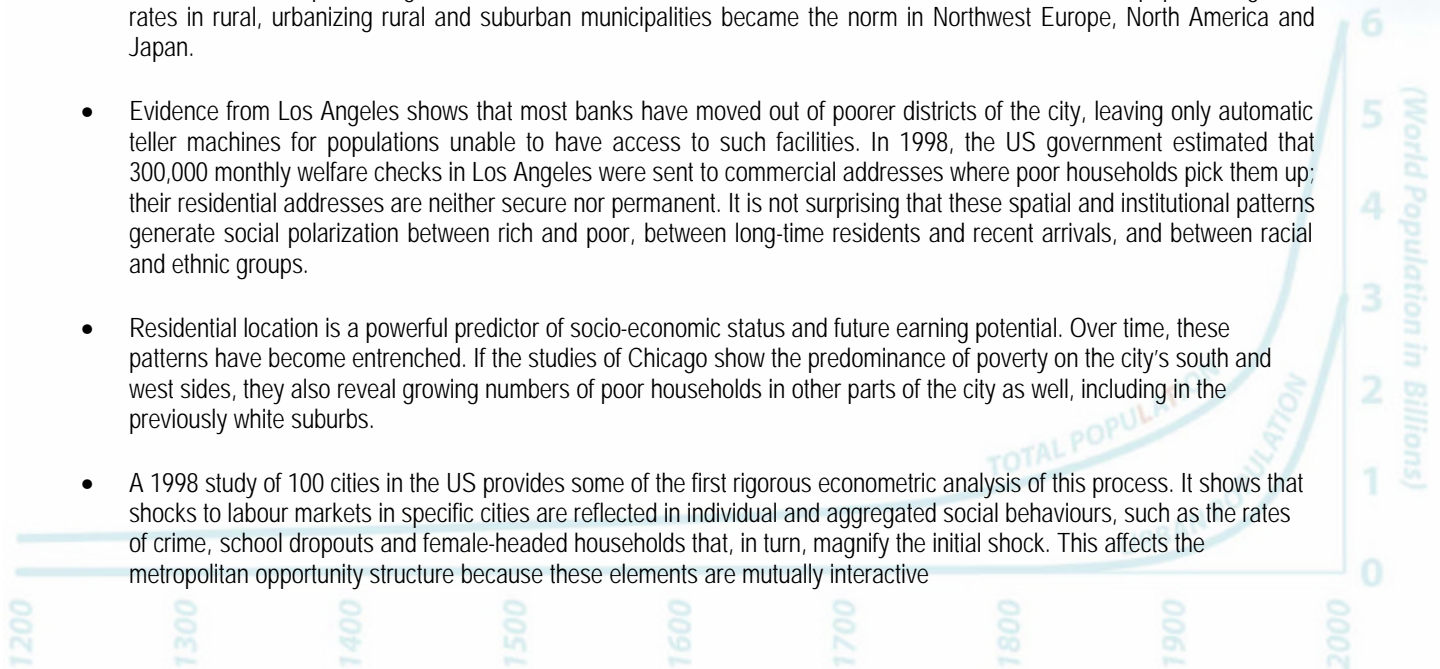


## State of the World's Cities: Trends in Advanced Economies

### *Urbanization & Metropolitanization*

- Before 11 September 2001, New York's economy had grown to generate almost US\$360 billion a year. This gross domestic product (GDP) made New York the ninth largest 'economy' in the world. In New York, 66 per cent of municipal revenue came from taxes on the financial sector. The economic downturn starting in 2001 was accelerated by the loss of US\$110 billion to the metropolitan economy as result of 11 September.
- The population of New York, at close to 17 million, had already made the metropolitan area the 49th largest country' in demographic terms. The New York economy also exemplifies the process of de-industrialization experienced by many cities in both developed and developing countries: manufacturing jobs had left the city, replaced by an increasing proportion of employment in the service sector. It is now apparent that about 300,000 people leave the five boroughs each year for other destinations. Most are white families, fleeing the high cost of living in New York, moving either to the suburbs or to other cities in US. However, they are replaced by 200,000 immigrants each year, with major flows coming from the Dominican Republic and China. According to very recent analysis, projections for New York City's population show that the city is becoming increasingly Hispanic and South Asian, with large numbers of immigrants from India, Pakistan and, more recently, Bangladesh.
- Metropolitanization trends in the advanced economies became more visible during the middle of the 20<sup>th</sup> century. The most important change was initially observed in 1961, pointing to a newly emerging type of urban configuration involving the interweaving of cities in relatively close proximity within functionally integrated urban regions. Due to their unprecedented size, both in territory and population, such urban agglomerations were referred to as 'megalopolis'.
- Mounting diseconomies in many city cores (congestion, pollution, rising real estate costs, etc) further fuelled the urban sprawl through the migration of middle classes and commercial activities to the new suburbs and other settlements in the commutable metropolitan region. From 1960 to about 1975, a clear trend of suburbanization with fast population growth rates in rural, urbanizing rural and suburban municipalities became the norm in Northwest Europe, North America and Japan.
- Evidence from Los Angeles shows that most banks have moved out of poorer districts of the city, leaving only automatic teller machines for populations unable to have access to such facilities. In 1998, the US government estimated that 300,000 monthly welfare checks in Los Angeles were sent to commercial addresses where poor households pick them up; their residential addresses are neither secure nor permanent. It is not surprising that these spatial and institutional patterns generate social polarization between rich and poor, between long-time residents and recent arrivals, and between racial and ethnic groups.
- Residential location is a powerful predictor of socio-economic status and future earning potential. Over time, these patterns have become entrenched. If the studies of Chicago show the predominance of poverty on the city's south and west sides, they also reveal growing numbers of poor households in other parts of the city as well, including in the previously white suburbs.
- A 1998 study of 100 cities in the US provides some of the first rigorous econometric analysis of this process. It shows that shocks to labour markets in specific cities are reflected in individual and aggregated social behaviours, such as the rates of crime, school dropouts and female-headed households that, in turn, magnify the initial shock. This affects the metropolitan opportunity structure because these elements are mutually interactive



## **Migration**

- The advanced economies (AE) have the largest number of international migrants, about 77 million, or 9 per cent of the total population. Northern America (Canada and the US) has the largest number of migrants at 41 million, and Oceania (Australia and New Zealand) has the largest percentage (24 per cent of the total population).
- Europe stands in the middle, with 28 million international migrants, or 9 per cent of its total population. In Europe, migrants are concentrated in Germany (7 million), France (6 million) and the UK (4 million), even though the country with the highest percentage of immigrants is Switzerland (25 per cent of its total population).
- Cities receive the majority of flows of international migrants, particularly the main European capitals. For example, the proportion of foreigners in the total population is almost 27 per cent in the London area and 26 per cent in the Brussels area, 14.5 per cent in Stuttgart and almost 17 per cent in Vienna. And this percentage is at least double the national average in the Paris area (13.9 per cent) and Madrid (5.7 per cent).
- The Greater London Metropolitan Area accounts for almost half of the country's foreign population, whereas its demographic weight does not exceed 13 per cent. With the increase of international migration, major urban centres such as London, Paris, Frankfurt and Berlin have become multicultural metropolises; but ethnic diversity is also significant in some other cities.
- Northern America is a traditional destination of international migration and has the highest number of migrants in the world: about 40 million, or 15 per cent of the total population. Each year, Canada and the US receive legal as well as undocumented and illegal migrants, mainly from Central and Latin America (more than 50 per cent) and Asia, who have replaced the previous European migrants. They are primarily concentrated in large cities such as New York, Miami, Los Angeles, Toronto and Vancouver.
- About 93 per cent of the foreigners born in the US live in cities, compared with only 73 per cent of the native born. International migration often sustains cities' population growth. For example, while more than 1.2 million people left Los Angeles County during the first half of the 1990s, immigration and the high birth rate associated with migrants resulted in a net gain of more than 960,000 people.
- 40 per cent of the residents of Los Angeles County are Hispanic, primarily Mexican; Dade County in Miami is home to the majority of Cuban immigrants in the US; most Dominicans and half of the Russian immigrants have settled in New York; while Chinese immigrants are concentrated in Vancouver and San Francisco's Chinatowns, as well as in New York City's Lower East Side. In addition, some foreign migrants are settling directly in smaller towns across the heartland of the US, especially where there are better employment opportunities.
- In Japan, international migration is encouraged by the decline in fertility rates and the appearance of socio-demographic disparities, as the national population is becoming older and as local people now generally refuse low-level employment requiring unskilled labour. The percentage of foreigners is low (1.3 per cent, or 1.6 million individuals), and urban international immigration is a relatively new phenomenon, considering that until the 1960s, Tokyo was largely a destination of Japanese rural-urban migrants. It was only during the late 1980s that significant immigration from other Asian countries started.
- In Stuttgart, where 24 per cent of the 565,700 inhabitants are foreigners, priority is given to inclusive policies. The participation of migrants in municipal affairs has a long tradition, and since 1983, the Aliens Committee of the Municipal Council (an institutional body of the Municipality of Stuttgart representing aliens) has, since its creation, made important proposals to promote understanding between the various groups within the population.

- Like many other cities in Germany, Berlin faces the problems associated with a growing immigrant population. More than 500,000 out of 3.4 million people living in the capital today do not speak German as their native tongue, and in 2010 they will be over 630,000. Berlin is the largest Turkish city outside Turkey, with more than 180,000 people of Turkish origin. Since 1981, a commissioner for migration and integration has been in charge of some key functions, including formulating policies and addressing questions concerning migration and integration issues in Berlin and providing information to all residents and campaigning for and publicly promoting integration, tolerance and intercultural dialogue.
- A similar experience is occurring in Birmingham, where, since 1990, foreign communities can rely on the Standing Consultative Forum, which enables them to be consulted and engaged as recognized city actors by the municipality. In many other cities, immigrants' issues are inserted in broader policy frameworks, involving social marginality, as a whole, or international communities, in particular.
- **The importance of remittances:** The phenomenon of migrant workers sending money home is not new. What is new is the scale and importance to developing countries and their increasing visibility in higher income country (HIC) societies, particularly within cities. The effect on some smaller and poor countries is remarkable, where the impact of remittances on gross domestic product (GDP) ranges from 10 to 30 per cent.
  - **The Bangladeshi curry house bosses** *Curry house owners have channelled thousands of UK pounds into building schools in needy areas. Shahid Abul Kalam, who runs the Raj Boy Restaurant on London's Commercial Road, funded the refurbishment and extension of a 900-pupil secondary school in his parent's home village of Gohorpur, in Bangladesh. He raised UK£16,000 and went back at the beginning of this year to see the works commence. 'Almost everyone in the British Bangladeshi community does this. Interestingly, it has moved on from sending money to families, to funding useful social projects', says Murad Qureishi of the British Bangladeshi Professional Association.*
  - **The nanny from the Philippines** *What may seem an unconventional marriage is, in fact, a relationship that provides vital aid for a community. Elli, 34, is from a rice-growing village in the Philippines. For years she had a pen-friend relationship with a London musician who earns money as a builder. They married after he flew out to meet her. In London, Elli is a live-in nanny earning around UK£300 per week, seeing her husband at weekends. The husband does not drink or smoke and they live cheaply. Some of their money is saved to buy a home; the rest is spent on 'foreign aid': 'My village suffers; they get very little from the government. Some of my family live in Canada; we all help.'*
  - **The waitress from Bogota** *Martina, 29, is bending the rules. She comes from Bogota, Colombia, and has been in London for two years on a student visa. Her progress is monitored by the Home Office, but what they do not know is that Martina works illegally, getting up at 4.30 am four days a week to serve breakfast in a hotel. She earns about UK£160 a week, pays no rent or bills, and sends more than UK£100 each month to her mother, who has just bought a small farm outside Bogota. Her mother borrowed from the bank and needs to pay the debt off quickly. Colombia is one of the most violent places in the world and Martina has no immediate plans to return.*

## **Poverty & Slums**

- The number of homeless people in Western Europe is at its highest level in 50 years, with homelessness levels not seen since the end of World War II. An estimated 3 million West Europeans were believed to be homeless during the winter of 2003.
- In the US, about 3.5 million people are homeless, including 0.9 to 1.4 million children. In Canada, the number of homeless people has steadily increased to a level now far beyond anything seen one generation ago. The total estimated homeless population of Western Europe and the US combined is equivalent to the entire population of Denmark.

- Poverty has escalated throughout the EU during the last three decades. This is particularly significant with respect to child poverty. In the UK, the most extreme of the reported scenarios, the number of poor children has more than tripled in less than two decades. In the US, Germany, Spain and Ireland, child poverty rates of 8 to 25 per cent were recorded during the 1990s. Today, about 15 per cent of the EU citizens are at risk of poverty.
- There has been a persistent level of unemployment in many European nations during the last decade or so, in spite of their virtually stagnant populations. However, more recently, unemployment has slightly decreased in some of the European Union countries. Meanwhile, in Northern America, unemployment increased from 4.8 per cent in 2001 to 5.6 per cent in 2002 in the US and from 7.2 per cent to 7.6 per cent over the same period in Canada.
- A new facet of homelessness is the rise of short-term homelessness, as opposed to chronic homelessness. Beside the more visible *rough sleepers*, camping in caravans, cars or *squats*, or sleeping on the spare beds or sofas of friends and relatives, are now the most common conditions of the 'new' homeless.
- According to the report *Out of Sight, Out of Mind?* domestic violence is the main cause of homelessness among women in England. A report by the charity Crisis found that 63 per cent of homeless women aged between 30 and 49 said domestic abuse was the key reason they had lost their homes. Over half of these women had slept rough, the majority on more than one occasion – despite the fact that this made them vulnerable to rape and abuse.
- One out of four people living with HIV in New York City is homeless or marginally housed. A Los Angeles study found that two-thirds of people with AIDS had been homeless. Depending upon who is counting and where, HIV infection rates in homeless communities run from 8.5 per cent to as high as 19.5 per cent in the US. People with HIV/AIDS are more likely to become homeless as their incomes are drained by the costs of healthcare.

## ***Crime & Safety***

- The 2000 International Crime Victim Survey generally suggests that crime in North America and Western Europe rose between 1988 and 1991, stabilized or fell in 1995, then decreased further in 1999 in many industrialized European countries. However, crime levels in the US and Canada are now lower than they were in 1988. Meanwhile, in England and Wales, Finland and The Netherlands, crime levels are still higher than they were in 1988.
- Changes in violent crime were variable on both sides of the Atlantic. Risk of being a victim of crime was 60 per cent higher in most urban areas, compared to the least urbanized areas. Crime rates in Northern America have generally been decreasing during recent years largely due to demographic changes in Canada and the US, including an aging population and fewer youth aged 15 to 25, who tend to be the age group most often involved in offending. Other possible explanations are more community-policing and crime-prevention initiatives reducing crime before it happens, or, alternately, more aggressive 'get tough' law enforcement that may deter offenders.
- Domestic burglary fell by 15 per cent, on average, in EU countries between 1996 and 2000, although it soared by 33 per cent in Japan during this same period. According to the 2000 ICVS, Australia (7 per cent), England and Wales (5 per cent), Canada, Denmark and Belgium (all 4 per cent) had the highest rate of burglary or attempted burglary.
- According to crimes recorded by the police, violent crime rose by 14 per cent in the EU and by 15 per cent in England and Wales between 1996 and 2000. The largest increases in violent crime were in Spain (38 per cent), France (36), The Netherlands (35), Portugal (28), Italy (20), Denmark (17) and England and Wales (15). Japan had an extremely high increase of 72 per cent in violent crime.
- The US ranks third in the incidence rate for 'very serious' crime among the 16 developed nations surveyed by the 1998 ICVS, behind England and Wales and Australia. The US is followed by Sweden, The Netherlands and Canada. The lowest incidences of very serious crime were in Portugal, Denmark, Japan and, finally, Finland.

- Contact crime was found to be highest in Australia, England and Wales, Canada, Scotland and Finland (over 3 per cent were victims in all of these countries). While Japan usually has low rates for almost all types of crime (40 per cent of all crime involved theft of bicycles, mopeds or motorbikes), Japan had an especially low rate of contact crime (0.4 per cent). Risk of assaults and threats was highest in Australia, Scotland, England and Wales (all about 6 per cent) and Canada (5 per cent).
- In considering violent crime and serious assaults, the US was one of the few countries where murder rate decreased between 1990 and 2000. However, despite the rate being less than in 1990, the US still had the highest number of rapes reported in 2000 (32 cases reported per 100,000 population) compared to the other UNECE member countries.
- New approaches to policing, such as community or problem-oriented policing, require attitudinal and institutional change on the part of the police and citizens. There has been a move towards trying to address the root causes of crime in order to stop it before it starts. Rather than trying to tackle crime and insecurity through repression and punishment, many governments – national, provincial and local – are considering the potential of investing in prevention and risk management.

### ***Transparency & Governance***

- The Transparency International index of perceived corruption for 2003 generally has the advanced economies in the first 25 to 30 positions, with a couple of exceptions, which are slightly lower. There are a number of reasons for this generally good performance: the presence of an effective civil society, related to the importance attached to it at all levels of society and government, and the greater availability of resources to promote transparency and target corruption. While it is not clear that there is less corruption in these countries, in absolute terms, it is evident that there is, usually, vigorous enforcement of laws against it.

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**TABLE 5.7 Reported homelessness in the advanced economies**

Country	Latest homeless figures	Year
Australia	147,000 (homeless service users)	1996–1997
Austria	21,000 (homeless service users)	1998
Belgium	18,880 people	1998–1999
Canada	35,000–40,000	2000
Denmark	7365 people	2000
Finland	10,000 people	2001
France	201,000 people	2001
Germany	500,000 people	2000
Greece	10,000 people	2002
Ireland	5234 households	1999
Italy	17,000 people	2000
Luxembourg	362 women, 365 children	2000
Netherlands	26,175 people?	2002
Portugal	1000 people? in Lisbon/ 1000 people? in Porto	2000
Sweden	8440	1999
UK	England: 11,3590 priority need people/ Scotland: 34,040/Wales: 4,171	2000–2001
US	about 3.5 million people (1.35 million children)	2000

Note: These figures should be interpreted with caution, as they are based on different national definitions. As such, they cannot be used for international comparison.

Source: Various; European data assembled by the FEANTSA, 2002; Urban Institute, 2000 (US).