

URBAN DIVIDE: THE RICH GET RICHER

Political leaders, public servants and the rich in three of the world's regions benefit most from urbanization, effectively denying millions of fellow citizens their full rights to the city, UN-HABITAT says in its report, **State of the World Cities 2010/2011: Bridging the Urban Divide**.

UN-HABITAT surveyed experts in 30 cities in Africa, Asia, Latin America and the Caribbean for their view of who gained most from the modern amenities of urban expansion.

The survey results show that 59% of Latin American respondents, 69% of Asian and 71% of Africans view urban reforms and changes as serving the interests of the rich. Similarly, politicians and public servants are viewed as the second major group benefiting most from urbanization, except in Africa where 77% of the respondents rated them as being the primary beneficiaries. Africans cite corruption as the main reason for this advantage.

The survey findings reflect the relatively more stable and accountable forms of democracy existing in Latin American as opposed to Asian and African cities. The findings also point to the extent that scarce money is dealt out to non-priority areas because of group interest pressure.

This demonstrates that the urban poor in general get only minimal access to the benefits of urbanization and related reforms.

Generally, planning and policies appear to favour the empowered, mainly the local and regional economic elite. In the developing world, this pattern is more often than not linked to historical and cultural hegemony, which adds to the intergenerational aspects of urban exclusion that lead to spatial partitioning and gentrification.

In addition to gentrification, a number of other large projects and events have created cityscapes that hardly benefit the poor. These have included large infrastructure projects (water, sanitation and roads), "city beautification", riverfront development, and facilities for major global sports and cultural events.

In the Mexican city of Guadalajara, recent research confirmed the findings of the UN-HABITAT survey. Because of relentless expansion of developments on the outskirts of the city, some 30% of this new housing stock remains unoccupied, even as in the inner city a similar percentage goes underused. This situation highlights the speculative patterns of investment at work, which are largely influenced by powerful interests.

WHO BENEFITS MOST FROM URBANIZATION IN 30 CITIES (PERCENTAGE OF RESPONDENTS AGREEING WITH EACH OPTION)*

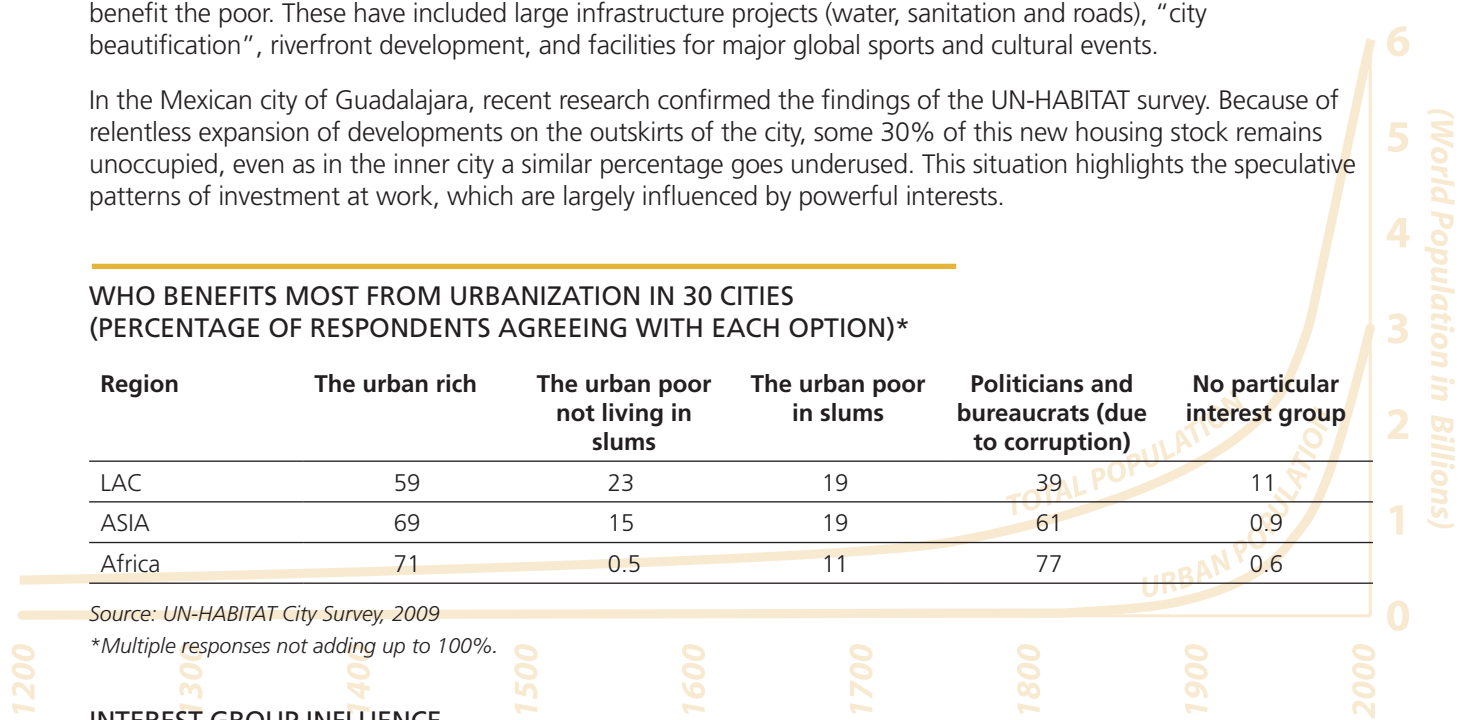
Region	The urban rich	The urban poor not living in slums	The urban poor in slums	Politicians and bureaucrats (due to corruption)	No particular interest group
LAC	59	23	19	39	11
ASIA	69	15	19	61	0.9
Africa	71	0.5	11	77	0.6

Source: UN-HABITAT City Survey, 2009

*Multiple responses not adding up to 100%.

INTEREST GROUP INFLUENCE

In all three regions in the UN-HABITAT survey, powerful political and interest group influences were found to interfere with inclusive urban policies designed to favour all residents. These influences frequently take the forms of:



- poor provision of public spaces and related services, and
- random conversion or grabbing of public or reserved land by the powerful. In India, for example, religious groups are erecting temples in public parks. In Bangladesh, private interests are building massive commercial properties along riverbanks; and in Nairobi, Kenya, developers and informal settlers are constantly claiming riparian lands. Such seizures of key public spaces often go unnoticed, or are even aided by municipal authorities. Similarly, rezoning land on the edge of expanding cities from rural to urban is typically associated with speculative investments by those better-off; it almost automatically leaves out the poor and underprivileged

Even where inclusive urban policies exist in the developing world, the disjuncture between policy aims and processes restricts some residents' right to the city.

Some cities lack the inclusive mechanisms and institutions needed to bridge the urban divide. These cities have failed to devise programmes or take action to reduce inequality and fill gaps in the provision of services. They also lack the means to anticipate some of the factors causing more inequalities, such as land scarcity and concentration of ownership by the very few; lack of redistributive policies; and ineffective housing markets.

According to the report, leaders in these cities have failed to display enough vision or political will to overcome the urban divide.

However, other cities are trying to apply more inclusive policies, but their efforts are usually hampered by:

- weak institutions, often with outdated mandates and responsibilities
- multiple agencies, operating together with overlapping functions
- lack of ample skilled staff and money
- poor functioning of fiscal and administrative systems
- lack of harmony between political and technical interests which results, for instance, in unethical planning or budget allocations to non-priority areas

The disjuncture between policy aims and processes in some cities is not only due to limited institutional and organizational capacities; it also has to do with rent-seeking groups that lobby for their vested interests to the loss of other residents.

THE ECONOMIC URBAN DIVIDE: COUNTRY GROUPINGS BY GINI COEFFICIENTS

(BASED ON INCOME, VARIOUS YEARS)

GROUP 1 Low inequality (less than 0.299)	GROUP 2 Relatively Low inequality (0.300 to 0.399)	GROUP 3 Relatively High inequality (0.400 to 0.449)	GROUP 4 High inequality (0.450 to 0.499)	GROUP 5 Very High inequality (0.500 to 0.599)	GROUP 6 Extremely High inequality (0.600 or more)
Belarus	China	Cameroon	Philippines	Argentina	Namibia
Romania	Poland	Uganda	El Salvador	Brazil	Zambia
Bulgaria	Lithuania	Côte d'Ivoire	Uruguay	Chile	South Africa
Armenia	Algeria	Viet Nam	Venezuela	Colombia	
Kyrgyz Republic	Georgia	Nepal	Panama	Dominican Republic	
Hungary	Tajikistan	Malaysia	Peru	Ecuador	
Albania		Moldova	Mexico	Guatemala	
Kosovo		Turkmenistan	Costa Rica	Nicaragua	
Serbia		Azerbaijan	Paraguay	Ethiopia	
Uzbekistan		Russia	Nicaragua	Kenya	
Kazakhstan			Bolivia	Nigeria	
			Honduras	Zimbabwe	
			Thailand*	Botswana	
				Sri Lanka	

*Based on the average of urban Gini coefficients at provincial level., Source: Statistical Annex in this Report.