



Santa Cruz, Cape Verde: Participatory Consolidation: The Credits System¹

Name of the policy: Participatory Consolidation: The Credits System

Start date: 1985

Completion date: 1990

CONTEXT

GOVERNMENT CONTEXT

City context

The Municipality of Santa Cruz is located in the eastern part of the island of Santiago, 35 kilometres from the city of Praia, the capital of the Republic of Cape Verde. It has an area of 109.8 km², amounting to 11.1% of the island's total area.

¹ The **Inclusive Cities Observatory** is a space for analysis and reflection on local social inclusion policies. It contains over sixty case studies on innovative policies for community development, access to basic services, gender equality, environmental protection and the eradication of poverty, among others. The initiative has been developed with the scientific support of Prof. Yves Cabannes from the University College of London (15 case studies) and a team of researchers from the Centre for Social Studies (CES) at the University of Coimbra, which has worked under the supervision of Prof. Boaventura de Sousa Santos (50 study cases). This Observatory aims to identify and investigate successful experiences that might inspire other cities to design and implement their own social inclusion policies.

The **Inclusive Cities Observatory** has been created by the Committee on Social Inclusion, Participatory Democracy and Human Rights of UCLG. United Cities and Local Governments (UCLG) is the global platform that represents and defends the interests of local governments before the international community and works to give cities more political influence on global governance. The **Committee on Social Inclusion, Participatory Democracy and Human Rights** aims to contribute to building a common voice for the cities of UCLG in the areas of social inclusion, participatory democracy and human rights. It also aims to guide local governments in designing these policies and to that end, fosters political debates, the exchange of experiences and peer learning among cities around the world.

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It is the fourth largest municipality in the country, and according to the 2010 General Census of Population and Housing, it has a population of 26,609 inhabitants (5.4% of the country's population), with a percentage of women (51.7%) slightly higher than the percentage of men (48.3%). The average annual growth rate was 0.5% lower than the rate recorded nationally, which was 1.23% during the period from 2000 to 2010.

The population of Santa Cruz, and of Cape Verde in general, essentially consists of young people. The average age is 26.8 years old, and 50% of the population is under 22 years old. About one third (31.7%) of the population of Cape Verde is under 15 years old, 61.9% are between 15 and 65 years old, while only 6.4% are 65 years old or older.

About 65% of the population lives in a rural area, despite the national trend, in which 62% of the population lives in an urban area.

Santa Cruz was proclaimed a Municipality. In 1971, the town of Pedra Badejo, the centre of the Municipality, gained the status of Villa (Town), and thereby began to achieve some degree of autonomy and reduced its dependence on the city of Praia, the country's capital. In September 2010, Pedra Badejo became a "town."

The City of Santa Cruz is divided into three administrative areas: the Central Zone, the Southern Zone and the Northern Zone. Each Administrative Zone has an office - a Municipal Office - which is entrusted with bringing the services provided by the Municipality to local communities.

Governmental decentralization context

The decentralization process is fairly recent in Cape Verde, but remarkable progress has been made. It was initially based on the Basic Law for Local Government/Municipal Electoral Act of 1989 and the first free elections for local governments that took place in 1991.

The regional and local legislative frameworks have highlighted how the decentralization process has spread throughout the country, which reaffirms the local authorities' commitment to the legislation in force. A high level of confidence in the management system is also apparent, in view of the way in which this process has expanded and the positive feedback received from the population.

This process is embodied in the Constitution of 1992 and the responsibilities of the Municipalities are duly regulated in the 1995 Statute of Municipalities. In addition, the two main legal frameworks were approved and other laws and regulations that define aspects of the autonomy of municipalities were reformed. These include the recent Local Economies Law (Law No. 79/VI/2005) and the Basic Law on Regional Planning and Urban Planning (Legislative Decree No. 1/2006).

Meanwhile, the last decade has seen the establishment and progressive consolidation of local governments at municipal level. These governments have had effective autonomy. Despite its limited nature and the fact that it is in many respects basically formal with regard to the Central Government, this has had a visible impact on people's lives and on the organization and operation of Cities and Municipalities across the country.

In Cape Verde, decentralization has been an evident and consensual achievement, which has been seen by the political powers, by local governments and by the population as one of the key factors in local development. In short, the idea of decentralization is deeply rooted in the society of Cape Verde today.

However, there is a need for greater clarity in the definition of responsibilities between the central and local authorities, and the role played by each in this respect. The creation of a specific legal framework that complies with the Constitution and sees decentralization as a process which can link the Government to principles and clear rules, with rules that include a schedule, timetables and criteria for defining the administrative decentralization process, is also necessary. These are the needs that the new Framework Law on Decentralization (passed on April 23, 2010) aims to cover.

Institutional level of policy development: Municipal

SOCIAL CONTEXT

The Municipality of Santa Cruz is located in one of the most disadvantaged regions in the inland region of the island of Santiago. In this region, there is a predominance of rural areas, where the population is more vulnerable and poverty is felt more acutely. The Municipality consists of 24 scattered localities, of which 25% are considered urban and 75% are considered rural areas.

According to data from the 2000 Census, agriculture (29.4%) and trade (17.4%) are the main economic activities in Santa Cruz. Santa Cruz has the largest irrigated agricultural area in the country, and has traditionally played an important role in horticultural production, but like other municipalities in the country, it has suffered from the catastrophic effects of drought, which have been more pronounced since the late 1960s. Insufficient and erratic rainfall, combined with the small size of the territory and high levels of soil erosion and saltwater intrusion are the reasons for the structural weakness of the primary production system. Trade is mainly on an informal basis. Much of the population that works in this sector does so as a means of survival.

The agricultural shortages have led to large-scale unemployment, and in 2000, the overall unemployment rate was 31.6%, which was higher than the country's unemployment rate and that of other municipalities. According to the analysis conducted by the National Statistics Institute (NSI) "Santa Cruz has values well above the national average, especially with regard to those related to women. In the range between 15 and 24 years old, the unemployment rate for women stands at 60.2%, almost three times the total rate for women nationwide" (NSI 2000).

The 2007 Unified Basic Welfare Indicators Questionnaire (UBWIQ – Questionário Unificado de Indicadores Básicos de Bem Estar – QUIBB) showed little change in the rate of the unemployed population and highlighted chronic unemployment of over 30% among the female population (it was 26.6% among men and 32.8% among women).

This situation, which has been recorded in Municipality for several decades, has led to a tendency for the State to take responsibility for meeting the basic needs and income of a significant proportion of the population, by means of either direct financial support or through welfare-based social policies. This led to the creation of: the FEF (*Fundo do Estado para o*

apoio às Famílias- State Family Support Fund), the FAIMO (*Frentes de Alta Intensidade de Mão-de-Obra - High Intensity Labour Fronts*) and the Social Pension instead of reform.

The shortfall in agricultural production, chronic unemployment, together with the important role played by the informal economy and the absence of fixed income, are key factors in the resident population's socioeconomic status and quality of life.

Poverty in Santa Cruz remains a concern, although this indicator has gradually fallen, from 58.4% in 2002 to 46.6% in 2007. Traditionally, poverty mainly affects unemployed women and women who are heads of households.

The main urban centre is Pedra Badejo, where the Local Authority offices are located. The town grew significantly in the 1970s and 1980s due to the rural exodus that led to a large influx of people into the island's urban centres. These people mainly went to the capital city of Praia, but also went to other smaller urban centres. The rapid increase in population was not accompanied by the gradual construction of urban infrastructure and services. This led to a sharp deterioration in living conditions in the various urban centres, involving serious housing and hygiene problems, and a heavy concentration of poverty. There was therefore a rapid reversal of the population growth and the tendency among residents was to leave the Municipality.

The first urban development projects began in 1984, thanks to the Austrian Development Cooperation, with the *Participatory Consolidation* Project that began the rehabilitation of the town, and which was aimed at improving the residents' living conditions and socioeconomic circumstances.

The Project report produced by the *Amizade Associação Pedra Badejo* (Pedra Badejo and Liebnitz Friendship Association- 1986) describes the situation in the town as follows:

- Pedra Badejo is not a town.
- However, it has long since ceased to be a village.
- The number of people living near the rock next to the large irrigation channels in Santiago increased rapidly during the years after independence, to around four thousand. Of course, the life of the village ended up becoming mixed up with the dynamics of the city: trade, transport, consumption, employment and entertainment.
- There is practically nobody left in our region that is unaware of the appeal of industrial life. And of course, exactly the same is true in Pedra Badejo. This has led to great deal of concern among our people. The supposed metropolitan wealth seems inaccessible and out of reach. "It isn't for us." So young people leave, they migrate to find a better life, good services, a job "away from the village."
- And those young people who leave are very necessary for the development of the town itself. "The conditions here are no good!" is an oft-repeated phrase, but it has also become a very convenient excuse.

- Conditions can change.
- We know that the world today works like a big machine. A village like Pedra Badejo is simply a small store of human energy. A small store that could become a part of the machine. That would be enough.

The city had 9,488 inhabitants in 2008, and its growth rate is similar to the natural population increase.

COMPREHENSIVE NARRATIVE

Description of the policy

In the mid-1980s, a public programme was implemented to improve living conditions in the village of Pedra Badejo, the main urban centre and the location of the offices of the Municipality of Santa Cruz. The Participatory Consolidation programme, designed by the Pedra Badejo and Liebnitz Friendship Association, planned a "regeneration" project for the town centre. Based on physical organization and infrastructure, this would make it possible to achieve a comprehensive improvement of economic, cultural, social and health conditions in the area.

The initiative and the strategy to be followed were defined during the first Participatory Planning phase. The main instrument for implementing this project was the "Credits System," better known as the "*Carimbo System or Stamp System.*"

According to the report of the Project (Pedra Badejo and Liebnitz Friendship Association- 1986):

Those participating in the public works will receive materials and services for the consolidation of their own home. Every house in the area will receive a credit savings book, which will be similar to a bank passbook. People will receive a stamp in their credit savings book for each day in which they participate in the works. Each stamp represents a point in the book. When that person has fifteen points they can buy a cart full of rocks, three points can be redeemed for a bag of cement, etc. We do not like bureaucracy very much. We only have the credits book, the stamp and the credit file. It is not even necessary to know how to read.

In fact, the residents of the area where the project is being implemented were able to participate in the "Stamp System" by working on the works scheduled for the redevelopment of the area and in return, receive assistance to improve their own homes. Payment for the work done on community projects took place by means of materials or services (labour), or partly in cash, with an amount that under no circumstances exceeded 50% of the total received. Importantly, the value of the payment in materials was significantly higher than its cash value (the cash value of a working day was 350 Cape Verde Escudos (CVD), or 480 Cape Verde Escudos (CVD) in construction materials).

The planning, technical assistance and administration of the "Credits System" were carried out by the Pedra Badejo and Liebnitz Friendship Association, which also sponsored this project.

A large percentage of the workforce that was used to carry out the works was paid by means of the credits. "As a result, not only was a major project carried out in the community, but considerable private investment was also facilitated. These two factors combined to achieve an overall improvement in the living conditions of the area's residents. " (Pedra Badejo and Liebnitz Friendship Association –1986)

Background / Origins

The "stamp" tool was essential in the strategy proposed by the agencies responsible for the Project for achieving its objectives.

This tool enabled various aims to be satisfied simultaneously: employment was created and income for disadvantaged people generated; consolidation was promoted and a lasting redevelopment of the town encouraged; collaborative relationships between residents were fostered, thereby also improving the relationships and the sense of community among them; participation and dialogue between residents and the institutions in the area was strengthened.

The idea is very simple and was implemented in such a way that it adapted to the rules of the local community, common sense and the customs of the area. It could be considered to be based on an existing tradition of mutual help and labour-intensive practices involving the participation of the local workforce in public works. The closest precedent for this was the FAIMO mechanism – *Frentes de Alta Intensidade de Mão-de-Obra* (High Intensity Labour Fronts).

The positive aspects of those mechanisms were recovered, such as: appropriation of the works and common assets, training of the labour force to promote the local techniques adapted and the principles of sustainable land use. The objective was tried to improve these aspects, taking into account certain key points such as the gender issue, relationships between residents and institutions, and the role and the responsibility assumed by citizens. Another major commitment was the enhancement of the tradition of cooperation between residents, promoting mutual aid instead of the welfare-based vision of the passive relationship between the citizen and the state or between the beneficiary and the benefactor. In fact, the "Stamp System" was based on cooperation and the exchange of help, according to the Cape Verdean tradition known as "djunta-mon" (which in Creole means "lending a hand together," or "working together with a common goal." This is a community project based on self-help). The decision was therefore taken not only to emphasize the monetary value of work and services, but instead the great human capacity to help others was valued above all other factors.

Policy objectives

The objectives for which the "Stamp" tool was designed are the same goals as those of the Project in general: to provide an immediate response to the emergency situation in the city and to ensure increased employment opportunities in the short term, higher incomes for residents and the creation of infrastructure to effectively and sustainably improve residents' living conditions based on community support.

The aim of the Project was not simply to redevelop the neighbourhood where the work took place, but the aim above all was to achieve the participation of the population and the dissemination of a sense of responsibility among the area's residents. The creation of a

methodology that triggered a comprehensive transformation of the territory was attempted and in fact, that goal was achieved. The Project report states:

- One of the biggest problems is the lack of a sense of responsibility among the population. *"Who owns the space that lies between two houses? It belongs to the State. And who is the state? Is it the municipality? Is it the Ministry? Nobody knows. It does not belong to anybody. So we will use it to throw out the rubbish. Issues were clarified during the work on the Participatory Planning: this is a public highway, this alley belongs to that house, that area could be used as a farmyard, that lady would like to build a balcony with flowers. This tree belongs to that family. It is necessary to build a wall to preserve the land there. The water should go through there, etc. The issue of which individuals held which responsibilities was thereby clarified: the animals will be kept in the yard, the alley will be closed off and a balcony will be built. The rest is part of the public highway and will be paved. The water runs through that area. It is not much, but a great deal of progress is being made. Once the "land distribution" has been carried out, the technical requirements emerge: it is necessary to provide street lighting, build latrines and stairs, undertake reinforcement works, pave streets and or pave a path. In other words, a public works programme is required.*
- The consolidation of an entire neighbourhood is a complex issue. Building a road or painting the houses is not enough. In order to create good urban habitation, it is necessary to combine various forces, and many different activities and motives. Construction works act as a driving force and a source of energy for a comprehensive process. The "triangle" is a fairly well-defined neighbourhood. There are lots that are occupied, and there are established rights. The terrain is rocky and sloping. There are hardly any straight lines in the area. This means that little can be done with heavy machinery and industrial materials. It is necessary to mobilize the forces of human strength. And we have plenty of that.
- The residents enjoy participating in the works, some know how to do them and people like to improve their homes. This led to the creation of the Credits System. (Pedra Badejo and Liebnitz Friendship Association – 1986).

That was how a system was created which in addition to enabling efficient management of the resources available to carry out the execution of works, was able to generate essential gains that had a multiplier effect. It was the "side effects" that enabled the medium and long term objective to be achieved, and they improved the quality of life and were based on sustainable development and community participation.

Chronological development and implementation of the practice

In the first phase, the "Stamp System" was implemented on an experimental basis in a limited area, which allowed its operation to be checked and refined. It began to be used by the structures of the Project itself very soon afterwards, until 1990. During this period, it was also used to carry out parallel programmes such as the construction of household latrines, by the Santa Cruz Administrative Secretariat (Regional Government).

As a result of the profound political changes that took place in 1991 - the birth of democracy and a multi-party system - this system disappeared, together with the agents who had been using and promoting it. In 2010, the Santa Cruz City Council Executive decided to use the "Stamp System" again to implement new projects in the territory of Pedra Badejo. The Project "Community development, community support, institutional support and training to improve housing conditions in Cape Verde" was launched in December 2010, and was implemented by the Municipality of Santa Cruz and the Spanish NGO "Habitáfrica Foundation" and co-financed by the Spanish Agency for International Development Cooperation. The "Credits System" will be used as a tool for the management of funds assigned to urban redevelopment and housing improvements in the neighbourhood of Cutelinho, Pedra Badejo.

The Municipality's role in the implementation of the process has changed during this period. At first, the Municipality agreed to carry out the experience, but it very quickly became the body responsible for the execution of the process and today it has become the major advocate of this policy. It has assimilated the instrument and has made it part of its own working practices in the territory. This has led to a change in the attitude of the residents, who after some initial reluctance have come to accept the system and have recognized the advantages it offers, and have gradually become more active and brought their enthusiasm to the project. Today, they acknowledge their pride at having participated in the experience and have asked for the "stamp" to be used again.

It is almost touching to hear how the women who participated in the process twenty years ago and who today are in many cases senior citizens explain that they would be willing to mobilize again and work towards new goals. It is also interesting to hear how the technicians and managers of the Municipality advocate and defend the "Stamp System."

Agents involved

- The "Credits System" Project and System was designed by the municipality of Pedra Badejo and the Pedra Badejo and Liebnitz Friendship Association.
- The works were carried out by the Administrative Secretariat of Santa Cruz with technical support from the Ministry of Public Works.
- The Pedra Badejo and Liebnitz Friendship Association was responsible for supervising and managing the "Credits System."
- The agents involved in the implementation of the project were: the Municipality's administrative area, the social services technical department, and the urban services, public works and sanitation departments.
- The agents involved in the rehabilitation being carried out at present are the Municipality and the Spanish NGO "Habitáfrica Foundation."

Beneficiaries

The "Credits System" was designed for the direct beneficiaries of the *Participatory Consolidation* Project. The residents of the area where the project was being carried out were able to present an application and were selected based on their living conditions and economic situation. Most of the beneficiaries were women who were heads of households. As noted by a municipal worker, "it was not necessary to use forms or surveys, as the conditions of poverty were so obvious and the housing conditions were so poor that the beneficiaries could be recognized just by looking at them."

Obviously, the institutions and workers involved in the implementation and management of the process also benefited from the experience, since it strengthened dialogue and cooperation between the residents and institutions.

Participation processes implemented

The residents of the neighbourhood where the Project took place became partners/collaborators with the municipal institutions, and were directly and constantly involved in all phases of the process: they participated in the project from its planning stage to the definition of public and private works, and participated in the implementation and monitoring of those works. Ownership of the "plans" and the works programme guaranteed residents the right and ability to supervise control the work being carried out and the way in which it was being implemented.

The interviews conducted during the implementation of this study were very enlightening: the feeling that emerges from the statements and accounts by the beneficiaries and residents is one of great satisfaction, and they show a comprehensive understanding of the experience. They talk about the technicians and managers of the project in familiar terms, and mention a constant interaction with the Project's management structures (City Council Executive and Intermunicipal Cooperation). Even today, twenty years later, they have provided us with a wealth of detail highlighting the transparency of management and their active and effective participation in the process.

Institutionalization processes

The "Credits System" began as an operational project linked to a specific initiative. The City Council Executive acted as the institution responsible for implementing the system, which was adopted as part of the internal fund management mechanisms and became used in the same way as other conventional systems, as it was subject to the same monitoring and follow-up criteria.

The institutionalization process of this experience consists of the local authority's appropriation of the factors intrinsic to local social relations, such as the principles of cooperation and mutual assistance. The use of the administrative and deliberative structure of the Participatory Budget process was the vehicle through which the local community agreed to accept the commitment to social responsibility for its territory. However, the basis for coordination between the public policy and social mobilization initiatives for urban redevelopment was the Credits System, which had its legal base in the municipality.

Financing

The funds managed through the "Credits System" came from part of the funds for the *Participatory Consolidation project*. The Pedra Badejo and Liebnitz (Austria) Friendship Association provided two thirds of funding for the project, and the Santa Cruz Administrative Secretariat provided the remaining one third. "Most of this investment was used to pay the workforce (60%), and a large percentage of the workforce is paid by credits (65%)."

If the system is implemented again to carry out public works as part of the project "Community development, community support, institutional support and training to improve housing conditions in Cape Verde," the aim is to manage the full amount allocated for the payment of labour using the credits.

Key results and achievements

It can be said that in fact, collaboration, the "agreement" established by means of the "Stamp System" between the Municipal Government and the residents made it possible to achieve the expected result: it promoted participation among the population, encouraged the population to take responsibility and achieved real support from the public.

It also enabled a very efficient fund management system to be developed.

The "Credits System" is a simple tool, designed and implemented in an equally simple context, on a small scale. However, it is of particular interest due to the impact that it has had on the community and the possibility that it can be adapted to other areas and other contexts. It has certainly been a successful experience, as shown by the fact that memories of this project among the population are still vivid. Although it has been twenty years since it was implemented, both the residents and the municipal officials still remember and talk about this experience as something important, a decisive phase in the construction and development of the town, and their lives and work.

However, despite the success and satisfaction, and despite all its potential, this system was not used again after the first experiment, and no new projects were created.

According to the heads of the Municipality's departments, "other cooperation groups and the heads of other projects always preferred to use other systems to manage the funds of the works, as they did not want to directly involve the residents in order to minimize risks and contingencies. When it was necessary to provide direct help to families, microcredit and revolving funds systems were used, although they do not work as well as the stamp system. "

The decisive step in the implementation of the practice has not yet taken. To date, no consideration has been given to the possibility of using the "Credits System" to manage the Municipality's own funds in its usual work, as well as using this system in cases of extra funding from specific grants or projects.

The success of this practice has proven that it is necessary and possible to invent new resource management systems that encourage participation among residents of the area. There is room to introduce practices based on local customs, which are based on the value of individuals and community traditions.

Main obstacles and limitations

The main difficulty which arose during the implementation of the project was initially the result of the attitude of local officials, administrators and residents. The attitude of all of them was contaminated by years and years of welfare policies, which spread a passive welfare-based mentality, which masked and distorted the concept of community participation.

The assumption of a role of "beneficiary" rather than "citizen" led residents to uncritically accept and defend any initiative, practice or project that arose as an opportunity to receive something, without this acceptance in fact really involving any intention to participate in the project. Active participation, the fulfilment of commitments and the decision to carry out a complex process are

not easy to achieve. From its inception, joining the "Credits System" involved a major commitment on the part of candidates and their constant effort. It was necessary to carry out an intensive information and awareness-raising campaign and, above all, it was essential that the results obtained in the first phase aroused the interest of the residents, and that the transparency and openness of the decision-making process gave legitimacy to the trust that people had placed in it.

Another difficulty that subsequently arose and occurs easily in the context of Cape Verde is related to the higher levels of party political polarization in the country in general, and which can affect - and even halt - any process that entails a relationship between the inhabitants and elected representatives, and between political bodies and residents belonging to an opposing political movement.

Replicability or adaptation of policy elsewhere

Since the "Stamp System" is very simple, it can be reproduced very easily in various areas using a variety of agents.

The experience has shown the usefulness of applying this practice in the field of urban redevelopment, construction of public infrastructure or carrying out housing works and improvements, although it would also be interesting and possible to apply this experience in other sectors, providing that they anticipate the adjustments and adaptations required to carry it out.

Obviously, the starting conditions are related to the participation of various institutional services: these range from those linked to specific areas of public intervention (in the case of Santa Cruz, these were the urban planning and management bodies), social services, accounting and administration, so the process can be internalized within the institutions themselves.

The replicability of this experience in other contexts does not presuppose any particular feature or legal system, or any particular feature of the institutional structure. However, local socioeconomic traditions may be decisive: the existence of self-help traditions and communal forms of land management could be an important prerequisite. The nature and characteristics of the groups at which this policy is aimed is also a crucial variable, since the type of activity and/or service offered contributes to the smooth running of the system, and this is conditioned and determined by the habits and interests of those participating in the experience.

The "Stamp System" may be a valid alternative to other forms of financing and aid management, such as microcredit and revolving funds, which in some contexts have often proved to be unsuccessful or unreliable. However, the real potential of this system is linked to its ability to generate a multiplier effect, as it embodies an instrument that is very well suited to multi-sectorial projects, which can act as a driving force to foster integrated processes for the development and improvement of living conditions.

Its spread to other relevant themed areas and the appropriate sectors and services of local institutions is an opportunity to "modernize" this instrument, and to increase its possibilities and impact. In other words, residents will be able to place their own time and their own skills at the disposal of others and perform work and services that are of public usefulness or interest to the

community involved, creating a type of "time bank," to expand the number of potential groups which are targeted by the project, and ensuring that residents have the opportunity to actively participate in work best suited to their own skills. Moreover, the institutions will be able to expand the range of municipal powers they can discuss, they will be able to promote the citizens' participation in decision-making as regards the allocation of resources to local public policies, and the City Council Executive will thereby have the opportunity to increase the efficiency and effectiveness of the Municipality's initiatives, which will consistent with the population's real needs and aspirations, and will also have active and responsible participation by citizens, and the tremendous resource that this represents.

SUMMARY

The "Credits System" is an instrument that was created to implement the *Participatory Consolidation* Project, which was carried out, promoted and funded by the Pedra Badejo and Liebnitz Friendship Association in the Municipality of Santa Cruz, Cape Verde.

After a preliminary participatory planning phase, which enabled the definition of the public works that were to be carried out for the redevelopment of the centre of the village of Pedra Badejo, the residents participated in the execution of the works by making their own labour available to others, and receiving aid to improve their own homes in return. Each resident received a credit savings book, and received a stamp in their savings book for each day in which they participate in the public works. Residents regularly received the amount equivalent to the stamps obtained by receiving construction materials or services provided by others to carry out projects in their homes. If necessary, participants were also able to obtain a share of the value of their work in cash, but the amount of cash received under no circumstances exceeded 50% of the total value. The amount of money received was always less than the value of the materials.

It thereby succeeded in promoting the physical redevelopment of the neighbourhood, as well as guaranteeing financial support for the residents of the area.

This system was implemented in the period between 1985 and 1990, and is currently being restored by the Municipality.

The system was conceived in order to improve living (housing and socioeconomic) conditions among the residents. Support was given for the resident population to take responsibility on their own behalf and for collaboration between the institutions and the area's residents.

The direct beneficiaries of this project were the residents living in the neighbourhood where the project was taking place, and especially women who were heads of households and families in need.

The neighbourhood's residents were partners/collaborators with the municipal institutions in all phases of the process: they participated from the planning stage to the definition of public and private works, and were involved in the implementation and monitoring of those works.

The "Credits System" was initially a one-off experience, linked to a specific operating project, but was also used in parallel to carry out other projects and activities.

Funds earmarked for investments for the *Participatory Consolidation Project* and in particular, the funds allocated to labour, were used to carry out the project.

The most interesting result in the experience is the fact that it has been possible to internalize this system within the Municipality, as the "Credits System" is considered a way of managing the funds allocated for support and redevelopment and physical transformation of both urban and rural territory. Furthermore, this management system was considered the best of all the management systems have been tried: this ensures a better use of funds and greater involvement among the residents of the area.

The challenge today is linked to the idea of replicating this experience. This practice is closely related to social characteristics and local traditions. And that is precisely the reason for its success. The social and economic changes that have taken place in the area during the twenty years that have elapsed since its initial implementation obviously mean that redevelopment and adaptation of the model to the current situation is necessary. The interest in this opportunity has been increased by the type of participation by the City Council Executive, given that the Municipality will incorporate the experience in a more direct way and on a more conscious basis, as it will adopt the practice as an integral part of the Municipality's policies and may include various areas of community services, including those beyond the scope of the traditional area of public works.

For further more information:

Mr Orlando Sanches, President of the Municipality of Santa Cruz
E-mail: Orlando.Sanches@cmscz.cv, orlando.sanches@govcv.gov.cv

Mr. Paulo Tavares, Executive Director of the Santa Cruz Autonomous Water and Drainage Service
E-mail: pmendestavares@yahoo.com.br

Ms. Arline Isabel Rodrigues Garcia, Social Worker, Municipality of Santa Cruz
E-mail: lenegarcia46@hotmail.com

Arch. Elena Velasco Román, Habitáfrica Foundation
E-mail: evelasco@fundaçãocear.org

United Cities and Local Governments Committee on Social Inclusion, Participatory Democracy and Human Rights:

Tlf: + 34 93 342 87 70
<http://www.uclg.org/cisdp/>



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