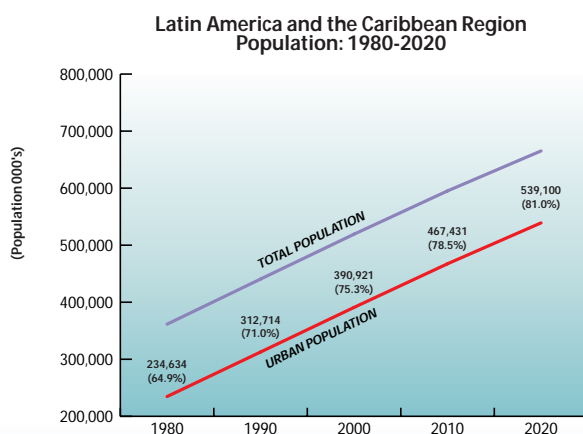


Latin America and the Caribbean is the most urbanized region in the developing world. In 1930, Latin America had just over 100 million inhabitants. Now, its population stands at 519 million. With 75 percent, or 391 million, of its people living in cities, it has an urban/rural ratio similar to that of the highly industrialized countries. The proportion of urban population is particularly high in Argentina (89.8%), the Bahamas (88.5%), Uruguay (91.3%) and Venezuela (86.9%). Moreover, urban agglomerations of Buenos Aires, São Paulo, Rio de Janeiro, Mexico City and Lima are already among the 30 largest in the world. The urban population in the Latin America and Caribbean region will approach 539 million, or 81 percent of its projected total population of 665 million, by 2020. On average, municipalities capture about US\$87 per capita in revenue per year.



Source: UN, World Urbanization Prospects, 1999

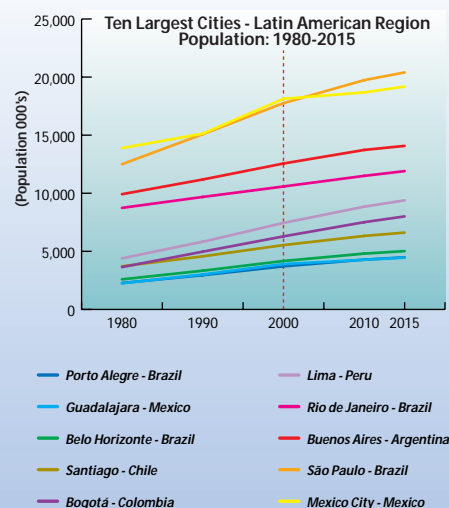
Urbanization patterns in the region, with Brazil being a notable exception, typically involve a single very large city per country. For example, the Lima metropolitan area has over 7.4 million inhabitants - almost 30 percent of Peru's total population. The second largest city, Arequipa, has fewer than 700,000 inhabitants.

In recent years, a more broadened urban hierarchy has developed in the region with a host of fast growing intermediate cities because of the penetration of global economy to new levels and the increasingly specialized functions that smaller cities are performing. The region now has 51 cities with more than

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one million inhabitants - 14 of these are in Brazil alone. The growth of these intermediate cities has a dampening effect on the number of mega-cities. Nonetheless, secondary cities have not necessarily gained enough political power or improved government services despite their growth. They still tend to lack the economic diversity, urban services, and the cultural life that the region's primate cities offer.

Despite general economic growth, deep inequalities persist in most countries of the region. Much poverty is concentrated in the urban areas, and a massive 40 percent of the population of Mexico City and a third of São Paulo's population is at or below the poverty line. These poor urban dwellers mostly live in substandard housing within informal settlements and with limited or no access to basic services. Many of the region's urban residents have to deal with a host of societal shortfalls: insecurity of tenure; inadequate access to affordable transportation; environmental degradation; high levels of violence; and increasing social and spatial segregation. Poverty is often the result of social position, depending on economic class, age, ethnicity or gender. As the number of poor people in the region rose from 44 to 220 million between 1970 and 2000, so did the number of women in poverty. More than one-third of the poorest households are headed by women.



Source: UN, World Urbanization Prospects, 1999