

INTRODUCTION

The *Global Report on Human Settlements 2001* chronicles human settlement conditions and trends since the second United Nations Conference on Human Settlements (Habitat II) convened in Istanbul in June 1996, emphasizing both progress made in the past five years and the issues that continue to confront a changing world. In addressing these issues, the structure of the report follows the two main strategic themes of the Habitat Agenda adopted by Habitat II: adequate shelter for all and sustainable human settlements development in an urbanizing world.¹

The previous edition of the *Global Report on Human Settlements*, written prior to the Habitat II conference, contributed to worldwide understanding of the human settlements issues that became the focus of the Habitat Agenda. The 1996 report, entitled *An Urbanizing World*, characterized cities around the world as places of opportunity and presented a view of cities as engines of growth.

Today, the trend of urbanization continues, although intertwined with globalization. Like urbanization, globalization brings opportunities as well as problems, and its impacts are increasingly being observed worldwide, most clearly in the cities. The challenge is to develop solutions to problems associated with globalization, while at the same time strengthening its positive aspects. Human settlements can play a significant role in this process by fostering good governance and effective partnerships.

Cities in a Globalizing World acknowledges the positive consequences of globalization: facilitated diffusion of knowledge; facilitated spread of norms of democratic governance, environmental justice and human rights; increased city-to-city exchanges of knowledge, experiences, best practices and lessons learned; and increased awareness in both citizens and city managers of the potentials of peer-to-peer learning. The report also draws attention to many urgent and unresolved problems.

In Africa, only one-third of all urban households is connected to potable water. In Latin America, urban poverty stands at 30 per cent. In Asia Pacific, a mere 38 per cent of urban households are connected to a sewerage system. In Europe, processes of social exclusion marginalize many low-income and minority households, while urban crime and the decline of peripheral housing estates undermine the social cohesion of many communities. In North America, problems of residential segregation, discrimination in housing markets and affordability persist, particularly in the larger cities, despite recent economic growth. Worldwide, hundreds of millions of people live under conditions of abject poverty or experience highly unequal access to resources.

Studies presented in this report indicate that, while some population groups have improved their housing conditions, a disproportionate share of the world population has seen its situation deteriorate further. In many countries, real incomes have fallen, the costs of living have gone up and the number of poor households has grown, particularly in urban areas. Sixty countries have become steadily poorer since 1980. Many studies portray increasing economic disparities between nations, cities, neighbourhoods and households, revealing strong increases in polarization and growing global inequality.

The growing demand for public services in many countries is increasingly being met by local authorities and, in some cases, by the private sector, as these entities take on responsibility for functions previously ascribed to national governments. Furthermore, as civil society becomes more organized, effective and politically active, municipal institutions are becoming more democratic and adopting more participatory local structures.

Local political coalitions, together with representative groups from civil society, are attempting to shape their cities and towns in ways that help to maximize the opportunities as well as to minimize the social and economic disadvantages associated with globalization. Whether this involves campaigns against crime or plans to improve the local environment in order to attract tourists, or whether it involves strategies to reduce local taxes or develop more comprehensive educational or health systems, municipal officials and their partners are increasingly responsive to the potential benefits of competitive strategies.

As a result, and as pointed out in this report, many cities have experienced a shift in the policies of urban government from managerialism to entrepreneurialism. This entrepreneurial attitude views the city as a product that needs to be marketed. The emphasis on marketing underpins the restructuring of cities so that they appeal to global investors. By the same token, cities that do not always have the resources to attract outside interest and investment may find themselves even more bereft and impoverished. Local capacity building is essential to reducing the risk of global polarization. In this

connection, it is encouraging that international cooperation in the form of city-to-city exchanges is rapidly growing in popularity. Public-private partnerships are also increasingly being broadened to include civil society groups and there is increasing evidence of the potential of community-based networks based on direct people-to-people interactions. The challenge at national and international levels is to create an enabling legal framework in which the various forms of community-to-community cooperation can be intensified and strengthened.

Considering the trends that are reshaping the world's urban structures, the report places emphasis on 'metropolization of the world economy'. It describes the archipelagic spatial structure of emerging global urban networks. Megacities, comprising urban cores and associated hinterlands, are theoretically able to address all kinds of technical problems, including urban service provision and environmental management. However, they are facing difficult governance challenges, owing to obsolete municipal political structures and inhabitants who are more and more concerned with only their immediate individual and local neighbourhood interests than with their common future as citizens of the same city.

Urban planners are inescapably caught up in this dynamic of the new urban political economy. Urban planning today is less codified and technical, and more innovative and entrepreneurial. It is also more participatory and concerned with projects rather than whole urban systems. Planning expertise is increasingly sought not only by states, but also by the corporate sector and civil society which seek to forge agreements through negotiation and mediation among contesting parties. Urban planning is no longer the prerogative of national and local governments, who previously claimed to possess privileged knowledge about the 'public interest'. As pointed out in the report, what is controversial is not urban planning per se, but how to reconcile its multiple goals of efficiency, equity and liveability.

Globalization not only increases competition but also fragmentation, with contradictory effects on cities. To compete effectively, cities must act as a collective unit. However, their growing social, political, economic and physical polarization hampers their capacity to build coalitions, mobilize resources and develop good governance structures. Given that metropolitan areas are the chief arenas for global competition, it is necessary to strengthen them by giving them greater authority and autonomy. However, the enabling and regulatory role of governments must be broader than just facilitating the functioning of markets. It must also include responsibility for social cohesion, equity and conflict resolution.

This report reflects the significance of human settlements for sustainable social and economic development in a globalizing world and focuses on key strategies to promote and facilitate the implementation of the Habitat Agenda, the main policy document and plan of action signed by 171 member states at Habitat II.



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Note
