard to grievance mechanisms, communication and reporting; stakeholder engagement;
- **S6 on Involuntary Resettlement** highlights the alignment with the international human rights law - specifically rights to property, adequate housing and standard of living and food;
- **S7 on Rights and Interests of Vulnerable Groups** ensures respect for the human rights and livelihoods of vulnerable groups; links the concepts of vulnerability, impact and the requirements for equal treatment (the principle of non-discrimination); and ensures Free, Prior, and Informed Consent (FPIC) of Indigenous Peoples and in cases of specific initiatives such as REDD+ (extending the right to FPIC to non-indigenous, forest communities, too)
VI. Project Example of Resettlement
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- Belgrade Sava Bridge Project in Serbia: construction of new road sections in the City and a new cable bridge over the Sava River
- Need for physical resettlement of an informal settlement with 93 families (mainly Roma), based on 2010 census – today 49 HHs
- A Resettlement Action Plan (RAP) developed and endorsed by the City in June 2012 to mitigate adverse impacts and improve the living standard of project affected people
- The affected population largely involved in informal collection and recycling of scrap metal, PVC and glass.
- Delays in RAP implementation due to changes in the City leadership, procurement issues, difficulties in finding the locations for housing units, and the floods that hit the region in Spring/Summer 2014.
- The City is constructing new housing units at two locations in 2014.
- The operation has been continuously monitored by CSOs and media.
## VI. Project Example: Key RAP Strategies

### Opportunities
- Formal job opportunities in the city utility company
- Seasonal jobs in the agricultural corporation
- Connection with formal recycling initiatives

### Assets
- Subsidized, long-term social housing contracts
- Access to public services (e.g. health, education)

### Safety Net
- Issuance of IDs for all project affected
- Ensuring access to the entitlements and support in the existing social welfare system
VI. Project Example: Key Issues and Challenges

- The affected population: squatters, *marginalized*, heterogenous.
- Broader context of **social inclusion of vulnerable groups** go beyond the remit of EIB and can only be addressed by appropriate local institutions and authorities.
- Promoting the **improvement rather than sole restoration of the living standards** of affected families is challenging.
- **Preference for continuation of informal livelihoods** among most affected persons.
- Difficulties in finding the locations for new housing and gaining the acceptance of newcomers by host communities.
- Difficulties in **maintaining the trust** and dialogue with the affected families after numerous resettlement delays – consultation fatigue.
- **Limited client capacity** and involvement of several government agencies.
- **Liaising with CSOs** following the resettlement process is resource intensive.
VII. Key Issues and Challenges: Questions

- What are the common successful strategies of providing opportunities for formal employment to people relying on informal livelihoods?
- What are the successful strategies for dealing with impacts on informal livelihoods when the competencies of the implementing agency are limited?
- What are the reliable indicators for measurement of results in terms of livelihood restoration that can be attributable to the project?
- What should be the exit strategy for livelihood restoration interventions by international financial institutions/project implementers?
THANK YOU

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