

**Exploding Cities or the rise and death of the sustainable city?
Some thoughts on the global trends on urbanisation.
DRAFT Outline of Presentation¹**

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Introduction

This paper summarises the presentation delivered to the workshop "*Managing Community-based Needs in the conditions of Rapid Population Migration and Urbanisation*" held in Tirana on October 2002. It outlines some global trends on urbanisation stressing the dramatic changes taking place in most continents that is turning the world into an urban planet. Estimates of the United Nations forecast that in 20 years half of the developing world's population will live in urban areas.

The presentation pinpoints the paradigm shift that is based on our increasing understanding that cities play a pivotal role in national economic development. Thus the nexus economy-urbanisation is gradually pushing national and local governments to look at urban productivity issues when designing policies and actions. Cities need to be efficient with its resources, development opportunities, markets, public welfare and quality of life. Furthermore, the process of globalisation and internationalisation of the economy is creating different scenarios and competitiveness conflicts pushing cities to compete with one another within and outside national boundaries.

The presentation also stresses – with examples depicted from Brazil and India – that most developing countries are urbanising rapidly. Latin American countries like Brazil, Argentina and Colombia have already more than 75% of their population living in cities. In these countries for example, the process of industrialisation went hand-in-hand with the process of urbanisation. In India, one of the two billion plus countries of the world, the prognosis is that by 2021 40% of the Indian population will be living in cities and urban agglomerations with a significant increase in the number of cities with more than 100,000 inhabitants.

¹ *The presentation was prepared for the 1st Regional Workshop in South-Eastern Europe entitled "Managing Community-based Needs in the conditions of Rapid Population Migration and Urbanisation", held in Tirana, Albania, sponsored by Soros Foundation, Cordaid-The Netherlands, and CoPLAN-Institute for Habitat Development, Albania, 24-25 October 2002.*

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Finally, the presentation brings forward images from Egypt, one of the first socialist countries to embark in a process of reform, where rapid rural-urban transformation is placing the sustainability of the country at stake. The images depict the vitality, scale and scope of informal settlements. With only 5% of its territory being occupied by human settlement – the remainder is desert land – Egypt is confronted with remarkable process of informal urbanisation that is transforming vital arable agricultural land into urban use at a speed and scope ever seen elsewhere. The presentation argues that misleading policies and inadequate regulations and obsolete norms are one of the underlying causes of this process which is hitting hard poor families who are driven to informality and inadequate housing and environmental conditions.

1. What are the global trends?

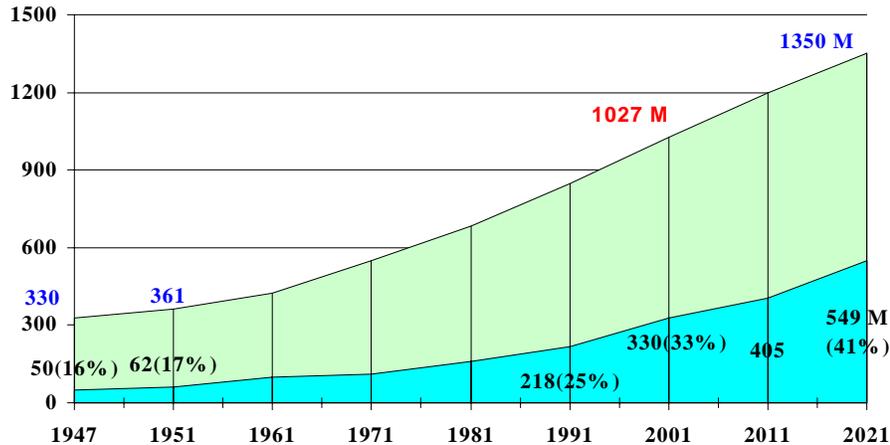
Forecasts and studies carried out by the United Nations indicate that in 20 years half of the developing world's population will be living in cities. It also indicates that cities are growing at a rate of 60 million inhabitants per year that is equivalent to a country of the size of Egypt, Turkey or Thailand. The noticeable phenomenon is the increase in the number of cities with a population between 1 and 5 million inhabitants, from nearly 200 to more than 600.

The megacities and large metropolitan areas are becoming a key aspect of urbanisation processes in many countries posing new planning and management paradigms to local governments. In India – a country that has two thirds of its population living in rural areas – there are around 330 million people living in cities and urban agglomerations with a forecast that in 2021 there will be 70 'million plus cities' in the country. The prognosis is that 40% of the Indian population will be urban and that cities will contribute to 73% of national income.

Urbanisation Trends in India

Source: HUDCO, 2001

Annual Growth Rate of Population (1981-91) Urban: 3.1% Rural 1.8%
Total : 2.2%



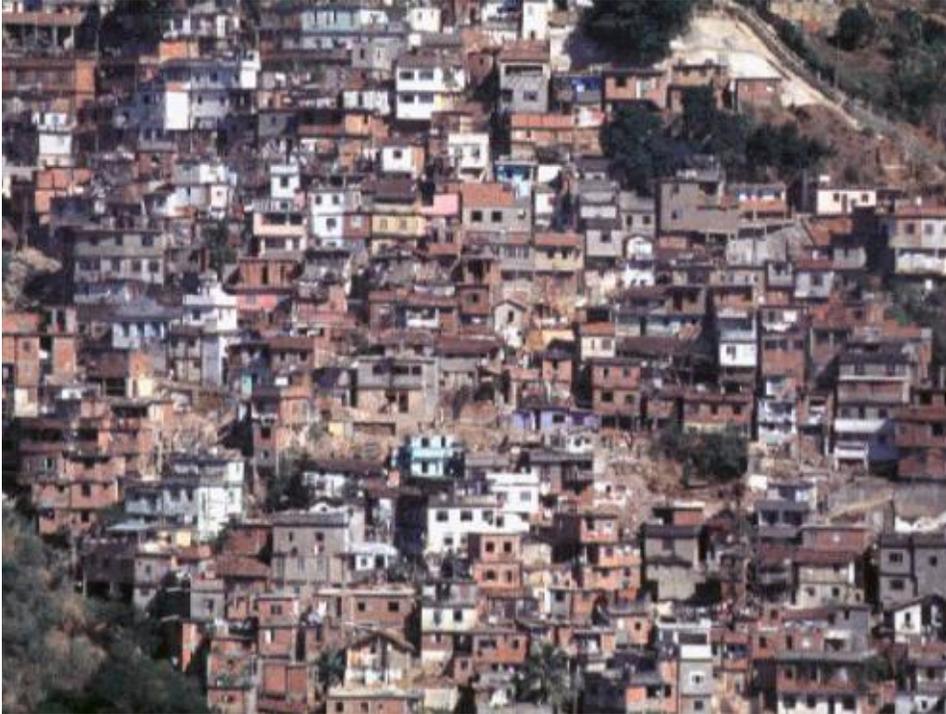
2. Do we really understand the role of cities in national development?

From early 1990's onwards it became widely accepted that cities are indeed the motor of economic development. In Brazil, cities like Sao Paulo and Rio de Janeiro, with GNP of US\$140 billion and US\$49 billion respectively – show that currently they are responsible for nearly half of Brazil's GNP.

Urban management in these cities is fundamental for the economy of the country. The fact that Brazilian local governments are regarded as one of the most autonomous local governments in the world is a facilitating factor stimulating local action, accountability and increasing civil society participation. Brazilian local governments are increasingly concerned with local economic development issues, business opportunities in their jurisdiction and more and more there is competition and city marketing among them.

3. Do we have the right policies and instruments?

Informal urbanisation is on the order of the day in the great majority of cities of the Developing world. This is just a sign that a great proportion of the population is facing serious obstacles to access housing, land and basic infrastructure. Favelas (Brazil), tugurios (Peru), slums (India), gecekondu (Turkey), villas (Argentina), as well as illegal land subdivision that mushroom in cities are the unequivocal evidence that current policies are not reaching those in great need. Cities are local of opportunities that can be maximised by enabling policies but they are also a focus of social and environmental problems that need to be addressed with a preventive approach.



Strict land use plans and zoning ordinances, normative-type of master plans, structure plans and building norms have become obsolete against the pace, speed and scope of these informal processes which are transforming cities outside the legal and institutional frameworks that govern them. Instead of enabling people and local governments in the resolution of housing and infrastructure problems very often these instruments have posed severe bottlenecks which pushed away people to illegality, informality and at times corruptive behaviors.

We can identify important trends in terms of urban management and planning and urban policies:

- Moving away from central governments in the decision seat towards local government in charge of local matters;
- Moving away from conventional and normative-type of planning towards flexible strategic planning processes;
- Moving away from physical plan towards economic plan linked to institutional and organisational plans;
- Moving away from state provision towards enabling and facilitating governments;
- Moving way from a plan to regulate action towards a plan of action;

- Moving away from government provision towards partnerships with NGO's and CBO's;
- Moving away to enclosed city administration towards custom orientation and civil society participation in urban management.

4. Do we have the right understanding of global-local nexus?

The process of globalisation is bringing down dramatic changes to the local level namely:

- de-industrialization: there is a radical change from the fordistic model of manufacturing production fuelled by the process of enterprise restructuring and the fragmentation of the production processes, pushing industries to close down or to move away to other cities with more comparative advantages;
- decline of manufacturing output: this is linked to the opening of national economies and an increasing market competition, resulting in bankruptcy and derelict buildings and sites;
- increase of unemployment: this is coupled with increasing urban violence and crime, which after all is affecting the final configuration of cities, open public spaces and insecurity;
- deterioration of built environment: economic decline is affecting the quality of life and the quality of the built environment but is also pushing people to dramatic levels of poverty and social exclusion. This is also pushing people to live areas inadequate for human settlement e.g. flooded land, peripheral areas, steep hills, disaster prone areas, etc.
- flourishing service sector: cities are compensating to loosing their industrial profile and are attempting survive in a globalised economy by strengthening some of the service sector and clean technologies; many cities are changing radically their profile, from a classical industrial city towards a service providing city e.g. Barcelona, Rotterdam, Rio de Janeiro, Santo Andre, Rosario, etc.
- fluctuation of local tax base & revenues: economic decline is affecting the labour and land markets and consequently affecting the size of the tax basis meaning that there is a substantial decrease in revenue collection;

This process coupled with an increasing competition between cities is affecting the competitiveness of cities but also their size, function and physical form. Some cities facing a spiral of depopulation from its urban core while others facing a process of densification and overcrowding.

Local governments are engaging into city development strategies to cope with and mitigate the adverse effects of these processes. The external "environment" has become very volatile and full of uncertainties. Public policies are undergoing

some paradigm shifts leading to more flexible type of planning, strategic envisioning with stakeholders participation, policies of integration of informal settlements into the formal and legal frameworks of cities by means of infrastructure improvement, social and urban renewal, and integrated revitalisation and city development strategies.

