The Widening Urban Divide

QUICK FACTS

1. Today the world is more unequal than it was twenty years ago: 75 per cent of the world’s cities have higher levels of income inequalities than two decades ago.

2. Opportunities across diverse individual abilities and cultural backgrounds that historically characterize urban dynamics have stalled in many regions of the world.

3. Too many cities today fail to make sustainable space for all, not just physically, but also in the civic, socioeconomic and cultural realms.

4. The spatial concentration of low-income unskilled workers in segregated residential quarters acts as a poverty trap with severe job restrictions, high rates of gender disparities, deteriorated living conditions, social exclusion and marginalization and high incidence of crime.

POLICY POINTS

1. Cities are the sites of innovation. They are the places where new economic ideas crystallize and where heterogeneous groupings of people learn to co-exist as neighbours.

2. The heterogeneity, density and diversity of cities, which is what makes them nodes of economic innovation and democratic progress, has to be managed and planned.

3. The challenge of exclusion from urban civic spaces can be tackled head-on through ‘the right to the city,’ and a rights-based approach.

4. Habitat III comes at the right time not only to renew the international commitment to inclusive cities.

The world is not only divided by differentiated access to opportunities, consumption, public spaces and services, education, technology and employment, but more and more by access to income.

There is an urgent need at this juncture for new planning visions, strategies, policies and tools that can transform our planet of cities into a planet of inclusive cities.

Occupy Wall Street, Ferguson, Baltimore, Gezi Park are all PROTESTS against EXCLUSION.
TUNISIA

- Fast economic growth
- Still informal labor force accounted for 47%

LOS ANGELES

- 54% Labor Force was informal
- 61% of labor force were undocumented

UAE

- 20% Citizens
- 95% Labor force is made of migrants

- 2010 -
  Inequalities in the world
  (Gini Coefficient)
  - Latin America & Caribbean: 0.5
  - Africa: 0.45
  - Asia: 0.4
  - Eastern Europe & Central Asia: 0.35

  UN-Habitat international alert line

OVER

- 46% are in vulnerable employment accounting for 1.5 billion people globally
- 63% Africa’s labour force is trapped in vulnerable employment

OVER

- 50% income
- 3% income
- 0.47 Gini Coefficient means
Urban history shows us that cities are the sites of innovation. They are the places where new economic ideas crystallize, where heterogeneous groupings of people learn to co-exist as neighbours, and where democratic experiments emerge to make way for previously excluded social groups to be included as genuine decision-makers. The high density of people in cities facilitates economic growth through better sharing, matching and learning, and as Alfred Marshall famously said, just the sheer concentration of people leads to new ideas because “ideas are in the air.” Not only do cities feature high densities of people, but their high densities also force people of different religions, nationalities, ethnicities and sexual orientations to live and work alongside one another, and in doing so, they get to know “the other,” leading to a cosmopolitan respect for differences.

Just as cities are sites of new opportunities and inclusion, they can also turn into sites of deprivation and exclusion. The 2008-2009 Occupy Wall Street protests across cities in the US were a collective uprising by low and middle-class groups to protest against their exclusion from the sharing of urban wealth. The occupation of Gezi Park in Istanbul against the proposed redevelopment of a public park into a shopping mall was a collective demand to the city government to not exclude the vast majority of the public who enjoyed the free open space for a small minority of publics (developers, more affluent shoppers) who would benefit from the building of the shopping mall. The eruption of violence in Ferguson, Baltimore and other American cities in 2015 over racialized policing is the symptom of a deeper malaise of spatial segregation, where low-income, African-American populations have historically been segregated into neighbourhoods that cut them off from better schools, jobs and housing in the rest of the city.

In short, there is nothing natural about the form and character of the city. Cities are socially produced, and fair rules of the game (Chapter 6) and active planning interventions (Chapter 7) play a key role in creating varying degrees of urban inclusion and exclusion. The most conventional of planning instruments, zoning, took its definitive form in the post-World War II context in Western cities, and was used to separate the different uses that inhabit the city into harmonious zones. But, as amply evident from the protests of the past decade over urban inequality, there is a dark side to zoning. The history of urban planning is replete with instances of powerful groups within societies who have used zoning and other planning instruments to keep out groups that they consider to be undesirable. Racial covenants, discriminatory lending practices, state-sponsored infrastructure and a host of other public policies created the Fergusons that we see today in many parts of the world: cities that are distinctly divided into white and black neighbourhoods; rich and poor areas; affluent and deprived neighbourhoods. These exclusionary mechanisms are further explained in Chapter 6 through the notion of “invisible” and “hidden” powers in which political and policy deliberation processes and forums are not an equal playing field.

The social production of inclusion/exclusion within cities, then, is not new. But, we stand now at a unique tipping point where our planet is, for the first time in its history, predominantly urban. There is an urgent need at this juncture for new planning visions, strategies, policies and tools that can transform our planet of cities into a planet of inclusive cities. The need for a new urbanization model that contains mechanisms and procedures that protect and promote human rights and the rule of law is part of the guiding principles for a New Urban Agenda, as further elaborated in Chapter 9. At this critical juncture of the global urban transition, we can fall back on laisser faire planning and practices and let the market and other forces drive urban growth (this, as the urban protests show us, can have disastrous consequences). Or we can seize this moment of a global social ferment to imagine new socially inclusive futures for our 21st century cities.

Habitat II made a commitment to turning “inclusive cities” into reality; however, the world today looks very different from how it did in 1996. Global flows of capital, people and ideas across national boundaries have accelerated, and cities are the staging posts for these encounters. City governments have to deal with daunting challenges like how to attract hyper-mobile capital while also making sure the needs of their urban residents are met, how to manage the social hostilities that could arise as diverse social groups start living
in close propinquity to one another, and how to mediate amongst different groups as they compete for the same limited urban resources. Today, the world is more unequal than it was twenty years ago, according to UN-Habitat/CAF; 75 per cent of the world’s cities have higher levels of income inequalities than two decades ago.1

Habitat III comes at the right time not only to renew the international commitment to inclusive cities, but to also to act as a catalyst for timely dialogue on the new planning theories and practices as well as the much-overdue policies and actions that can move our urban societies in the direction of inclusive cities (this is part of the fundamental components that the New Urban Agenda should include as elaborated in Chapter 10).

4.1 People Excluded and Places of Exclusion2

Never before have the cities of this world appeared so starkly as they do today as nodes of economic, social, cultural and political links within self-contained if ever-expanding spaces.3 Never before have so many newcomers been attracted to these concentrations of wealth and productive capacity than today – nor these resources been so inequitably distributed that “the urban divide”4 between rich and poor has never looked so wide.

The redistribution of wealth and opportunities across diverse individual abilities and cultural backgrounds that historically characterizes urban dynamics seems to have stalled in many regions of the world; this is largely because the interactions of interests, concerns, norms and sanctions commonly referred to as “law,” 5 are no longer working in favour of all urban residents. Too many cities today fail to make sustainable space for all, not just physically, but also in the civic, socioeconomic and cultural dimensions attached to collective space – spawning slums, informal settlements, informal businesses and jobs, hand-to-mouth livelihoods, destitution and disenfranchisement. By contrast, prosperous cities (as defined by the UN-Habitat City Prosperity Index – CPI) make physical space for all through land use regulations, planning and housing; socioeconomic space for all through facilitating frameworks as well as decent work opportunities and conditions; prosperous cities also make civic space for all through effective recognition of rights and cultural diversity (Chapter 10). Yet, people continue to be excluded from socioeconomic and cultural spaces, and places of exclusion coexist more and more with enclaves of prosperity, as the following review clearly indicates.

Exclusion from socioeconomic space

Within the planning profession, a small but influential group of scholars argue for an urban theory of justice, and for mainstreaming the principles of equity, democracy and diversity into the everyday workings of urban space and policies.6 This means that the formal political and socioeconomic spheres make space for newcomers, instead of turning access conditions into a series of impossible legal, regulatory and other hurdles that effectively maintain the dominance of vested (largely land-based) interests, and other forms of hidden powers as explained in Chapter 6).

In developed countries, where wages are kept...
low by global competition, foreign and local property speculation keeps driving housing prices upward, pushing less affluent categories of the population ever farther to the peri-urban peripheries—including staff of such basic services as police, hospitals and public transport. In emerging and developing countries, where hand-to-mouth livelihoods prevent capital formation, little is done to acknowledge “urbanization” and to grant effective land and/or housing rights to millions of urban residents. Such social exclusion has direct repercussions on the socioeconomic spaces of our cities. In developing countries, the lack of investment from local dominant classes, results in thin domestic industry on the ground, turning local employment into a collective survival strategy in low capital, low-productivity, low-wage, labour rights-free enclaves. Micro- and family-enterprises produce goods or services in makeshift workshops, if not in the open air like the roadside furniture makers in Nairobi. The predicament is similar in the manufacturing sector, which is often part of international “value chains” which in the name of global competition ignore labour rights. The result is that on the whole, in emerging and developing countries alike, at times the formal and informal economic spaces hardly make any difference in terms of labour rights and socioeconomic inclusion (Box 4.1).

The world is seeing a surprising phenomenon in developing countries today that was hardly anticipated by economists: as these countries witness dramatic surges in their economic fortunes, they simultaneously experience a spurt in informal employment. Economists of the 1950s and 1960s, such as Arthur Lewis, had argued that the formal and informal economies are separate, and that as the formal economy becomes more prosperous, it will absorb surplus labour from the informal economy and the informal economy will cease to exist. And yet, in countries as varied as Tunisia and Mexico, rapid economic growth of the past few decades has been accompanied by an even faster growth in the informal economy.

Tunisia, for instance, experienced an economic slump in the 1980s. The country started liberalizing its economy from 1986 onwards, and its average growth rate has been steadily increasing since then. It was during this period of fast economic growth that the informal economy also grew the fastest, accounting for nearly 47 per cent of the non-agricultural population in the late 1990s. In Mexico, economists not only showed the positive correlation between economic growth and the informal economy, but they went a step further to show the contribution of the informal economy to economic growth: the informal economy “provides low-cost labour, inputs, goods, and services to both formal and informal enterprises, and low-cost goods and services to the general public, especially poorer households.”

In Mexico and Tunisia, as in many other countries in the developing world, growth in the informal economy is related to globalization. This is the case, for instance, with the global supply chains in the clothing industry, where for a single firm, the cotton may be grown in a country where land and labour are cheap, it is exported to another country where the yarn is produced, and then shipped maybe to Bangladesh. Simultaneously, thread, buttons and other components are manufactured in other countries, and brought into Bangladesh. Once assembled there, the items are exported to high-end markets. The firms belong in the formal sector, not the workers. In Tunisia, during the country’s fastest growth period, over 54 per cent of the labour force consisted of informal workers who were subcontracted by large export-oriented formal enterprises. Amongst these informal workers, females are predominant, being preferred over males for a number of reasons: willingness to work for lower wages, lower propensity to organize compared with male workers, and higher degrees of pliancy.

The story is not too different in developed countries. Globalization scholars have pointed to the changing nature of the global economy and its impact on American cities, for instance. Immigration flows, outsourcing of jobs to developing countries, and the retrenchment of social

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**Box 4.1: Global employment vulnerability**

Poor job quality remains a pressing issue worldwide. The incidence of vulnerable employment—the share of own-account work and contributing family employment, categories of work typically subject to high levels of precariousness—is declining more slowly than before the start of the global crisis. Vulnerable employment accounts for 1.5 billion people, or over 46 per cent of total employment. In both Southern Asia and Sub-Saharan Africa, over 70 per cent of workers are in vulnerable employment.

In addition to limited access to contributory social protection schemes, workers in vulnerable employment suffer from low productivity and low and highly volatile earnings. There are also significant gender gaps in job quality. Women face a 25 to 35 per cent higher risk of being in vulnerable employment than men in certain countries in Northern Africa, Sub-Saharan Africa and the Arab States.

Source: International Labour Office, 2016b.
welfare programmes have deeply affected economic life in Western cities, as Chapter 8 urban economies further expounds. Middle-class workers who until recently had secure formal-sector jobs and reliable safety nets now find themselves expelled from the labour market. “Expulsions” instead of forms of exclusion are taking place in these countries with social groups who until just a couple of decades earlier were secure participants in formal labour markets. Moreover, informal workers in developed countries are mostly undocumented migrants from lower-income countries who, because of their legal status, fear going to the police or seeking out legal help, thus further entrapping them within these informal conditions. It is these socially and politically excluded groups that make up the bulk of Los Angeles County’s informal workforce: in 2005, it was estimated that undocumented workers made up 61 per cent of the informal labour force in Los Angeles County and 65 per cent for the sole city.

Further, evidence shows that the informal economy is not just a developing country phenomenon. Recent scholarship points to the growing informalization of the urban economy in the US, thus challenging the conventional view that the informal economy is just a transitional phase on the path to an advanced industrial economy. In the US, for instance, the neighbourhood of Harlem in New York City was documented to have a thriving informal economy exceeding one billion dollars. The findings of the study led a large American bank to recognize the financial demand at the bottom of the pyramid and to open two new branches in Harlem. The finding that informality is cyclical, i.e. grows in parallel with economic growth, has led to widespread concern that our societies are now “growing unequally.” On the one hand, the recent past has seen an unprecedented increase in wealth accumulated, the world’s middle class has grown at a record rate, and income per capita, as well as capital and property values have increased considerably in most parts of the world. On the other hand, economic inequalities have increased and incomes have never been as polarized as they have in the past two decades. Asia, for instance, featured the highest economic growth rates in 2012, with aggregate annual GDP growth rate reaching seven per cent (2005 purchasing power parity); but inequality also increased, by four per cent between 1990 and 2008. OECD countries saw their own overall Gini coefficient increase from 0.29 at the end of the 1980s to 0.316 by 2010, with sharp rises in traditionally more egalitarian countries like Finland and Sweden (Box 4.2).

**Box 4.2: The rich-poor gap is widening**

Income inequalities have become a universal concern. The world is not only divided by differentiated access to opportunities, consumption, public spaces and services, education, technology and employment, but more and more by access to income. More than two thirds of the world’s population lives in cities that are more unequal today than 20 years ago.

The gap between rich and poor is widening in developing countries and emerging economies but also, more surprisingly, in those countries that were considered as the most egalitarian. Although in global terms poverty reduced by half from 43 per cent in 1990 to 21 per cent in 2010 and the middle class increased by 450 million people, income inequalities continue to grow. According to the World Bank, the world’s Gini ratio increased from 0.65 points in 1980 to 0.70 in 2010, pointing to higher inequality even as wealth accumulated like never before.

In 2010 Latin America and the Caribbean remained the most unequal region in the world with a Gini coefficient slightly below 0.5 in 2010, compared with Africa’s 0.45. Least unequal countries were high-income nations (with Gini coefficients around 0.30), followed by Eastern Europe and Central Asia (0.35). Asia stood in between (0.4), exactly on the edge of UN-Habitat’s “international alert line.” In general statistical terms, a Gini coefficient of, say, 0.47 means that the richest 20 per cent of the population earn slightly more than half of total income, while the poorest 20 per cent earn only three per cent of that income.

As for urban inequalities, the evolution is sharply contrasted across regions, particularly in the developing world, as summarized below.

**Latin America and the Caribbean:**

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UN-Habitat and CAF have compiled a unique mass of data and information on income/consumption inequality in LAC, involving a database for 320 cities in 18 countries, which represent more than 85 per cent of the LAC population. On this basis, it was determined that overall, urban inequality dropped from 0.517 in 1990 to 0.494 (Gini coefficients) in 2010, reflecting the trend in almost two-thirds of cities, with increases in others. The best performing countries were Peru (with a 15.4 per cent drop), Uruguay and Mexico (14 per cent) and Panama (13.5 per cent). Worst performing were Colombia (a 14.5 per cent increase in urban inequality), Costa Rica (14.3 per cent), the Dominican Republic (9.6 per cent) and Ecuador (5.26 per cent).

The UN-Habitat-CAF study shows significant variances in income and consumption inequality across the urban and the national scales, confirming that aggregate national values are seldom apt to describe what happens in all urban settings (in eight out of 12 of the countries, the Gini coefficients of the least and the most unequal city diverts 45 per cent from the national average). The study concluded, “in order to reduce inequalities, in addition to a stable economy and growth, strong institutions, effective social programmes and strong links between the various levels of government are required.” In Peru, for instance, the overall urban Gini coefficient decreased by 15.4 per cent thanks to improved social and fiscal policies, which expanded access to public services and opportunities.

**Africa:** any available information about nationwide or urban income inequality is scant and fragmented. Some time ago, the British Overseas Development Institute (2006) saw inequality on the rise while making exceptions for the Gambia, Kenya, Mauritania and Tanzania. Earlier, the UN Economic Commission for Africa (2004) found that in Ethiopia, Mozambique, Rwanda and Uganda, the income gap was widening.

UN-Habitat has collected data on income/consumption inequality in urban areas in 24 countries from national statistics offices and other official sources over a period of 20 years (1990-2010). Again, the results are rather mixed, and in general terms African cities come second only to LAC for unequal incomes and consumption, combining the lowest per capita incomes and major social divides in health, nutrition, education and basic services.

The most unequal cities in the region and probably in the world are in South Africa: in Buffalo, Ekurhuleni (East Rand), eThekwini (Durban), Johannesburg, Port Elizabeth and Tshwane (Pretoria), Gini coefficients stand above 0.7, higher than the 0.64 ratio found in Lagos, Nigeria. Another seven cities (out of 42 in the African sample) feature Gini coefficients above 0.5 (“very high inequality”). For all these extremes and the high average, though, significant variances in income and consumption inequality across the urban and the national scales, confirming that aggregate national values are seldom apt to describe what happens in all urban settings.

Between 2003 and 2013, while income distribution has improved in six countries — Algeria, Benin, Côte d’Ivoire, Rwanda, South Africa and Uganda — it has deteriorated in another six — Botswana, Egypt, Ethiopia, Mozambique, Tanzania and Zambia. The largest increases in urban income inequality were recorded in Botswana and Zambia and the most significant reductions happened in Côte d’Ivoire and Uganda, as per the existing sample. All these figures are to be considered with caution, since data was compiled using various sources and methods of calculation. In various countries urban data is available only for one point in time and in general inequalities remain quite high. Still, the data suggests an urgent need for African countries to address income inequality since this economic divide has the potential to hinder development and stall progress.

**Asia-Pacific:** the economic growth rate slowed down to around six per cent in 2014 from seven per cent one year before, but the region remains the global leader for growth — and for poverty reduction, too. Between 1990 and 2010, more than 716 million Asians have been lifted out of poverty, with the rate falling from 54 to 21.5 per cent of the overall population.

This would suggest that economic growth and income inequality do not necessarily go hand in hand. Still, according to the Asian Development Bank, inequality in the region rose by four per cent of Gini coefficient between 1990 and 2008 and the trend has apparently continued in various countries in recent years. In major economic powerhouses such as China, India and Indonesia, inequality indicators are deteriorating.

While the sample of Asian cities with comparable data is very limited, the highest degrees of inequality are found in Hong Kong; Ho Chi Minh City, Viet Nam; and Chiang Mai, Thailand, with Gini coefficients above 0.5. Least unequal are Chittagong and Dhaka, Bangladesh; Fuzhou, Xi’an and Benxi, China, with Gini coefficients around 0.35 and below the international alert line — but here again denoting widespread poverty and poor public services. A new sample surveyed by UN-Habitat showed that in all but one of seven cities, inequalities had steepened between the years 2000 and 2014: Hong Kong, Colombo, Delhi, Jakarta and Bangkok, with the last two recording the highest increases. Only in Manila did inequalities remain stable. If anything, this provides some indication of the steeper urban inequality at work in the region.
A good example of the role local government policies can play in making cities more economically inclusive comes from eThekwini, South Africa. Formerly known as Durban, the city has been praised for a renewal project (Warwick Junction), which has opened spaces to informal businesses such as street vending.\(^{17}\) The new planning approach was a joint cooperative initiative between public officials and organized street vendors, highlighting the suspension of traditional master plans in favour of a more collaborative approach. This included the type of inter-departmental coordination and participatory planning needed for street trading, bringing public agencies, which otherwise work in silos, into collaboration with one another. The municipality also made sure that street vendors and their preferences guided the (low-budget) design, facilitating project ownership. This experience shows how planning and other rules can be turned from forbidding to facilitating and inclusive through participatory decision-making, in the process recognizing the social and economic value of the informal services sector. Ensuring equitable urban development and inclusive growth and empowering civil society are fundamental principles of what the New Urban Agenda should address (Chapter 9).

**Exclusion from the collective sociocultural space**

The 1970s saw the rise of a number of defining social movements – the feminist movement, the civil rights movement, and more recently, the lesbians, gays, bisexuals and transgenders (LGBT) movements – that marked a clear shift from the class-based struggles of the earlier decades. These movements were not just about socio-economic injustice. They are instead about a cultural injustice, rooted in a struggle for recognition and the positive re-valuation of cultural diversity.\(^{31}\) Many countries maintain laws and social practices that shame, discriminate, harass, and even criminalize, lesbians, gays, bisexuals and transgenders. This can involve a socio-economic dimension such as dismissal from paid work or denial of welfare benefits. However, these groups demand positive recognition of their identity rather than any material redistribution of resources. The Human Rights Campaign, the largest dedicated civil rights organization in the US, maintains a Municipal Equality Index,\(^{32}\) including “non-discriminatory laws” with regard to employment, housing and public amenities; the “municipality as employer,” (focusing on equivalent benefits and protection, and preference for fair-minded, non-discriminatory procurement; and “municipal services.”

Exclusion from the cultural space also affects gender relations. Feminists have long pointed to the inequalities in access to economic opportunities due to the fundamental division between paid, “productive” work (typically outside the private home space), and unpaid, “reproductive and care-giving (typically based outside the home space) work.” Within the paid labour force, women face socio-economic exclusion, as labour markets are divided into “the higher-paid, male-dominated, manufacturing and professional occupations and lower-paid, female-dominated “pink-collar” and domestic service occupations.”\(^{33}\) Gender-related income gaps are significant, even in the formal labour force in developed countries. In the US, a survey found that as of 2013, the median full-time working woman’s average earnings were 78% per cent of her male counterparts.\(^{34}\) Women also earn less in terms of health insurance, retirement savings or paid leave.

Women also face exclusion from mainstream social interactions, including “sexual assault, sexual exploitation, and pervasive domestic violence; trivializing, objectifying, and demeaning stereotypical depictions in the media; harassment and disparagement in all spheres of everyday life… exclusion or marginalization in public spheres and deliberative bodies, and denial of full legal rights and equal protection.”\(^{35}\) Female exclusion can also be entrenched in the physical urban space.\(^{36}\)

Some countries have tackled women’s poor access to mainstream sociocultural space through fiscal change.
exclusion from the mainstream sociocultural space also pervades the arts, media and culture, often in tandem with economic exclusion.

migrant groups face harsher discrimination than others because of the visible rise of islamophobia in western countries.

fewer than 20 per cent of the UAE's population are citizens, and as many as 95 per cent of the labour force in the private sector is made up of migrants.

unequal distribution of civil rights has implications for political rights.

Exclusion from political space

The oldest question confronting democracies is that of political space, i.e. boundaries: who should be included within the specific space of a given political jurisdiction, and by extension, who has the right to participate in civic space—i.e. the democratic decision-making process—within that jurisdiction? This question has become more crucial under the double pressure of economic globalization represented by cross-border migrants and investors. Migrants often lack even the most basic civic rights in host countries, and mature democracies such as those of Western Europe are now facing a serious threat of de-democratization as more and more social groups are excluded from the democratic process.

immigration and the role of immigrants is one of the most politically charged debates in Western countries. in the EU, an opinion survey found that in 2014, immigration was the third most frequently mentioned issue in member states, after unemployment and economic conditions, with 57 per cent of the general public taking a negative view of the “immigration of people from outside the EU.” resentment of immigration is partly fuelled by the economic crisis and the intense competition for scarce jobs. it is also fuelled by xenophobic attitudes and low tolerance to diversity. EU citizens recognized that migrants come to their countries in search of better economic prospects, and there is a fear amongst the “local people” that these migrant outsiders are taking employment opportunities from them. besides the economic threat, migrants from outside the EU are also perceived with strong negative stereotypes that associate them with criminal activities such as acquiring visas illegally, evading taxes, involvement in corrupt business activities and so on.

these strong feelings of distrust and even hostility stand in the way of any political changes that seek to include migrants, especially those from outside the EU, within the EU’s political community. some governments have reneged on earlier pledges to grant migrants the vote and the right to organize, to form trade unions, and to go on strike are.

Exclusion from the mainstream sociocultural space also pervades the arts, media and culture, often in tandem with economic exclusion. in most cities, cultural amenities are generally located in the most affluent neighbourhoods. This has prompted Medellín, Colombia to launch a “social urbanism” project, including public parks and a library by a world-renowned architect deployed in the poorest neighborhood.

Minority groups, who in many cases are also economically underprivileged, may also find that their language is excluded from official dealings, signs or public information broadcasts. in this respect, one of India’s most historically excluded groups, the Dalits, have now set up their own Chamber of Commerce to provide institutional support to an expanding business community and to publicize their specific concerns. Dalit entrepreneurs use their economic resources to remedy cultural exclusion, demonstrating that the line between economic and cultural exclusion is extremely thin, if not blurred.

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not recognized. Migrant workers in the UAE and other Gulf Cooperation Council countries cannot be considered migrant workers, as they work on a temporary basis and according to fixed-term employment contracts. Therefore, the immigration laws applicable in Western countries cannot be applied to these workers. Migrant workers in the Gulf countries are subject to some of the most blatant violations of human rights, including unacceptably low wages, long workdays during peak hours of summer months, overcrowded and segregated living conditions in labour camps located in remote areas, and debt bondage (e.g. confiscation of passports by private employers).

Exclusion from universal suffrage, i.e. political rights, is not the only form of political exclusion. T. H. Marshall’s defined citizenship as a “status bestowed on all those who are full members of a society.” In addition to political rights, include civil rights (equality before the law and the rights necessary for individual freedom) and social rights (the right to basic social and economic welfare). This categorization of citizenship rights is particularly relevant in rapidly urbanizing countries where the most vulnerable social groups have political rights, but lack civil and social rights. In many developing countries, poorly planned urbanization has priced more people out of formal land markets, forcing them to make their homes in informal and unauthorized settlements (Chapter 3, the Fate of Housing). Though the democratic ideal is for all citizens to be treated equally, in practice, informal residents are not treated at par with formal residents. They are often denied civil rights; their associations, for instance, are not granted the same status as those of formal associations. Unequal distribution of civil rights has implications for political rights. Countries around the world are experimenting with new participatory models of planning, but critics point out that formal associations, which represent the interests of more affluent, middle-class groups within society, hijack these participatory processes, as explained in Chapter 6. Lack of equal social rights, including basic public services, goods and amenities, is the defining and most visible characteristic of informal settlements. A common perception is that extension of such basic services would be akin to government endorsement of land law transgressions. As a result, slum residents will often gain access through power plays with public authorities, rather than as bearers of rights. In China, rural migrants to cities make up a large share of the labour force but are not entitled to the housing, health, schooling and other public services available to established citizens and often end up living in overcrowded, poorly serviced rental accommodation in secluded spaces known as urban villages.

The challenge of exclusion from urban civic spaces can be tackled head-on through “the right to the city,” rights-based approaches and “just sustainabilities” (Chapter 5). Originally a call for residents’ political participation in the shaping of the city, the “right to the city” was codified at the 2004 World Social Forum by social movements into the World Charter on the Right to the City, and was the theme for the UN-Habitat 2010 World Urban Forum.

A practical example of the “right to the city” can be found in Ireland’s capital city. The Dublin municipality has granted non-Irish, non-EU residents the right to vote in local elections regardless of legal status. This effectively breaks the time-honoured link between civic rights and nationality. The political inclusion mandate is taken one step further with voter education and awareness campaigns. In Colombia, the government guarantees basic services – water supply, sanitation, electricity, waste collection, telephone and gas – to all, including slum-dwellers. The lack of basic amenities is a defining feature of informal settlements, and is conventionally motivated by lack of formal tenure; but Colombia’s guarantee effectively breaks this link to bring slum-dwellers within the mainstream space of shared basic services.

**Spatial exclusion**

New optical fibre networks that within nanoseconds transmit information from one corner of the world to another; and Internet/social media that has made it possible to connect, mobilize and organize people dispersed in far-away places into new networks. These technological innovations have resulted in new urban landscapes that would have seemed too futuristic and only remotely possible nearly 20 years ago, during the Habitat II conference. However, instead of bringing together far-flung networks and integrated (if virtual) urban expanses, ICTs instead splinter physical space into highly unequal, fragmented environments. This new intertwining of technology with the social, economic and political spaces have been called the “space of flows”: information technology functionally integrates all high-value spaces, while simultaneously bypassing and excluding those of a lower value.
The spatial concentration of low-income unskilled workers in segregated residential quarters acts as a poverty trap. The situation is not that dissimilar in the very material world of underground water supply networks in Mumbai, India. The municipality subsidises good-quality water supply to affluent gated condominiums, along the way criss-crossing beneath informal settlements that are deprived of any access to that or any other water network. In India can also be found the paradox of low-paid women who work in some most technologically advanced, cutting-edge hospitals, but have no access to the services offered there. The paradox is that “life expectancy in the immediate environs of these internationally renowned hospital facilities is amongst the lowest in the nation and comparable to many of the poorer countries of the world.” This is an example of “Just Environmental Sustainability,” as elaborated in Chapter 5). These examples highlight how the various spaces where people interact on a daily basis are kept strictly separate, instead of being unified, by exclusive rules that fail to recognize the needs of those physically, though not socially, more proximate. ICTs provide the ultimate illustration of this new ordering of urban space, whereby geographically distant regions that are of high-value to the global economy are seamlessly connected through the most advanced technology, but physically proximate regions are disconnected and severed from one another.

It often happens that such intra-urban spatial inequalities are strongly correlated with ethnicity: for instance, “Puerto Ricans and Haitians in New York, Mexicans in Los Angeles and San Francisco, barefoot indios in Mexico City, nordestinos in São Paulo, Jamaicans in 1960s’ London, Algerians in Paris, Turks in Frankfurt, and Malays in Singapore.” As documented by UN-Habitat, the spatial concentration of low-income unskilled workers in segregated residential quarters acts as a poverty trap, which is characterized by six distinct challenges: (a) severe job restrictions; (b) high rates of gender disparities; (c) deteriorated living conditions; (d) social exclusion and marginalization; (e) lack of social interaction, and (f) high incidence of crime. Segregation is a proxy for the “social distance” between groups, i.e. segregated minority populations who would benefit from spatial proximity to higher-income white groups, lack access to the quality schooling, safety and social connections that could lead to new employment opportunities. In Paris, the Index of Dissimilarity revealed that 32 per cent of all residents would have to be relocated if an even mix of French, Maghrebis and Africans had to be achieved. The spatial segregation of largely immigrant, low-income groups in suburban Paris affects their social status, and neighbourhood segregation prevents those unemployed from securing jobs.

Sub-national data is scarce in developing countries where a proxy for spatial exclusion is the proportion of slum compared with non-slum areas in any given city. The new feature is the juxtaposition of high-income enclaves with slums. Medellin, Colombia is segregated between the affluent South and the poor North, whereas in Mogadishu the polarization works the other way round. Inequality is more visible under a spatial than any other (e.g. income) perspective and the contrast of the “citadel” with the “ghetto” can generate mistrust, alienation, tension or unrest.

As for ICTs, research suggests that (Chapter 5) they are more likely, by themselves, to exacerbate than remedy existing inequalities, because whoever already wields power will have better access to, and control over, these technologies (Chapter 1). However, given favourable conditions, ICTs can support advocacy and empowerment, enabling excluded groups to leapfrog existing barriers and become better integrated within urban society (including banking and credit services), as in Kenya. In Boston and St. Louis (US), ICTs strengthen communication and dialogue between citizens and public officials.

Redevelopment of distressed urban areas used to be top-down, with little opportunity for far-flung local communities to have their preferences and voices heard by distant federal officials. Today, videos carry the voices of local stakeholders to planning offices and federal agencies, giving them a reach, which would not have possible without the use of technology. Local stakeholders can also give feedback on urban programmes in their neighbourhoods. In Brazil and Colombia, some slum communities and associations publicize both issues and achievements through local TV broadcasts (favela cameras). These examples show how ICTs can facilitate more decentralized and inclusive urban governance.

Infrastructure networks are occasionally perceived as splintering urban space. It takes political will to integrate, rather than further fragment, the built environment of any city. It takes political will to integrate, rather than further fragment, the built environment of any city. Till the early 2000s, the residents of...
Chapter 4: the Widening Urban Divide

Addressing economic exclusion

Transportation networks for the high-income areas further fuel economic exclusion, as those confined to poorly serviced, low-income neighbourhoods are cut off from the decent formal jobs.

This vicious cycle where one form of exclusion reinforces another can only be broken through active public policy, such as in the eThekwini and Medellín cases. In the former, street vendors were not criminalized, but instead seen as hard-working citizens who have as much of a right to work in the city as any other “formal” workers do. In the latter, the mayor took a progressive stance to locate high quality transport and cultural amenities in the poorest neighbourhoods.

In reality, these multiple forms of exclusion work in tandem with one another. For instance, informal settlements or slums are not just an expression of economic exclusion (the poor unable to afford formal land/housing), but can also be produced at the intersection of these various forms of exclusion (Chapter 5 “Just” Environmental Sustainabilities). Those living in the poorest urban neighbourhoods may be internally displaced, cross-border, war or climate refugees and/or belong to ethnic, religious, racial and/or despised minorities. The high correlation between caste and poverty in India is a case in point, with minorities accounting for 10 to 15 per cent of an urban population, which makes up close to half the slum dwellers. Lack of legal status (as in the case of undocumented migrants) further compounds civic exclusion. This in turn further reproduces spatial inequality, as those with political voice and/or money power have more access to decision-makers and are able to leverage urban amenities for their own benefit (Chapter 6 Rules of the Game). Better schools, parks, health facilities and transportation networks for the high-income areas further fuel economic exclusion, as those confined to poorly serviced, low-income neighbourhoods are cut off from the decent formal jobs.

The affluent South rarely ventured into the North, just because the area was physically cut off. Since then, five cable car lines link the poor barrios located on steep inclines to the rest of the city, providing quick, safe transit for commuting workers and vendors and providing a sense of civic belonging to one single urban space.

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4.2 The New Urban Agenda: Unfinished Business and Emerging Forms of Exclusion and Marginalization

Against the backdrop of global interdependencies and conflicts, the role of cities – both in relation to their hinterland as well as to international economic flows – is rapidly changing. Consequently, new urban policies are needed to harness the benefits that arise from different groups of people living in close proximity to one another, rather than letting these heterogeneous urban conditions combust into intolerance, xenophobia and widening inequalities. In other words, the heterogeneity, density and diversity of cities, which is what makes them nodes of economic innovation and democratic progress, must be managed and planned, short of which these very variables that make successful cities can transform them into places of social exclusion and inequality. Cities like eThekwini, Dublin and Medellin show how inclusive planning has the capacity to augment civic, socioeconomic and sheer physical space for all. The components of the New Urban Agenda are focused on desired directions of change for urban areas in the context of national development.

Local authorities, however, are not all by themselves in a position to make cities more inclusive – far from it: instead, it takes coordinated action between local and higher tiers of government (Chapter 6). National laws, regulations and policies play an important role in enabling or constraining local actors to achieve inclusive urban spaces. The components of what can constitute the New Urban Agenda integrate these elements as frameworks for local action (Chapter 10). Local authorities in China and Vietnam, for instance, wield only limited control over migrant rights and access to basic services, as domestic registration systems rest with national policies. Global pressures, as reflected in rankings based on business/economic competitiveness, force cities to prioritize characteristics such as physical size or GDP over redistributive/socially progressive programmes, with little concern for participatory planning and inclusive decision-making. Local governments then have to be seen as part of more comprehensive governance solutions to ensure synergies and complementarities of interventions across different tiers.

Largely derived from the findings of a previous edition of the State of the World’s Cities report with regard to economic, social, political and spatial exclusion, this section of the Report concludes with a discussion of some policy levers for more inclusive, sustainable cities.

A reinvigorated notion of urban planning and design...

One of the most common instruments used by planners to regulate and manage urban population and spatial growth is the master plan. And yet, the traditional master plan that focused only on the physical development of the city has now become an outdated, exclusionary planning model (Chapter 7). It is incumbent on the New Urban Agenda to revisit this planning model, retaining any positive aspects that are susceptible of reducing negative externalities (based on “just sustainabilities”) and maximizing more positive ones – while promoting a reinvigorated notion of urban planning and design, which should feature as a major tenet of this agenda.

Rigid, top-down zoning plans only ensure that much of urban life takes place outside their own dictates, as is the case with informal economic activities. The socioeconomic patterns these plans lay out largely formalize and “freeze,” in both concrete and tarmac, the dominant political and economic interests of the time, which by definition have little concern for the poor (Chapter 6). Urban authorities around the world routinely demolish thriving open-air informal markets and move them into concrete structures in new locations, without any concern for traders’ or customers’ needs. Many of these redeveloped markets have fallen into disuse, with serious adverse effects on informal livelihoods. In contrast, the eThekwini case shows how new spatial planning can recognize informal vendors not as deviants, but as fully legitimate workers, and how their
needs can be integrated into formal planning. eThekwini also shows how spatial planning can support economic opportunities for the poor, while at the same time providing the light-handed type of that reduces any potential for conflicts between the economy and transport so that the informal trade and transport flows do not hinder each other. The New Urban Agenda must respond to the institutional conditions under which local governments can creatively and pragmatically make urban space more inclusive (Chapter 10).

Similarly, a reinvigorated notion of urban planning and design must keep up with changing patterns of labour mobility. In India, for instance, the high costs of urban land are pushing formal manufacturing firms into peri-urban areas. This means that workers, particularly unskilled labour, must commute to peri-urban instead of more central areas, which calls on planners to provide affordable transport and infrastructure.

It must be stressed here that the effects of climate change can pose unexpected challenges for urban planning, as they can, by themselves, result in spatial inequality and destitution. For instance, along the coastal areas of Dakar, sea level rise is gradually turning proper conventional housing into slums (according to the UN-Habitat definition), making power, water and sanitation supplies impractical, undermining structures, causing overcrowding as households regroup in any viable sheltered space that remains – ultimately wiping out any tenure rights as the ocean takes over whole properties and residents need to relocate.

...At the appropriate scales

Still, local governments retain a major role towards the reinvigorated urban planning and design of cities. In the 1996 Istanbul Declaration, national governments explicitly recognized “local governments as our closest partners, and as essential in the implementation of the Habitat Agenda.” In the area of sustainable development, as environmental concerns started getting mainstreamed into the development agenda, the role of local governments was again deemed as crucial when it comes to identifying local sustainability priorities and implementing attendant long-term action plans. The Rio+20 (2012) conference called on local governments to take the lead in developing multi-stakeholder, long-term strategic plans that are tailored to specific citizen needs. As the notion of equality is more and more integrated into the development agenda, local conditions – history, geography, culture, local labour markets, local governance and institutions – play important roles in inequality reduction. UN-Habitat and CAF have demonstrated that not all the factors behind inequality originate at the national level, and not all responses to inequality should come from the national government either. Strong local authorities are therefore needed, with more collaborative governance mechanisms articulating the various tiers.

The New Urban Agenda must respond to the institutional conditions under which local governments can creatively and pragmatically make urban space more inclusive.
Chapter 4: The Widening Urban Divide

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areas and imposing on keeps urbanization unsustainable burden which destructive alleviates the which would much-needed corrective to modernist plans – where planners make rules for every small detail (right up to lighting intensity on a street) and attempt to integrate the various bits that make up a complex urban society into an integrated whole – have been called a “closed” system of planning. In this system, the urban plan was the context, and whatever lay “outside the plan” was indeed out of mind (Chapter 9). Such a system results in the “Brittle City,” where users have no flexibility to adapt urban form to their diverse needs and aspirations. This argues in favour of an “open” system of planning, where, for instance, the edges between individual neighbourhoods are designed to be ambiguous, and where urban form is purposely left incomplete so that it can evolve with changing times. These open cities are planned to bring together different people who vary by class, ethnicity, religion and sexual orientation into a dissonant urban space, and it is in this dissonance that people take ownership over their city.

With the right types of participation...

The Urban Management Programme (Ump) is a scheme jointly run by UN-Habitat, UNDP and the World Bank, which already in the late 1980s and early 1990s marked a shift away from “management” to “governance.” Ump purports to “supplement the largely technocratic processes used by urban managers in dealing with a range of urban issues, with a more inclusive approach of city consultations that promote participation and empowerment.” One of the main achievements of Ump took the form of decentralized networks of anchor institutions in various regions, institutionalizing processes through which constituencies and these public institutions engage in public deliberations on the future of the city, together with co-creation of new forms of knowledge and expertise. These institutional Legacies provided the foundation for the Cities Alliance’s programme, City Development Strategies (CDS), as the new form of long-term strategic, participatory planning for urban development.

Participation in urban planning is a much-needed corrective to modernist forms of planning that have been dominated by technocratic decision-making.
Istitutional recognition for what amounts to a stewardship function in the public interest. Ultimately, the phenomenon currently known as “urbanization” amounts, from a sheer physical, spatial perspective, to anarchic, unsustainable extension of non-environment-friendly settlements—both informal, non-planned, under-developed (slums) and developed (gated communities)—over expanses of non-urban land. This form of horizontal urbanization (sprawl, both formal and informal) is largely divisive (both spatially and socially), whereas sustainable, more vertical urbanization is inherently more inclusive in all respects. The current predicament comes as a challenge to (reinvented) planning, calling for higher urban densities, which would alleviate the destructive burden which unsustainable planning, vented) planning, is placing on peri-urban areas and beyond. But then, such novel planning is possible only (as suggested earlier) at the intersection of the physical and the civic spaces with a “city that plans” (Chapter 7).

Cities cannot sustainably augment or make space for all. As such, this calls for the construction of more vertical neighbourhoods, including a common civic sense, which can only be brought about by inclusive, participatory governance, treating sustainable residential densities as a public good (Chapter 9). Cities need to put in place a new monitoring framework to assess how their policies and plans are impacting on the life of their citizens. This framework can ensure the continued engagement of stakeholders in order to enhance the inclusiveness, legitimacy and accountability agenda, as proposed in Chapter 10).

In this respect, it is worth mentioning here that a few years ago Ecuador, host to the 2016 Habitat III conference, went one intriguing step further: the new Constitution formally recognizes natural environments as “political subjects,” with local people acting as official agents. This reverses humankind’s conventional relationship to nature, not just redistributing power and responsibilities to urban residents but also, just as importantly, ushering current and future generations into a newly found, global history of nature.

For all these reasons, the widespread destitution in cities and nations experienced by citizenry in cities and nations, must be curbed—as prescribed by the governments of this world under the Sustainable Development Goals, through “just sustainabilities,” and for the sake of prosperity as defined by UN-Habitat.