

WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT

FOURTH MEETING
Sao Paulo, Brazil
25 October - 4 November 1985

WCED/85/26

To : All Members of the World Commission on
Environment and Development

From : Secretary General

Re : Discussion paper on Human Settlements,
Environment and Development

The Commission has agreed that Human Settlements is a subject of particular importance for its work. General papers have been commissioned on different aspects of the subject and drafts of three of these are being circulated as background reading for the discussion in Sao Paulo.*

In order to stimulate that discussion, the attached note lays out some of the key questions and proposals raised in the background papers. It is expected that the Commission's discussion of these papers will provide the direction needed for their completion by our consultants, and for the preparation of a draft chapter for the Commission's Final Report.

Action Required: Discussion and Direction

October 9, 1985

*Ian BURTON: Urbanization and Development
Jorge Enrique HARDOY and David SATTERTHWAITTE:
Shelter, Infrastructure and Services in Third World
Cities.
Ignacy SACHS: Human Settlements: Resource and
Environmental Management

HUMAN SETTLEMENTS: MEETING POINT FOR ENVIRONMENT AND DEVELOPMENT

1. An overriding theme in discussions on the issues of contemporary civilization is Human Settlements. The world economy manifests itself largely in them and through a network of cities that is international as well as regional and national in scope. The natural and social dimensions of human life interact in them and provide human beings with a certain quality of life. Development and environment are shaped increasingly by events in settlements.
2. The developing world is becoming a world of cities. By the year 2000 approximately half of humankind will be living in cities, many of them megacities. Present patterns and rates of urbanization in the Third World are almost uncontrollable and are certainly irreversible in the short and medium terms.
3. The urban poor will soon become the new majority. They represent an enormous resource for development, a resource that is currently underrated and underused. They are building the cities in the Third World. The so-called informal sector, made up for the most part of the urban poor, has clearly demonstrated in Latin America and elsewhere a great capacity for innovation and development, finding solutions beyond the reach of conventional wisdom. The basic problem is not a lack of new ideas, creativity, or innovation, but a need to improve institutional capacity in order to make the solutions provided by these enterprising people more effective.
4. The background papers prepared for the Commission raise a number of critical questions on which

direction is needed to prepare the draft chapter for the Commission's final report. These concern the several areas indicated below.

The Role of Cities in Development

5. Is current urbanization an animating and driving force of development or are cities growing to be predatory drags on development?
 - 5.1 A fundamental concern, and one on which the Commission needs to adopt a view, is the role of cities in development. Clearly, the efficient functioning of the urban network, and of each and every city in it, is important to economic growth and future global development. In most countries, economic growth and development within cities leads regional or national development and provides a driving force behind it. In other countries, cities or parts of cities, are characterized by unemployment, underemployment and underdevelopment. It is not possible to make sweeping generalizations on this matter, but it seems clear that the cities of the future could come to be associated simultaneously both with economic growth driving regional, national and international development and with violence and disorder, a sort of new urban barbarism.
 - 5.2 There is a strong correlation between the degree of urbanization in a nation or region and the level of per capita income. Cities are the places in which industrial, service and other economic, social and cultural activities are concentrated. They offer the economies of

agglomeration essential to a complex interlinked modern economic sector. While not all Third World cities have developed on the basis of industry, it seems clear that economic development tends to lag in those countries with low levels of urbanization and weak urban networks.

- 5.3 One of the problems facing local and national governments everywhere is the creation of income and wealth generating productive employment. Capital for the establishment of productive activities and necessary infrastructure systems (energy, transport, water supply, housing, etc.) is badly needed. But economic growth is being slowed by several factors, among them protectionist policies in the North and massive debt burdens in the South.

Megacities

6. Is it possible to influence the process of rapid growth of megacities in order to achieve a more even distribution of population spread over a hierarchy of urban settlements?
- 6.1 In analyzing the massive scale of urbanization in many of the countries in the Third World, an important feature stands out - the heavy concentration of population in a single large city (frequently the capital). The growth of megacities concentrating an important share of a country's population, and sprawling over large areas generating conurbations, is a

relatively recent trend, especially in the Third World. The process seems difficult to stop and would require draconian restrictions on individual movement beyond the reach or desire of most governments.

6.2 While large scale urbanization seems necessary and inevitable, the massive concentrations of population now developing are likely to be counterproductive. A more even distribution of population spread over a hierarchy of urban settlements would be much more efficient. This implies, however, new modes of policy analysis and policy implementation. It implies decisions to create and reinforce medium size urban centers, linked in a regional, national and international settlements network.

6.3 Although megacities have much in common with other cities, their rate of growth and their scale pose problems of governance and management that are qualitatively different.

The Urban Crisis

7. What are some of the primary sources of the urban crisis, and how could they be influenced to turn crisis into opportunity ?

7.1 The expression "urban crisis" is used to describe a series of mistakes - policy mistakes - made in the past, basically due to a set of inconsistencies between specific situations (natural, cultural, economic, etc.) and a prevalent development pattern.

- 7.2 The conventional wisdom on urban science and planning derives from experience with other types of cities which have evolved over a long period of time on the economic and cultural base of very old towns, as in the case of Europe. This knowledge has been applied to a reality which is quite different and the results are desirable neither economically nor socially nor are they sustainable.

The Rural-Urban Dimension

8. Can we still talk about an "urban bias" in development?

8.1 The so-called "urban bias" consists in draining resources and wealth from the rural areas and channelling them into the cities. As a result, while many of the poorest countries have increased considerably their output of wealth since 1945, the poor majority have grown no richer and have sometimes been thrust into even deeper poverty. In certain cases, the disparities within the city are greater than the disparities between the city and the rural areas: the few studies of health care services available to Third World city residents, for example, suggest that people in illegal settlements may be worse served than those in rural areas or small urban centers.

8.2 Still, the rural-agrarian sector has deteriorated as a source of work, income and production. Rural "refugees" continue to flood into the city, considering it the locus of the last hope. The stereotype that rural means

agriculture and urban means industry needs to be overcome. Opportunities to "urbanize and industrialize the rural" and "ruralize the urban" need to be found and actions taken to create more adequate and rewarding rural life styles, in order to reduce the pressure to migrate to the urban centres for survival.

- 8.3 The "urban crisis" should be approached by dealing with the entire settlements network. The concepts of economies of scale and economies of concentration should probably be reconsidered in the light of modern communication and production technologies.

Extra Domain Effects of Policies

9. To what extent is the "urban crisis" caused or aggravated by the inadvertent, and usually overlooked extra-domain effects of policies adopted in other sectors?
- 9.1 Practically all policy domains, whatever their target area, have some impact on human settlements. This is true regarding policies of national and local governments, intergovernmental organizations, regional banks and also the private sector organizations such as the transnational corporations.
- 9.2 There may be several ways and methods of tackling this problem and of ensuring that the effects of policies are analyzed and taken into account before they are adopted and applied.

Resources and Rethinking the Cities of the Future

10. How can the urban crisis be faced, and the rapidly evolving Third World city be "rethought" within the context of economic stagnation, debt crisis and the consequent decline in public spending which confronts so many governments?

10.1 Even during the years of rapid economic growth most large cities of the Third World did not begin to expand their infrastructure and basic services in pace with the increase in population. The problem now, in a period of crisis, is not different, it is simply worse: Third World cities confront a huge and rapidly growing backlog of unattended needs. The numbers of urban dwellers increase and the resources available per capita continue to shrink. This resource squeeze may become much worse unless bootstrap operations can be devised. These should be aimed at improving even marginally, but in the short run, the conditions of the growing urban majority.

10.2 Given the serious economic situation of many developing countries, which in servicing their debt have become net exporters of capital, how can they secure the resources needed to address their urban development and environment needs?

10.3 To this end, it seems necessary to "rethink" the Third World city. This "rethink" should begin by accepting the fact that the cities of today and tomorrow are being built by the poor majority who are already there or who will soon

be swarming into them. With or without "official" recognition, the cities of the future are being built from the bottom up. It is the poor themselves who organize and help construct most new "housing" units. It is the poor themselves who organise their own systems of governance and social order. Governments must move from a position of opposing or simply acquiescing in this phenomenon to becoming active supporters of the individuals and community groups who are in fact building the city of the future. Similarly, governments should move from determining what support and services poorer groups will or will not receive, to helping such groups to secure their needs as defined by them.

- 10.4 In this way, acknowledging the important informal sector of the economy and considering the potential in underutilized, misused and wasted human resources, it may be possible to build more self-reliant and economically and environmentally viable cities, even in periods of economic crisis. Environmental awareness can become a lever that may help in identifying peoples' needs and possible courses of action. Current discussion on environment is too concentrated on environment as a cost (that can be foregone or externalized) and not enough on environment as an economic opportunity. Environmental actions such as waste recycling or energy conservation create wealth and generate employment that pays for itself.

- 10.5 Moreover, it may be possible to find more traditional resources to support this process. Governments, for example, would be well advised to examine the costs of subsidies explicit or implicit in their policies and the beneficiaries of those subsidies. In most societies, the subsidy structure favors the richer income groups and inhabitants of large cities.
- 10.6 Development assistance is another source of traditional resources to support the process but, to that end, it would be useful to rethink the policies and priorities of development assistance vis a vis Third World cities.
- 10.7 In rethinking the Third World city, it is necessary to consider changes in traditional systems of governance to enable those systems that exist in presently "illegal" communities to be transformed into stronger and more representative local governments. In this context, the legal structure which regulates land use, building design and many others activities should be re-examined.
- 10.8 Given the technological innovations that are beginning to reshape employment and life styles, some rethinking of cities in developed countries is also necessary. In the near future, there may be a different concept of "work" and "employment" with significant implications for the economies of cities. New energy sources and technologies will influence urban and housing design, transport and other aspects of urban life. Moreover, whatever happens in cities in developed countries will

continue to have a strong influence on what happens in the rest of the world.

Shelter

11. How can housing policies be formulated to match the great diversity of needs and preferences among the poor and lower income groups in Third World cities ?

11.1 Government attitudes to housing problems in Third World cities have changed over the last 20-30 years, and consequently, so have their policy responses.

11.2 There seem to be certain crucial public interventions which form a coherent strategy for addressing the problem of poor housing and living conditions in Third World cities, including:

- a) Recognizing the legal right of those living in illegal settlements to be there, complemented by the public provision of basic infrastructure and services guided by their inhabitants' expressed priorities and with their collaboration in implementation;
- b) Reformulating building and planning codes so these do not demand unrealistically high standards which lower income groups cannot attain;
- c) Supporting the widespread production of cheap building materials and common components, fixtures and fittings;

- d) Releasing unutilized or underutilized land and other measures to ensure land sites for housing are available, which provide legal alternatives to squatter settlements; in this, care should be taken to ensure sufficient space for sport, recreation and children's play and good connection to the main centres of employment or income for lower income groups.

- e) Strengthening local/city governments to ensure steady improvements in the provision of infrastructure and basic services to new and existing residential areas.

- f) Recognizing that government support to community groups formed by lower income residents can provide the most coherent and effective way of improving existing "illegal settlements" and developing new low income settlements.

- g) Changing housing finance systems so these make available cheap loans to lower income groups and to community groups without unrealistic demands for collateral.

- h) Instituting pilot schemes and institutions to find the best approach to resolving complex tenure problems for long term tenants.

NOTE TO WCED/85/26

For 'Urbanization and Development' by Ian Burton, see WCED Collection, Volume 7, Paper no. 66

For 'Shelter, Infrastructure and Services in Third World Cities' by Jorge E. Hardoy and David Satterthwaite, see WCED Collection, Volume 7, Paper no. 68

For 'Human Settlements: Resource and Environmental Management' by Ignachy Sachs, see WCED Collection, Volume 7, Papers nos. 69 - 74