

**CITIES IN A GLOBALIZING WORLD:
GLOBAL REPORT ON HUMAN SETTLEMENTS 2001: HABITAT**
Earthscan Publications

Positive Globalisation

Helps to spread knowledge;
Spreads norms of democratic governance, environmental justice and human rights;
Spreads city to city best practice and experience;
Spreads possibility of peer learning amongst citizens and city managers.
Urban planning more participatory, less technical.
Observable wealth increases.

Polarisation and increase of poverty

11 July 2000 Payatas, Manila: collapse of rubbish dump at night kills 218 and 300 more lost under the garbage. Lost under the trash of the global city. Daily plight of poor. (at mercy of pollution, over-consumption, breakdown of infrastructure, lack of tenure rights, exclusion of poor from benefits of market, spatial segregation, health and water mismanagement – and above all, sheer poverty, whilst living within sight of flaunted affluence and power)

Because the Market has Limitations:

1. The incomes are too low for market forces to do their job of translating need into effective demand. Esp noticeable in housing – no country in world does market provide adequate housing for those unable to contribute.
2. Market externalises costs to people living elsewhere or in the future, so evidently does not care for long-term future or social integration.

Shift from management to entrepreneurialism

Competition necessary for market to flourish. Emphasis on marketing underpins the restructuring of cities so that they appeal to global investors.
Increases competition and fragmentation, with contrary effects on cities. But to compete effectively cities must act as a collective unit.
Fault-lines between and within cities. Internal fragmentation leads to social unrest and lack of ability to compete (teamless players wont win)

Therefore human rights rather than ability to pay:

Human rights; social justice and sustainable development. Requires a political response rather than a market answer.

Squalor amid Splendour

'the global dilemma of Squalor amid splendour is a creature of human agency, and ... it can be reversed by human agency.' Kofi Anan, Address to the World Bank Conference Toronto June 97

Decent housing, health, education, now related more to ability to pay.
1500m below \$1 per day, and in 2015 it will be 1900million.
Access to basic services crucial.

UN research: Decreasing income inequality can impact poverty as much as economic growth. Growth path for low inequality has greater effect on poverty reduction than adding 1 per cent to growth rate. (UN p23 from Maxwell and Hammer 1999)

Likewise:

Inequality is bad for growth!

Restricts constructive investment by poor, esp in human capital, more than they produce such opportunities for the rich.

Discourages effort by poor borrowers.

Creates credit cycles that amplify macroeconomic volatility.

Wealth concentration: More USA wealth concentrated among the top 1 per cent (who now hold 39% wealth) and top 20 per cent of households in 1995 than any time since the depression. Bottom 80% households have 16% wealth.

Richest 1% of US population own more personal wealth than bottom 95%.

Cities command the world – for good or bad

Because they compete on a world stage, whilst managing local concerns they are determining world issues! A borderless network of cities.

1. USA western seaboard, SE England, SE China coast have seized opportunities and invested most in infrastructure, environmental protection, housing markets, educational and health facilities and communication networks, but debatable if to benefit of rest of their own country
2. Different public policies produce different living conditions in countries with similar experiences of globalisation. i.e. globalisation is not a determining engine.

Metropolisation of the world economy

So cities should therefore be responsible for social cohesion, equity and conflict resolution *as well as facilitate and control market.*

1. See themselves as engines of growth and agents of change.
Cities exercise choice over contested claims of stakeholders.
Give high priority to social justice and environmental sustainability and everyone benefits.
2. Institute new forms of governance.
Globalisation has created new conditions of decision-making: independent, loosely linked actors and institutions with no shared authority. Co-ordination and vision required.
Reconstitute relationship between private and public sectors and civil society into broad-based cooperative partnerships for long-term capacity for development.
Poor as equal partners.
3. Governance close to the community situation, with good central-local relations. But devolution of decision-making without resources more dangerous than ever cos then no accountability.
4. Because cities are thus pivotal, they should be given legitimacy, resources and responsibilities.
5. Cooperative frameworks. NGOs that lack local roots do not have legitimacy, and communities that lack external ties are politically weak and parochial.
6. Habitat has provided lead on good practice dissemination.

7. Only governments have legitimacy to broker between stakeholders, despite the 'hollowing out of the state'.

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Chapter 4 Urban Governance

Nation State was centre of governance until recently, now only one among many centres. No longer able to solve at local level. So becomes more complex, with more players and movers. Chambers of Commerce no longer at appropriate level.

Decentralisation; Regional Governments.

Centralisation: European Union.

Fragmentation of power.

Civil Society looms larger.

Partnerships on UK.model.