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SUSTAINABLE URBANIZATION

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**UNITED NATIONS
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ECLAC - INPUT TO THE INTEGRATION SEGMENT ON SUSTAINABLE URBANIZATION

Urbanization and sustainable development in Latin America and the Caribbean

There are many reasons sustainable urban development can be used as an effective tool for sustainable development in Latin America and the Caribbean:

First, Latin America and the Caribbean is a region characterized by **high levels of urbanization and persistent urban growth**. According to the UN Population Division, Latin America and the Caribbean is the developing region with the highest percentage of urban population 80%, and on a global level it sits just behind Northern America (83%). Furthermore, as urbanization rates in the region are expected to remain relatively high, this figure is projected to grow to 85% by 2030. The higher the level of urbanization, the greater the impact of urban policies, Therefore, urban development will in great part determine sustainable development in Latin America and the Caribbean.

Second, as a developing region, Latin America and the Caribbean has yet to harness the full potential of the urbanization process as a tool for sustainable development given **the importance of urban economies** in the macroeconomic context of countries and in the region as a whole. This is especially the case of Latin America and the Caribbean, where the economic output of major cities can surpass that of some countries. Also, on a global scale, contribution of emerging cities in Latin America to global GDP growth is 6%, which puts the on third place behind the United States and Canada (10%), and the China region (28%).

Third, the economic growth that most countries in Latin America and the Caribbean experienced in the past decades has allowed several socioeconomic groups to overcome extreme poverty and has even let some segments of the population to consolidate as middle-income groups. This increase in income has been accompanied by new opportunities for consumption. This is partly reflected in the fact that the percentage of urban residents in Latin America and the Caribbean live in slums without access to basic services, such as housing, clean water and sanitation has decreased from 33% in 1990 to 23% in 2010. Even though the percentage of people living in slums is decreasing, the total numbers are still rising due to population growth. In terms of the access to goods and services the region went **from a quantitative gap to a qualitative one**. This is certainly good news for the region, but it should also be noted that the way in which these new opportunities for consumption are met will largely determine the possibilities of sustainable development for the region.

Policy recommendations for sustainable urbanization in Latin America and the Caribbean

Policy choices for an integrated and strategic approach to sustainable urban development should include the following three criteria:

- Urban economic sustainability, by harnessing the potential of urban economies;
- Urban social sustainability, by improving access and quality of public goods and services; and
- Urban environmental sustainability, by focusing on production, distribution and consumption patterns.

The specific policy recommendations for each criterion are:

1. Harness the potential of urban economies.

- Implement smart urbanization through “city-smart” public policies that maximize the benefits of urban processes such as the creation of internal, scale and agglomeration economies that improve the quality of growth and maximize net growth;
- Promote changes in the invisible structure of the economy through the implementation of effective fiscal policy;
- Promote changes in the visible structure of the economy through urban planning and design;
- Promote the establishment of urban clusters in different areas according to their spatial specialization and by setting up master plans supported by demand-driven projects;
- Strengthen the role of knowledge and innovation as drivers of economic growth.

2. Improve access and quality of public goods and services in cities.

- Rethink the city as a redistribution mechanism that promotes social cohesion and equality and urban space as a macro-scale public good;
- Strengthen the role of the State in urban planning;
- Guarantee universal access to quality goods and services;
- Produce a radical overhaul of public goods and services;
- Steer urbanization in a socially inclusive way in which organized communities can fully and responsibly participate in the decision-making process and take part in the urban debate.

3. Focus on urban production, distribution and consumption (PDC) patterns.

- Promote clean production, low-carbon distribution, and conscious consumption of urban goods and services;
- Support initiatives that help meet both consumption expectations and sustainability goals;
- Promote resource efficiency, climate resilience and urban environmental services;
- Foster integrated investment strategies as a urban planning tool in order to set cities on a path towards developing into green economies;
- Invest in urban infrastructure that can improve PRC patterns and make them more sustainable.