

Plenum 1: Urban Societies

THE CHALLENGES OF SUSTAINABLE URBANIZATION

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1. Today, 40 per cent of the population of developing countries lives in cities. By 2020, that figure will rise to 51 per cent. Many countries in Latin America and the Caribbean already have a 75 per cent urban population. The urban population of developing countries grew from 700 million in 1970 to 1.4 billion in 1990 and 2 billion in 2000. It will reach 3.2 billion by 2020. The greatest challenge will be in Africa and Asia, where a major urban transition is taking place. By 2015, 153 of the world's 358 cities with more than one million inhabitants will be in Asia. Of the 27 megacities with more than 10 million inhabitants, 15 will be in Asia. Megacities with 20 or 30 million inhabitants, urban agglomerations of a size never known before in human history, are in the making.
2. Currently, three quarters of global population growth occurs in the urban areas of developing countries, causing hyper-growth in the cities least capable of adapting to that change. The current average annual population increase in developing country cities is estimated to be 64 million, a rate of 175,000 persons per day. Half of this increase is caused by natural population growth within these cities. This urban transition is accompanied by a significant increase in urban poverty, disproportionately affecting women and children; ethnic and racial conflicts; homelessness; environmental deterioration; and marginalization of the poor, often expressed in social exclusion, intolerable living standards and spatial segregation. All of the above contribute directly or indirectly to increased social unrest and urban violence.
3. Policies designed to reduce rural-to-urban migration have consistently failed over the last 30 years in the developing world. Not only is urbanization inevitable but its pace cannot be curbed – in democratic societies – by voluntarist policies. In fact the carrying capacity of rural areas is reaching its limits in many parts of the world and agricultural improvements are creating a surplus population (particularly in Africa and

Asia) which has to move to towns and cities to find better employment opportunities. International organizations, which have invested billions of dollars in rural projects, are only starting to understand this reality: sustainable development requires first and foremost sustainable urbanization policies designed to facilitate – and not to hinder – the current urban transition.

4. Cities are often viewed as a product to be marketed at the regional and global scales. Information and communication technologies allow for internationalization of footloose investments, resulting in vast increases in the volume and speed of international capital flows of all types, ranging from foreign direct investment to short-term banking activities. In this environment, cities often have no option but to compete for these investments, exploiting whatever comparative advantages they may have, at times even to their own detriment.
5. Globalization has placed towns and cities in a highly competitive framework of inter-city linkages and networks within a geographical context limited only by planetary boundaries. This new constellation of globally linked cities is sometimes referred to as the urban archipelago. It implies that a city may have more relations with some faraway place than with its hinterland and that such cities act as energy nodes in a global force field.
6. Although the paradigm of the urban archipelago reflects real urban evolution at the global level, the relationships between rural and urban areas still include factors that do not necessarily depend on the international level. There remain considerable local economic factors (the symbiosis of rural primary production and urban secondary and tertiary activities), local demographic issues (migration and absorption of rural population surpluses), local environmental consequences (water and air) and local infrastructure matters (transport, energy and telecommunication) that still bind cities to their rural hinterland. In addition, the international mobility of labour still lags far behind the mobility of capital, and traditional urban-rural linkages remain crucial in a host of mutually supportive functions.
7. Globalization is causing the end of territorialism: the condition whereby socio-economic and political space is reducible to territorial coordinates. It creates an apparent paradox, whereby the conditions of social development are simultaneously becoming more global and more local. In many localities, people are overwhelmed by changes in their traditional cultural, spiritual and social values and norms and by the introduction of

a cult of consumerism intrinsic to the process of globalization. Many localities have reacted by stressing their *own* identity, their *own* roots, their *own* culture and values and the importance of their *own* neighbourhood, area or town. In political terms, this has translated into demands, on the one hand, for political decentralization, and on the other, to filter out undesirable effects of globalization. Civil society has become important in recasting national and local politics as a third-sector actor, distinct from state and market, shaping policies, norms and values.

8. Despite these positive developments, the future of large and small settlements in the developing world looks grim if they continue to develop in the unstructured and unstable fashion that has characterized many of them until now. Cities in the developed world also face unprecedented problems of urban decay, ageing populations, widening gaps between poor and rich, layers of vested interests and large disparities between knowledge-based elites and under-educated urban populations. These problems determine the need for a new, inclusive approach to local governance and present a great challenge to central and local government. On a more positive note, the world is no longer only a community of states but also an increasingly borderless network of interconnected cities where power is being shared more evenly and where governance is becoming more democratic. Promising partnerships are evolving between the public sector, the private sector and civil society. There is a growing awareness of the needs and rights of women, the indivisibility of human rights, the need for participation in urban decision-making and the urgency for wise social, economic and environmental stewardship. To address the "glocalization" paradox that has distinctly emerged since the City Summit held in Istanbul in June 1996, Governments and their partners will have to address the untenable present course of the global urban environment. To do so, the highly articulated goals and objectives of the extraordinary series of United Nations global conferences of the 1990s, culminating in the Millennium Declaration of 8 September 2000, *must* remain the overriding development agenda of the international community.

9. Within cities in all regions of the world, disparities are growing between the affluent and the dispossessed, exemplified by the coexistence of thriving business districts, affluent neighbourhoods and slums (in the case of most developing countries) or distressed neighbourhoods and derelict quarters (in more affluent countries). This is the most visible trait of the divided city. According to UN-HABITAT data, nearly one third of

the world's urban population (837 million in 2001) lives in slums and informal settlements.

10. The globalization of lifestyles is another aspect of the phenomenon and one that is most evident in cities, both in the cultural and consumption attitudes of the affluent and in the homogenization of the physical image of large and smaller cities. They are all increasingly alike in their modern and post-modern architecture, shopping malls, gentrified historical neighbourhoods and gated suburban housing estates. They are also similar in their derelict brownsites, their degraded and sub-standard residential districts or informal settlements, where the invisible other inhabitants of the divided city survive.
11. Cities in the developing world are faced with an enormous challenge caused by continuous population growth, a population that needs better shelter and services but whose income is insufficient and a diminishing ratio of public resources per inhabitant, compounded by a weakened support role of the Government, an inadequate revenue base and poor institutional capacity for urban planning and management. The contrast with the buoyant image of e-regions and prosperous cities of the North could not be sharper. The dilemma for cities in developing countries is that they are faced with explosive problems that require immediate action but for which no sustainable solution is in sight in the conventional terms of public housing, subsidized housing finance systems and social programmes that worked well in the industrialized countries of the North half a century ago.
12. The entry point for addressing this dilemma has been identified in the Habitat Agenda: the provision of secure tenure within comprehensive slum and squatter-settlement upgrading programmes. Various forms of tenure exist, not all of them linked to home-ownership, that can guarantee physical, social and economic security to the threatened half of the divided city. It is only on this basis that the poor can acquire dignity, improve their health conditions, invest in the improvement of their own shelter and communities and gradually earn a role as full-fledged citizens. This has been done and is being done with success. The challenge for the partners of the Habitat Agenda is to reproduce these successes on a scale unheard of before. World leaders acknowledged this challenge by including the goals of large-scale slum upgrading and good governance in the Millennium Declaration.

13. A different reality is indeed beginning to emerge from within some of the world's slums — a reality that places the poor as active participants in development and as true poverty experts. Where banks do not lend to them, they save and lend to each other. Where no housing is available, they build their own shelter. Where no education is provided, they teach each other. The poor are currently the single largest producers of shelter and builders of cities in the world. In most cases, women are taking the lead in devising survival strategies that can create the conditions for development.
14. It is clear that a number of city leaders want to meet the challenge of urban poverty by actively engaging with the poor and the marginalized. Recent progress made in participatory local democracy is providing fertile ground for innovation in the way that demands are articulated and satisfied. It is precisely these initiatives that provide the best prospects for sustainable urbanization strategies, and which international development institutions and experts are being invited to support.
15. On 29 April- 3 May 2002, UN-HABITAT organized in Nairobi the first World Urban Forum to discuss the issues of sustainable urbanization in preparation for the World Summit on Sustainable Development. More than 1000 participants agreed that the key to making cities more inclusive, more productive and environmentally sound, can be found in improved urban governance based on participatory democracy and strong partnerships between all levels of government, between the public and private sectors and between institutional actors and civil society. This is probably the major message from UN-HABITAT: rapid urbanization is manageable and necessary resources can be mobilized within the cities themselves, provided proper urban policy and related capacities are developed. We are absolutely convinced that good urban governance can bring about sustainable urbanization during the 21st century.