Poverty reduction dominates the international development agenda of the 21st century, and it may be best to target the poverty problem where it is growing fastest – in the cities. Africa has a staggering 166 million slum dwellers; and between 50 and 70 per cent of the urban workforce find themselves in the informal sector, and simply do not earn enough to afford decent shelter and services. The Millennium Development Goals underline the need to urgently improve the lives of millions of slum dwellers around the world, and to reduce the number of people without sustainable access to drinking water and sanitation. The overall aim is to reduce poverty and social exclusion, and to ensure decent living conditions and livelihoods for all townspeople.

The main policy challenge addressed by the paper is how best to support and regulate the urban informal sector and irregular settlement in a way that promotes employment, income and shelter for the poor, and at the same time ensures a safe, healthy and socially acceptable environment; how to forestall the growth and spread of future slums, and ensure that the existing ones are upgraded and progressively integrated into the urban mainstream. This raises a policy dilemma which may explain the ambivalent and at times hostile attitude of many African governments to the urban poor and the informal sector. How do government officials uphold the rule of law, and contain the adverse health and environmental impacts of slums and informal sector activities without disrupting the livelihood of the poor? How are the vulnerable groups who work in the informal sector, especially women, children and apprentices, to be protected from harm and exploitation if the sector is allowed to operate outside the ambit of the law and municipal regulations?

The paper argues that human development ought to be at the centre of the concern for sustainable urbanization in Africa. The human development approach calls for rethinking and broadening the narrow technical focus of conventional town planning and urban management in order to incorporate the principles of urban health, social justice and sustainability embodied in Agenda 21, the Habitat Agenda, WHO's Healthy Cities Programme, the NEPAD Cities Programme, and in particular the UN-Habitat's Campaign on Good Urban Governance which seeks to promote the idea of an 'inclusive city' as a place where all citizens enjoy the right to the city; where everybody, regardless of their economic means, gender, age, ethnic origin or religion, are enabled and empowered to participate productively and positively in the social, economic and political opportunities that cities offer. These programmes and other recent global initiatives such as ILO’s Decent Work Agenda, and the World Bank’s Cities Alliance for Cities Without Slums provide useful guidance on how to make cities everywhere more inclusive and socially sustainable.

The main body of the paper examines how the cities and urban institutions have developed in Nigeria and some other African countries over the last 50 years; the extent to which government policies and programmes have helped or constrained the poor, and the main elements of a strategy to achieve better functioning, healthier and more inclusive cities. The paper highlights the misguided policies of some African governments that have tried to outlaw and repress the informal sector, and sometimes to forcibly evict thousands of so called 'squatters'. Notable examples include the so-called
’War Against Environmental Indiscipline’ under the Military in Nigeria in the 1980s, and the Maroko evictions of the 90s which are comparable in many respects to the more recent ‘Operation Restore Order’ in Zimbabwe which indiscriminately demolished homes, business premises and vending sites, and displaced hundreds of thousands of poor people in the process. The discusses how housing and planning codes, standards and regulations inherited from the discriminatory policies and segregationist practices of the colonial period have continued to inhibit the access of the poor to affordable land and housing security; how the laws and regulations for planning and development should now be reviewed to make them more realistic and compatible with local conditions. As well, the paper discusses the more pragmatic policies adopted in Nigeria in the 1990s to support the poor through the establishment of the National Directorate of Employment, and the National Open Apprentice Scheme designed to promote skills training and self-employment; also the setting up of Community Banks and Peoples’ Banks to provide micro-credit and other forms of financial and business services. The aim is to identify the lessons that could help to promote a more positive view and policy regarding the urban poor and the informal city.

The concluding section emphasizes the need for well-coordinated partnerships among the various stakeholders in the effort to build inclusive and sustainable cities. It discusses the roles which state and local authorities should play to promote a more decentralized, democratic, accountable and participatory governance in which all townspeople are full citizens, and everybody’s interest is taken into account in decision making and urban planning. Since resolving the urban crisis is central to Africa’s economic renewal, the paper emphasizes the need for the international development community to genuinely address the global economic context of underdevelopment and the structural roots of urban poverty in Africa, especially in the critical areas of fair trade, debt relief, aid, and so on. The paper also considers how the urban poor and informal sector enterprises could better organize and self-regulate themselves in order to constructively engage with government and other development partners, including NGOs and other civil society organizations. It ends with some general reflections on the future of the African city, what form it will take, and how to bring about the changes needed to make these cities healthier, more productive and equitable, and better able to serve people's needs.