

THE ROAD TO RIO AND THE THE RIGHT TO THE CITY

ORGANIZED BY

CHF INTERNATIONAL AND THE
WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS
COMPARATIVE URBAN STUDIES PROJECT

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FOREWORD

There is a sense of newfound optimism about our urban future. Cities are seen increasingly as part of the solution. The concentration of people in urban areas offers a way to help lower carbon emissions, create jobs and improve living standards. And more profoundly, strengthen our social fabric and generate a space for innovation, culture and ideas.

Such optimism is tempered by the harsh fact that poverty is increasingly urban. In much of the Global South urbanization has not been accompanied by manufacturing, infrastructure, and urban planning. Slums have become the dominant urban form. And in the Global North, many cities remain divided. They are unable to break from historical inequalities, nor channel equitably the benefits of technological innovation and economic growth. Underlying these contrasting views is the realization that the process of urbanization is a shared experience. How we manage as a planet from 2010 to 2050 to move to cities is a global project that will require the participation of all nations.

The “Road to Rio and the Right to the City” is a modest contribution to this global project. It brings together the results of an ongoing conversation about our urban future inspired by two key events — World Habitat Day and the World Urban Forum.

In October 2009, the Obama Administration hosted the global celebrations of World Habitat Day in a series of events organized over seven days. As part of the preparations for WHD, the Administration established an Honorary Committee co-chaired by Senior White House advisors Valerie Jarrett and Melody Barnes and including 30 leaders from government, academic, municipal and policy institutions.

At WHD celebrations, HUD Secretary Shaun Donovan announced that he would lead the U.S. delegation to the 5th Session of the World Urban Forum. Hosted by the City of Rio de Janeiro, Government of Brazil and UN-HABITAT, it will bring together 10,000 participants from 170 countries. The Forum will convene governments, businesses, urban poor organizations, local governments, NGOs, professional associations and academics to discuss innovative ways promote sustainable urbanization.

By forming a bridge between these two events, the “Road to Rio and the Right to the City” has provided an opportunity for participating institutions to maintain a dialogue. The ideas captured in the Report build upon WHD and have contributed to the preparation for WUF.

My hope is that the network of individuals who participated in the “Road to Rio” will continue after WUF to deepen and sharpen our collective efforts to promote a better urban future.

Christopher Williams,
Representative,
UN-HABITAT Washington, D.C.



CHF INTERNATIONAL

Founded in 1952, CHF International's mission is to be a catalyst for long-lasting positive change in low- and moderate-income communities around the world, helping them to improve their social, economic and environmental conditions. The organization provides technical expertise and leadership in a wide variety of international development projects. CHF International has worked in over 100 countries worldwide since its inception.



ROCKEFELLER FOUNDATION

Operating in both the United States and around the world, The Rockefeller Foundation supports work that expands opportunity and strengthens resilience to social, economic, health and environmental challenges — affirming its pioneering philanthropic mission since 1913 to “promote the well-being” of humanity.



WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

The Woodrow Wilson International Center for Scholars is the living, national memorial to President Wilson established by Congress in 1968 and headquartered in Washington, D.C. It is a nonpartisan institution, supported by public and private funds, engaged in the study of national and world affairs. The Wilson Center establishes and maintains a neutral forum for free, open, and informed dialogue. The Center commemorates the ideals and concerns of Woodrow Wilson by: providing a link between the world of ideas and the world of policy; and fostering research, study, discussion, and collaboration among a full spectrum of individuals concerned with policy and scholarship in national and world affairs.

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I. INTRODUCTION

A. THE WORLD MOVES TO TOWN

For the first time in global history, more than half of the total world population – over 3.3 billion people – lives in urban areas, and that number will grow to two-thirds of the earth's population by 2050. Most of this rapid urban growth is occurring in megacities and secondary cities throughout the developing world. More alarming than the sheer numbers of new urban residents is the accelerating rate of urban poverty. Rather than focusing on the challenges of urban growth in general, this report focuses on strategies to improve the lives of the urban poor.

Roughly one-third of city dwellers (one billion human beings) now live in urban slum conditions.

Slums and informal settlements constitute the fastest growing segment of the urban population. Roughly one-third of city dwellers (one billion human beings) now live in urban slum conditions – often in overcrowded housing, without clean water or sanitary facilities, with woefully inadequate education and health services, and with little economic opportunity. Rapid urbanization is increasingly implicated in discussions of climate change, since worldwide, cities account for 78 percent of all greenhouse gas emissions. These “urban problems” of poverty and slums are often associated with the physical environment – lack of access to infrastructure, housing, basic services, land tenure, and property rights. But looking at physical conditions reveals only a portion of the challenge. Urgent attention also needs to be given to health, employment, food security, governance and participation, gender, youth development, work force development, and organizational capacity building. As we enter into the first truly urban chapter of human history, the global community is just beginning to realize that the complexities of urban poverty pose enormous challenges for the 21st century. Reflecting this growing awareness, the World Bank has recently issued a new “Urban and Local Government Strategy” and the 2010 World Health Organization’s global report will focus on urban health.

While urbanization is increasing in almost all developing countries, there are important variations – and the word “developing” covers a very wide range of experience. While many cities, particularly those in sub-Saharan Africa, lack the capacity to provide basic urban services, other cities in South Asia and Latin America have significantly more resources to address urban demands due to successful national growth strategies. Even in countries whose economies are growing quickly, however, relatively few resources are devoted to urban poverty. This range of experience is well illustrated by the difference in death and destruction occasioned by recent earthquakes in urban areas of Haiti and Chile. Haiti’s per capita GDP of USD \$1,340 leaves the state without the resources to implement planning policies and enforce building codes. In contrast, Chile’s per capita GDP of \$13,299 generates resources for strengthening urban governance and enforcing building codes. Any strategy to address the challenges of rapid urbanization in the 21st century cannot be uniform – it must respond to the wide spectrum of local conditions, including governance structures and available resources.

The flip side of these “urban problems” is, of course, the vast economic opportunities that urbanization presents. Historically, countries that urbanize also grow economically, and there is little doubt that those who migrate to

Urban areas will be the site of some of the 21st century's most baffling challenges, but they also hold the promise to lift tens of millions of the globe's poorest out of their grinding poverty.

urban areas do so in search of better jobs and wages. While the growth of urban areas generally tends to be positively associated with economic development and greater prosperity, that association is not direct or linear. In recent years the acceleration of urban poverty and the growing disparities between rich and poor suggest that the economic benefits of urbanization are being unleashed in ways that do not benefit the urban poor.

The challenge of including the poor into urban economies is compounded by the dynamics of inter-city migration. Few new arrivals can find space to live near economic opportunities, which means that many commute in from the edges of the city, further loading the transportation system and increasing pollution. Poor skills, ill health, or regional biases close the door to better employment or housing, creating “generational poverty” and contributes to a “piling up” of housing demands in central slums as well as on the peri-urban edges of the city.

When the pavement, shack, and slum residents are not able to participate fully in the urban economy, human potential can feed pandemics, trafficking in illicit and counterfeit goods and people, unemployment-induced migration, extremism, and societal instability. Urban areas will be the site of some of the 21st century's most baffling challenges, but they also hold the promise to lift tens of millions of the globe's poorest out of their grinding poverty.

B. THE WORLD URBAN FORUM 5 IN RIO

On October 5, 2009, the United Nations celebrated World Habitat Day (WHD), focusing on the challenges and opportunities of rapid global urbanization. WHD organizers in Washington, D.C. recognized the need for new and robust partnerships to tackle these daunting challenges, and both the World Bank and the United States government were active participants. WHD foreshadowed the Fifth Session of the United Nations World Urban Forum (WUF5) to be held in Rio de Janeiro from March 22-26, 2010. WUF5 brings together over 10,000 representatives from governments, multilateral and bilateral donors, non-governmental organizations (NGOs), civil society organizations (CSOs), membership-based organizations (MBOs), academic institutions, and the private sector to focus on the challenges of urban growth and development. As with WHD, both the World Bank and the United States government will have large delegations in attendance.

The deliberations of WUF5 are centered on the theme, “The Right to the City — Bridging the Urban Divide,” and organized under six related dialogue themes:

- Taking forward the right to the city;
- Bridging the urban divide;
- Equal access to shelter;
- Cultural diversity and identity in cities;
- Governance and participation; and
- Inclusive sustainable urbanization.

C. THE ROAD TO RIO

Because the rapid pace of urbanization and the accelerating growth of urban poverty are already overwhelming the ability of government, NGOs, and the private sector to serve and protect new urban residents, it is essential that participants in WUF5 come prepared to drive these six dialogue themes forward toward innovative solutions. To promote a common understanding of efforts to improve slum areas and to strengthen the partnerships forged at World Habitat Day, the Rockefeller Foundation, the Comparative Urban Studies Project (CUSP) at the Woodrow Wilson Center, and CHF International co-sponsored a series of four roundtables titled “The Road to Rio.” Initiated by a seminar on October 8, “The Right to the City,” the first roundtable was included in the official WHD program, serving as a capstone to the WHD events and as a kick-off of preparations for WUF5.

The four roundtables were organized to cover all six of the WUF5 dialogue themes and brought together diverse grassroots practice and policy perspectives. The meetings featured panel presentations by scholars, NGO leaders, and government and multilateral representatives. Presentations on each theme balanced the perspectives of major development donor organizations with those of on-the-ground practitioners from Honduras, India, Brazil, and Ghana.

The four Road to Rio roundtable events included:

- October 8, 2009: The Right to the City — Bridging the Urban Divide
- November 20, 2009: Equal Access to Urban Land and Shelter
- January 6, 2010: Cultural Diversity and Identity; Governance and Participation
- February 24, 2010: Inclusive Sustainable Urbanization

The goal of each roundtable was to bring the latest in urban research, policy, and ground-level implementation to a broad audience of stakeholders, including government officials, representatives from international institutions and NGOs, development practitioners, and urban researchers and academics. In addition, the Road to Rio events aimed to expand the networks among these practitioners and to create opportunities for collaboration among groups in the U.S. with interests in the urban future. Using a methodology that incorporated macro- and micro-level approaches, the four roundtables brought scholars and experts working at the international level together with local practitioners to review current good practice and to identify a set of strategies for creating sustainable, equitable and peaceful cities worldwide.

The Rockefeller Foundation, the Woodrow Wilson Center, and CHF International are uniquely placed to work in partnership to help identify cutting edge issues and innovation, bring in leading experts, and build a broad constituency around strategies to improve urban life for all city dwellers. The Rockefeller Foundation focuses on helping citizens tap into the benefits of globalization while strengthening resilience to the risks created by that same globalization. The Woodrow Wilson Center is a nonpartisan institute for advanced study and a neutral forum for open and informed dialogue. The Center’s Comparative Urban Studies Project (CUSP) provides a link between

the worlds of ideas and policy to ensure that urban issues are incorporated into the global development agenda. CHF is a leading international development practitioner focused on working at the local level, enabling scalable local solutions and practical approaches to bring about long-lasting positive change.

D. STRUCTURE OF THIS PAPER

This paper is organized to both summarize “The Road to Rio” symposia and to lay a solid foundation for advanced discussions of each theme at WUF5. Part II includes a general introduction to each roundtable discussion, as well as an abstract of each participant’s comments and the following question and answer period. Part III weaves together the major outcomes of each roundtable and highlights successful community-based initiatives that can be translated into larger urban development policy recommendations. Part IV points to “The Road Beyond Rio,” outlining emerging topics and next steps in addressing the challenges of global urbanization.

II. THE FOUR ROUNDTABLES

A. RIGHT TO THE CITY — BRIDGING THE URBAN DIVIDE

The first Road to Rio roundtable focused on the overall theme of WUF5 and its first two dialogue topics. Reviewing the historic evolution of global thinking on problems of urbanization shows how little progress has been made in meeting those challenges or in narrowing the gap between the urban rich and poor. In addition, speakers discussed different possible meanings of “The Right to the City” — ranging from rights-based demands for full urban services to simpler programs designed to count, identify, and map slum residents. While “The Right to the City” may serve as a good theme to organize discussions on the six WUF5 topics, there was little support for the kind of rights-based approach framed in Don Mitchell’s monograph, *The Right to the City: Social Justice and the Fight for Public Space* (New York and London: Guilford Press 2003).

Blair Ruble, Director, Comparative Urban Studies Project, Woodrow Wilson Center

“The Rio World Urban Forum is going to be organized around the theme of ‘The Right to the City.’ This initially was conceptualized by French social theorist Henri Lefebvre in 1968, and the concept has been used by a variety of authors and social activists concerned with the growing issue of social exclusion in the late 19th and early 20th century cities.”



The concept of the “Right to the City” has a long and complex history. In the 1960s Henri Lefebvre used the phrase to address general issues of social exclusion. David Harvey used the concept in his writings, and in 2003 Don Mitchell published his influential monograph focusing on the right of the homeless to be visibly present in the city.

When scholars in different disciplines and social activists in different communities borrow an idea to express their thinking, the idea often gets transformed into something beyond and different from its original meaning. These borrowed and transformed ideas become very useful tools, and the more useful they become, the more generalized they become.

One of the continuing realities in urban development is how hard it is to create linkages and pathways across boundaries. The boundaries that need to be crossed may be between urban and rural, between the World Bank and urban communities, between different parts of a single bureaucracy, or between residents and their government. It’s easy to talk about creating linkages, but it’s very difficult to do. Discussion of broad ideas like “The Right to the City” — topics that could have several different meanings — can help build linkages across some of those boundaries.

Robert Buckley, Managing Director, the Rockefeller Foundation

“This is a worrying time in terms of what’s happening in the world. The numbers are just incredible in terms of the number of people coming to cities around the world, and the capacity is extremely low.”



To put the Fifth World Urban Forum into perspective, we need to review how the World Bank, the United Nations, and the U.S. Government have engaged with urban issues over time – in 1976, 1996, and the trend towards 2016. The year 1976 saw the creation of UN-HABITAT to focus world attention on the issue of shelter. Global GDP per capita was then \$3,500, the Alliance for Progress promised great strides forward in developing urban areas, and the U.S. was very involved in this effort.

Twenty years later, in 1996, the world was much wealthier. Global per capita GDP had risen to about \$10,000, but little of that increase benefitted Africa. The Washington Consensus was dominant, the World Bank had a pretty fixed formula for economic growth, we gathered at the global conference in Istanbul to focus on the issue of urban finance, and three years later the Bank, UN-HABITAT, and ten donor nations created Cities Alliance. The U.S. was still active, but its attention had shifted from shelter to city development and credit markets. Many African economies had stagnated, and there was less optimism.

The trends toward 2016 are even less optimistic. The Washington Consensus has eroded, the direct correlation between structural adjustment and growth is unclear, and developing countries are demanding alternatives more sensitive to local politics and economics. The World Bank is a big organization not designed to interact with neighborhood groups, and the U.S. seems to be moving away from urban issues and towards greater concern with food security and agriculture. Organizations such as Shack/Slum Dwellers International have empowered the urban poor very successfully, but the major donors seem unwilling or unable to design programs that address urban issues. Don Mitchell’s almost-Marxist view of the Right to the City may not be the best way forward, but history since 1967 suggests that we have not made much progress in solving urban poverty issues.

“There are cities that usually avoid working in such slums. But once information about the poor is put into the system, the system doesn’t look into where the people are from. It sort of builds into a micro-planning process, and people gain access to services.”



CHF is an implementer, so we ask ourselves what the Right to the City means to the urban poor. Right now most of those residents have no identification, no address, and therefore no rights to city services or even recognition that they live in the city. Without that, residents have trouble even discussing better housing, better jobs, or better health, because for many local governments these people don’t exist. Five efforts CHF is leading are highlighted below, some of which address the need for identity while others respond to different critical needs of the urban poor.

- In Nagpur, India, CHF works with waste pickers – the poorest of the poor – to document who they are and to give them skills to find safer working conditions in other jobs or to move into the formal waste management sector, which is safer and pays higher wages.
- In Bangalore, CHF is working with LabourNet to link informal labor supply and demand – to link migrants to the city with the middle class residents who want to hire them – and providing background checks that remove some of the barriers to employment.
- In Pune, CHF is mapping the urban poor – their identities and their housing data – and getting that data into the city’s GIS database so it can be used for inclusive public services.
- In many Indian cities builders are showing a willingness to build housing for the poor on one part of the slum property if the remainder is used for commercial development that can offset the costs. CHF is providing technical assistance to help make these market mechanisms work.
- Finally, CHF is providing low-cost solar powered lamps that improve the lives of slum residents at prices they can afford and create publicity that has spurred elected officials to push for their inclusion in the electric grid.

Celine D’Cruz, Cities Alliance; Coordinator, Shack/Slum Dwellers International, and Director, Society for the Promotion of Area Resource Centers, Mumbai, India

“One way was to demonstrate, and scream and shout, and tell the city government ‘you’re bad.’ But we realized that response was not taking us anywhere. So we had to find a way of engaging the city, a way of proactively getting the city to understand who these poor were.”



Shack/Slum Dwellers International has a long history in this area, beginning with research and advocacy on pavement dwellers in Bombay in the 1980s. Since then we have learned several important lessons that we have been able to share throughout the developing world. First, we had to defeat the myth that these people would someday “go home” – or could be made to “go home.” They left their rural homes for very serious reasons, and they’re here to stay.

Second you cannot approach those in power empty-handed – you have to come with information, with facts, and with options. When the Supreme Court of India ruled that Bombay’s pavement dwellers had to leave, we conducted our first pavement dweller survey in 1985 to help city officials understand who we were – to understand that our men and women were working, were contributing to the economy, and that the children were not in school because they were home protecting the family goods from eviction or because some schools wouldn’t accept a student without an address. The city won’t collect that information on its own because then it would have to do something about those facts. We also came with data about vacant lands that were well located for settlements, and we began saving schemes so that we wouldn’t go to the banks empty-handed.

Third, we learned that we needed to collaborate with city officials. Demanding rights sounds good, but it alienates officials and they have lots of ways to keep from responding. If you work on a solution together and make the officials look engaged and responsive they’ll want to work with you on the next issue. Unfortunately, even when city leaders want to cooperate, lower level staff are generally not trained to engage with the poor, so it’s sometimes a slow road to true engagement. But the result has been good – now when many cities think of cleaning up they don’t think of evictions – they look for alternatives.

Ana Marie Argilagos, Deputy Chief of Staff to Secretary Donovan, U.S. Department of Housing and Urban Development

“HUD is thinking of sustainability not just as green buildings, but rather what’s sustainable socially and economically, and that intersects really nicely with the right to the city, because it talks about sustainability as inclusive communities.”



The Department of Housing and Urban Development is determined to put the “UD” back in “HUD” – to focus on sustainable urban development rather than just housing – and we’re excited that we will have a large delegation at the World Urban Forum in Rio. We’re looking at the need for coordination and layered services as the building blocks of great neighborhoods, and of social and economic sustainability rather than just green buildings. We have created a new Office of Planning and Public Engagement, and we’re working with the Department of Education’s Choice Neighborhoods Program to make this a reality. Our approach is to encourage participatory planning, promote dialogue, and foster networks, which dovetails nicely with the theme of inclusivity in the Right to the City.

Our new Sustainable Cities Initiative is a good example. In only one week, the Secretaries of HUD, the Department of Transportation and the EPA administrator agreed on six principles they will pursue jointly. Those six principles are:

- More transportation choices;
- Equitable, affordable housing;
- Economic competitiveness;
- Supporting existing communities;
- Expanding partnerships/leveraging investments; and
- Valuing communities and neighborhoods.

B. EQUAL ACCESS TO URBAN LAND AND SHELTER

When UN-HABITAT was founded in 1976, its primary focus was land and shelter programs. While shelter remains one of the most basic human needs, the difficulty and expense of providing shelter to all who need it has shifted attention from direct shelter construction to the creation of enabling environments and subsidies that will allow residents to provide shelter themselves. Slum eradication has been largely replaced by slum upgrading, and micro-finance has opened up vast new opportunities for poor households. At the same time, the complex multi-party disputes that tie up large tracts of urban land and slums have moved focus away from direct land ownership to a wider range of land tenure solutions. To date, however, none of these shifts have resulted in construction of housing at anything near the pace required to meet the needs of the urban poor.

Mohammed Al-Sioufi, Head, Shelter Branch, UN-HABITAT, Nairobi, Kenya

“At the country level, we aim at maximizing impact in the field of housing and urban development, promoting inclusion of an urban agenda into country development strategies, supporting countries to formulate policies and strategies, and implementing those policies with partners.”



UN-HABITAT focuses on two primary goals: adequate shelter for all and sustainable urban development. We also serve as the lead agency for Millennium Development Goal 7, Target 11, to improve the lives of at least 100 million slum dwellers by the year 2020, and we serve as the Secretariat for the 42-member Global Land Tenure Network (GLTN). Under those headings we address inclusive urban planning, government, and housing, environmentally sound basic urban infrastructure, and support for human settlement financing systems. Because the challenges of urbanization are too large for government to tackle alone, UN-HABITAT plays a catalytic role, working through national committees and forums to develop platforms and partnerships to address these issues.

Globally, we have three entry points: advocacy, development of tools, and knowledge management. We advocate a full continuum of tenure rights ranging all the way from informal/perceived tenure approaches to more formal registered free-holder leases. Through GLTN we are developing 18 tools in five thematic areas: (1) land rights, records, and registration; (2) land-use planning; (3) land management information; (4) land law and enforcement; and (5) land value capture. Our cross-cutting topics include governance, the Millennium Development Goals, grassroots participation, Islamic structures, and capacity-building.

At the regional level, our two entry points are policy support and capacity building. We provided technical and financial support for an Africa land policy framework and guidelines that was sponsored by the AU (Africa Union), the Economic Commission for Africa, and the Africa Development Bank. We are also developing seven quick guides on the topics of organization, low-income housing, land, eviction, housing finance, community-based organizations, and rental housing. At the national level, our work focuses on piloting/testing innovative approaches and capacity building. As an example of innovation, we are now testing an Ethiopian social tenure domain model and providing technological support to make that approach workable.

Steve Akuffo, Second Vice President, Ghana Housing Finance Association, Ghana

“Why are we still talking the way we are talking? Because it is not as if we haven’t known what has caused the slums. We know it’s a failure of policies. And yet we continue to hold these very nice and well-attended meetings. And then we come back, and we are where we are.”



When I review our history of failed efforts to address the problems of urbanization, I am pessimistic about our ability to address them now. Ghana has a long planning history – the first 10-year development plan on the coast in 1919, the first urban planning advisor in 1945, a new economic program in 1984, a National Action Plan in 1993. In spite of constant talk of developing and formalizing settlement policy, there has been no real progress in firming up a workable policy. In 1984 our plan said we should have 48,000 settlements, but we now have over 90,000. In 1992 we had a UN-HABITAT supported plan that produced five volumes of reports in only one month, but made no difference.

Ninety-five percent of the houses have been built by Ghanaians themselves, not by private builders or the government. If you look at the periphery of the city, you can see a million dollar mansion next door to a kiosk or a farm field. The pattern of unplanned growth is spreading, and development seems to be way ahead of all city plans. All the utilities are playing catch-up. The urban area is growing by itself in a very laissez-faire way with almost no enforcement.

When it comes to slums, our performance is worse. We document the housing shortage regularly, but the next count always shows that the problem has gotten worse. We like to quote a lot of figures, but they raise false hope that something will happen to change them. Our biggest slum, Nema, did not even exist in 1949; in 1958 Nkrumah’s government said it would deal with it, but here it is 2009 with perhaps 100,000 residents, so many people that no one even calls it a slum or talks about how to address it. As an architect, I see some potential solutions. We can replan some of these lands and house slum dwellers on one part while making other areas available for commercial development. Those kinds of market-driven solutions have promise, but we haven’t seen them happen yet.

Milton Funes, Honduras Country Director, CHF International

“In Honduras, instead of giving away the houses for free, we came up with a credit program that was given to the people [who] had lost everything after the hurricane. Our intention at the time was to foster self help – even among the poor.”



When I think of equal access to land and shelter, I think how difficult it will be to achieve that goal in countries, like many Latin American countries, that can barely provide basic services like health and education. I worry that we have set the goal too high. On the other hand, CHF’s experience in post-disaster shelter programs offers some good case studies about how much can be done in a short time when there is political will, cooperation, engagement with the community, and resources.

In 1998, Honduras was devastated by Hurricane Mitch, which left 10,000 people dead and 70,000 homes destroyed. When we came in to help provide transitional housing, we found that the city master plan had been ignored, so we had to develop a rapid planning process grounded at the local community level. We also found it was important not to give houses away for free, but to provide credit mechanisms so the poor would be invested in their homes. That made a big difference: 98% of the loans were repaid in three years and the repayments were put into a revolving loan fund to help residents start small businesses. In other programs where houses were given away for free the city had problems later collecting fees for garbage or water; but where the residents had invested in their homes and started businesses, such fee collection was not a problem.

Since 1985, Colombia has experienced over 1.8 million internally displaced persons, and when CHF facilitated a community-driven assistance program there we structured our program in the reverse order: livelihoods first and shelter second. We offered them a menu of options including job training, job search assistance, business planning, and seed grants for small businesses. Once they restored their livelihood and their income, we guided them through the shelter process. We also designed a simpler and cheaper housing product that met their basic needs – keeping the family together and out of the weather – at a cost that matched their resources. Sometimes when you return to these simple houses you are surprised at how they have been expanded and improved. Clearly, micro-finance is a big part of the solution, but it needs to be tailored to the needs and resources of slum dwellers and the realities of the local housing market. We also have to build up the essence of ownership and not just give shelter away for free.

Janice Perlman, Founder and President, Mega-Cities Project

“So what do we mean by ‘The Right to the City’? I think it is the extension of individual rights to collective rights, and these collective rights to space and place. This is beyond shelter, beyond services, and beyond land.”



I am speaking today based on 40 years of research, mostly based in Brazil, where “The Right to the City” is embedded in the constitution. In Brazil, it is not just a nice idea, it’s a legal right, and they take it very seriously. But after the poor mobilized and got this right into the constitution, nothing happened. The roots of that “nothing” were not legal but historical, cultural, psychological, and anchored in very deep vested political and economic interests. It is very hard to change the way people think about those they can easily exclude.

When it comes to shelter, the favelas of Rio provide some fascinating lessons. Like many countries, in the 1970s and 1980s Brazil had a policy of forced eviction and relocation to very badly located housing projects. When I returned to the favelas where I lived in the 1970s I found many areas had been redeveloped for high priced housing or commercial properties. Only 37% of my neighbors still lived there; many had moved out or had been moved out. The quality of their housing had improved dramatically over 30 years – over 90% of them had brick homes. But in the favelas themselves the issue had changed from shelter to crime. Drug gangs had turned them into a no-man’s land. Twenty percent of my interviewees had a family member killed in the violence, and they could no longer sell their homes. Their one and only asset, which they had spent decades building, had declined in value.

Talking about equal access requires you to decouple home ownership from land ownership and land tenure. It took academics and governments 30 years to understand the importance of land tenure, and by then it was no longer the major issue in many slums. There is always this gap between what the people really need and want at the time, and what the academics write about, and then what gets to the public policy makers, and then what finally happens. About 50% of my interviewees had informal titles and 50% had no titles to their homes. You don’t need to have a title to get a loan, and 40% of them were actually borrowing from banks without titles. They use the money for lots of reasons, not just for housing. They buy consumer goods and status symbols and education for their children on a par with the rest of Rio, but they are still not included. Being from a favela prevents you from getting a job or getting pay equal to non-favela residents, regardless of education. It turns out that jobs, formal or informal, are the key to changing status; not shelter or access.

C. CULTURAL DIVERSITY AND IDENTITY; GOVERNANCE AND PARTICIPATION

Over the past decades, the development focus has clearly shifted from central to local government solutions, embracing participatory planning techniques. Decision making processes, such as participatory budgeting, that give the poor a voice in allocating public resources are expanding, particularly in Latin America. However, participatory budgeting only works when local governments have discretionary dollars to spend. Within cities, local government efforts to be more inclusive increasingly focus on giving the poor an identity, mapping their homes, and giving them addresses. There is a growing awareness that we do not give enough attention to understanding the cultural background of the urban areas where we work and that local government officials are insufficiently trained to work closely with neighborhood residents.

Brian Wampler, Associate Professor of Political Science, Boise State University

“At the fundamental level, participatory governance relies on intense support from the government.”



My comments focus on the emerging practice of participatory governance and whether these practices are giving the urban poor a meaningful voice and vote. One aspect of participatory governance is participatory budgeting, in which citizens meet directly with government officials in formal, state-sanctioned, public venues to decide how to spend public funds.

In Brazil, a leader in this field, participatory budgeting aims to promote deliberation, encourage social justice, reward mobilization, and institutionalize transparency. Social justice is encouraged by mapping social exclusion and giving the more excluded neighborhoods extra points in the voting process. Participatory budgeting programs have been initiated by mayors in several hundred cities throughout Brazil, reaching about 40 million people. Over \$1 billion in public funds have been allocated through these processes over the last 15 years. While participatory budgeting has not been associated with changes in the Human Development Index or Genie Indicators, these cities do have fewer poor people. Since monies are spent according to inclusive group decisions, the poor achieve both a voice and a vote. However, successful programs require strong support from the government, and appear to be most successful in wealthier cities. Participatory budgeting cannot work when there are no discretionary public funds to allocate, which leaves out many of the poorest cities in the world.

Brazil uses two other types of participatory governance: (1) 150,000 civil society representatives are involved in about 32,000 public policy management councils. Each council has a mixed membership of state and civil society convened to discuss policy questions in a specific field, but the public involvement does not determine policy outcomes or spending. (2) at least three million citizens have participated in inclusive weekend “conferences” promoted by President Lula to discuss policies in specific fields. Again, however, there is no link between these meetings and a policy or spending outcome. In both public policy management councils and conferences, the poor achieve a voice but no vote.

Mario Martín, President, Centro de Diseño, Arquitectura, y Construcción, Tegucigalpa, Honduras

“The case is obvious. Either we work through the OAS or the IDB, or we will create new institutions that are being discussed at this moment like ALBA and the new development bank that Venezuela is proposing.”



Throughout Latin America, the challenge of population growth is now second in importance to the urbanization rate. Yet only one Central American country has adopted a land use law, and only one has adopted a housing policy. Because fewer researchers focus on small countries, we have much less information about what is happening in them. Several smaller countries might disagree with the WUF5 invitation statement that “Our home planet is only one. We change addresses but we consume the same globalized products. We travel the same way and use the same natural resources together.”

The last big effort to create professionals with a social conscience was the Alliance for Progress in the 1970s. Unfortunately, much of that effort focused only on the formal housing sector and on central government actions, both of which are distant from the needs of the urban poor. Most of the 25 Latin American countries are now going through a re-examining of their political model and it seems clear some alternatives will emerge. Some are participating in ALBA (the Bolivarian Alternative for the Americas), while others are focusing on Brazilian President Lula’s “21st Century Socialism” articulated in São Paulo, as alternative models. Socialist approaches to influence urban growth and to decentralize in Cuba and Nicaragua are not perceived as successful and are not being followed by most Latin American countries. The future path of urban policy will be largely determined by the outcome of this debate about political models.

Brian English, India Country Director, CHF International

“The needs that we hear from waste pickers are ‘give us better working conditions. Give us security in this livelihood. Quit calling me a thief.’”



Because the next frontier for urbanization is secondary cities, and because many slum dwellers are employed as informal waste pickers and construction workers, CHF has been implementing its SCALE-UP project with these groups in Nagpur, Pune, and Bangalore. SCALE-UP, funded by the Bill and Melinda Gates Foundation, focuses on strengthening NGOs to provide voice and capacity to the poor. It targets improvements in shelter, income generation, and service delivery. Making tangible changes in service delivery requires changes in power dynamics, increasing city budgetary commitments, mobilizing other resources, generating information by and for the poor, and creating space for economic activities.

In Pune, informal waste pickers collect nine percent of the city’s waste, a significant share that creates important cost savings for the city. When you meet and work with the waste pickers you learn that their first issue is identity; they need some form of identity card before they can seek better working conditions, security in their livelihood, or respect. Identity cards issued by an NGO are even used as collateral. Because their work is so dangerous their second priority is health. We work with NGOs to provide insurance and safety equipment like boots, gloves, and rakes. Third comes economic empowerment, which happens through self-help savings groups, by getting the city to allocate space for sorting and selling waste, by organizing collective sales of larger amounts of waste to get higher prices, and by linking with formal waste companies to access more of the market. We also try to change perceptions by making waste pickers visible at the household level – to help the public realize that the waste does not just disappear, these are real people providing a service.

Our work also brings us into contact with India’s growing participatory budgeting efforts. Cities that want to implement participatory processes find that they don’t have information about who the poor are, where they live, and where they work. To provide that data we use 5,000 resident community volunteers. Each one is responsible to collect data from 25 homes, which is then aggregated in a form that works with the city’s GIS systems. Not only does that get the urban poor considered by the city’s service decision makers, but we can then go back to the community with the data from their own neighborhoods and ask them how they want the city to spend public funds to address their needs.

Afeefa Syeed, Senior Culture and Development Advisor, Middle East and Asia Bureaus,
U.S. Agency for International Development

“We have created a culture of development that doesn’t give us the space and the time and the ability to analyze and to think, and to do the research that is required to move forward.”



Culture is the fabric of meaning, and it’s dynamic. My work puts me squarely at the intersection of anthropology and development. I’m glad that USAID is giving needed attention to this area these days. Many of USAID’s current Mission Directors were in the Peace Corps, so they worked on the ground and know that you cannot make good decisions without understanding the cultural background and appreciating who is respected in the community; but many lower level staff don’t have that Peace Corps background. There’s a tendency to say “we don’t need to understand the culture because our local partners understand it,” but that’s wrong. Time and budget constraints often squeeze out the cultural research and participation that is necessary for success. Back when the focus was on rural areas, development programs made more effort to understand local culture, and we need to apply that same priority as we shift work to urban areas. Three keys are, first, to be careful about terminology. Using terms like “radicalized” doesn’t help anybody. The second is to avoid negative engagement. Start with “what is going right in your community?” rather than “what do you need?”, which implies that there is something wrong with you or your neighborhood. The needs will emerge anyway, but the citizens will take more ownership if they are the ones to identify and volunteer the need. Finally, engage with those whom the local community believes are influential – not those that have formal titles. When we took the time to engage with local religious leaders, mullahs, we found that they are doing the same kinds of development work that we are – conflict resolution, education, and mediation. Seeing them as development workers makes it easier to engage with them regularly rather than just drawing on them when we have a project that needs their help.

D. INCLUSIVE AND SUSTAINABLE URBAN DEVELOPMENT

Both the World Bank and UN-HABITAT have recently refocused their thinking about their roles in addressing the challenges of urbanization. Although the missions of the two institutions differ significantly, their thinking on this issue is aligning. Both the Bank and UN-HABITAT now see urbanization as a positive force for both poverty reduction and service efficiency. Both envision a key role in knowledge management and dissemination, and both recognize a link between urbanization and climate change. Urban areas are major contributors to carbon dioxide emissions, and better urban development planning can significantly reduce those emissions while improving living conditions for the poor.

Judy Baker, Lead Economist for Finance, Economics, and Urban Development, World Bank

“Why do we care about urbanization? We know from the evidence that no country has actually been able to achieve successful economic development without urbanizing. Nearly all the countries that we looked at have become at least 50% urbanized before reaching middle-income status. And in the high-income countries, they’re at least 70-80% urbanized.”



For the past 18 months, the World Bank has been developing a new urban strategy that represents a significant departure from the past. Instead of just reacting to the consequences of urbanization, the new paradigm sees urbanization as important for decreasing poverty and call for proactively planning to accommodate it. Very few countries have increased income without urbanizing, and urban densities are necessary to achieve efficient service delivery to the poor. Fifty percent of China’s GDP is generated in the 20% of its land that is urbanized. They have accepted density as the price of development and then invested heavily in infrastructure to reduce congestion. In contrast, Mumbai has struggled to keep urban densities low, which has pushed land prices higher than in New York, completely changing how its urban economy works.

The Bank’s new strategy also recognizes the developing roles of megacities and secondary cities. As megacities become more integrated in the global economy they tend to shift towards information and service economies, moving manufacturing investment to secondary cities. Those investments in secondary cities, in turn, allow them to strengthen their economic links to surrounding rural centers and act as more efficient markets and processors for agricultural goods. While the Bank has lent over \$40 billion for urban development, those loans shifted away from infrastructure and toward knowledge services in the 1990s. Developing nations have asked for more focus on infrastructure, and the Bank is responding with more loans in that area as well as a new sustainable infrastructure action plan.

Our new urban strategy has five major elements: (1) city management, finance, and participatory governance; (2) scaling up slum upgrading that responds to climate change; (3) supporting and expanding finance for land and housing markets (including rental housing and incremental construction); (4) promoting economic growth through municipal development funds (with a focus on sustainable tourism, cultural heritage, and brownfield development); and (5) responding to climate change and natural disasters (including attracting carbon financing).

Christopher Williams, Representative, UH-HABITAT, Washington, D.C.

“The discussion of how to adapt to climate change mirrors closely the challenge of upgrading slums and making informal planned settlements and unplanned settlements more integrated, and not just the people that are in that space. This alignment is a very powerful development that we will see evolve over the next 5-10 years in meaningful ways.”



After its founding in 1976, UN-HABITAT’s scope of work expanded to address a very broad range of activities related to shelter and urban development. We are now refocusing our efforts on five key areas: (1) advocacy, monitoring, and research; (2) shelter and land; (3) environmentally sound infrastructure; (4) areas of innovation; and (5) urban governance, management, and planning. We now see urban upgrading projects as one response to climate change, which makes it a politically more neutral topic. Responding to climate change can be a new lever to reduce inequality. In addition, more donors and NGOs are now focused on urbanization because of its impacts on humanitarian and agricultural programs. The huge shift of population to urban centers affects everything from the efficiency of food distribution to the way humanitarian aid is delivered. Urban areas are getting more attention across multiple development sectors.

Two key facts will permeate the WUF5 conference in Rio. First, the “Rights” part of the Right to the City is very important to Brazilians. They believe it is an integral part of an open and democratic society and they will be pushing for the U.S. and others to make commitments to those rights. The U.S. needs to be prepared to respond, which will be sensitive because the U.S. generally does not sign “aspirational” documents, but the Brazilians do. Second, the issues of sustainability and climate change will infuse the whole conference. Our growing shared awareness of these issues helps bring developed and developing countries, as well as industrialized and agricultural countries, into a single discussion. It is a great opportunity to build bridges over common concerns; and potential actions to address climate change are heavily focused on urban areas.

One difference between WUF5 and previous conferences is the deeper involvement of multinationals and private sector councils. The private sector is realizing that urban areas are not just places where they can demonstrate corporate social responsibility, but huge opportunities for delivering products and services in new ways. There is growing realization that they need to know more about how cities work and develop in order to provide better products and services. There will also be discussion about narrowing the income divide, about linking economic growth with training and capacity building to enable upward mobility.

III. LESSONS FOR RIO

What does it all mean for WUF5? Having heard from some of the leading practitioners among multilateral and bilateral donors and implementing organizations, what lessons can we take away to make the Rio gathering more than just another conference? How can we weave the roundtable content together to advance the six Rio dialogue topics? One way is to enter the WUF5 discussions with an integrated vision of what we have learned from the past. Section III of this document provides that foundation by drawing from presentations, questions, and answers during the Road to Rio symposia to identify four major themes reflecting on the state of urban development:

- Reasons for Optimism
- Providing a Meaningful Right to the City
- Strengthening Inclusive Local Governance
- Harnessing and Respecting Private Markets

A. REASONS FOR OPTIMISM

For much of the last 34 years urban development has been viewed as a minor sideshow to the main event – the international focus on reducing rural poverty.

Any objective review of global efforts to provide decent shelter and sustainable development since 1976 has to acknowledge many failures. Most of the lofty goals articulated at the founding of UN-HABITAT, and again with the founding of Cities Alliance, and in countless national plans, have not been achieved. We are indeed further from bridging the urban divide and providing adequate shelter for the world's citizens in 2010 than we were in 1976. While we can blame part of our failure on population growth over the past three decades, it is also clear that many of our interventions failed to produce significant results, let alone scalable outcomes that could turn the rising curves of inadequate shelter and poverty. We can also blame some of the failure on inadequate attention and funding. For much of the last 34 years urban development has been viewed as a minor sideshow to the main event – the international focus on reducing rural poverty. But those background themes cannot obscure the fact that our successes in providing housing, infrastructure, services, and economic growth to the urban poor have been small – almost anecdotal. We have produced a plethora of pilot projects that have scaled up in only limited ways, while the rising tide of urban migration combined with natural growth to overwhelm any gains. Indeed, more than one roundtable participant questioned the ability of the international donor community to tackle the job.

But there are also very real reasons for optimism.

First, and perhaps most importantly, *the world is paying more attention* to the fate of cities. Urban housing, urban development, and urban economic growth are capturing the attention of decision makers. The shift is not intellectual, but practical. As people flocked to the cities, so did poverty, and urban poverty is now growing at a rate faster than rural poverty. After decades of hoping that good rural development could prevent migration to the cities, donors are facing 50 years of evidence that this is not true. While rural poverty is sometimes less visible because it is dispersed, urban poverty is glaringly visible in dense and underserved slums. The hidden assumption that cities could and would provide services to their residents has proven to be a myth

The overlap of urban development with climate change issues has created a new and powerful constituency for better urban management and smarter growth.

for most cities; slum dwellers have little hope of receiving urban services, let alone housing or land.

This shifting of priorities towards urban areas has been felt across multiple development sectors. Agricultural development programs have had to adjust distribution, processing, and marketing programs toward cities. Natural hazard preparation programs have had to focus on potential disruption of lives and economies. National economic planners have had to revise their thinking to reflect the emerging role of mega-cities as global information and service centers and the role of secondary cities as manufacturing and regional service centers.

A *second* reason for optimism is *the changing role of UN-HABITAT*. The broad shifting of priorities towards urban areas has led both UN-HABITAT and the World Bank to revisit their urban strategies and to integrate the lessons of the past 34 years. UN-HABITAT has been promoted from a center to a full program of the United Nations, which means that the UN-HABITAT director now sits on the U.N. governing body. Evidence of this enhanced stature can be seen in the agency's five new focus areas outlined in the summary of Chris Williams' presentation above. While shelter, land, and infrastructure still make the list, the inclusion of advocacy, innovation, and urban governance will allow UN-HABITAT to engage in the kind of large-scale systemic change that is needed to address needs of the world's one billion slum dwellers. An important lesson learned since 1976 is that even the best pilot projects must be scaled and systematized to make a difference. UN-HABITAT is one of the few multilateral agencies with the size and coverage to promote those types of systemic changes, and its new strategy shows that it understands and accepts that challenge.

A *third* reason for optimism is that *better urban development holds great promise for addressing climate change*. While concern over climate change has not driven the growing focus on urbanization, the overlap of the two issues is a powerful impetus for the world to consider carefully how we plan, govern, and manage our urban areas. Roughly one-third of global carbon dioxide emissions come from heating, cooling, and electrifying buildings, and the largest concentrations of buildings are in cities. Just as importantly, the retrofits and improvements in building technology necessary to reduce those emissions are easier and less expensive to implement through urban local government. An additional 30-35% of carbon dioxide emissions come from cars, trucks, and buses, and again, the largest concentrations of those motor vehicles is in cities. The vehicle retrofits, land planning, and traffic management necessary to reduce vehicle-emitted carbon dioxide are also best managed through the municipal government. But as long as the urban poor cannot find housing near employment, their commuting will further stress transportation and ecological systems. As commuters enter the city, the daytime population of Accra, Ghana swells by 45%, which not only increases carbon emissions, but the health problems that come with heavily polluted air. The overlap of urban development with climate change issues has created a new and powerful constituency for better urban management and smarter growth.

A *final* reason for optimism is that *we have learned valuable lessons* about how *not* to go about providing shelter and services in urban areas, and we

It is critical for donors and states to engage with the urban poor to design interventions with them – not for them – in order to promote lasting change.

can avoid repeating those mistakes in the new millennium. Through the Alliance for Progress and the history of World Bank structural adjustment programs, we learned top-down central government housing and urban development programs are seldom effective. While central governments have important roles to play, they need to be working with and through local urban structures to be successful. The successes of CSO and NGO empowerment programs, as well as the global influence of Slum/Shack Dwellers International, has demonstrated the potential of empowered citizens to craft workable projects and programs that meet their needs for both housing and services. Sites-and-services programs illustrate the extraordinary time, expense, and complexity it takes to develop well-located land for projects. The frequent failure of slum relocation schemes and the loss of jobs following relocation make the case for on-site slum redevelopment where possible. The rise of democracy in places like India and Brazil taught us that enfranchised slum populations will not be easily relocated, but that voting rights can be enough to get slum areas connected to urban water, sewer, drainage, waste collection, or electricity. It is critical for donors and states to engage with the urban poor to design interventions with them – not for them – in order to promote lasting change.

The world is better placed than it was in 1976 to address the challenges of both urban development and climate change. That optimism should inform and pervade the atmosphere of the Rio discussions.

B. PROVIDING A MEANINGFUL RIGHT TO THE CITY

Choosing “The Right to the City” as the theme for WUF5 has provoked healthy debate about what exactly that means – or should mean. The Road to Rio roundtable participants differed widely on the topic. Some thought the phrase irrelevant to the daily lives of urban residents, others emphasized one or another specific right as being fundamental to the concept, and still others endorsed the idea while distancing themselves from the Marxist or rights-based roots of the concept. There was little disagreement, however, that the WUF5 host nation, Brazil, was deliberate in focusing attention on “The Right to the City” and that discussions on this topic may be more serious and weighted than participants from other nations expect.

Among the essential components of “The Right to the City,” roundtable participants discussed: (1) being counted, (2) being visibly present, (3) personal security, and (4) housing security. Each of these concepts is discussed briefly below.

CHF International and other implementers emphasize *the right to be counted* as a critical foundation for other improvements in housing and living conditions. Although many cities have abandoned their policies of forcible relocation, many have also retained a legacy of that era – not mapping or counting residents of slums and informal settlements. Mapping and enumeration of those areas – identifying resident households, mapping the locations of their homes, and giving them addresses – opens multiple doors for slum residents. An address often allows residents to qualify for ration cards, to visit public health clinics, and enroll their children in schools. In lieu of a formal address, even an

informal identity card from an NGO provides valued evidence that the resident “belongs” to the city. Perhaps just as importantly, if mapping and address data is provided to the city government in a format compatible with its own Geographic Information System, it is more likely that the area will be considered in calculations of water need, sewer services, waste disposal and the like. The availability of usable data on its residents reduces barriers to service delivery.

The right to be visibly present is another aspect of “The Right to the City.” The concept includes not only the right to relocate to the city – i.e., the right to be there in the first place – but the right to access physical and economic space in the city. It refutes the right of the local officials to “clean up” the appearance of the city by prohibiting the poor from conducting informal economic activities on sidewalks and other traditional market locations where they can be seen by visitors and motorists. In recent years this has occurred during preparations for an international event (such as the Olympics, World Cup, or Commonwealth Games) when the city government wants to portray a “World Class City” image.

... the right to
be counted

... the right to
visibly present

... the right to
personal security

... the right to
housing security

A third candidate is *the right to personal security*, which has been articulated particularly in the context of Brazil’s favelas. While Brazil’s cities have experienced upgrading and commercial development, many areas are overrun with drug-related violence. The police are reluctant to enter some favela areas or their presence has been marked by violence and brutality. Brazilian cities offer an extreme example, yet citizen security is at the top of the political agenda in urban areas throughout the world. While housing is important, the safety of family members is even more important, and the city’s failure to protect the lives or property of its residents denies them an important right.

A fourth fundamental thread of “The Right to the City” is *the right to housing security*, or the right not to be forcibly evicted from your home or have your home destroyed by city authorities. While this topic is intertwined with the question of land tenure, the right to housing security is more fundamental and focuses on what will not happen (eviction or destruction) rather than what will happen (legal recognition).

Because these four ideas reflect only a small slice of possible meanings of “The Right to the City,” it is unlikely that the Rio conference will fully articulate or define what the notion does or should mean. The very use of the theme, however, suggests that participants will be engaging the challenges of urbanization on a much more profound level than simply discussing housing and infrastructure. It may be difficult for representatives from developed nations to understand and engage in a discussion of “rights” to the city at the level that the Brazilian host nation intended. Valuable dialogue may only happen if representatives from the “north” transcend their national concepts of “rights” and view these challenges from the perspective of the “south” — that unprecedented urban growth has created serious distortions in land and housing markets and has overwhelmed the ability of local governments to provide basic services, and that only a strategy based on basic rights to recognition and services has a chance of generating the types of actions and investments that can meet this challenge. The question is not whether basic identity, housing, and services are “rights” as we understand them in the north, but

whether any strategy that does not speak in terms of basic entitlements has any chance of generating the programs and investments that can change the lives of the urban poor in the south.

The second half of the WUF5 theme – “Bridging the Urban Divide” – received significantly less discussion. Clearly, the gap between the urban poor and rich has expanded over the past decades. Almost without exception the Genie Indicators show the range of income and wealth widening, and in many countries the same can be said of health, education, and life expectancy. Even in the United States, the Department of Housing and Urban Development is concerned that citizens’ zip codes can predict health and wealth. Rather than attempting to narrow the gap between the top and bottom rungs of the economic ladder, Road to Rio participants focused on those interventions that would allow the urban poor, and particularly rural-to-urban migrants, to reach the bottom rungs of housing and services. Basic steps like identity, addresses, water, sewer, and space to pursue economic activities were seen as enabling the urban poor to begin their climb towards a better life. Savings and credit schemes, improved job skills, and micro-finance were close behind as basic, but powerful tools that could allow migrants to join the city economy. In short, there was more focus on bridging the divide between migrant status and citizenship, and between invisibility and basic urban services, than on narrowing divides in social and economic indicators.

C. STRENGTHENING INCLUSIVE LOCAL GOVERNANCE

Local government can adjust to bridge the gulf separating formal power structures from the people.

One key change in discussions of urbanization since 1976 is the growing recognition of the importance of competent, inclusive local governance. For much of the 1970s and 1980s, shelter and infrastructure programs were directed to and managed by central governments – often as part of a structural adjustment program for the national economy. With few exceptions, those programs either failed to deliver the intended results or proved too expensive to maintain over time. With the erosion of confidence in the Washington Consensus and the World Bank’s structural adjustment programs, investment in and reliance on central government urban development programs dwindled. At the same time, donor assistance to non-governmental organizations (NGOs) and civil society organizations (CSOs) increased. Assistance was targeted towards the people rather than national governments. While many efforts to build capacity of citizens and citizen leaders have succeeded, there are limits to what skilled and empowered citizens can achieve without the cooperation of the state. But citizens interested in housing and urban services do not engage with central governments, they need to engage with the local municipal authorities that manage land and deliver urban services. What is needed is a focus on strong, inclusive local governance as one of the keystones to urban change.

There are already some indications that this is happening. The participatory budgeting efforts in thousands of Brazilian communities – and the allocation of over \$1 billion in public investment based on the votes of citizens engaged in those efforts – show that local government can adjust to bridge the gulf separating formal power structures from the people. Some Indian govern-

ments have also begun “p-budgeting” processes aimed at documenting the share of resources targeted to the poor and increasing that share over time. Over the past 10 years, the Delhi government has also piloted efforts to create citizen driven “local area plans” in both rich and poor areas of the city.

Many of those efforts have struggled for success against both lack of capacity in the local government and unrealistic expectations of empowered citizens. As Brian Wampler stated during a roundtable discussion, “participatory governance relies on intense support from the government,” and few local, regional, or central governments have made that effort to date. One critical barrier is the lack of capacity in local governments themselves. Many developing nations still classify urban planning and development as a national matter, while others that treat it as a regional or local matter have not given local governments sufficient funds or authority to deliver and manage the services that citizens need and deserve. In addition, most local government planners and service administrators were educated on the technical aspects of their fields, but not on techniques for working citizens. There is little incentive for local state employees to engage successfully with citizens, let alone slum residents, to design and implement successful development programs.

Central governments can declare rights and can even provide funding, but the active and competent involvement of local government is required to guarantee the rights to the city. It is local governments that can grant or deny the right to be counted (by enumerating slum areas). It is local government that can grant or deny the right to be visibly present (by providing informal market space and not evicting traders). It is local police who will implement the right to personal security (by policing slum areas and favelas with justice and accountability). Additionally, it is the local government that can grant or withhold the right to housing security when it makes decisions about relocations and evictions. Without the local political will to make these rights a reality, they remain only words. However, many municipal governments lack the political will to provide services in support of these rights, and many of those that have the political will do not have employees with the necessary training. In addition to investing in the continued empowerment of poor citizens through NGOs and CSOs, we need to be investing in the local governments that can make “The Right to the City” a reality and deliver the services that can truly begin to bridge the urban divide.

The critical need for better urban governance often transcends actual city boundaries because many of the most primitive and ill-served slums are in peri-urban areas. As succeeding waves of rural migrants arrive at the city, they find it very difficult to find a place to live in the city. Inner city slums are closer to many informal work opportunities, but the more crowded they are the fewer new arrivals they can accommodate. So many new arrivals find a place to live in drainages, hillsides, floodplains, or disputed or undefended land around the edges of the city. Not only does that mean they have to commute further each day to find work among the middle-class who employ and buy from them, it means that the waves of migrants are densifying in areas outside the city that have even weaker governance structures and offer fewer services. Urban governance is playing a very expensive game of “catch-up” by trying to retrofit roads, drainage, and utilities into areas that could have

been planned to include them from the start. The next generation of development assistance needs to recognize this reality: that the most cost-effective solutions to predictable slum development may be to invest in planning and servicing peri-urban areas.

D. HARNESSING PRIVATE MARKETS

A second major change since 1976 is the growing importance of private markets as both barriers to serving the urban poor and as potential partners for improving services.

Private markets are a formidable barrier to pro-poor urban development because they govern the price and availability of urban land, and those barriers have grown higher over the past three decades. Urban growth and migration have vastly increased competition for well located land in both mega-cities and secondary cities. Twenty years ago land accounted for approximately 25% of housing construction costs in South Asian cities, and that ratio is often 30-35% in major cities in developed nations. Today, in some Asian mega-cities land account for almost 80% of housing construction costs.

Extremely high urban land prices have several consequences. They make it virtually impossible for the urban poor to buy a plot of land to live on. They also make it more difficult for donors to consider buying land for new housing projects. During the 1970s and 1980s, many housing and sites-and-services projects failed because of the inability to find well located land at reasonable prices, which forced them to select remote parcels far from employment opportunities. Those kinds of projects are even more difficult to finance today. Once land is acquired, high land prices create pressure to house the poor at higher densities, often in elevator buildings. That makes it difficult for the poor to engage in economic activities that would be available in ground-level or second-story housing.

On the other hand, several roundtable participants mentioned new opportunities to partner with the private sector to create market-driven solutions to urban housing shortages. The same economic forces that make land unaffordable for the poor also drive up land prices for the middle class and the formal sectors of the economy. That means those who own land can charge significantly more for private apartments, offices, and commercial space, and some of those additional revenues can be redirected to construct housing and infrastructure for the poor. Over the past decade, Mumbai and other Indian cities have experimented with market-driven cross-subsidy programs. As an example, owners of lands with informal settlements can be offered the chance to build more private market apartments and commercial space than they otherwise could if they agree to rehouse the current slum residents (or additional residents) in new housing on the same site.

A second opportunity for private sector involvement is in finance. The availability of micro-finance has transformed millions of rural lives by allowing the creation of small-scale enterprises, and that model is now moving to the city. Urban areas in Asia, Latin America, and Africa now have thousands of savings

Private markets will not simply supplement donor-funded and government-driven development strategies; they will be the core around which donor programs are built.

and loan schemes based on the micro-finance group lending model. In addition, commercial banks are increasingly tailoring their services to work for the urban poor through smaller loan amounts and daily or weekly household collections. One promising new frontier of micro-finance is individual lending for home expansion and improvement without requiring formal title for collateral. As market-driven models of cross-subsidized housing construction become more common, the volume of private commercial lending in this sector will increase. In short, the expanding urban populations – both poor and middle class – need financial services, and both micro-finance institutions and traditional banks are finding profitable new ways to meet those needs.

Central governments, multilateral and bilateral donors are looking for private sector partnerships simply because the public sector does not have sufficient funds to address housing and infrastructure backlogs on their own. The volume of housing and infrastructure required is just too great. India's current Jawaharlal Nehru National Urban Renewal Mission (JN-NURM) represents an unprecedented \$USD 38 billion commitment to upgrade urban areas, and a substantial share of those funds is earmarked for use in poor areas of the nation's 63 largest cities. Since the 1970s, even developed nations like the United States have abandoned the idea that public funding can meet the need for low-income housing, and have instead moved towards mobilization of private funds and financing. In the 21st century, private markets will not simply supplement donor-funded and government-driven development strategies; they will be the core around which donor programs are built.

IV. THE ROAD BEYOND RIO

Section IV briefly identifies several additional trends that should inform the design and implementation of urban programs following the Rio conference. Some of these concepts were not discussed at the Road to Rio roundtables but have emerged from programs and studies of the roundtable sponsors – The Rockefeller Foundation, the Comparative Urban Studies Project of the Woodrow Wilson Center, and CHF International.

A. RESOURCES ARE NOT ALWAYS THE BARRIER

Two decades ago, any conference on urban development would have focused on the need for more money to address shortages in housing and services. For most cities, particularly in Africa, the shortage of funds to provide public services and investments is still a critical challenge. Pro-poor budgeting is only a theoretical luxury to cities that do not have the economic base, tax systems, or governance skills to collect and invest funds to improve the lives of their residents.

However, for some countries like China, India, Brazil, Russia, Indonesia, and Mexico, resource concerns have declined in importance. While more money would be useful, their economies and governance systems now generate hundreds of millions of dollars for housing and infrastructure investment. China leads the world in urban infrastructure investment, and India is devoting urban upgrading funding from internal resources on a scale that would have been unthinkable two decades ago. Instead of funding, the focus in some of these nations has shifted towards the wise targeting, investment, and administration of those funds. Primary and secondary cities in the developing world are now spread out along a wide spectrum of resource availability and administrative capacity. Urban development assistance will need to reflect that spectrum and offer appropriate types of assistance for different circumstances.

B. INCENTIVES CAN DRIVE REFORM

In responding to local political pressures and just “doing what works,” local governments often perpetuate practices that create barriers to urban development. Failure to enumerate poor areas, make and maintain accurate budgets, track spending on infrastructure and services, collect accurate taxes, or plan for redevelopment all result in governments that have little chance of meeting the needs of their citizens.

Regional and central governments can offer incentives, however, to end poor practices. Because of the key role that urban local governments play in achieving “The Right to the City,” both internally-funded and donor-funded programs should create incentives for efficient and accountable local governments. Funds and programs can be made available to local governments that have implemented key reforms. Alternatively, incentive funds can be made available to help local governments, with conditions for reform, before they are made available for longer term housing and infrastructure construction or service delivery. Meeting the challenges of burgeoning urban populations will require both massive investment and quality urban governance, and incentives provide a key link between the two.

C. POST-DISASTER OPPORTUNITIES

Because the January 2010 Haiti earthquake occurred late in the roundtable process, and the February Chile earthquake occurred after the roundtables were completed, the Road to Rio symposia did not focus much attention on post-disaster urban programs. However, organizations like CHF International have found that post-disaster situations offer significant opportunities to reinvent and re-direct urban governance and development programs. Those lessons should infuse thinking about development assistance in the 21st century – not only post-disaster planning and relief efforts, but housing and service programs in general.

Most obviously, post-disaster assistance can speed up planning and redesign of urban areas that have been thwarted by political gridlock or inertia. Once housing and infrastructure have been destroyed it is much easier to discuss re-organizing housing patterns to avoid dangerous and environmentally sensitive areas. No one wants to spend new money to reconstruct old problems. In addition, the rapid assessment and planning required in a post-disaster context can offer a model for streamlining local governance procedures and for engaging with the public. Once a city has experienced direct engagement with its citizens (both low- and middle-income) and seen how quickly a reasonable redevelopment plan can be put in place, it is harder to claim that the day-to-day governance cannot achieve the same results. Less obviously, donors have found that post-disaster situations offer important chance to promote buy-in and ownership values by having the citizens contribute to the cost of their housing. By offering loans to pay for a portion of reconstructed housing, and then allowing the repaid loans to form a revolving loan fund for business formation or housing improvements, local governments can demonstrate true inclusion and model the pattern of rights and responsibilities that are the core of all healthy cities.

D. YOUTH AND GENDER ARE STILL KEY

Although the Road to Rio roundtables did not discuss youth and gender issues in depth, the full inclusion of women and the young will remain critical to urban development programs. Not only does “The Right to the City” belong to women and youth, but they are often the strongest levers for ending generational poverty. Janice Perlman documented the dramatic differences in education and wealth between her favela neighbors in the 1970s and their children and grandchildren today. While residents of Brazil’s favelas are still not fully respected or engaged in the economy, their youth have experienced opportunities and advancement that may prevent their children from perpetuating the cycle of poverty. CHF International’s work with waste pickers in Pune has had more success re-directing women and children into safer and more lucrative careers than it has with men. Without fully including women in their programs, success would have been limited. There is nothing gender or age-specific about meeting basic needs for housing and public services, and including all urban residents in upgrading or economic development programs will not only increase the chances of success but multiply its impact.

V. CONCLUSION

In March 2010, the world will gather for the Fifth World Urban Forum in Rio de Janeiro to discuss the challenges of urban development. But the roots of this gathering predate the first World Urban Forum in 2002. They flow back to the Istanbul conference on municipal finance in 1996, and even further back to the founding of UN-HABITAT in Nairobi in 1976. Although a third of a century has passed since the first Nairobi conference, the WUF5 participants will find that the challenges facing large urban areas are more serious than ever, particularly for the urban poor. Not only have many of our strategies for better urban development failed to produce adequate results, but the accelerating pace of urban growth and the corresponding acceleration of urban poverty have left over one billion people living in slums. That number is expected to double to two billion by 2050. Most troubling of all is the absence of a coherent strategy to address the human toll of urban poverty.

It is essential that WUF5 be a success – that it generates productive dialogue, embraces the lessons learned over the past three decades, and spurs innovative thinking about how to bring about the systemic change needed to reverse the rising curve of urban poverty. In that spirit, The Rockefeller Foundation, the Woodrow Wilson Center, and CHF International convened a series of four roundtables in late 2009 and early 2010 to prepare for the Rio conference. Their goal was to gather key researchers, funders, and practitioners to look back at the successes and failures of the past, then forward towards new opportunities, and finally to disseminate that information in the run-up to WUF5. Together, the four roundtables covered all six dialogue topics posed by UN-HABITAT under the theme of “The Right to the City—Bridging the Urban Divide.”

Each roundtable participant made valuable contributions to this discussion, which are summarized in Section II of this report. More importantly, those discussions revealed four themes that integrate the various perspectives of roundtable participants and that should be kept in mind as background for WUF5. First, there is good reason to be optimistic about our ability to improve housing, produce more sustainable urban development, and address the challenges of climate change through better urban programming. Second, “The Right to the City” can be interpreted in many ways, but among the most important conditions identified in our roundtable series are the rights to be counted, to be visibly present, to have personal security, and to have housing security. Third, competent, high quality urban governance is a key missing ingredient in urban programming to date, and without it, “The Right to the City” cannot become a reality. Finally, harnessing the power of private markets is more important than ever, and it is unlikely that the lives of the urban poor can be changed without making the private sector a full partner in urban development strategies.



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