Key Issues and Messages

This *Global Report* on *An Urbanizing World* assesses conditions and trends in the world's human settlements—cities, towns, and villages. The growth in urban poverty has been one of the most noticeable trends during the 1980s and early 1990s. Another has been the limited achievements of governments and international agencies in improving housing and living conditions, including expanding the provision of safe and sufficient water supplies and adequate sanitation and drainage. Recent estimates as to the scale of the health burden suffered by those living in poor quality housing also highlight how little progress has been made.

However, while global achievements in improving housing and living conditions have been limited, there are also many examples in this *Global Report* of success. Certain national or city governments have greatly increased the proportion of their population with piped water and good sanitation. Many government agencies and non-government organizations have worked with low income groups and their community based organizations to greatly improve housing conditions and basic services (water, sanitation, drainage, health care, and garbage removal) at low cost. There are new models for housing finance that can allow low-income households to acquire better quality housing and still achieve high levels of cost recovery. Perhaps most fundamentally, there are new examples of city authorities that are more democratic, accountable and responsive to the needs and priorities of their citizens. These emphasise how much **good governance** matters. Within low-income countries or cities, good governance can greatly improve housing and living conditions which in turn can produce a 10- to 15-year increase in average life expectancies, without compromising good economic performance through excessive public expenditure. Within higher income countries, good governance can reduce poverty and deprivation and also the problems so often associated with contemporary urban living—high levels of homelessness, crime, and violence, and the concentration of the unemployed and unskilled in declining city centres or other districts.

Below are highlighted the key issues and messages of this Report under six headings:

- The role of cities within development
- Urban trends
- The limited social achievements
- Housing conditions and trends
- Governance
- Towards sustainable development

The Role of Cities within Development

1 **The role of cities and urban systems in economic development.** Urbanization has been an essential part of most nations' development towards a stronger and more stable economy over the last few decades and it has helped underpin improvements in living standards for a considerable proportion of the world's population. The countries in the South that urbanized most rapidly in the last 10–20 years are generally also those with the most rapid economic growth. Most of the world's largest cities are in the world's largest economies which is further evidence of this link between economic wealth and cities. Cities and towns also have important roles in social transformation. They are centres of artistic, scientific, and technological inno-

vation, of culture and education. The history of cities and towns is inextricably linked to that of civilization in general. Although this *Report* documents the social, health and environmental problems concentrated in cities, it also gives many examples of successful city-initiatives that show how such problems can be successfully tackled.

2 Without competent and accountable urban governance, much of the potential contribution of cities to economic and social development is lost. A positive view of cities is now emerging. This emphasizes the central role of cities in strong, competitive, and adaptable economies. Cities also have tremendous potential to combine safe and healthy living conditions *and* culturally rich and diverse lifestyles with remarkably low levels of energy consumption, resource-use and wastes. But realizing this potential depends on city authorities. Good urban governance also needs the appropriate legislative framework and support from national governments. This *Report* stresses the many opportunities and advantages which cities and towns offer, or could offer, if government policies changed. As the world approaches the 21st century with close to 6.0 billion inhabitants, and with close to half this number living in urban centres, it is now accepted that a predominantly urban population is not only an inevitable part of a wealthy economy but also one that brings many advantages. The challenge is how to manage cities and other human settlements within an increasingly urbanizing world. Such management must encourage cities to remain innovative and adaptable but also capitalize on their potential to provide high quality living conditions with much reduced resource use and environmental impact.

3 Promoting urban development does not mean neglecting rural development. This *Report* also describes the scale of rural poverty, and the inadequacies in provision for water supply and sanitation in rural areas. It emphasizes the problems that city-based demand for rural goods and city-generated wastes can bring for rural resources and livelihoods. However, it also stresses how rural–urban linkages can be positive and how governments can enhance these links. Few governments in the South appreciate the extent to which high-value crops can support rising prosperity in rural areas and encourage a more decentralized pattern of urban development. Few governments give sufficient support to developing the capacity and competence of local authorities in the market towns that should serve rural populations and improve their access to health care and education. It is even rarer to find governments acting on the factors that underlie impoverishment in rural areas and that often give poor rural households no alternative but to move to urban areas.

Urban Trends

4 Contrary to most predictions, population growth rates slowed for many cities in the South. The population growth rates of most of the South's largest cities during the 1980s were substantially lower than those for the 1960s and 1970s. During the 1980s, many of the world's largest cities in both the North and the South had more people moving out than in. In addition, in many nations, the proportion of the urban population living outside the largest city increased. However, there are countries where urbanization is more rapid than expected—especially in the relatively un-urbanized countries with high economic growth rates, such as China. There is also less evidence of large North–South contrasts during the 1980s, as several cities in the United States were among the fastest growing cities in the world.

5 The world is less dominated by mega-cities than predicted. Although there is a growing number of what has been termed 'mega-cities' with population concentrations of unprecedented size, these still contain a small proportion of the world's population. If mega-cities are considered to be cities with more than 10 million inhabitants, by 1990, only 3 per cent of the world's population lived in mega-cities. If the population threshold for a mega-city is reduced to 8 million inhabitants, less

than 5 per cent of the world's population lived in mega-cities in 1990. The population size of some of these mega-cities is also exaggerated through boundaries being set for city-regions that include large numbers of people living outside the city's built-up area. The most recent censuses also found that many of the South's largest cities had several million people less than had been predicted—including São Paulo and Mexico City. The predictions that cities such as Calcutta and Mexico City will have 30–40 million inhabitants by the year 2000 are not coming true; Calcutta is likely to have less than 13 million while Mexico City is likely to have less than 18 million. This *Report* also documents how new kinds of urban systems are developing, in both the North and the South, often around the largest cities, where a dense network of smaller cities develop and prove more dynamic than the large city itself.

6 **The links between urban change and economic, social, and political change.** Although rapid population growth is often given as the reason for urban problems, what is apparent is not so much the speed with which cities are growing but the scale of the housing and environmental problems in cities and the deficits in the provision for piped water, sanitation, drains, roads, schools, health centres, and other forms of infrastructure and service provisions. The link between the scale of these problems and the speed with which the city grew are usually weak. As the *Report* describes, some of the largest and most rapidly growing cities also have some of the best records in improving infrastructure and service provision while some of the worst housing conditions are found in declining industrial centres and stagnant smaller towns.

The Limited Social Achievements

7 **Rising poverty levels.** Between one-fifth and a quarter of the world's population live in absolute poverty, lacking the income or assets to ensure they have sufficient food and to build, purchase or rent adequate shelter; more than 90 per cent of these live in the South. Although the number of people living in absolute poverty in rural areas is still higher than in urban areas, research during the late 1980s and early 1990s found that the scale of urban poverty had been greatly underestimated—largely because poverty lines were set too low in relation to the cost of living in cities. Such research also showed how many aspects of deprivation such as vulnerability and social exclusion had also grown. The number of urban dwellers living in absolute poverty grew rapidly during the 1980s, especially in Latin America and Africa and in the less successful Asian economies. Much of the growth in poverty was associated with deteriorating macro-economic conditions and structural adjustments. Changing labour markets also brought less job security and lower wages which increased the number of people with inadequate incomes. The number of urban dwellers living in absolute poverty also rose in much of the North, linked to higher levels of unemployment including rising levels of the long-term unemployed, lower wages for unskilled and casual workers and cutbacks in the scale and nature of welfare benefits. Poverty levels also rose in most countries in East and Central Europe, linked to the collapse of communism and the political disintegration of the former Soviet Union, although social progress had also slowed prior to these political changes. What remains uncertain is whether the major changes in East and Central Europe and the changes introduced in the South through structural adjustment will provide the basis for sustained economic growth during the 1990s and, if this happens, whether such growth will reduce the proportion of people living below the poverty line.

8 **Long term social trends.** Despite the setbacks during the 1980s, the long term trends in most nations were towards higher life expectancy, lower infant mortality, and higher literacy. There were also two developments that have important implications for human settlements in the future. The first was the much increased

recognition of the discrimination faced by women in most aspects of employment, housing, and basic services and the greater efforts made by some governments and international agencies to reduce or remove this. The second was the growth in what might be termed the 'housing rights' movement as more governments recognized that citizens have a right to housing and as greater use was made of national and international law in demanding that this right be fulfilled and in opposing evictions. However, the exact nature of people's right to housing and the extent of a government's responsibility to ensure that this right is met remains much disputed.

Housing Conditions and Trends

9 **Poverty and housing conditions.** As real incomes decline, so individuals or households have to cut expenditure on housing. This often means moving to poorer quality housing. But one dramatic difference between the North and the South is the higher proportion of urban and rural dwellers in the South that live in very poor quality housing in relation to the proportion considered by official statistics to live in 'absolute poverty'. This reflects the low priority given by governments and aid agencies to improving housing and living conditions, especially provision for piped water and sanitation and measures to ensure sufficient land is available for new housing. At least 600 million urban dwellers in Africa, Asia, and Latin America live in housing that is so overcrowded and of such poor quality with such inadequate provision for water, sanitation, drainage, and garbage collection that their lives and their health are continually at risk. The same is true for more than one billion rural dwellers, largely because of inadequate provision for water and sanitation. In the North, while millions of low-income people may live in poor quality housing, most live in housing with piped water, toilets connected to sewers, drains, and bathrooms. This greatly reduces the health burden of being poor.

10 **The enormous health burden of poor quality housing.** The size of the health burden imposed on people living in poor quality and overcrowded dwellings with inadequate provision of water, sanitation and drainage has been greatly under-estimated. So too has the extent to which improved housing and living conditions can improve health and alleviate poverty. For instance, the disease burden per person from diarrhoeal diseases caught in 1990 was around 200 times higher in sub-Saharan Africa than in the North. Disease burdens from tuberculosis, most respiratory infections (including pneumonia, one of the largest causes of death worldwide) and intestinal worms are generally much increased by overcrowding. Many accidental injuries arise from poor quality, overcrowded housing—not surprising when there are often four or more persons in each small room in shelters made of flammable materials and there is little chance of providing occupants (especially children) with protection from open fires or stoves. One of the greatest challenges for Habitat II is how governments can reduce this enormous health burden associated with poor quality housing. The means to achieve this are well known and as numerous examples given in this *Report* show, the costs are not high. Even in relatively poor countries, much can be done to reduce this health burden, especially through innovative partnerships between national government, local authorities, community organizations and local non-government organizations.

11 **Poverty and insecure tenure.** Several million urban dwellers are forcibly evicted from their homes and neighbourhoods each year, as a result of public works or government-approved redevelopment programmes. They are usually evicted without compensation and almost always without measures to consider how the public works or redevelopment could have been done while minimizing the scale of evictions and with relocation schemes that are acceptable to those relocated. Most low-income households are particularly vulnerable to evictions, as they have no legal tenure of the house they occupy. Over the last 20–30 years, most new housing

in most cities of the South was built on illegally occupied or subdivided land as legal sites were too expensive or simply not available in sufficient quantities. Many illegal settlements developed on land ill-suited for housing—for instance on floodplains or steep hillsides—but housing conditions would have been much worse without them. Many 'shanty-towns' also develop over time into good quality residential areas with basic infrastructure and services either developed by the inhabitants or provided by the public authorities. However, even illegal land markets have become increasingly commercialized and it is rare for low-income households to be able to find land sites which they can occupy free of charge. This diminishes the housing options for low-income households and also increases insecurity for those living in illegal settlements.

12 **The growing number of homeless people.** An estimated 100 million people have no home and sleep outside or in public buildings (for instance railway or bus stations) or, where available, night shelters. There are many street-children among this homeless population. Far more people are homeless in the sense that their accommodation is very insecure or temporary—for instance squatters or those living in temporary shelters (for instance the 250,000 pavement dwellers in Bombay). Data on homelessness in the South is too sparse to know if this problem is growing, although the increasing commercialization of legal and illegal land markets probably means it is. Homelessness certainly grew considerably in most countries in the North during the 1980s and it also came to include a growing proportion of women and younger age groups.

13 **Governments as enablers, not providers.** In general, the wealthier the nation, the better the quality of housing. However, a well-conceived and implemented housing policy can ensure housing conditions become far above the norm for nations with comparable income levels per person. The government's main role is as an 'enabler' rather than as a provider of 'low-cost' housing. This requires actions to ensure a competitive but regulated market in land, housing finance, and building materials and to remove unnecessary bureaucratic constraints on the different stages of housing production. This includes ensuring that there is a ready supply of land for housing in urban areas with the price of legal housing plots with basic services kept as low as possible. Households will not develop housing on illegally occupied or subdivided land if they can afford legal plots. A competitive market for housing finance greatly increases the capacity of those with modest incomes to build, extend or buy housing. This *Report* also gives many examples of innovative ways in which governments have reached low-income groups with improved housing—for instance support for upgrading existing low-income settlements, working with and through their community organizations. This can also combine support for income generation with support for housing improvement. Or housing finance schemes for those whose incomes are too low or uncertain to allow them to obtain finance from the private sector. Government support for a wide range of non-profit social housing institutions has also greatly improved housing quality for lower income groups in many European countries.

Governance

14 **The new institutional frameworks for urban authorities.** One of the main reasons for the human settlements problems noted above has been the inadequacies in the institutions and the institutional framework for the development and management of human settlements. Local governments which have most of the responsibilities for managing urban change often lack the power and resources to fulfil these. Most urban authorities in the South have very little investment capacity, despite the (often) rapid growth in their populations and the need for infrastructure. However, decentralization policies of some kind have been implemented in most

countries over the last 10–15 years. In many, this was associated with a move to democratic rule or a return to democracy. It has also been encouraged by citizen and community pressure for more effective and accountable local authorities. The extent to which power and resources (or the capacity to raise revenues) have been decentralized has varied. In some instances, it is largely only the tasks and responsibilities that have been decentralized. However, in some countries, decentralization is producing more effective responses to local problems.

15 Enhancing the role of citizen groups, community organizations, and NGOs. All cities are the result of an enormous range of investments of capital, expertise and time by individuals, households, communities, voluntary organizations, NGOs, private enterprises, investors, and government agencies. Many of the most effective and innovative initiatives to improve housing conditions among low income groups have come from local NGOs or community organizations, including women's groups. Yet in most cities in Africa, Asia and Latin America, the individual, household and community efforts that help build cities and develop services have long been ignored by governments, banks, and aid agencies, and often constrained by unnecessary government regulations. If governments and donor agencies can find ways to support these processes that build and develop cities—which is what an enabling strategy is all about—what appear as insurmountable problems begin to appear more manageable. What can be achieved by supporting the efforts of several hundred community organizations in a single city can vastly outweigh what any single government agency can do by itself. New 'enabling' institutions are needed that complement the efforts of individuals, households, communities, and voluntary organizations and ensure more coherence between them all so they can all contribute towards city-wide improvements. They must work out how funding and technical advice can be made available in ways that match the diverse needs and priorities of different settlements—with accountability and transparency built into the disbursement of funding.

Towards Sustainable Development

16 From environmental protection to sustainable development. Cities concentrate production and population and this offers many potential advantages in regard to waste minimization, reduced resource use, and reduced automobile dependence. Without environmental management, this same concentration produces serious environmental problems such as high levels of air pollution, faecal contamination, flooding, and uncollected garbage. Cities usually have serious environmental impacts far beyond their boundaries through the ecological impacts of the demand they concentrate for natural resources and the wastes that they generate and dispose of outside their boundaries. As urban authorities progress from a commitment to environmental quality to a commitment to sustainable development, two further tasks have to be addressed. The first concerns minimizing the negative impacts of city-based production and consumption on the needs of all people, not just those within their jurisdiction. The second concerns implementing urban development and management strategies based on an understanding of the finite nature of many resources (or ecosystems from which they are drawn) and of the capacities of ecosystems in the wider regional, national and international context to absorb or break-down wastes. In the long term, no city can remain prosperous if the aggregate impact of the production of all cities and their inhabitants' consumption draws on global resources at unsustainable rates and deposits wastes in global sinks at levels that undermine health and disrupt the functioning of ecosystems. Establishing sustainable patterns of urban production and consumption has many implications for citizens, businesses and city authorities. But certain city authorities have begun to act, as can be seen in their innovative local Agenda 21 plans.

17 The social components of sustainable development. While the economic dimensions of sustainable development are much debated and increasingly well understood, this is not the case for the social dimensions. Social equity, social justice, social integration, and social stability are central to a well-functioning urban society. Their absence leads not only to social tensions and unrest but also, ultimately, to civil wars and violent ethnic conflicts. Unless society is at peace, all development gains are under threat. One of the greatest challenges facing governments and international agencies at Habitat II is how human settlements policies can help increase social equity, social integration, and social stability. This obviously includes reducing poverty and other forms of deprivation, including reducing social exclusion. It also includes improving governance so that all localities have public authorities that can address local problems and remain entirely accountable to their citizens as they do so.

18 New approaches to planning. Many of the problems summarized above and described in more detail in this *Report* arise from inadequate and inappropriate planning and provisioning for settlements. But the need for planning becomes ever more necessary in the light of the increased social, economic, and environmental impacts of urbanization, growing consumption levels and renewed concerns for sustainable development since the adoption of Agenda 21. Environmentally sound land-use planning is central to the achievement of healthy, productive, and socially accountable human settlements within societies whose draw on natural resources and ecosystems are sustainable. The challenge is not only how to direct and contain urban growth, but also how to mobilize human, financial, and technical resources to ensure that social, economic and environmental needs are adequately addressed. Considering the limited effectiveness of current methods and approaches to settlements planning, new processes and approaches have to be devised that can be adapted to each society's conditions and circumstances. These must also support the trend towards increased accountability and participation.