

# Chapter 2

## Managing Pacific Towns

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Major demographic shifts have been taking place for several decades in the Pacific Islands. The pace of migration from smaller outer islands and rural areas and the resulting growth of towns have had profound effects on traditional societies in the region. This chapter reviews the forces behind urbanization and examines both the benefits and challenges that urbanization presents (Section A); discusses urban governance and planning, land management, and disaster management and mitigation (Section B); and presents an agenda for adaptation and change (Section C). A summary of key recommendations is included in Section D. Further analysis on the management of Pacific Towns can be found in Volume II of this report.

### A. Increasing Urbanization in the Pacific

More than 35 percent of the Pacific Island people live and work in towns. Throughout the region, the growth rate of the urban population has outpaced that of rural areas, and eight of the 22 Pacific Island countries are now predominantly urban (figure 2.1). By 2020, more than half of the population in a majority of Pacific Island countries will live in towns.

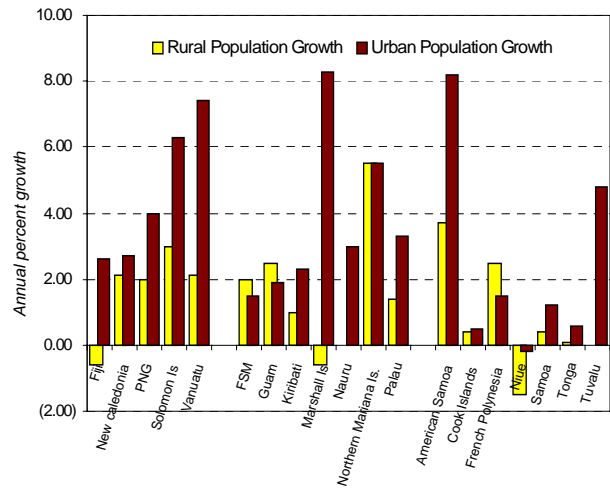
Throughout the Pacific, high population growth has led to migration from smaller outer islands to larger islands and from rural areas to towns, especially national capitals. Key drivers of these trends include push factors, such as declining agricultural commodity prices and livelihood opportunities and insufficient rural land to confer social standing, as well as pull factors, such as the prospect of cash employment and the availability of public services in towns. In many rural areas, people aspire to urban, non manual labor. Strong kinship traditions have enabled rural migrants to fulfill these aspirations by moving to towns.

Urban migration is not a new phenomenon in the Pacific: the most dramatic migration from outer

islands to towns took place in the 1950s, 1960s, and 1970s. Today, migration is a less significant factor than natural population growth in many towns. However, the young age structure and high fertility rates of Pacific towns virtually ensure that they will continue to grow rapidly, even where urban conditions and the quality of life are deteriorating.

### Benefits of Urbanization

**Figure 2.1. Urban and Rural Population Growth in Pacific Island Countries**



Urbanization in the Pacific Island region has been an inevitable response to deteriorating conditions in rural areas and outer islands, few (if any) can offer the employment opportunities provided by the urban economy. Most new jobs have been generated in towns, and the urban economy is now the major contributor to economic diversification, competitiveness, and growth in the region. Urban centers' substantial contribution to GDP reflects largely the significantly higher productivity of urban private sector industry and services relative to rural activities. Without the growth of towns, the economic performance of many Pacific Island countries would have been far more modest than it has been to date.

### **Box 2.1. The Changing Urban Economy**

In the transition from colonial government centers to modern towns the capitals in many Pacific countries have become diversified, playing an important role in many activities such as tourism. Indeed, the 500 tourist hotel beds in Port Vila represent most of Vanuatu's tourist accommodation. In Samoa, most secondary and tertiary sector activities (including manufacturing, distribution, restaurants and hotels, and government services) are located in Apia, the center of the tourism industry. These activities make a substantial contribution to foreign exchange earnings.

In the Solomon Islands, Fiji and Vanuatu, the urban economy is estimated to contribute at least 60 percent of the GDP. For example, because of Honiara's preeminent position as the center of services, paid employment, and industry, economic performance in the capital had a significant effect on the economic growth of the Solomon Islands. Currently, Honiara accounts for more than 50 percent of the formal employment and for a significantly higher proportion of all paid wages.

Urbanization has also facilitated social development in the region: provision of basic services—including health and education—would have been considerably more difficult and costly if it had to be provided to a widely dispersed populations in remote islands than it has been to the populations concentrated in towns.

### **Key Challenges Related to the Growth of Towns**

Despite the substantial benefits of urbanization, many policymakers in the region continue to view the growth of towns with concern. They quote the profound effect on customary traditions and relationships as well as the difficulty of providing and maintaining public infrastructure and services, the proliferation of informal settlements, the worsening environmental conditions, and the increasing social problems associated with unemployment as evidence of the ills of urbanization.

These concerns are not without foundation. Unemployment and social problems are increasing in many towns and environmental conditions and health are deteriorating. Income inequality is growing, and evidence of poverty, vulnerability, and hopelessness is increasingly

visible among the underclass of landless urban poor. Crime in many towns is increasing and, in some countries, militant groups are finding ready recruits. Moreover, a number of Pacific Island societies continue to struggle with very high suicide rates, especially amongst young urban dwellers. Unless urgent attention is paid, these emerging problems will grow, reducing the quality of life and placing key economic sectors, (—such as tourism) at risk.

### **Urgent Problems**

**Unemployment.** Formal sector job growth in the urban economy has fallen well short of the level needed to productively absorb the rapidly increasing population in towns—it now accounts for only about 20 percent of the labor force in most Pacific Island countries.

**Social Problems.** Demands for higher standards of living in urban areas have made it difficult for traditional leadership structures to respond in ways perceived as adequate by town dwellers. A large and increasing proportion of the young urban populations do have not strong links with their traditional village communities. Thus, traditional safety nets developed by Pacific Island societies over hundreds of years are becoming increasingly strained as expectations are modified by development, and many communities grapple with the transition from subsistence to cash-based livelihoods. As a result, the number of people living below the poverty line in urban areas is increasing. The proliferation of overcrowded squatter and informal settlements and increasing unemployment in many towns are also leading to a number of social problems such as poverty, the breakdown of the extended family, increased crime, and vandalism.

**Health Problems.** The most prominent public health problems in Pacific Island countries, especially among the poor, remain those of (largely preventable) infectious diseases, in particular respiratory diseases related to overcrowding and gastroenteric diseases related to water pollution, poor sanitation, and inappropriate health and hygiene practices. At the same time, even the poorer countries in the region are experiencing increasing incidence of

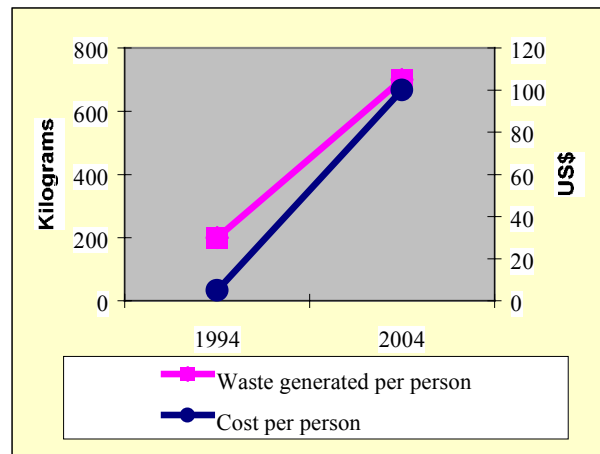
so-called “lifestyle diseases” such as stroke, hypertension, and heart disease due to more sedentary lifestyles and less nutritional diets of imported processed food.

**Lack of Adequate Education.** Notwithstanding a policy orientation in many Pacific Island countries that seeks to minimize or even reverse urbanization, education systems are orienting young people to non-manual employment in towns, primarily in government. However, education has not equipped them with the technical and business skills demanded by the emerging urban economy or, in some countries, prepared them sufficiently for further education.

**Pressure on Urban Infrastructure and Services.** In many Pacific towns, urban services were established before independence and are being increasingly overwhelmed by the rapidly growing urban population. The practice in many Pacific Island countries of delaying essential maintenance, in expectation of aid-funded capital replacement, threatens to reduce the effectiveness of existing infrastructure and undercut the justification for new investment.

- **Water Supply.** The problems associated with delivering satisfactory water supply in Pacific towns are primarily political and institutional rather than technical. They reflect inappropriate policies, undue government interference, and the lack of appropriate incentives for consumers to reduce demand to sustainable levels, all of which undermine the ability to appropriately operate and maintain water supply systems.
- **Sewerage and Sanitation.** Proper sanitation is essential for urban areas. However, in many Pacific towns, improvements in water infrastructure are made without parallel investments in wastewater management, invariably increasing public health risks. There is a limit to the effectiveness of septic tanks in urban centers such as Honiara, Suva, and towns in atoll countries. Other low-cost sanitation technologies, such as composting toilets, however, have proven successful in countries such as Kiribati and Tonga.

**Figure 2.2. Solid Waste Trends in the Pacific**



Source: World Bank (1995a)

- **Solid Waste Management.** The institutional framework for disposal of solid and industrial waste (including hazardous waste) is outdated and ineffective. Without exception, solid waste collection, lacks sufficient financial resources and technical expertise. Even where the percentage of waste collected is high, the maintenance of equipment and facilities is poor and long-term sustainability is in doubt. There are also serious problems with waste disposal. Municipal garbage dumps are usually located on or near coastal areas and are used for land reclamation. They are inadequately sealed from flooding or seawater infiltration, creating a potent environmental hazard.

As figure 2.2 shows, solid waste volumes will increase in many Pacific Island countries, particularly with rising incomes and changing consumption patterns. Improvements in waste disposal alone will not be enough given the limited land area. Waste volumes will have to be reduced through community awareness and education campaigns aimed at minimizing waste and increasing recycling. These programs should be combined with other measures, such as a tax on imports that contain non-biodegradable packaging materials, as recommended by the Environmental Protection Agency of the Marshall Islands. Based on experience in

other countries, a 30 percent reduction in waste volumes should be achievable.

- *Drainage.* Poor drainage disrupts economic activity, compounds the problems of poor housing—particularly for low-income families—and increases health risks. In many Pacific towns, flooding continues to be frequent, severe, and costly (figure 2.3). Planning schemes, where they exist, have traditionally paid little attention to known flood risks.
- *Power Supply and Telecommunications.* The growing interest in commercializing utility operations in Pacific Island countries is perhaps most evident in power and telecommunications. In those sectors, reliable and competitively priced services are essential to attracting the investment necessary for growth in urban economic activity and employment, particularly in new higher value-added activities in information industries. An example is the Marshall Islands Energy Company which has updated its distribution networks using commercial loans.
- *Housing.* Housing development in many Pacific Island countries has been constrained by construction standards that fail to meet consumer demand, and by constraints to the development of customary land and absence of secure land tenure. As a result, the private housing sector plays only a limited role in employment and economic growth, and has generally been affordable only by the highest income families.

For urban migrants, housing needs have traditionally been met by the extended family and kinship group. This system, however, is highly dependent on increasingly scarce urban land. A large and growing proportion of urban migrants are renting or illegally occupying land in slum areas at the edges of towns, where basic services and secure tenure are lacking.

**Figure 2.3. Poor Drainage in Majuro**



### **Box 2.2. The Impact of Housing Standards**

Two recent donor-financed housing projects, one in Fiji and the other in Vanuatu, demonstrate clearly the impact of different housing standards.

In **Fiji**, most plots developed by the Housing Authority (HA) were initially sold without houses. Many purchasers built their own houses incrementally over several years while they lived on the plot (thereby also saving rental costs elsewhere). This sometimes started as a small shack in the back of where the prime residence was being built. The local government and HA tacitly tolerated such an approach, which quickly filled all plots; by project completion most houses were already completed to a fairly good standard.

Later, when HA switched to pre-building houses, only the lowest cost terrace (attached) houses on small plots of about 100 square meters sold well, while many of the expensive, large 2 and 3 bedroom houses remained in inventory for years.

The demand for lower cost houses also led some local builders and lumber yards to offer very popular pre-fabricated house packages which were erected—by the suppliers or the owners themselves—on serviced plots at competitive prices.

In **Vanuatu**, by contrast, the local government resisted the minimum 130 square meter plot sizes and prevented any incremental “starter home” construction of the type common in Fiji. They insisted on high-cost, fully completed houses that were not affordable to lower-income families. As a result, less than 20 percent of the 500 odd plots developed by the National Housing Corporation were occupied by project completion.

## **B. Issues and Opportunities**

Urbanization has increased the diversification and competitiveness of economies in the region, and can continue to improve living standards. But this potential is being jeopardized by a lack of vision of the kind of economic, social, and physical environment desired by town dwellers

in the Pacific, an absence of appropriate policies, and poor urban management and service delivery.

Dealing with the worsening problems caused by urbanization and realizing its potential to increase living standards calls for a policy and institutional response that goes beyond resettlement schemes of uncertain viability. Indeed, in light of the importance of the urban economy and the proportion of the population that lives in urban areas, the time has come for urban management strategies to feature prominently in national economic and social development strategies, and for accountabilities to be defined.

The problems are structural. The task is strategic. The way ahead lies in reshaping the debate on urbanization with a view to building the broad-based vision of how to achieve a more equitable distribution of opportunities while safeguarding the fragile environment of the islands. Shaping this vision will require a consensus throughout Pacific Island societies on policies and measures that enhance urban-rural linkages and harness the potential of towns to absorb population growth more productively.

### **Improving Urban Governance and Management**

The current institutional structure in most of the region is characterized by national government planning and control that does not involve local authorities in a coordinated manner; poor communication among municipal governments, rural local authorities, and urban villages in the same metropolitan area; a tax burden to support urban development that falls unevenly on beneficiaries in the urban region; and a lack of

capacity to address the needs of the population, which vary greatly across jurisdictions.

Several obstacles stand in the way of good urban governance. National governments—and to a large extent lower levels of government—tend to be organized along Western models, which are poorly integrated with traditional structures and processes. There are very few urban managers and virtually no capacity to enforce compliance with building codes or other regulations, much less to formulate integrated plans to guide urban development.

Until recently, there has been little, if any, recognition of the need to reduce the number of the many national, provincial, local, and quasi-governmental agencies charged with urban management functions. In Port Vila (—Vanuatu), urban planning involves the municipality and at least five national and provincial departments. In Fiji, responsibility for Suva is shared by three local governments and five national and municipal agencies. In South Tarawa (—Kiribati), urban services are provided by seven different ministries and departments. Throughout the region, there appears to be little support for strengthening local governments, despite their crucial role in planning and coordination.

Establishing a coordinating locus for managing towns, creating a more inclusive process representing a broad base of stakeholders, and rationalizing the institutional framework for planning and delivering urban services will be vital to halting the declining productivity and deteriorating quality of life in Pacific towns.

### **Strengthening the Responsiveness of Government to Local Needs: Towards Community-Based Planning**

Improvement of governance in the urban environment should be based on one key assumption: to the extent possible, higher-level institutions should embody the basic norms and values of the people they are intended to serve rather than impose on them a new set of norms and values. In addition, the decision-making process should be more responsive to shared norms of how decisions should be reached. This

implies a shift in the role of government experts away from actually making decisions and devising plans to advising representatives of the people on how to most effectively meet the needs expressed by local communities.

The challenge in urban areas is to find a means to include all affected residents in the decision-making process. Explicit attention will need to be paid to the priorities and needs of women and youth groups as well as marginalized stakeholders, including communities from different clans and ethnic groups and the landless urban poor, or they could act as disintegrative social forces in the urban environment.

The lines of communication between local and higher levels need to be improved. There should be a well-defined point of entry for those at the local level who wish to communicate their needs and priorities to higher levels. Strengthening the communication between different levels of government would greatly improve the ability of local communities to make their needs known to higher-level officials. It would also provide communities with a source of accurate and clear information.

As traditional community-based institutions become more inclusive, they should be formally recognized as the representative institutions of people at the community level. At the same time, these bodies should be empowered to determine who will represent them at higher institutional levels, where decisions are made that affect development, service delivery, and other public activities.

Throughout the region, municipalities and town councils could be used to disseminate information on government services more effectively. They could also serve as forums in which communities could voice their views on the management of local affairs, on government policies and plans, and on land use and environmental issues of their concern.

The likelihood of success in this process would be improved by clearly articulating the incentives for greater inclusion. Such an

inclusion would give the group access to additional human and other resources, and expand support from the community for local level demands. It would also strengthen the legitimacy of the traditional structures and decision making processes—such as the *Matai* in Samoa or the *Unimane* in Kiribati—as the “voice” of the community beyond the more restricted group it represents.

## Improving Land Use Planning

Appropriate land use planning is central to effective environmental management. But as seen, the institutional arrangements for land use planning are generally weak, and the options for effective interventions to solve environmental problems associated with land use remain limited.

Throughout the Pacific, information gaps are a major stumbling block to the adoption of effective planning. Many of the data required to prepare urban plans are not available, and research on how households and firms cope with deficiencies in urban services has not been carried out. In the absence of an overall planning framework, development controls are frequently applied in an ad hoc, inconsistent, and even corrupt manner. Planning legislation is either outdated or nonexistent, and few towns have an approved land use plan.

Despite these deficiencies, an effective approach to planning was made in Ebeye, in the Marshall Islands. The major landowners gave the Kwajalein Development Authority a leasehold interest over more than 75 percent of the island. This enabled the Authority to establish commercial zones, expand recreational facilities, and build the island’s first high school. Similar reforms have proven more difficult in the capital, Majuro.

Ironically, Kiribati—one of the more traditional Pacific countries—has made some of the most progress toward developing an appropriate municipal framework for coordinated urban planning (box 2.3).

### Box 2.3. Urban Management and Planning for South Tarawa

The Urban Management Plan for South Tarawa prepared by the Land Management Department of the Ministry of Home Affairs and Rural Development clearly defines the context and rationale for urban management, the main issues, and the objectives for managing the urban environment. With the benefit of considerable community consultation, the plan provides an indicative planning strategy and direction, together with a proposed framework to address key issues to guide future urban development in the short to medium-term. Significantly, the plan identified “lack of coordination, commitment and an absence of a single integrated policy framework, which cuts across all sectors of South Tarawa” as the primary obstacle to effective urban management (Jones 1995).

Building on this experience and with support from the Asian Development Bank, the Government initiated work on an Integrated Urban Plan and Program for the whole of South Tarawa. This plan was intended to provide a development “vision” for the area, and offer a broad strategic structure that could, amongst other things, identify land to accommodate future population growth as well as infrastructure, a detailed planning and financing framework for infrastructure development, and an economic appraisal of water and sewage improvements.

Whilst the plan fails to address the intractable land supply issue and related modalities for implementation, it's recommendations include a number of innovative approaches, such as government land purchase strategy, voluntary property trusts, and the use of Comprehensive Urban Development Zones.

The computerized Geographical Information System land use system being developed by the Land Management Department is being used to help solve actual ownership disputes and to illustrate the importance of related land-use considerations. The system offers great potential as a contribution to more effective land management. However, its success will depend on political commitment and resources for its continued development and operation, as well as the extent to which other government agencies tap into this valuable information resource (Jones 1995).

**Table 2.1. Land Ownership in Selected Pacific Island Countries**

	<i>Customary Land (%)</i>	<i>Government Land (%)</i>	<i>Freehold Land (%)</i>
Fiji	83	9	8
Vanuatu	98	2	—
Solomon Islands	97	3	—
Federated States of Micronesia	—	60	40
Kiribati	40	60	—
Marshall Islands	100	—	—
Tonga		100	—

— Not applicable.

Source: Connell and Lea (1993).

More than 80 percent of land in the Pacific region is under some form of indigenous control, with strict kinship rights affecting its development. In urban areas, this ranges from about 40 percent in Kiribati to nearly 100 percent in the Marshall Islands (table 2.1).

While customary land ownership and kinship traditions of sharing resources have protected communities against poverty by ensuring that all family and clan members have access to land, they have also complicated the provision of services and limited the growth of income opportunities. Around many towns, land remains in unproductive or under-productive use. Use of customary land remains problematic even for essential public facilities such as water supply and waste disposal, since customary landowners usually oppose regulations that might restrict their rights. Landowners in South Tarawa, for example, succeeded in pressuring the government to return land that had been set aside for urban water supply reserves. Easing the constraints on land use and availability would significantly increase the productive potential of Pacific towns.

Pacific Island governments are rightly keen to protect their cultural traditions. But interventions in the land market need not challenge customary values placed on land. The issue is not one of changing the traditional land tenure system but of unlocking land tied up in unproductive use or held speculatively. For example, many of the customary land owners in Port Vila would like to register their land holdings and use them to secure financing for land development. However, formalizing custom land holdings is time consuming and costly, and few custom owners can readily afford it.

Forging a broad-based consensus that action is necessary to avert further deterioration in living standards holds the key to gradual progress in this area. The problem should be brought into the public domain and openly discussed among key stakeholders—including landowners and other affected parties—with a view to agreeing on practical measures to promote the efficient use of land while protecting natural resources for the wider public good.

In a number of countries, individualism is replacing close kinship structures with their emphasis on reciprocity, inherited social status, and rank. Concepts of property and ownership are shifting from a group to an individual orientation. In Fiji, for example, the importance of the *Mataqali* as a land-owning unit has gradually diminished, as access to land has become more individualized.

To facilitate improved land management, there is merit in networking and pooling sources of knowledge within the region, discussing examples of good practice and experience in addressing land use problems, and collaborating in pilot approaches in keeping with the established traditions and needs of individual Pacific Island countries.

### **Addressing Environmental Issues**

Environmental management issues in Pacific Island towns require urgent attention. These issues have become particularly important in recent years because of the rapid increases in urban population pressures, often on small and low land masses; the vulnerability of urban areas to sea level rise; the economic and cultural dependence on the natural environment; the prevalence of natural disasters; and the vulnerability of freshwater lenses on atolls to environmental and climate change impacts.

Most Pacific Island countries have prepared National Environmental Management Strategies (NEMS) and some, such as Fiji, are particularly active in promoting recycling, awareness campaigns, and conservation of water resources. However, many NEMS do not deal extensively with the “brown” environmental issues of urban wastes. Recognition is not yet widespread that

environmental management of urban areas—particularly integrated planning and management of inland and coastal areas—is a prerequisite for successful long-term economic development.

In some countries, the lack of legislation hurts efforts to protect the environment. Kiribati, for example, has no legislation dealing effectively with the collection and disposal of waste, or land-based pollution of the sea or lagoons.

In countries where such legislation exists, implementation and enforcement of environmental regulations on areas such as inappropriate land use, water quality, waste management, sanitation, and coastal infrastructure remains weak. Enforcement of protective measures may continue to be limited until political support and institutional responsibilities are clarified.

### **Improving Disaster Management**

Pacific Island countries are exposed to the full range of natural hazards, including tropical cyclones, floods, landslides, extended droughts, volcanic eruptions, and earthquakes (table 2.2). Accelerated changes in demographic and economic trends, climate change, and sea level rise are all increasing the vulnerability of a population increasingly concentrated in towns, virtually all of which are located along coastal areas. Lower-income communities—which gravitate to marginal lands such as foreshore mangroves, floodplains, and stream banks—are particularly vulnerable to natural disasters.

Many Pacific Island countries have experienced and will continue to experience increased vulnerability to natural hazards as a result of high population growth rates, over-development, increased exploitation of coastal resources, mangrove clearance, and sand and aggregate extraction (figure 2.3).

Potential impacts include a reduction in the protective capacity of coral reefs, resulting in coastal erosion, inundation, and flooding. These impacts are expected to be exacerbated by

**Table 2.2. Pacific Island Countries Vulnerability to Natural Disasters**

	<i>Cyclones</i>	<i>Coastal Flooding</i>	<i>River Flooding</i>	<i>Droughts</i>	<i>Earthquakes</i>	<i>Landslides</i>	<i>Tsunamis</i>	<i>Volcanos</i>
Fiji	High	High	High	Medium	Medium	High	High	—
Vanuatu	High	High	High	Low	High	High	High	—
Solomon Islands	High	High	High	Low	High	High	High	High
Federated States of Micronesia	Medium	High	Low	High	Low	Low	High	High
Kiribati	Low	High	—	High	Low	Low	High	—
Marshall Islands	Medium	High	—	High	Low	Low	High	—
Palau	Medium	Medium	—	Medium	Low	Low	Medium	—
Tonga	High	High	Medium	High	High	Low	High	High

*Source:* SPREP (1994)

climate change, sea level rise, and changes in storm intensity (see chapter 4). As population growth continues to put pressure on natural resources and on the environment, the risks to public infrastructure and to the large and growing proportion of economic activity in coastal towns will increase.

Disaster management needs to go beyond minimizing loss of life. Physical losses—including losses resulting from business interruption—can impose significant burdens on the population. Secondary loss from damage to communication and power infrastructure can be particularly significant in countries such as Vanuatu, Fiji and Samoa, where major tourism assets are located in or near urban areas.

### The Costs of Doing Nothing

The near absence of effective policies, plans, strategies, and institutional arrangements to guide urbanization will not only close off opportunities to harness the economic growth potential of towns, but will have an increasingly negative impact on the existing productive capacity of the urban economy and reduce the quality of life of its people.

Further pressure will be placed on infrastructure services and the institutions charged to deliver them. Unemployment will likely increase. Environmental conditions will worsen, and serious outbreaks of epidemic illnesses may become more frequent.

**Figure 2.3. Sand Mining at Shoreline**



The pace of urban growth is challenging the ability of traditional safety nets to protect people from poverty, and a growing permanent urban underclass is already emerging in many Pacific towns. Not surprisingly, further deterioration in urban conditions will be felt most directly by the poor. The increasing hopelessness among these very youthful urban populations is almost certain to lead to increased levels of crime and urban violence.

A 'no action' scenario is thus likely to lead to an increasing gulf between the 'haves' and the 'have-nots' in terms of access to land, shelter, basic services, and quality of life. Lack of action threatens to reverse recent progress in improving the coverage, quality, and reliability of urban utility infrastructure and services, as responsible agencies become increasingly dependent on government subsidies and external assistance.

This scenario is not inevitable. Early action by political and community leaders and other key stakeholders could set in place the building blocks to reduce these risks. The region's long tradition of family and kinship could be harnessed through an urban dialogue intended to create a shared vision and consensus on the strategies, roles and responsibilities of each stakeholder in achieving a more equitable distribution of opportunities. Achieving this consensus requires a more inclusive process, one which is able to involve policymakers, public sector institutions, customary landowners, and ordinary urban residents in decision-making. The well-established cultural traditions of communal decision-making in the Pacific make doing so a realistic proposition.

## **C. An Agenda for Managing Change and Adaptation**

### **The Need for an Urban Policy**

Few Pacific Island country governments have recognized the productive and employment-generating potential of the urban economy, and fewer still have articulated strategies to realize this potential. This lack of planning has left Pacific Island countries poorly prepared for economic globalization.

National development strategies in many Pacific Island countries recognize the overarching problems resulting from rapid, unplanned urbanization, but do not contain a comprehensive set of policies to deal with them, nor is there a process through which issues affecting town communities are systematically reviewed. As a result, urban policy results by default from the interplay sectoral policies, with no single body taking responsibility for urban issues. The benefits that might be derived from a comprehensive urban policy that is integrated into national development strategies are consequently not realized.

### **Starting Points for a New Strategy**

A more effective strategy for stemming the decline in urban conditions calls for Pacific Island countries to articulate a vision and create

a comprehensive strategy for restoring the quality of life of town dwellers and for increasing the potential and competitiveness of the urban economy. The starting point for doing so lies in:

- Recognizing the major contribution of the urban economy to national employment and GDP and the need for appropriate policies that can be integrated into national development strategies.
- Understanding the important role that urban-rural links can play in revitalizing regional economic efforts and improving the social and economic infrastructure of both rural and urban areas. Balanced urban-regional strategies need to be framed through a participatory process oriented to economic opportunities that reflect regional comparative advantages.
- Taking action to address the lack of data on urban conditions and issues, particularly on land ownership and use, population, health, education, economic activity and employment, income, and poverty.
- Incorporating a spatial component in national economic growth and social development strategies that focuses attention on towns.
- Reviewing education sector strategies relative to the skills required in the domestic and international economy to improve competitiveness in response to globalization.
- Strengthening disaster planning and management, through adaptation measures that reduce the social and economic disruption of these events.

### **Expanding Livelihoods and Improving Productivity**

A recent UNDP report on human resources (UNDP 1999a) observed that whilst most employment programs in the Pacific Island region target formal employment, only a minority of workers are currently in paid, formal sector jobs, and this situation is unlikely to change in the foreseeable future. The report

concludes that if governments want to encourage informal sector growth, they must examine the institutional and policy environment in which these enterprises operate and devise more supportive regulations and development programs, particularly involving women and the urban youth. These mainly involve credit schemes, start-up programs, and various types of special assistance to disadvantaged groups.

Conditions that would enable small enterprises to succeed—which are often lacking in Pacific Island countries—include adequate transport and communications infrastructure, non-formal education and skills development, assistance with production and marketing strategies, access to credit, information about viable business prospects, and removal of obstacles such as legal restrictions and unsupportive government policies.

Improving the information base on existing employment and labor patterns would facilitate these policies and strategies. In addition, tapping into the improving experience with micro-credit schemes in many countries around the world may provide valuable lessons of experience for Pacific Island countries.

### **Developing an Inclusive Approach to Urban Planning, Management, Service Delivery, and Quality Control**

The prospects for sustaining the benefits of development efforts in urban areas can be improved by integrating traditional decision-making structures and community groups in the wider decision-making processes of Pacific towns, through ongoing consultation and participation. For such a process to be fruitful, information on government services, policies, and proposals must be disseminated and stakeholder views actively sought.

Nowhere is broad-based consensus more urgently needed than on issues related to land use, which directly affects the economic potential, environment and health of the people living in Pacific towns. Public information campaigns can be an effective vehicle for building public awareness of the link between land use planning and environmental and health

concerns, and can help initiative meaningful stakeholder consultations.

The formal and informal institutional mechanisms that might be used for making the voices of communities heard are likely to differ from country to country. However, throughout the region, municipalities and town councils could be used more effectively to disseminate information on government services. They could also serve as forums in which communities could voice their views on the management of local affairs, on government policies and plans, and on land use and environmental issues affecting them. This process may also help address problems of resource constraints and poor coordination among central agencies, and between them and local governments. Such a mechanism could be particularly effective if local governments were made responsible for coordinating planning and service delivery functions in their areas.

### ***Developing a Shared Vision***

Many traditional development efforts in the Pacific have focused on short-term priority improvements to urban infrastructure and utility services as a basis for starting to address some of the urban management problems. Certainly, infrastructure and utilities must keep pace with economic growth if productivity is to be maximized. However, the crisis of urban management is so great and the stakes are so large that without fundamental improvements in the urban management process, the potential impact of these development efforts remains at substantial risk.

Pacific Island countries should consider convening an “urban summit” as a forum in which all stakeholders could engage in shaping a common vision for their towns. This vision would define priorities and achievable goals for stemming the decline in income-earning prospects and quality of life. Stakeholders could also agree on actions to be taken, including actions for improving land use and availability, the roles and responsibilities of the government, private sector, and civil society, and a timetable for implementation.

In principle, this vision would create a strategic development framework that would cut across institutional boundaries through a multi-sector, multidisciplinary, and partnership-based decision-making processes. Community development indicators and benchmarks could be used to monitor progress and to update and modify the programs as necessary.

### **Strengthening Urban-Rural Links**

The future in the Pacific will be increasingly urban, and continued growth in the population of key towns is inevitable.

However, physical and socio-economic planning needs to be integrated in a way that recognizes the symbiotic relationship between towns and their hinterlands. Urban and rural development plans should be complementary and mutually supportive. Good transportation and communications links with rural areas would also ensure that the benefits of urbanization are spread more widely.

In many Pacific Island countries, the most dramatic population growth has been in informal peri-urban settlements. These communities contribute to the urban economy—, but fall outside town boundaries, lack access to many public services, and are not captured in urban statistics. Policies and innovative institutional arrangements need to integrate these economies into the towns' social and economic mainstream.

Forging better links between rural and urban areas will also help rural communities. Tafea Province in Vanuatu, for example, has adopted a highly participatory approach to development which brings together community members and staff from various government departments in a technical assistance group to improve the province's development. The output is a community-formulated resource development action plan that is "owned" by a broad-based constituency of stakeholders, all of whom have a strong interest in the plan's success. The impact of this approach will depend, at least partially, on effective economic links with Port Vila. Such an approach could well be appropriate for other Pacific Island countries.

### **Develop Appropriate Adaptation Measures for Improving Urban Services and Environmental Health**

Pacific Island governments need to take an integrated, proactive, and policy-driven responses which address the range of factors that place urban communities at risk. The key priorities should be improving sanitation, water supply, and living conditions; protecting groundwater and coastal ecosystems; preventing sewage, chemical, and solid waste pollution in order to reduce the damage to reefs and the disruptive effects of disasters; and improving health facilities and services.

#### ***Measures for Improving Use of Freshwater Resources***

Adaptation options aimed at improving use of freshwater resources include demand management measures such as pricing policies that discourage high usage, consumer education and awareness, supply enhancement measures such as leakage control, and water conservation and plumbing. In the short term, leakage control is likely to be more cost effective than development of alternative sources of supply. It should be possible to reduce current physical water losses from more than 50 percent to 25–30 percent.

Effective land use planning and management is most important for the protection of water reserves. It is imperative in many Pacific Island countries that agreement be reached with private landowners and the community at large on appropriate arrangements governing land use to protect existing and future water resources through the establishment of 'groundwater protection zones'.

#### ***Measures for Creating Non-polluting Sanitation Systems***

Appropriately designed composting toilets have proven to be simple to construct and effective in protecting groundwater supplies and conserving water (as no flushing is required).

**Figure 2.4. Rainwater Catchment in a Low-income House in Majuro**



### ***Measures for Reducing Illness***

Reducing the availability of mosquito breeding sites can lower the incidence of dengue fever. The most effective way to do so is through a community-based approach. The vector control program in Fiji relies on community participation to remove or modify potential mosquito breeding sites such as used tires, container-type rubbish, and water storage drums. Public education initiatives and enhancement of vector surveillance and monitoring methods are also appropriate.

The incidence of diarrheal diseases can be reduced by enhancing sanitation services and practices to minimize pollution of groundwater, lagoons, and coastal waters; improving water quantity and quality by protecting and developing groundwater sources; and improving primary health care facilities, especially in treating infant and childhood diarrhea. In turn, the risk of ciguatera poisoning can be reduced by curbing pollution of coastal waters.

### **Adopt an Effective Housing Sector Strategy**

The first step in developing an effective housing sector strategy is to understand the problem. Data should be collected on existing conditions

and needs. Realistic assessments should be made of housing affordability and demand.

The next step is to understand the land and housing markets. The availability of land and housing (types, standards, prices, owned versus rented) should be determined, and constraints to land supply identified.

The financing aspects of the housing market need to be understood, including constraints to mortgage lending, housing, and financing. Generally speaking, the government should limit its role to studying the sector, identifying constraints, setting policies, and playing an enabling role. Private sector developers and contractors should acquire and service land, with private builders constructing houses for sale or rent. Banks should mobilize savings and make mortgage loans at market rates.

Most importantly, formal housing sector activities need to be seen as part of a more holistic shelter strategy that also includes sites with low-cost services, upgrading of basic infrastructure, utilities and social services, and improved security of tenure and livelihood for squatter and informal settlements.

### **Improve Disaster Mitigation**

As with other disasters, adaptation to climate and sea level rise will not be achieved by an ad hoc response to specific threats. Rather, disaster management should be viewed as an essential element of strategic risk management, and of development strategies for urban communities. It presents an opportunity to rethink the way local governments can fulfil their statutory functions.

The basis for designing adaptation efforts is the historical record of extreme events, including their timing, location and intensity. Interpretation of these records provides the basis for hazard mapping and estimation of event frequency and likely consequences. Hazard maps can be used to identify existing development that is at risk and to designate areas which should either be avoided or for which special land use controls and construction standards should be required. For obvious

reasons, hazard mapping for key urban areas is particularly important, more especially so in high-density residential areas and where public or private capital investments are concentrated.

Disaster mitigation programs require policies and procedures that coordinate and mediate among government agencies, as well as between the government, private sector and communities. Interventions must be acceptable to the communities that will be most directly affected. The highest level of political support and leadership will be needed to bring key players together and give legitimacy to disaster mitigation programs.

Given the limited human and financial resources available and the sensitivity of traditional landowners, adaptation programs need to draw on the views of a wide range of stakeholders and target sectors and areas in which the public interest is at greatest risk. Scoping exercises should be carried out to determine which sectors will be most affected and what coordination arrangements would be appropriate. The views of landowners, kinship groups and families, and community, village, and religious leaders as well as commercial enterprises should be solicited.

To generate interest and commitment, it is important that adaptation activities yield early results and reach as wide a constituency as possible. Public education and awareness programs provide an effective and affordable way to achieve this goal. Regional cooperation is needed to compile loss scenarios for various parts of the country in order to provide a comprehensive account of the losses, and determine the costs of relief and rehabilitation. The benefits of such a regional effort would be large relative to the costs. A dissemination program could be installed in a regional center as a component of the regional observatory concept proposed later in this chapter. At the national level, governments should lead by adopting good practices themselves, prohibiting construction of government-owned structures and facilities in hazard-prone areas. Governments could also improve building codes, create incentives for compliance, provide technical assistance, and promote low-cost arrangements for retrofitting buildings to reduce vulnerability to damage. The focus should be on

risk management rather than only on disaster preparedness. The potential for risk transfer through weather indices and insurance, as are being tested in the Caribbean and Nicaragua, should also be explored. Finally, adaptation measures should be incorporated in donor-assisted development projects.

Whatever form they take, adaptation and disaster mitigation should become institutionalized so that they become an extension of the responsibility that comes with customary traditions. This requires ownership of the concept by the people, which in turn requires promotion of the concept through community participation.

### **Pool Regional and International Knowledge**

Establishing policies for decision-making on urban issues requires a greater understanding of the issues, constraints, and opportunities affecting residents and businesses in Pacific towns. It requires that information about basic services be collected. And it requires benchmarking the performance in delivering urban services against recognized standards of good practice in other similar small town environments. Finally, it calls for coordinated institutional arrangements and a regulatory environment that minimizes transactions costs and encourages investment.

Efforts are being made throughout the Pacific Island region to address these problems. Each country suffers from a relatively small knowledge base, however, and countries have found it difficult to benefit from information and experience of other countries in the region.

To strengthen regional cooperation, a repository of knowledge and experience could be established at the regional level to enable individual countries to gain insights into options and approaches to town management. Such a repository would enable Pacific Island countries to network with regional and international experts and NGOs who often have the most to contribute to shaping approaches to urban problems.

National urban summits would also be an ideal vehicle for widening this debate. A regional center—which could be known as the Pacific Region Observatory on Urban Development (PROUD)—could serve as both a regional knowledge bank and a forum for examination of and dialogue on urban and regional development issues. International assistance could be sought to reinforce the capacity of regional agencies, which is considerable albeit fragmented; to support institutional strengthening and capacity building; and to facilitate networking to maximize access to international experience. The seeds for such an approach already exist in the region, through the recently formed expert group on urbanization of the Committee of Regional Organizations of the Pacific (CROP) which has been entrusted to develop a Pacific Habitat Agenda and Action Plan.

## **D. Summary of Key Findings and Recommendations**

Major demographic shifts have been taking place for several decades in the Pacific islands as an inevitable response to deteriorating conditions in rural areas and outer islands, and to the higher employment opportunities provided by the urban economy. The young age structure and high fertility rates of many Pacific towns virtually ensures that towns will continue to grow rapidly and that by 2020 more than half the population in a majority of these countries will live in towns.

### **Benefits and Challenges of the Growth of Towns**

Without the growth of towns, economic performance in many Pacific countries would have been even more modest than it has been. Most of the new jobs have been generated in towns, and the urban economy is the major contributor to economic diversification, competitiveness, and growth in the region. Urbanization has also stimulated social development, namely by facilitating the provision of basic services such as health and education.

## **Managing Risk – Shaping the Future**

Prospects for continued improvement in living standards are being jeopardized by the absence of appropriate policies, poor urban management and service delivery. A 'do nothing' strategy will not only close off opportunities to stimulate the economic growth potential of towns, but will have an increasingly negative impact on the existing productive capacity of the urban economy. Unless this is addressed, emerging problems are likely to grow, leading to increasing poverty, vulnerability, and hopelessness among landless urban poor. Crime and militant groups are likely to rise in many Pacific towns. Environmental, health conditions, and quality of life may be reduced, placing key economic sectors (such as tourism) at risk.

### **The Way Ahead**

National development strategies in many Pacific countries recognize the overarching problems resulting from rapid, unplanned urbanization, but they do not contain comprehensive policies and accountabilities to deal with them, nor is there a process through which issues affecting town communities are systematically reviewed. Without fundamental improvements in the urban management process, the potential impact of national development efforts will remain at considerable risk. Urban management strategies should focus on developing a more inclusive approach to urban planning, management, service delivery, and quality control as a way to improve urban governance.

This could be achieved by:

- *Developing a Shared Vision.* National urban summits could provide a forum in which all stakeholders could engage in shaping an urban vision, and thereby create a strategic development framework for urban areas.. A regional center—the Pacific Observatory on Urban Development (PROUD)—could serve as a regional knowledge bank and as a forum for dialogue on urban and regional development issues.

- *Understanding the Problem.* Action should be taken to address the lack of data on urban conditions and issues, particularly on land ownership and use, planning, population, health, education, economic activity and employment, and income and poverty.
- *Defining a new role for Local governments.* Local governments should become a coordinating locus for managing towns, creating a more inclusive process representing a broad base of stakeholders, and rationalizing the institutional framework for planning and delivering urban services. Town councils could be used to disseminate information on government services more effectively. They could also serve as forums in which communities could voice their views on the management of local affairs, on government policies and plans, and on land use and environmental issues.
- *Strengthening Community Planning and Responsiveness to Local Needs.* Higher-level institutions should represent the norms and values of the people they serve. Technicians and other experts should move progressively away from actual decision-making to advising representatives of the people on how to most effectively meet the needs of the urban communities.
- *Improving Land Use.* In many Pacific towns, utilization of customary land remains problematic, even for essential public facilities services such as water supply. The issue is not one of changing the traditional land tenure system but of unlocking land that is tied up in unproductive or speculative use. The problem should be brought into the public domain and openly discussed among key stakeholders (including landowners and other affected parties) with a view on agreeing on practical measures to promote the efficient use of land while protecting natural resources for the wider public good.
- *Reinforcing Economic Competitiveness, Stimulating Urban Unemployment.* Formal sector job growth in Pacific towns has fallen well short of the level needed to productively absorb the rapidly increasing urban population—it now accounts for only about 20 percent of the labor force in most Pacific countries. Education sector strategies need to be formulated based on the skills required by the domestic and international economy. Strategies should also encourage further informal sector growth through more supportive regulatory systems and development programs, particularly aimed at women and youth.
- *Addressing Environmental Issues.* Many National Environmental Management Strategies do not deal extensively with the “brown” issue of urban wastes. There needs to be a recognition that environmental management of urban areas—particularly integrated planning and management of land and coastal areas—is a prerequisite for successful long-term economic development.
- *Improving Disaster Management.* Accelerated changes in demographic and economic trends, climate change, and sea level rise are all increasing the vulnerability of Pacific towns. Disaster management should be viewed as an essential element of national strategic risk management as well as development strategies for urban communities.
- *Reinforcing Urban/Rural Links.* Urban-rural links can play an important role in revitalizing rural and regional economic efforts, and improving the infrastructure of rural and urban areas. Urban and rural development plans should be complementary and mutually supportive. Balanced urban-regional strategies could be formulated through a participatory process that focused on economic opportunities, reflecting regional comparative advantages and potentials.