Dialogue On Urban Realities

Innovative urban policies and legislation to support the Habitat Agenda and the MDGs

By 2015 and 2020, the target dates the world's leaders have set for the Millennium Development Goals (MDGs), over 50 per cent of the world's population will live in urban and peri-urban areas. With only 35 per cent currently living in urban areas, developing countries will see a major demographic shift. Without urgent reforms in legal frameworks and governance systems, the vast majority of those people will still be denied access to decent shelter, water and sanitation that MDGs hold out for them.

Public bodies need the capacities required to stimulate pro-poor and socially inclusive economic development through adequate policies. Other priorities include gender equality and social inclusion in the provision of health and human services, adequate water and sanitation, and protecting eco-systems and the environment. These efforts call for effective methods to assess and improve existing laws and policies and include civil society in the decision-making process. The following examples outline a number of successful, innovative strategies that will be show-cased at the Dialogue.

Tenure breakthrough – Brazil

Access to land and security of tenure have a major role to play in the integration of slums and better overall conditions for the urban poor. Outright regularization is politically too sensitive. However, lack of secure tenure discourages both slum dwellers and utility companies from investing in much-needed improvements, which in turn stands in the way of regularization.

A pro-poor piece of land legislation has enabled Belo Horizonte and other Brazilian cities to break away from this nefarious circular logic. A temporary suspension/relaxation of laws and rules has enabled public authorities, service providers and slum dwellers together to devise a plan to improve and regularize informal settlements. On top of facilitating public intervention, the well-devised plan has enabled slum dwellers to invest in improvements, comply with rules and standards, and gain both legal recognition and title deeds.

The housing vicious circle – China

Providing housing for low-income groups remains a challenge in most countries. Rapid urbanization only makes it more daunting as the social, economic and political problems attached to urban migration become more intense in developing countries. These problems play havoc with a whole range of conventional strategies, including subsidised public housing, inner-city rehabilitation, slum upgrading, and services. The resulting cross-currents combine into a vicious cycle of poverty, deprivation and social exclusion.

China is familiar with the problem. Its urban economic boom can make housing unaffordable or inaccessible for families with limited income and savings. To break the vicious circle, Chinese cities have stimulated supply and demand through a combination of fiscal incentives for real estate developers (to provide housing within a negotiated price range), and equity grants for people living in sub-standard housing (to facilitate home ownership).

Proximity and empowerment – the Philippines

By virtue of their proximity to citizens, local authorities stand at the forefront of social and economic development and environmental management. Paradoxically, in most developing countries they have had limited financial and decision-making autonomy so far. The Philippines was no exception until 1991, a new local government code strengthened the role and

contribution of local authorities in all aspects of social, economic and cultural development. Since then, local authorities have more financial resources (including through broader taxation powers), enabling them to increase investments. The code has also enhanced people's access to courts and given them the power to mediate and decide on local disputes.

Heritage and low incomes – Spain
In Europe, high unemployment and migration have combined to deteriorate entire neighbourhoods in or next to historic city centres, posing challenges for the preservation of the historical and cultural heritage. Gentrification was not a solution as it only exacerbated tight supply of affordable housing, urban sprawl and social exclusion.

In response, several Spanish towns have opted to subsidize low-income households to restore and rehabilitate old housing stock in their historic city centres, instead of moving into public housing. Various schemes and incentives have complemented the plan. This new, integrated approach has stimulated private investment in the conversion and restoration of historic houses, preventing decay, reviving old city centres and promoting social integration.

Water and sanitation for all – South Africa
Over the past few years, South Africa has thoroughly reviewed the national policy and legal framework for water and sanitation. The new legislation complies with the requirements of fairness, equity and sustainability, and redresses the imbalances in access to water resulting from past apartheid laws. The new constitution entrenches equal rights of access to water.

South Africa's reform of water and sanitation has already had a significant effect. The percentage of the population having access to basic water supply increased from 60 per cent in 1994 to 83 per cent in 2002 and 86 per cent in 2003. Access to basic sanitation increased from 49 per cent of the population in 1994 to 60 per cent in 2002 and 63 per cent in 2003.

Development strategies – Morocco
In many developing counties, metropolitan authorities lack the flexibility and the instruments required to link administrative decisions with the planning of infrastructure, services and socio-economic development. Municipal authorities compete for resources and cater to their own perceived priorities and needs, at times regardless of the overall socio-economic or environmental trends and conditions. This often results in inequitable access to, or provision of, basic services, as well as widespread inefficiency and poor productivity.

The experience of Tetuan, Morocco, shows that decentralisation and administrative reform can help city authorities overcome this problem as they launch into comprehensive development planning, monitoring and administration. In recent years, through stakeholder involvement and a range of instruments that link social, economic and environmental planning and management, participatory planning has effectively reduced urban poverty and stimulated local economic development. Other Moroccan cities now look to replicate this experience.

MDGs expose inconsistencies
As these examples suggest, the pursuit of MDGs exposes the legal and institutional vicious circles, paradoxes, inconsistencies and overall inconsequence that stand in the way of urban poverty reduction in many countries, both developed and developing.

Experience shows that an innovative, integrated approach to development planning and administration has a major role to play in pro-poor urban policies. This requires effective decentralization and empowerment of local authorities. The private sector needs incentives to stimulate supply and demand for urban housing and infrastructure. On top of genuine decision-making partnerships with civil society, security of tenure and the provision of basic services are the pre-requisites for improving livelihoods and reducing urban poverty.