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Cities worldwide in crisis, radical shift needed in how they are run

Five years on from the United Nations's City Summit in Istanbul* the global urban crisis has accelerated and many cities are still unable to provide even basic services to all their citizens. There is growing poverty, ethnic and racial violence, crime, homelessness and environmental degradation in urban areas – all of which have far-reaching social and political implications. Today, around half the world's population live in or around cities. In the last 40 years urban populations have increased five-fold and over the next 30 years 90 per cent of population growth will be in urban areas.

As the special session of the UN assembly meets in New York on June 6 --8 to review progress since 1996, Panos is publishing a new report, *Governing Our Cities: will people power work?* assessing whether post-Istanbul urban strategies are succeeding. It concludes that although many nations are trying to take new approaches to the way they manage cities, they are doomed to fail unless governments work in tandem with other groups in society, and particularly the urban poor.

Urban poverty is growing at alarming levels in many developing countries. Today it is estimated that nearly one billion residents in the cities of the developing world are poor. If current trends continue, the next decade will witness a surge in urban poverty.

And the impact of globalisation is leading to a new trend of so-called "global cities". Bangalore in India, for example, is turning into an extension of Silicon Valley in the US and seeking to attract major foreign investment. This shift in outlook to global markets could accentuate the rich-poor divide within cities and directly threaten the needs and interests of the marginalised in society, says the report.

At the Habitat conference in 1996 UN member states committed themselves to a radical model of urban governance, responsive to the needs of the poor and marginalised within cities. This was a major shift from the previous approach, encouraged in particular by the World Bank, towards privatisation of services such as water as a solution to urban problems. Another way forward was identified as decentralisation of power to local and city authorities. And the conference report called for a radical interpretation of "partnership" – involving joint initiatives, joint ownership and joint benefits from development programmes and projects for a whole range of stakeholders.

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National reports from the 171 countries that adopted the Habitat Agenda in 1996 show significant progress has been made in taking these ideas forward. But the major constraint to implementation for developing countries has been resourcing. New models are needed for effective and efficient urban governance, says the Panos report, which cites specific examples from around the world and reviews successes and failures.

One key factor in whether or not they succeed is political commitment, it finds. A project in Porto Alegre in Brazil has introduced "participatory budgeting" where the city's 1.3 million residents have a say in how fiscal resources are spent. Fifteen to 20 per cent of the city budget is allocated through this system and the project has now been adopted in 50 other Brazilian cities. The results are impressive: home water supply rose from 78 per cent in 1990 to 99 per cent in 1999; garbage collection now reaches all homes; and the number of public school enrolments has more than doubled in the last 10 years.

"Some of the most refreshing and innovative approaches to running cities have been designed by the most marginalised in society – particularly women. But these examples need to be shared and replicated more widely, to ensure that the most basic needs of the poor in cities are finally met. "

Kitty Warnock, Director of the Panos Institute's Trade and Environment programme

As the special session convenes, says the report, governments need to ask themselves if they are willing to put theory into practice and put poor people at the centre of policy-making.

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Notes to editors

* The Second United Nations Conference on Human Settlements (Habitat II) was held in June 1996 in Istanbul. It was attended by 171 UN member states.

Printed copies of *Governing Our Cities: will people power work?* can be ordered from the Panos Institute or downloaded from www.panos.org.uk as a pdf file.

The Panos Institute exists to stimulate public debate on global change and development. It has 11 offices around the world.

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