

THE CITY OF DEVELOPING COUNTRIES - NO MORE

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Introduction

Cities in the world's South have finally been recognized as the place where opportunities for improving one's living conditions are concentrated, be these interpreted as better income, housing, health, educational services, or greater personal freedom. As is well-known, however, this was not the case for a long time since the rapid urbanization of what were generally referred to as "developing" countries was considered to be one of the causes of their 'underdevelopment' or inability to trigger economic growth (Hoselitz, 1955; Lipton, 1977).

By now urbanization (the movement of people from rural to urban areas), as well as urban growth (the expansion of cities due to both in-migration and the natural growth of the population already living there), are no longer simply judged as the hampers of economic growth—quite the contrary: It is estimated that the 200 largest cities in the developing world account for approximately 10 percent of worldwide GDP, thus adding to the 50 percent generated by the almost 400 largest cities in developed regions (McKinsey Global Institute, 2011), while the 10 largest Latin American cities generate no less than 30 percent of the regional GDP.

It is just as widely accepted that there is no way of curbing urbanization. But well beyond the fact that the planet has turned predominantly urban -the leitmotif of most current scholarly articles on the issue- is the fact that urbanization is plainly inevitable, as reaffirmed by the Manifesto for Cities presented at the 6th World Urban Forum. Even more inevitable is urban growth, i.e. the population is becoming increasingly concentrated even in regions that are already largely urban, such as Latin America, South East Asia, and the Southern and Eastern areas of the Mediterranean. Cities are at the core of all advancement and innovation, no matter how these are conceived and measured: socially, economically, culturally, politically, technologically. Any effort to curb urban growth and urbanization would make no sense, as demonstrated, among other things, by the few attempts made in the past in this direction. In view of the inevitable expansion of cities in the South, a 'making room for' paradigm is being proposed as the most adequate alternative to current, largely ineffective containment-oriented urban policies (**Angel et al.**, 2011).

The concentration of people in cities, mega-cities or – as they are referred to now – meta-cities (those with 20 million plus inhabitants) is the destined outcome of a world that has been changing at an unprecedented pace in the past 50 years --and even more rapidly in the last 20. It is also the most desirable scenario in terms of social justice, or at least it is the least undesirable. If the UN Human Development Index (HDI) is taken as the most reliable indicator of distributive justice, those countries that have the highest rate of urbanization also record the highest HDI, almost an oxymoron given the fact that (public) services such as health, education, transport, water and sanitation are provided much more

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extensively in cities than in rural areas. The idea that if rural areas had better infrastructure and services then rural migration would slow down is also simply mistaken: firstly because in most countries of the South, rural to urban migration is no longer the main drive for urban growth and, secondly, the resources required to reach levels of infrastructure and services in rural areas even vaguely similar to those in the city are simply not available.

Although many cities are still the scene of huge inequality, there can be little doubt that urbanization is the best prospect to counter this inequality. Any conjecture about the political, social, cultural, and economic future of the planet rests on understanding the opportunities and the problems cities will face, consequent priorities, the best way to manage the urban context, and the capacities that are needed to do this.

The structural changes triggered by the forces of globalization seem to have had little impact on the theories and policies developed over the years concerning the city of the South. The need to understand the consequences of these changes has been made manifest by only a few scholars, some reasoning at high levels of generality and others broadening their analysis starting from quite specific topics. Yet research largely remains centered around what are essentially conventional and long-established issues.

A look at the articles published in the last ten years by the most reputed journals on urban issues in the South, as well as at the titles of the scores of international conferences organized on these topics, shows that focus remains by far mainly on matters relating to the city of the XXth century. Most thinking leans towards the informal city and practices behind this informality. Policies that have been adopted and how inadequate they are in responding to the needs of the growing, largely poor urban population are examined, as well as the 'surprising' capacity of urban actors not only to cope with the hopeless conditions of the city but, most importantly, to make the city work and produce a larger share of the GDP.

The recently released report *State of the World's Cities* (UN-Habitat, 2012) suggests the need to move away from the "dominant perspective, which is outdated and unsustainable on many grounds with its combination of cheap fossil fuel, heavy dependence on the motor car, highly segmented urban forms, socially and economically segregated spaces, endless urban peripheries that consume land, resources and in many cases natural protected areas – and all largely steered by private, not public interest". The general need for a different way of looking at the urban can only be agreed upon and strongly urged, but the 'City Prosperity Index' UN-Habitat suggests as a more appropriate way to measure the performance of cities, based as it is on five rather conventional criteria (productivity, infrastructure, quality of life, social equity, and environmental sustainability) hardly seems a real shift from past views or, what is more, a useful way to capture the deep changes that the city has undergone in the last twenty years. It is also rather puzzling that the UN agency mandated specifically to provide ideas and directions to help governments and cities cope with their urban challenges, continues to look at the world under the outdated developed/developing countries dichotomy and to propose global strategies and world campaigns as if it had not yet internalized how much more complex the world has grown in the past century and how little help, if any, such generalizations can offer in policy terms.

On the contrary, the structural changes currently faced by the world urgently demand a new analytical frame for the construction of a different paradigm for the

city in the South (and, for that matter, also for the city in the North), which recognizes the diversity of social, economic, and political conditions that have emerged in the past two decades. This need becomes even more pertinent in the context of the different types of impact the current financial crisis is having on the economy, i.e. essentially the urban economies, the even more rapid urban growth this is likely to fuel, and the social conflicts that may result from it, first and foremost because of consequent migrations and displacement.

Until a thorough revision of the ways the city of 'developing countries' has been looked at since it made its *début* in scholarly research and policy action is carried out, policy-makers, international organizations, and planners will not be able to comprehend the new order created by globalization, nor to correctly understand the demands this creates and the best responses possible.

This article thus reflects on the need to define a new paradigm for the city of the South. While fully recognizing the impact of the colonial and post-colonial relationships that have dominated the urban history of most, if not all, cities of the South during a large portion of the 20th century, the text insists that it is a mistake to continue looking at the city of the South only as the outcome of the industrialized West's political and cultural dominance. Rather, these cities must be viewed as a new kind of city in the sequence of city-types that has unfolded over time under different historical, economic, social, and political conditions. |

I fully concur that the term 'city of the South' is an over-simplification and that the world has grown much more complex than it was even only a few years ago, with cities such as those in sub-Saharan Africa standing out as a distinct example. Reference to certain time periods may also be inaccurate for some countries where policies on urban issues have evolved at a somewhat different pace. At the same time, on the one hand, in the past fifty years the concept of 'city of the South' (developing countries) became a 'legitimate' and well-recognized topic which scholars from across the globe started to research. On the other hand, inadequate living conditions in urban areas and the negative impact they have had on development were accepted as a matter of concern by international aid, which started allocating relatively important amounts of resources to this issue. Finally, rapid urban growth and the problems it has raised have been quite similar across the global economic South, and the policies adhered to, the tools brought into play, and the changes experienced over the course of time have also been quite similar, if not identical across the board .

This article thus uses the expression 'city of the South' i) first and foremost, to stress the necessity to abolish it, along with any other generalization which refers to urban conditions, ii) to highlight the urgency for a more appropriate understanding of how the city and urban policy in the 'South' are changing as a result of globalization, and iii) to acknowledge that the distribution of resources and allocation of power have radically changed on a global scale, prompting new scenarios, including those of the city.

So far

Since the 'discovery' of the trend towards urbanization of the population in the 'developing world' in the mid-sixties, a wealth of interpretations about the role of the city in development have been elaborated, from the parasitic city to de Soto's 'sleeping capital' and the World Bank's statement that cities are the engine of growth. Over the course of time, policies have changed accordingly, from those

adopted in the fifties and sixties by different countries to contrast and even reverse urbanization, to more recent ones addressing the issue of how to regularize informality, both in the economy and in the city fabric. In fact, the unexpectedly rapid urban growth that took place following decolonization and the path to industrialization which many countries embarked on quickly highlighted the inadequacy of urban planning, management policies, and standardized instruments conceived for completely different social contexts, resources and institutional frameworks.

International organizations, UN-Habitat, and the World Bank in the first place, (though in different ways and for different reasons), have long voiced the need for the recognition that planning tools based on 'developed' western cities were inappropriate to the characteristics of the 'developing' city, and called for the adoption of more adequate policies for the economic and cultural conditions specific to the 'developing' city. As far back as the sixties, when the cities of developing countries first started to move onto the scene, and on through the eighties, the ideology of "development" and its sister "modernization" moulded most urban policies suggested for, and adopted by the South.

These policies were essentially based on the following arguments:

1. Governments were not in the position to produce sufficient 'legal' land to keep pace with urbanization, resulting in the diffusion of 'illegal' settlements and the demand by the 'invaders' to be given security of tenure.
2. The need to recognize the importance of the informal sector not only with respect to housing production but also as concerns the provision of many of the services the city needs. This translated primarily into upgrading and sites & services programmes as far as housing was concerned, as well as support programmes, if not complete legalization of the informal economic sector.
3. The 'local' was to gain a pivotal role in the context of the internationalization of the economy and the parallel withdrawal of central governments from the urban scene. This translated into the adoption of decentralization policies in practically all countries, a policy sometimes bordering on an imposition by international organizations.
4. Given the limited resources available to local and national governments, in many countries the only investments carried out in the city were those of the Official Development Assistance (ODA) following the methods and rules established by multilateral organizations. In fact, international consultancy acquired a central role in shaping directions for the urban scene, defining the approach, methods, and criteria that were to be used in addressing urban problems, with an impact that went well beyond the relatively limited resources allocated to the urban sector
5. NGOs and CBOs, often with active gender-focused organizations, were seen as important agents for the improvement of the living conditions of the poor, and became important role-players in the policy process. As a result they increasingly took the role of executing agencies of ODA while often becoming political as the agents of governments or of the international community.
6. Institutional capacities had to be significantly strengthened so as to attune local authorities to the models and procedures used, as suggested by multilateral as well as bilateral organizations, to foster primarily good governance, sustainability, and competitiveness providing at least some of the financial support that was needed to build the required capacity. Strengthening institutional capacity embraced a host of instruments, including Master's degree courses offered in several countries of the North, international conferences, scientific publications, and tool kits.

7. Consultants also took center stage in the process, as repositories of the know-how required to formulate and eventually implement projects in accordance with the will and requests of donors. Upgrading, sites & services, project cycle and logical framework have become part and parcel of any consultant's know-how.
8. Key to all this was the shift from 'government' to 'governance' that was indicated as the only way to cope effectively with the difficulties the city of the South had to face. Only by involving the stakeholders and building an accepted strategy based on a shared 'city vision' would it be possible to mobilize the public as well as private resources necessary for the achievement of common goals.

What lies ahead

As stressed in the introduction, in past years or so the world scenario has experienced dramatic changes that, among their other consequences, have undermined the research and policy paradigms for what used to be the 'developing world'. The remainder of the paper looks into the main elements of such changes, and the consequences they are likely to have on the urban.

A new geography of development

Economic growth is changing the geography of development. Many countries that were part of the developing world are now well out of the category. Though the use of the GNP is notoriously unsatisfactory as a measure of development, economic growth has brought many countries out of the low-income economies category, and millions of people out of poverty. The number of low-income economies as classified by the World Bank in 2010 had decreased from 64 to 38 in 2000, a reduction that includes not only countries in Asia and Latin America, but several Sub-Saharan countries too.

Though GDP and related per capita income provide generally unsatisfactory indicators of the multifaceted features 'development' comprises, the picture they paint cannot be totally dismissed. All estimates indicate that, though likely at rates lower than in the past decade, many of the so-called emerging economies are poised to continue experiencing growth rates that are significantly higher than those in the West. Since 1970, the Human Development Index has also progressed for all countries but the Democratic Republic of the Congo, the Zambia, and Zimbabwe. Though huge gaps continue to exist around the world, this narrowing concerns 92 percent of the world's population. As stated by the 2010 Human Development Report, there is a clear convergence between poor and rich countries in the HDI, offering a significantly more positive picture than the one posited by the trends in income, where divergence has continued. Thus, it is of little surprise that not only several higher-middle income countries such as Brazil, China, Mexico, and South Africa have turned into donor countries, but that India has as well, though still listed by the World Bank as a lower-middle income economy.

This new economic and human development geography inevitably reshapes the international system of cities we are used to. To the author's knowledge no hierarchy of cities, or urban systems, has been produced in the new millennium replacing those drawn up in previous decades. Any world map of cities based on population size and any indicator of economic attractiveness and strength shows the rapidly expanding role of cities located in the global 'South'. According to the United Nations (2011), out of the 21 mega-cities (urban areas with more than 10

million inhabitants) existing in 2010 only 6 were located in the North, including Moscow, and only 5 more northern cities added to the list of the 54 metropolitan areas in the world with more than 5 million inhabitants. Likewise, the McKinsey Global Institute Cityscope (2011) estimates that of the 25 cities with the highest 2007-2025 GDP growth in 'predicted real exchange terms' only 5 will be located in the North (New York, London, Los Angeles, Moscow and Tokyo). Taipei, Singapore and Hong Kong constitute peculiar cases and the remaining cities are all in China, with the exception of Delhi, São Paulo and Mumbai. However, there are scores of 'emerging' cities, including in Africa and the Middle East, that are expected to contribute significantly in GDP growth in the coming years.

In the context of globalization and increasing TCIs based interconnectedness, the new international system of cities may have far-reaching consequences particularly since nation-states are unlikely to regain the central role they used to have in the past. Manufacturing is increasingly concentrated in urban areas of the South as a consequence of industrial delocalization from the North. This provides opportunities for generating 'autochthonous' new knowledge and innovation that can foster even further change at the local level. Dozens of projects, exchange of experiences and transfers of expertise that do not rely on the know-how and technology used in the North already link cities of the South to address common critical social, economic, and environmental issues. This is often carried out with the direct involvement of city governments and citizens' associations, which may have beneficial consequences in terms of management capacity and tools, as well as in attitude to urban governance. However, the new system of cities emerging from the exposure to global markets can produce undesirable 'imitation effects', such as urban visions that reproduce success stories that can in no way be replicated (the Singapore syndrome).

The emerging consuming middle-class

The remarkable performance of many economies, in some cases coupled with effective resource distribution policies, have resulted in the emergence of a significant number of more affluent urban residents who can gain access to goods and services they were once excluded from. The World Bank estimates that the middle classes tripled in number between 1990 and 2005, (Ravaillon, 2009). As Ravaillon points out, defining the middle class for developing countries is not easy, and the range of consumption per capita between \$2 and \$13 a day (at 2005 purchasing power parity) referred to by the author of the study is questionable as are the few others proposed on the topic. Also, the idea that a new consuming middle-class is emerging by no means implies that in many regions of the South poverty has significantly declined nor that for the majority of households income has increased in real terms. In fact, in some places, parading the idea of an emerging consuming middle class may be part of political strategies constructed by a national finance-capital elite to buy off support from beyond their immediate class, to be a recognized player in global finance-capital.

However, by this definition in 2005 such a 'middle class' represented half the total population, compared to one person in three in 1990, adding an extra 1.2 billion people to those who have moved above the poverty line. This means that a significant number of families, mainly urban, have now entered, though perhaps only temporarily, the market for urban goods and services, including those subsidized by the government for which a minimum level of income is required.

The addition of this new middle class to the urban social structure certainly represents a major departure from the sharp dichotomy between rich and poor that has typified the urban society of developing countries until now. However, it

is highly questionable to label the urban residents included within such a large range of income as a middle-class bearing common values, preferences, and expectations. For this reason, and to avoid possible misinterpretations, the text will refer to this group of people as *consuming middle class*.

In India, where in the next thirty years 500 million people are expected to add to the current urban population, the consuming middle class is likely to record a dramatic expansion, from 5-10% to 90% of the total population, adding well over 1 billion people in only thirty years. In China this category of the population will increase from 43% to 76% of the population by 2025. But the consuming middle class is rapidly growing not just in the fast-growing Asian or BRIC countries. The 5% average annual GDP growth rate Africa has recorded since the late 1990s, with six sub-Saharan countries among ten best performing economies in the world, has produced the rise of a new middle class, equal to the size of the consuming middle class in India. The incomes of 180 million people in Latin America continue to be below the poverty line, but between 2002 and 2008 the percentage of poor had declined from 44% to 33% (Ocdce/Cepal, 2011).

The emergence of a new urban social group and the change in the social structure resulting from this is bound to have major effects, as is already manifest in cities as far apart as São Paulo, Johannesburg, Delhi, and of course in scores of Chinese cities, where the emergence of the consuming middle class is driving new demands on a number of aspects for urban life.

First and foremost, higher levels of consumption translates into a demand for better housing in terms of size, equipment, and quality of materials. In addition, well-serviced and safe locations are in demand, separate and possibly well-distanced from the rest of the city, if not explicitly 'gated'. Since accessing 'middle class' housing is the most tangible change of status, the new dwelling necessarily contains as many elements as possible to make such a change concrete and visible.

New consumption patterns and the demand for new shopping spaces come hand-in-hand with new housing. Once more, moving from the street market to the mall materializes and exhibits the attainment of a new prosperity, and the shopping centers increasingly dotting the city of the South are the symbol of this.

Increase in mobility is the third major change. Growing incomes spark off the fast growing motorization of the population, which in turn generates traffic congestion and pollution. New residential areas are often located far from where jobs are, producing new journeys to work that significantly increase the existing traffic. The typical response urban policy has offered in the past to growing mobility, and continues to offer in many cities, is to build new roads and highways. Yet, the increase in traffic represents also an opportunity to experiment new solutions, as has been the case in several cities where new directions in public transportation have been adopted. Surface metro systems have been successfully introduced based on buses running on dedicated lanes, coupled with the replacement of old buses and, in some cases as in Bogotá, the redesign of large sections of public space influenced by the new transportation system, rendering the city better serviced, more efficient, and significantly safer.

Finally, the emerging consuming class demands spaces and facilities where they can spend their leisure time. Public parks, recreation, and sport facilities have never been part of the paradigm of the city in developing countries. Land occupation, irregular subdivisions, and self-built housing could not afford to take

them into account. With population growth levelling off and income on the rise, public space is bound to gain importance in illegal settlements as well, all the more as they are the object of legalization policies.

With the emergence of the consuming middle class, many of the issues that have held the center stage during the last fifty years with respect to the city of the South will come to be seen under a different perspective. One issue is how this consuming middle class will position itself with respect to legalization policies advocated for and, in recent years, implemented by different governments. Informal economy and informal housing are certainly the consequence of a lack of job opportunities in the formal sector and accessibility to the housing market(s). Yet the new consuming middle class may be objecting to corruption and muddling through practices that have often allowed and even fuelled informality for political purposes or, quite to the contrary, they may reinforce such behaviour, considering political patronage, nepotism, and informality an easier and even more effective way to access the goods and services provided for by the public sector (The Economist, 2011).

Second, the (consuming) middle class tends to be more prone than the poor (as well as the rich), to an orderly organization of society, with well established, recognized and empowered government. In this framework, the notion that informality is not at all synonymous to illegality, rather a wholly justifiable and necessary path to producing the city in the South, as suggested in the mid sixties by authors like John Turner and William Mangin among others, may not be shared. Likewise potentially at great odds with the emergence of an urban middle class are the recent re-propositions of the slum as an innovative and distributive model for contemporary urbanism (Roy, 2005; Davis, 2006), though strongly questioned (Rao, 2006), as well as the more ludicrous aesthetic values of informality championed by well-known architects such as Rem Koolhaas (2007) and the fashionable Caracas-based Urban Think Tank of Alfredo Billembourg and Hubert Klumpner.

Even more than for other segments of the urban population, the main objective of the consuming middle class may turn out to be living in a safe urban environment, where delinquency and unlawfulness in general are reduced to a minimum by an 'efficient' police force and, though probably less urgently felt, an effective justice system. The clean-up operation conducted by Federal troops and police on Rio's Rocinha favela in the framework of the government's objective to shape an image of the city as a peaceful venue for the 2014 World Cup and the 2016 Olympics, was no doubt well-seen in the middle class neighbourhoods, while it did not in the least impinge on the exclusionary policy that has presided over the city thus far. Should this be the political stance of the emerging consuming middle class, it will be in sharp contrast with the growing informality all estimates point to for many cities of the South in the coming years. Moreover, it will be likely to strengthen the spatial and social fragmentation that already characterize the city of the South by fostering the exclusionary forces that have been at work throughout the past decades (that the policies championed by multilateral organizations and some governments have been trying to oppose, with difficulty but also some success).

However, a very different scenario can also be envisaged, within which the consuming middle class looks at these new conditions as an opportunity to establish itself as a social and political force fighting for an equitable distribution of resources and advocating for a balanced development among nations and

cities of the world, in contrast to today's world, as it is essentially presided over by a de-territorialized financial elite that allocates, displaces, and diverts to its own benefit, with little or no concern as to the consequences the decisions it makes may have on the local reality. An emerging (consuming) middle class in the South may be critical in establishing some forms of regulation and control in the allocation of resources and ways to defend conditions and rights often gained at a great cost. In this perspective, better housing, adequate services, and more convenient mass transit system would represent a step towards a more equitable distribution of resources as well as the recognition of the "right to the city" for at least a share of the urban population which is larger than it has been up to now.

The land issue

Though many cities of the South are expanding at a much more reduced rate than in the past, access to urban land remains a central issue. According to the UN-Habitat's most recent estimates, through upgrading and policies preventing the formation of new informal settlements "developing countries lifted an annual 22 million people out of slum conditions between the year 2000 and 2010", a result far above the well-known MDGs Target 11 aiming to improve the lives of at least 100 million slum dwellers by 2020. Though in absolute terms the number of slum dwellers actually grew by some 50 million worldwide in the same period, and will reach approximately 900 million by 2020 (UN-Habitat, 2011), the achievement goes well beyond any expectation of only a few years ago, when the same Agency was forecasting a number of slum dwellers comprised between 1.5 to 1.7 billion, depending on the estimate (UN-Habitat, 2003). However, such a positive outcome largely results from some rather amazing changes that have been introduced in the criteria used to define slums: 'security of tenure' was dropped as too difficult to measure and 'shared toilet' no longer accounted for a slum condition. As it has ironically been stressed, UN statisticians succeeded overnight where governments, aid agencies, finance institutions and NGOs had failed for decades, pulling out of their miserable housing conditions tens of millions of slum dwellers.

'Irregular' and 'regularized' settlements remain a distinguishing and most likely long-lasting feature of the cities of the South. Even in those cities where growth has slowed down, irregular settlements have consolidated and expanded. In some cities local authorities continue to carry out evictions in the name of development; while the liberalization of land markets, together with regularization programs advocated for the sake of poverty reduction, often convert into the displacement of low-income households living in formerly irregular but centrally located settlements subject to high market pressure (Durand Lasserre, 2007).

The debate about the best way to ensure secure tenure revolves essentially around the two options of i) formal registration and individual property titles, and ii) the recognition of occupancy rights, including forms of collective rather than individual rights (Fernandes, 2011). After championing in favour of individual rights for many years on the assumption that this was the best way to enable housing markets to work, the World Bank itself has pushed the issue of property into the background coming to accept that formal individual titles are not the only alternative and that more simple measures are just as effective in enhancing tenure security, while at the same time shifting its focus on issues related to housing and city financing (Chiquier, Lea, 2009).

Governments in the South should acknowledge that informal settlements are a constituent part of the city, and by way of consequence they should provide these areas with all the infrastructure and services necessary for an acceptable

standard of living. However, with the slow-down of population growth in many cities, the issue is increasingly becoming not one of how to achieve minimum urban standards, by now perceived as a right already fully acquired in the eyes of the residents, but one of how to improve the quality of the urban space overall.

The emergence of the middle-classes will inevitably have major effects on the land and housing policies governments follow. Though in several countries, particularly of Latin America, the mobilization of the poor has been critical in providing a solid base for democracy, the emerging consuming middle-class constitutes a pillar for political stability and is a fundamental actor in strengthening the democratization process under way in many countries of the South. Asset accumulation is one of the paths any government that wants to gain the support of the (consuming) middle class has to embark on, with land and particularly housing representing the most immediately accessible assets.

However, as a response to housing deficit, land regularization is an option which is quite distinct from housing production, and bears different political consequences. Regularizing the 'irregular' settlements built in the past decades implies a distributional shift in favour of the emerging consuming class as well as lower-income families who do not yet belong to it. On the contrary, the production of public or subsidized social housing implies higher incomes and significantly lower distributive contents. Housing policies based on new housing are quite different politically from policies addressing the issue of regularization, their primary goal being the construction of a new political coalition in response to the consequences of globalization, through the inclusion of a consuming middle class that perceives home ownership as a crucial step in their social ascent and recognition¹.

This is likely to be one of the main reasons why governments did not clamp down on the mortgage deregulation that pushed thousands of households to enter the housing market until the financial crisis burst out. For lack of resources, since the eighties all countries of the South had moved away from policies based on the direct provision of public housing. But the government withdrawal from the housing sector should not be taken mistakenly as a withdrawal from the goal of building political coalitions of which home owners were among the most important members and home ownership one of the main ideological pillars. In fact, while the provision of public housing has been dramatically reduced or abandoned, strongly urged by international organizations, governments continued to tolerate irregular settlements until they openly embraced regularization policies as the way to provide home ownership for lower income households. At the same time, the consuming middle class was encouraged to take on credit debt under the conditions defined by real estate and financial markets, in some countries with the support of subsidies provided by the government.

As it is well known, as a result of the financial crisis the boost to home ownership translated into a burden for households, thousands of whom lost their houses to the banks, and the government which had to take up the costs of credit delays.

With the formation of a consuming middle class the debate on irregular settlements has to be framed against a very different social and political background. The lobbying capacity of real estate developers, banks, notaries,

¹ Based on his work on Karachi, Haris Gazdar stressed to me how divergent societal and political responses can be depending on the ability or willingness of state organizations to plan the city, or to ensure a uniformly enforced system of property rights.

land surveyors² and the ideological pressure of international aid is of utmost importance. However, whether land policies will be in favour of allocating individual property titles against fostering the spatial and social integration of irregular settlements no longer appears as only an economic option, but as essentially political. The right to property on the one hand shapes, and on the other is the consequence of, a political idea in the name of which evicting is fully legitimate; while protecting irregular possession from eviction focuses primarily on a fundamental and universally recognized right, such as that of the right to housing. The way the emerging consuming middle class will position itself– and will most likely be divided - as regards the issue of the right to property will be crucial to what economic interests and political scenario will prevail.

What urban population

Many countries of the South are rapidly aging and will soon have to cope with rising dependency ratios. As a result of its one-child policy, China's population structure is set to raise serious problems. Similarly, Latin America is set to experience major difficulties in coming years due to the insufficient number of youth who are able to care for their elderly.

Secondly, the creation of productive jobs in the formal economy is as urgent as ever, but the prospects provided by the current financial crisis are all but in favour of such an accomplishment. In contrast, in many countries the informal sector is poised to keep growing. In Latin America it grew from 59% to 64% between 1990 and 2008, though job stability and labor conditions continue to be poor, micro-enterprises are crucial in providing jobs and income, particularly in urban areas. (Tokman, 2011)³. Moreover, with the improvement of economic conditions in the region and the reduction of poverty already referred to, it is likely that in the last decade informality has at least slowed down if not more intensely decreased.

Thirdly, there will be a massive entrance of women in the ranks of the workforce everywhere. Worldwide, the rate of female labor force participation in the South is over 50% but there are pockets of the world where this rate stands at slightly over 20%, as in North Africa and the Middle East where such a low rate has been one of the main causes for the Jasmine revolutions, or at 30% as in South Asia (ILO, 2010). **The inevitable increasing engagement of women in labor markets will have an enormous impact on urban society and the functioning of the city, in terms of both gender relationships and the urban services that will have to be provided.**

Globalization has already spurred the arrival of international migrants in a growing number of cities in the South, raising new opportunities as well as problems to governments and society. In most cities migrants have no access either to the formal housing market or to social housing where it is provided for. As a response, migrants tend to concentrate in areas where they can find cheap accommodation such as irregular settlements. Thus, ethnic enclaves, generally more so than those 'kinship-based', often add to the increasingly fragmented space of the city in the South, reproducing traditional systems of living, practices and hierarchies and embracing practices of resistance and invisibility which only fuel misunderstandings and tensions with local residents.

The presence of a foreign workforce and their families also drives the demand for specific services apt to respond to needs that may be different from those of the

² Alain Durand Lasserre stressed this point. It is what in Italy has been labelled as *blocco edilizio*, translated as the *pro-construction coalition*.

³ I am indebted to Tito Alegría for pointing this out.

local residents needs which have therefore been largely neglected so far. Cultural diversity evinces the complexity of the encounter between the institutionally structured space of migration, the public space defined by streets and shops, and the different social realities that inhabit these places (Balbo, 2005). On the other hand, remittances from migrants also play a crucial role in sending countries, though their impact is generally more widespread since the majority of flow goes to rural areas and cities other than the capitals.

Aging populations, increasingly multicultural cities and a much larger female workforce are elements that will significantly impact urban society and the way cities are designed and work. One can easily foresee a new demand for services currently lacking in most cities of the South, such as nursing homes for the elderly, kindergartens and nursery schools with relevant playgrounds, more and more pedestrian-friendly crossings, sidewalks easily accessible to wheelchairs without cars and motorbikes parked on them, as well as spaces designed for, or appropriated by, specific segments of the urban population.

The end of XXth century ODA

With the fall of the Berlin Wall the international scenario has irrevocably changed. Official Development Assistance, including multilateral aid, until recently the main source of public investment in a large number of cities in the developing world, is much less a strategic public policy for donor countries than it used to be. At best interest seems to now reside on what has been called 'compassionate ethics' towards countries that might fall into famine and humanitarian crises (Severino, Ray, 2009). What is more, development aid in reality moves increasingly into what is euphemistically referred to as 'conflict management and prevention' such as in Iraq, Afghanistan, and other 'fragile states', the so-called 'Low-Income Countries Under Stress' (LICUS) of the World Bank task force when it was first established in 2001. Another part of ODA is allocated to global threats such as pandemics, the loss of biodiversity, climate change as well as post-disaster management as in the 2004 Indian Ocean tsunami and the 2010 Haiti earthquake.

The number of actors involved in some form of development operations has increased exponentially, changing the 'rules of the game'. The differences in objectives and priorities, as well as in size and structure, that distinguish the multiple actors in international assistance have made the current aid scenario much more complex than what it was up to the 1990s. Each actor pursues its own motivations and legitimacy, based on assumptions and understandings that at best coexist, but may well be in conflict with one another (Severino, Ray, 2010). How important Chinese foreign aid has grown in recent years is well-known, less so is how it matches the objectives and rules set up by traditional western donor countries to monitor the use of aid funds.

The increasing decentralization of the arenas where projects are decided and the often complex negotiating process among local stakeholders it spurs, fuels aid project fragmentation and the governance maze. Moreover, ODA is obviously not immune from the global privatization trend, either through the charitable arms of the corporate world or more directly through a rather ambiguous PPP between Industry and Government⁴, though this may also foster new perspectives, ideas, and ways of operating. The shift to 'compassionate ethics' has further reduced the share of foreign funds to the urban sector, which has always been a minor interest for development aid, in favor of more cross-cutting socially oriented

⁴ As brought to my attention by Michael Leaf.

expenses. This change of focus has not only sectoral implications, but a political character. NGOs of all kinds and sizes, together with scores of private foundations, some of them famously generous on specific challenges (such as the Bill & Melinda Gates Foundation with HIV-Aids), making them major players in their areas of concern, have gained a prominent role in the field of international aid. In addition, the protests several multinationals have had to face due to their labor and production policies have driven many of them to set up specific aid programs in the countries or cities where they invest.

Cities are at the core of the process of change that many countries of the South are going through. Reducing the amount of attention on urban development and the forces driving it represents a political disengagement which the international community should worry about given the long lasting consequences it may have on the political scenario, in city as well as national scenarios.

One more element in the process of change in the aid sector is the much-reduced role consultancy services have come to play. Though obviously there still exists a considerable number of internationally funded projects that demand the services of international firms and experts, there can be little question to the fact that the role of these actors, as well as their geographical reach, is no longer as important. This is certainly good news, since in many cases international consultants have been, consciously or not, the main vehicles for conveying not only the message but also the rules and priorities the different donors wanted to convey through their funding. With the exception of few regions, mainly sub-Saharan Africa, the scenario has radically changed and local as well as central governments can now use the services of national citizens with the same level of expertise but a much deeper knowledge and understanding of the political, social, and cultural context in which they work to the (almost) certain benefit of policy design and implementation. In this framework, training programs on the city of developing countries offered by universities of the North as well as research networks specific to this field appear out of date.

In such a context, multilateral aid organizations have significantly reduced their contribution to research. Many donor countries have dramatically diminished their financial contributions, if not plainly expunged the item from their budgets. As a consequence, for most international organizations, first of all those in the UN system, the foremost objective has become to find sources of funding for their own survival and they are forced to invest all their energy and capacity into program and project funding. The results of this can be seen in the reduced number of and, what is more regrettable, limited innovation in, their projects, publications, and international conferences. Their contribution in terms of information and quantitative elements may still be important. However, what is missing is a reflection on change and the driving forces behind it, and a parallel reflection on where focus should be directed: That is the vacuum this essay aims to help filling. This lack of reflection is highly regrettable, since in the seventies and eighties the work and propositions of multilateral organizations were central in fuelling both new knowledge as well as debate (in some cases highly contrasted) at the international level.

Back to government?

As stressed at the beginning, this essay is a speculative contribution to what I believe to be a much needed exploration on the changes affecting what used to be referred to as the city of developing countries. As such, it does not pretend to offer any conclusions. Rather, it urges scholarly and professional research to take

the new course demanded by what, in the South, is undeniably a substantially new urban scenario.

The growth of the economy, together with stronger democratic rule and more direct government policies, as well as the weakening of traditional international aid, needs a reassessment of urban governance vs. government. The World Bank itself has recognized that cities and urban economies are so central to development that at least some core urban issues such as land and housing markets have to be regulated at the national level, and that urban growth needs to be steered through adequate planning instruments, regulations, and appropriate management capacity (World Bank, 2009).

The demand for better services and infrastructure that arises from an emerging consuming middle class, also necessary to the growing role of cities in economies increasingly connected to international markets, can only be met by public investment. The private sector may be able to provide some services, but improving and expanding urban infrastructure is mainly the task of governments. In addition, many countries are not very keen to privatize services. This necessarily means higher taxes and tariffs (and more effective collection systems), i.e. more government. The 'governance' approach widely endorsed in the past as crucial to (urban) development, i.e. the involvement of a potentially large number of urban actors will continue to be central to urban development, but it will most likely come after, and only after, governments prove the effectiveness of their policies.

In this framework, urban planning may also make a comeback. When implemented, comprehensive and local plans are an effective tool to promote greater efficiency, as well as – no need to add – sustainability, maybe even when only marginally bottom up and participatory. The consuming middle class will undoubtedly demand better infrastructure and services that can be provided through conventional as well as innovative planning instruments. What is important is the ability to properly identify needs and to preserve the land such infrastructure and services will have to stand on from other uses. In turn, this requires that approaches and tools be embedded into the institutional setting and culture of governance specific to the urban context in which they have to operate, a very different perspective from the universalistic one that has largely dominated the views on 'the city of developing countries', since the notion was shaped (Watson, 2009).

However, more government may well bring even less equity than we see today. The emerging and growing taxpayers of the middle-class are likely to demand that public investment go first and foremost into infrastructure and services for those parts of the city in which they live, namely the most consolidated irregular settlements (or parts of them), as well the formal ones that were never provided with appropriate services. The consuming middle class's growing importance calls for original research on whether it can actually be looked on as a 'social actor' and, in any case, what values and priorities this population is the bearer of in different economic and cultural urban contexts. The challenge is to understand whether the new consuming middle class portends the rise of a new citizenship or rather an additional support to exclusionary policies that will leave behind the weaker parts of the population further intensifying the deep social and spatial differences that currently characterize most cities of the South.

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